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Knowledge Management As A Reform Mechanism In Public Sector Administration

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CHAPTER 1
Introduction

The South African Constitution has set a 'high and demanding' (Public Service Commission Report, 2002) standard for the public service administration. To achieve these standards, the government has undergone considerable transformation to restructure the public sector and is continuing on a path of administrative reform within the public service. Nonetheless, senior managers are seemingly perpetuating a bureaucratic culture within their organisations where rules and regulations remain more important than outputs and service delivery (Adair and Albertyn, 2002).

South Africa's new democratic government inherited a public administration system in 1994 with a myriad and multiple ministries and departments, provincial and national, Bantustan and homeland governments. Its organisational culture, conservative and bureaucratic was inwardly focused, defensive and shuttered. While the developed world from the 1970s was incorporating managerialist practices in the form of New Public Management into their administrations, the apartheid regime perfected its particular brand of racist bureaucratic organisational practice. Over time, the regime crafted a public service model that was characterised by control, domination and discrimination (Bardill, 2000) designed to effect total control based on an ideology of racial and ethnic division and skewed, discriminatory delivery. The strongly procedural processes that characterised this bureaucracy locked civil servants into codes of practice informed by norms and values of the political ideology of the ruling power. As a result, dense hierarchies were activated and sustained by cascading flows of power and a deeply embedded bureaucratic culture established itself in the organisational psyche of South Africa's public servants.

In 1995, the White Paper on the Transformation of the Public Service (WPTPS) was produced to expressly engage with this embedded culture. It stated that government was to transform into a 'coherent, representative, competent and democratic instrument for implementing government policies (to meet) the

needs of all South Africans' (WPTPS,1995). To this end, it advocated a decentralisation of managerial power to make managers responsible for running their own departments. As a transformative policy document, the WPTPS was clear to differentiate administrative transformation and administrative reform. Transformation, it said, was a process with an anticipated timescale that was designed to democratise and rationalise public administration at all levels, whereas administrative reform would be an ongoing process, running concurrently with transformation and thereafter an ongoing organisational activity. As a long-term activity, therefore, administrative reform was to gradually see dismantled, traditional methods of bureaucratic control in favour of a more manager-driven public service.

To kick-start reform, government looked beyond the borders of South Africa for best practices. Themes using international New Public Management (NPM) benchmarks were identified by the White Paper as the new direction for public service administration. NPM principally advocated a move away from centralised planning to a devolved managerial-based approach, the overall reduction of the size of the state, the introduction of fiscal austerity, a strong focus on efficiency, quality and cost-effectiveness, combined with a customer-driven public service (Polidano, 2000).

Using NPM as a framework or superstructural approach, the public service has attempted to loosen the existing bureaucratic model of management since 1994 by introducing managerial, professional and developmental human resource management models into its various spheres of public service (PSC, 2002). Their application has been made possible by legislation 'amplifying the powers conferred on executing authorities' (Adair and Albertyn, 2000), which has allowed managers (since 1999[1]) to exert greater authority over the human resource aspects of their departments and administrations and their organisational development, independent of central control. Despite decentralisation and the devolution of powers to managers, studies (Adair and Albertyn, 2000) and internal research (PSC, 2002) reveal that executing

[1]Public Service Regulations, 1999

managers themselves do not readily delegate the powers accorded them, which has perpetuated a culture of vertical control and hierarchical decision-making.

Despite considerable strides in the area of administrative reform, therefore, obstacles (reflected by the PSC Review, 2002) remain that frustrate public administration. The PSC's managerialist[2] approach to administrative reform notwithstanding, managers find themselves insufficiently empowered to get on with the business of managing all aspects of their administration. This would suggest that there are brakes being applied to reform initiatives, underwritten by a well-entrenched 'bureaucratic internal coalition' (Mintzberg 1983). This internal coalition is the product of a traditional power configuration, characterised by a routine-driven system of authority and bureaucratic control, comprising the standardisation of work processes and outputs (Mintzberg,1983) and the suppression of innovative work processes (Claver, Llopis, Gasco, Molina and Conca, 1999). To break up and weaken the coalition, reform must necessarily involve the incorporation of some fundamental structural and organisational shifts that evolve public service culture from its existing conservative bureaucratic state to a predominantly professional and ultimately post-bureaucratic state (Hecksher, Reisenstat and Rice, 1994).[3] With the call today for policy-driven management supported by efficient, effective and quality programmes that focus on outputs and outcomes by means of diffused responsibility and devolved authority, it becomes imperative that public service culture must evolve and that organisational frameworks should be re-evaluated. For reform outcomes as set out by the PSC to be realised, there are thus some fundamental human resource and conceptual demands at the door of South Africa's public service administration.

[2] Dixon, Kouzmin and Korac-Kabadse (1998) describe managerialism as the pursuit of a results-oriented form of government administration based on streamlined processes of decision-making for the purposes of creating greater autonomy and individual responsibility.

[3] The vision of a post-bureaucratic state being a stable work environment driven by experts working in a structured series of operating cores across the public service. In its role as reformist overseer therefore, the PSC articulates the challenge that is thrown up – that being how to build the post-bureaucratic state tailor made to serve a nation whose diverse set of needs are embodied in a multiple-stratified population that cannot be provided with a one-size-fits-all machine-like public service (Strategy Unit, UK Government, 2003).

This research has been undertaken to discover how these demands might be met through the medium of a structured KM approach to reform. The research found that this particular management discipline has had little formal official recognition in the public sector, but that it nonetheless is being incorporated by certain managers in their workplaces. Taking this as a starting point, the report proposes to investigate how KM principles can be introduced as an effective reform mechanism across the public service to address the needs set out by the WPTPS to strengthen the processes that can better support a policy-driven management framework in government.

The following chapter discusses the concept of knowledge and its implications in and for organisation in the knowledge era. It addresses debates in literature that focus discussion on the centrality of knowledge and the emphasis placed on its management broadly (across society) and more narrowly (within organisation). In this way, a conceptual framework is built up to support an argument for knowledge management as a viable reform mechanism in public service organisation.

CHAPTER 2
Literature Review

The purpose of this chapter is to review literature that helps to explain the importance of knowledge in a rapidly evolving social orthodoxy. It initially explores the concept of knowledge and innovation over time and discusses the predominance of the bureaucratic paradigm as a response to intense industrial development from the late 18th century onwards. It then looks at literature to help provide a chronological perspective as a framework of understanding for the application of managerialism in public sector organisation and the increasing focus on KM as a core managerial practice in organisation. The final section of the chapter covers a broad selection of literature that helps unpack the concept of KM and how it can be located within a public administrative setting.

Over the past decades, society has moved out of the 'totalising' (Reed, 1993:164) era of the modern age where organisational structures were underpinned by a rules-based bureaucratic grand narrative, championed by instrumental rationality (Riggs, 1994, Reed, 1993) and standardisation of tasks. As a result of this shift, modernist organisational orthodoxy has been increasingly scrutinised. Its structural frameworks, characterised by hierarchies and clearly defined linear authority flows no longer provide the context for efficient organisation. Systems approaches and scientific methods congruous with scientific thinking, although not completely invalidated, are understood to form part of the solution (Berquist, 1993) as they get absorbed into the emergent network society (Castells, 2000; Allee, 1999).

2.1 Networks: An evolution

Social networks have existed through time and have dictated processes of production, experience, power and culture. Previously, these networks were localised in the sense that they had boundaries, which although permeable, were nonetheless distinct (Castells, 2000). The critical overlay of technology on society with its ability to move information instantaneously across continents to all

corners of the earth, has resulted in an emerging, overarching global network of interconnectedness, subsuming and neutralising localised networks. The 'flows of power', enablers of traditional social networks have thus been taken over by the 'power of flows' (Castells, 2000:500) enabled by increasingly sophisticated technological innovations. As a result, the organisation, a man-made instrument of rationality, created both to produce 'explicit goals with different parts that can be modified so as to increase efficiency' (Smith, 1988:139) and to impose structure on working relationships (Myers, 1996), no longer determines its place and its space in a network. Instead, networks are increasingly dictating the morphology of organisation.

In developing democracies, the implications derived from this interconnectedness, or globalising perspective are far-reaching for the development of effective and efficient public management or the reinvention of government (Heeks, 1999). As an important and centrally positioned constituent within the global network, governments are compelled to undertake administrative reform that are located within the discourse of the knowledge economy (Melody, 2002)[4], the new global economic discourse that has taken over from the industrial economy of the 20th century. Today, free-flowing information and a focus on knowledge-creation and knowledge-sharing enabled by information technology is a central focus in the organisational setting. The conceptual framework of the knowledge era organisation, where knowledge as opposed to authority is the principal driver, turns senior managers into information or knowledge nodes, linking external and internal environments (*an* authority as opposed to *in* authority (Smith,1988)). Managers become key stakeholders in the knowledge environment, their responsibility to shift workplace attitudes away from mechanistic linear thinking where knowledge is regarded as a scarce commodity, to dynamic, interconnected, network-thinking where knowledge is freely shared and mutually constructed (McGrath and King, 2003).

[4]Melody (2002) asserts that in a knowledge economy, there is an expectation that people are the central resource because knowledge is an essentially human product. He explains that the intrinsic difference of the industrial economy and the knowledge economy is the form of capital that drive each, physical in the former and human in the latter.

2.2 The evolution of organisational innovation in context

Europe in the 19th century provided important mechanical innovations that led to the world changing from a home industry to a structured industry-based culture characterised by division of labour, task differentiation and standardisation. This meant that social structuring or the organisating of society took on a radically different face as the modern world came into being. 'Not only did this involve the mapping of types of persons on to types of jobs, it also entailed the supervision and control of their discretion once they were in place' (Clegg, 1990:15). New concepts such as management and in particular, scientific management, became necessary in order to promote efficiency and control of production. In its day, scientific management, championed by FW Taylor and Henri Fayol, was a major organisational innovation that revolutionised production in that it developed 'scientific principles of work and management' (Ngoma-Maema, 2002). Concurrently, Max Weber was studying authority structures (Cole, 1996) within the context of his thesis on the rationalisation of society (Bekke, Perry and Toonen, 1996). His concern was to understand how authority operated in the form of 'concrete, identifiable actions of particular people, carrying out specific roles' (Arora, 1992). He identified a societal phenomenon (Bekke *et al*, 1996) which he called bureaucracy. Bureaucracy, according to Weber, was an inevitable reality because of its 'purely technical superiority over any other forms of organisation' (Clegg, 1990:28). His thesis has been generally regarded as a seminal intellectual effort to understand and analyse what he felt was an abrupt end of pre-modernity and the beginning of modernity (Grieves, 2000). Weber's bureaucracy and Taylor's scientific management became two of modernism's pillars, underpinned by the notions of rationality, order and control. In an organisational setting, this meant rules and regulations, hierarchy and inflexible linear management to gain 'the highest degree of efficiency' (Brown and Waterhouse, 2003:231).

The public sector naturally worked within these scientific principles (hierarchy and standardisation) 'that would assist in attaining organisational efficiency' (Denhardt, 1994:52). The result was that public sector administrations were

highly structured and formalised, incorporating all the theories of scientific managerialism based on 'laws, rules and principles' (Denhardt, 1994:52).

During the course of the 20th century, there developed a growing scrutiny of knowledge and power with a focus on the impossibilty of absolutism and the grand (meta) narrative driven by philosophers such as Foucault, Derrida and Lyotard. The orthodox modernist view (Clegg, 1990) of society was under the microscope and the structuring of society around the 'integrative and regulative mechanism provided by rational bureaucracy' (Clegg, 1990:164) was being deeply questioned. It was at this time that debates over the dynamics and direction of societal change began to stress more and more the 'innate capriciousness and uncertainty of organisational life in all its multifarious forms' (Hassard and Parker, 1993:164). Reed (Hassard *et al*, 1993) refers to the theoretical and structural discontinuity that was becoming prevalent in organisational discourse, something that he identified as no less than a fundamental transformation, a 'paradigm shift that breaks with the past and its accumulated intellectual heritage' (Hassard *et al*, 1993:163). And as modernity began to give way to what Clegg (Hassard *et al*, 1993) refers to as the shock of the new – the breaking down of the 'orthodox modernist consensus' (Hassard *et al*,1993), so public organisation, an embodiment of the Weberian model, found itself in a societal paradigm akin to a square peg in a round hole.

2.3 Management and the public sector, post-modernity

The public sector faces significant challenges in the post-modern world of global information networks. Its formerly unquestioned role in society (that of being the provider of a wide variety of social and economic objectives (Ott, Hyde and Shafritz, 1990)) began to erode from the 1960 as governments were attacked on a number of fronts: Too large, overpaid, over secretive, poor performers, antiquated systems, inefficient and nepotistic (Bekke *et al*,1996). Its bureaucratic frameworks were regarded with increasing suspicion – a 'mindless beast that devours taxes and spews forth impertinent regulations' (Ott *et al*, 1990:12). Doubt set in as to whether governments were simply becoming rent seekers and

predators (Evans and Rauch, 2000) whose intervention in society was to be minimised at all costs.

These changes in attitude marking the end of the public's unquestioning faith in government and its civil services, was set against a backdrop of global economic crisis beginning in the 1970s as a result of two major Opec oil price increases, the first in 1974 and the second in 1979. The world went into recession as the growth rates of industrialised nations' plummeted (Todaro, 1990). These events were followed by a continuous stream of social and political upheavals worldwide, the most important of which was the collapse of the Eastern Bloc in 1990. In sum, the new global conditions presaged the unfolding of a very different social landscape where the future was no longer infused with certainty and where absolutes were stripped bare. A post-modern globalised social framework was emerging, defined by sociologists among whom was Giddens (McGrath *et al*, 2003) who articulated it as 'a new infrastructural and technological architecture' (McGrath and King, 2003) – an architecture that was to become the enabler for instantaneous flows of information and capital within the wider global network. With globalisation gathering pace, the development of information technology to support the expanding networks was rapidly becoming a defining characteristic of the post-modern era.

The global economic crisis of the 1970s and 1980s meant that cutbacks in government spending globally were obligatory, but the demand for services did not abate (Bekke *et al*, 1996). The global crisis was reflected on two fronts: in the stagnation of development in former colonial nations and the subsequent imposition of economic structural adjustment by the Bretton Woods institution; and in the developed world, in the growing dissatisfaction with government. Peters quoted in Ingraham said it all: 'The comfortable world of government and public policy of the 1960s and the 1970s has been transformed into a much more anxious and treacherous place' (Bekke *et al*, 1996:250).

The new ideology that emerged in this time was driven by neo-classical thinking whose neo-liberal policies dominated the political, economic and social

landscapes. Its champions, Ronald Reagan and Margarate Thatcher, were publicly declaring that government was not the solution, but the problem, and accused their respective civil services of lacking political direction and accountability (Bekke, et al,1996). The prism through which neo-liberals were viewing public administration produced a leaner, decentralised, devolved, privatised picture of public administration. The era of the New Public Manager was under way. The theory that supported New Public Management (NPM) was that what was needed to improve government efficiency was an economic palliative. Dixon, Kouzmin and Korac-Kakabase (1998) explain that this was prescribed for public administration in the belief that efficiency in public agency could be directly linked to managerial ability, authority and accountability, if managerialist private sector practices were adopted.

NPM as described by Monteiro (2002) is result- or output-oriented customer-driven and efficiency-focused. Its prescribes the institutionalisation of performance-based accountability, competitive mechanisms (contracting out and the setting up of internal markets) in public management (Polidano, 2000), strategic planning, re-engineering, customer service, quality assurance, risk management, in essence, the managerial meta-myth (Dixon *et al*, 1998). Polidano (2000) argues that although there is some debate over the extent of application of this managerialist paradigm globally, there is nonetheless evidence that beyond the chief NPM converts (New Zealand, Canada, United Kingdom, the USA and Australia) whether reluctantly (through the World Bank and the structural adjustment programmes of the IMF) or willingly (home-grown economic adjustment such as the growth, employment and redistribution economic policy (GEAR) in the case of South Africa), NPM and its particular managerial lexicon have been for some time found to be featuring prominently in the vocabulary of civil service reform worldwide.

2.4 New Public Management in the developing world

The pendulum swung widely in the 1990s and NPM was not proving itself to be the super solution to the 'ills' of public administration. Its principles nevertheless remain embedded within the public sector managerial superstructure. Contrary to the belief that private sector management principles and practices (a managerialist approach) would be the panacea for the 'inadequate performance' of public administration (Dixon *et a*l,1998), there is a body of opinion that frames the challenge in a somewhat different perspective.

Monteiro (2002) is one of those who believes that what is needed is not less state, but better state (Monteiro, 2002). He is supported by a host of economists and academics, Leftwich, Sen, de Soto and Stiglitz (Monteiro, 2002) who advocate that the state should be central to development by reorienting itself so as to fill the chasm into which developing countries have been falling. This chasm in Africa has consistently grown over the past 17 years as the total financial debt of the continent to First World private banks, the IMF and the World Bank has risen 350 percent. In effect, 30 percent of new aid money directed towards building stronger state infrastructure is diverted to service debt repayments. Cash-strapped governments find themselves paying back creditors up to four times more than they spend on critical areas of development, education and health (Bond, 2002). This vignette that reflects the African political economy of our times provides a stark backdrop to the Washington-based financial institutions' attempts to impose NPM on developing governments and provides grist to Monteiro's assertions. The consistent underperformance of public administrations in Africa (despite adherence to New Public Managerialist strategy) are strong indications that although NPM might play a part in developing public sector reform, it should not be a central player. NPM should be seen as a contributing factor to a much wider reform strategy that takes into consideration the dichotomous (political responsibility versus bureaucratic development (Arora, 1990)) and complex (institutional diversity and diverse delivery market) nature of government. Monteiro agues that because of this dichotomy, reflected in the exclusive functions of government, (army,

security services, social services) and non-exclusive (those falling in the category of service organisation) functions, there is room for a variance of organisational practice encompassing both bureaucracy (serving the exclusive functions) and managerialist-based approaches (the non-exclusive functions). This, in effect, is how he feels reorientation may be conceptualised.

To find this reorientation, however, the developmental state faces some brisk challenges. According to Monteiro, these would include:

- keeping state activity firmly within the bounds of administrative possibility;
- working out a flexible framework of service delivery for the equitable provision of services to all citizens;
- unambiguously decentralising management and outsourcing non-exclusive activities as autonomous entities within administrations;
- dismantling (or delayering) bureaucracy and democratising (which will include decentralisation, accountability and participation);
- developing human capital by training and meritocracy;
- creating a clear separation between political, career, administrative and technical appointments;
- establishing an elite body of civil service senior executives and
- turning training into an institution builder as opposed to a capacity builder.

Monteiro is proposing a new framework for public administration and its management for the 21st century. His thesis is that the public service must find an *African* solution that recognises that bureaucracy and certain features of NPM can be complementary in African organisation. He is leaning towards a process of reform that will take the best from the managerialist models to craft a flexible new hybrid government administration. For example, the establishment of NPM as a managerial reality into public administration introduces a new type of public servant into government service, the short-term contract manager, a different kind of worker to the traditional government employee, the career administrator or 'controller of the system' (Grieves, 2000:354). These new contract managers who are hired to deliver specified outputs could be understood to be the defining interface between the traditional bureaucratic system of government and an

evolving hybrid approach marking the beginnings of what could become a post-bureaucratic administrative culture.

Although Monteiro does not refer specifically to a post bureaucratic culture, his vision of developing a uniquely African solution to the continent's administrative problems clearly supports this possibility. But for this vision to take shape, public service organisation will not simply be able to lean on the new public manager. Hybrid approaches require integrative change processes, new ways in which to take the discourse beyond hierarchy and structural functionalism, but which concurrently take into consideration the contextual and cultural framework (Brown et al, 2003) that exists in the public sector. The course of this integrative process, Arora (1990) asserts, will involve learning innovative and appropriate administrative practices involving generative learning, experimentation and adaption that permeate to all levels within an existing bureaucratic framework that, he says, in the absence of any other framework for public administration, is here to stay (Arora 1990). Strong focus therefore should be on the reorientation of bureaucracy (or the delayering of bureaucracy within public administration) and this is where Arora feels administrative reformers should turn their attention, rather than plotting its demise. Grafting and shaping the organisational process for this reason should happen not only at the macro level of government controlled by the core, but also at the micro level driven by the periphery. Brown *et al* (2003) argue that hybridity is able to take the best of both bureaucracy and 'more egalitarian styles of management through the development of a relational culture…' (Brown *et al*, 2003:239) which has the outcome of optimising the delivery of outcomes for all stakeholders..

2.5 Knowledge: a key resource

NPM as an organisational discourse, it could be argued, resembles a canoe without a paddle or a boat without a sail. Imposed on to public administration as a 'solution' in isolation, it has limited power or propulsion to drive reformist strategies. For the development of reformist strategies, public service architects should be incorporating a key propelling element, knowledge development and

management into its managerial discourse. It is this element to which the chapter now turns.

Knowledge development and management have arisen out of the technological revolution that has fuelled dramatic societal changes. The revolution is pervasive, echoing in all domains of human activity, what Castells (2000) would call the thread in the fabric of activity, a revolution oriented around process and flows. The use and application of knowledge is not a new phenomenon. As Spiegler (2000) points out, the constant intellectual interaction with the concept of knowledge, is as old as the history of human thought. Castells cites the first and the second industrial revolutions of the 19th century as examples of technological revolutions driven by the application and development of pre-existing knowledge. The current technological revolution that the world is experiencing however, as Castells points out, is unique in its application of knowledge and information in that it works in a cumulative, feedback loop between innovation and the uses of innovation. He describes it as the diffusion of technology, endlessly amplifying its power as it is appropriated and redefined by its users.

2.6 Information technology (IT) and organisational reform

Information technology therefore has been recognised (McGrath and King, 2003; Heeks,1999; Castells, 2000) as a core factor defining the shape and direction of a new social discourse, which has applied the concept of knowledge as a key economic, political and social driver. Within the organisational setting, IT likewise becomes a key factor in agency discourse, a practical means for all productive ends, as described by Castells (2000), so that organisation might adapt itself to fast-changing external environments. IT becomes too the means with which to drive Arora's (1990) integrative reform process and ultimately, Monteiro's (2002) uniquely African solution to create efficient public administration. Heeks (2002) would go so far as to suggest that in government organisation, IT could become the key to reinvention and reform, the means by which public organisation becomes increasingly efficient, decentralised, increasing its accountability, improving its resource management and marketing itself to its citizens (Heeks, 2001).

The technological revolution, however, highlights various aspects of traditional systems of administration in the public service. It brings into sharp relief the adherence of the sector to a paper-based administrative culture. It also brings to the surface the uncomfortable fact that governments and their administrations are data rich, but knowledge poor, providing a direct bearing on their decision-making (Wainright, 1997). Key to the adoption of knowledge management as a management practice in organisation, is to establish at the outset the difference between data and knowledge. Data is about capturing what is already existing in the organisation – codifying, synthesising, recording and storing on database — for the use of all within the organisation. Data relies heavily on new technologies and their ability to make it available as information from ubiquitous documents or extracted from the heads of some for the benefit of others (McGrath et al, 2003). It is to a large extent a passive activity that centres around collecting, collating and making information available for use by whoever wishes to use it within the organisation.

This form of data or information management has become a particular focus of administrative reform for public service managers. Heeks (1999) has found that managers often sit in what they perceive to be a technological 'comfort zone', camp followers of the school of thought that technology and reform are synonymous. They make up three of his 'four-i's' (Heeks, 2001:26) technology universe, those whose strategy is to ignore (let others do it), isolate (resolutely keep technology separate from 'people' processes) or *idolise* (use technology as a means to dictate best practice). Their respective approaches in each case are narrowly focused on the information technician and technology as a means by which to cope with infinitely more complex external, globalised environments.

Heeks however has developed a fourth 'i ', integrate which, he says, covers the category of senior public sector official who has undergone a shift, evolving beyond the narrowly focused ignore, isolate and idolise stage. Such managers, Heeks says are information literate. They are able to relegate technology to a secondary role, an enabler of an ongoing 'reflexive' (Spiegler, 2000:11) process of organisational learning, or the 'pipeline and storage system for knowledge exchange' (Soliman et al, 2000). By integrating or merging technology as part of

a broader approach to reform whose emphasis lies in the leveraging of tacit knowledge, organisation moves closer to becoming knowledge-rich. It is in this organisational environment that the focus falls on experiential learning, where managers work towards building a store of new knowledge instead of disseminating what is already existing and codified. McGrath and King (2003) cite Polanyi (writing in the 1960s) and Lave and Wenger (writing in the early 1990s), who researched and wrote respectively about tacit knowledge and communities of learning (or practice) and whose studies have helped management theorists develop this particular field of management study beyond an information/technological approach (characteristic of the 1980s and early 1990s). In so doing they have incorporated it into what they would describe as an overall social framework to managing organisation in the knowledge economy. IT thus becomes an integrated component of the reform process focused on knowledge sharing (tacit and explicit) within the organisational unit .

The progression or paradigm shift from *ignore, idolise and isolate* to *integrate* where technological approaches are seen as useful, but not central, will have important implications for managers who will find themselves progressively shifting away from mechanistic, linear (Allee, 1999) managerial ways of thinking. Integrating technology into a wider organisational reform framework will provide space for an environment that supports network-thinking and that 'facilitates the flow of knowledge' (Allee,1997:125) throughout the organisation. Allee would argue that within this environment, knowledge can be converted to value (a by-product when utility and scarcity are joined (Boisot, 2003)) through relationship capital (breaking the bonds of hierarchy), human capital (building a knowledge sharing environment) and structural capital (creatively reconceptualising organisation)[5].

[5]Allee is gearing her writing towards the private sector. However the application of her work on the public sector and its organisational environments provides a starting point from which to proceed.

2.7 The knowledge organisation and organisational reform

Knowledge flows, network thinking, generative learning are concepts that have been written about, debated and tested over the past four decades. Castells' trilogy, *The Rise of the Network Society*, first published in 2000, rather than revealing something new, seems to encapsulate and distil the radical changes that global society has experienced. Management theory and thinking from the 1960s was alert to changing paradigms reflected in the writings of theorists and practitioners such as Peter Drucker, Henry Mintzberg, Peter Senge, Rosabeth Moss Kanter and Argyris and Schon. These practitioners were clearly forerunners, contemplating if not necessarily identifying the knowledge economy and its effects on organisation and management. Drucker generally regarded as the founding father of the modern organisation and organisational thinking, in 1969 was already beginning to document the critical importance of knowledge for economic success. His ideas were distilled, debated and taken up through the seventies and into the eighties and they helped inform and give substance to new thinking in an era when fundamental changes were taking place with the economic locus shifting from one mode of organisation (industrial) to another (knowledge) (McGrath *et al*, 2003). In his books, *The New Realities* (1989) and *Managing in a time of great change* (1997), Drucker reinforces and develops the theme of organisation in the knowledge economy and the profound changes that it would be undertaking. In the latter publication, he crystallises one of the key factors of the modern-day knowledge economy – the boundarilessness of knowledge – noting how this runs counter to public service organisational culture with its adherence to delineated areas of knowledge control. His depiction of knowledge as the means of production and organisation as its tool becomes a conceptual threshold for the post-bureaucratic organisation. With this conceptualisation, Drucker prepares the ground for organisation in the era of networks and knowledge flows. Individuals, he says, must all be responsible decision-makers working within a responsibility-based environment led by leaders who are there to inspire and not command.

Peter Senge's contribution to current thinking on knowledge management has its origins in the work of Polanyi's *TheTacit Dimension*, 1966. Senge's mission was to discover how to link this form of knowledge – consisting of 'hands-on skills, special know-how, heuristics, intuitions' (Choo, 1995) – successfully and effectively within organisation to bring about experiential learning in a social context. This raised the issue of organisational culture and together with the shift in perspective to knowledge sharing over technological understanding, researchers Argyris and Schon (1978) began to analyse what it was that created barriers in organisation to learning – the emerging currency of organisational transformation in the knowledge age. The barriers were generally seen to be located in organisational structuring and in the culture of organisation, bringing about the prevention of learning and the discouraging of information sharing. In the early 1990s, it was felt that the learning organisation would provide the vehicle that could break through these barriers and it was Peter Senge who brought this idea into the public domain and who became its primary advocate (McGrath and King, 2003).

Senge's central concept was that organisation should function as a learning environment, framed within a context of systems thinking where all members of an organisation think and act as part of a whole or a System, as opposed to thinking within the narrow boundaries of their activity. Approaching organisational activity completely differently, systems thinking challenges the individual at a very deep level, forcing managers to accept that the underlying structure of their organisation must be fundamentally changed to effect learning and making workers take responsibility by moving them out of their narrow boundaries and into cross-functional teams or learning units. Senge speaks of the necessity of crossing functional lines or silos in a systems environment and places much emphasis on the function of managers who, he says, have to learn to 'see' the underlying structures that produce particular patterns and behaviour. The rationale underscoring his work was what he described as the existence and growth of overwhelming complexity, which he said could not be dealt with by applying complex and detailed solutions from the top. This would explain the relevance of patterns, interrelationships and feedback, all of which Senge felt took

the individual beyond the 'event' and the 'detail' and into the whole, the 'dynamic complexity'[6] (Senge, 1990:72), which, in his view, was the core activity of systems thinking.

On an abstract level, Senge described the reality of systems thinking as circular as opposed to linear, involving feedback to manage complexity. Coming to terms with this mode of thinking, he said, would be akin to learning a new language made up of circles. With this new language established, generative and adaptive learning can take place. Generative learning Senge believed was about *creating*, and adaptive learning, about *coping* (1990). Senge's work is particularly relevant because it provides an intersection (McGrath *et al*, 2003) between the knowledge firm (that which concentrates on technological understanding) and the learning organisation and his book, *The Fifth Discipline* (1990), is a particularly important foundation stone in this regard.

As far back as 1979, management analyst Rosabeth Moss Kanter was looking at organisational structure and writing about what she termed power failure in management circuits, a paper that she re-published in 1990 as part of a review of organisation theory. Her analysis of the power structures in organisation becomes particularly pertinent to the contemporary public service administration environment in that it lays bare the symptoms and sources of the powerless condition that all too often is found to be the dominant factor in the public service. Kanter's analysis describes how bureaucratic systems that, she says, are generally designed to minimise individual intelligence and maximise routine decision-making, find themselves awash with powerless first-line supervisors, professionals and top executives – all three, she says, lacking 'lines of supply, information and support' (Moss Kanter, 1990:247). They slow down the system, obstruct progress and are resistant to change. On the other hand, those that are imbued with power, connected to lines of supply, information and support, create a productive organisational system with powerful executives allowing the existence of independently functioning lieutenants and the general loosening of

[6]'Dynamic complexity exists when there is subtlety of cause and effect and when it is difficult to assess the impact of any specific intervention' (Berquist, 1993:187).

control of the vertical hierarchy. Kanter's point therefore is that for leadership to have far-reaching influence, followers need to feel powerful and be able to accomplish objectives on their own. Writing in 1979 at the outset of the knowledge revolution, she recognised that not enough was known about new organisational forms to be categorical about the infinite possibilities of expanded power in organisation, but she was clear on her point that *sharing* power is clearly different to giving (transferring) or throwing it away.

Kanter's insights into organisation have resonance with the growth of understanding of the knowledge firm/learning organisation and of the modern day knowledge worker. Her idea of the expansion of power, loosening the bonds of hierarchy can be seen as a precursor to Lave and Wenger's (1991) (McGrath *et al*, 2003, Allee, 2000) work on communities of practice. Kanter recognises that opening up organisation creates knowledge flows that take the individual out of his or her bounded working environment and into what Allee (1997) referred to later as network thinking.

The following section takes the discussion of the knowledge organisation further by looking at the different perspectives that have emerged over the past decade.

2.8 Knowledge management: a framework

In the past few decades, the early thinking by Polyani and Drucker and the more recent studies of Senge, Kanter and Mintzberg, has opened up a wealth of research and thinking into the conscious practice of knowledge management as a conceptual framework for the evolution of organisational practice in the knowledge economy. In the early nineties, there was scant reference to the concept as an identified managerial practice, yet in the past eight years, some 250 books have been written on the subject (KM-debate discussion document, 2003) directed predominantly at a private sector readership. There are many aspects that are discussed and explored from strictly technological approaches to the practice of knowledge management (Sveiby, 2001; Liebowitz, 1998) to a people-centred approach (Choo 1995; Van der Velden, 2002; Soliman and Spooner, 2000).

The focus of this research is to explore the latter, recognising that knowledge is a human resource and not a cost (Allee, 1999; Grieves, 2000) and an intellectual asset, providing core value to organisation. As a result, finding the means with which to tap into this resource in order for new stores of knowledge to be created, must, by deduction, become a core organisational activity. A people-centred approach towards building and reforming organisation would be what Van der Velden (2002) would call a *knower-centred* approach, lying at the opposite end of a continuum from a *knowledge-centred* (technology-driven) approach. It is her view that the knower-centred approach therefore works within a framework of situated (agency-based) knowledge. The management of this situated knowledge (which Van der Velden (2002) describes as contextualised knowledge) in public service management at a micro level, could provide the key to developing new organisational practice. One public sector manager likened the managing of situated knowledge in organisation to a musical score with people being the notes, relating to one another as parts of the whole and the corporate culture emerging through the spaces in between the notes (Bahra, 2001).

Despite the volumes of work and writings on knowledge management in the private sector, there is very little research that focuses exclusively on the public sector. Heeks has been documented in this review as someone who has focused on information-age public sector reform, but his work is particularly oriented towards information technology, information systems and information architectures as a key to government reinvention (Heeks, 2001). His approach therefore has been to look at reform from a predominantly knowledge-centred perspective. As important as this perspective might be in the era of the knowledge economy, this makes up only a portion of the whole. Organisations are made up of human beings who are, in effect, their dominant resource. As such, information-age public sector reform must equally be researched from a knower-centred perspective. As much as government is about *how* to structure its considerable store of data and information in order to produce better and more efficient systems, it is also about being a crucible of vast stores of embedded knowledge. This knowledge is arguably its most priceless asset, and one that

cannot be disregarded in an organisational reform process. The link between *knowledge* and *knower* and the role that both should play in public service reform is an area to which more attention should be paid. Suffice it to say here that this important relationship within organisational units in public service administration might well depend on where management places itself along the *knowledge-knower* continuum with the success or failure of the positioning, hanging upon management's depth of understanding and acceptance of a broad knowledge management approach to managing and its 'commitment to organisational vision rather than compliance to rules and pre-specified best practices' (Malhotra, 2000).

2.9 Locating the role of knowledge management in public sector reform

This review has thus far advocated the need for knowledge management in public administration. To develop the advocacy further and for knowledge management to take root as a key reform practice for the public service, it needs a more defined context. The argument has been made that the public sector cannot remain impervious to the social, environmental and economic changes that are taking place globally. This does not mean that the political leadership of the country will naturally metamorphose into dedicated knowledge managers. What is needed for leadership is that it commits itself to a shared vision of government in the informational age and for a broad context of transformation to be articulated and developed. Setting out a broad context would have implications for all areas of government objectives – policy and service delivery goals, organisational reform of work processes, the development of specific information activities (government to citizen) and the practical use of internet to achieve better government (Field, Muller and Lau, 2003). The integration of knowledge management practices, (managing knowledge assets within the organisation to build better government or as Monteiro puts it, to build a better state) in this broad framework of transformation thus falls within the ambit of organisational reform. Knowledge management as a change mechanism can therefore be associated with the reform of work processes to support and

underpin the overall vision of transformation of government in line with the demands placed on it by a fluid and demanding external environment.

The significance of laying out a broad context of transformation in the informational age is that it absorbs and provides new meaning and direction to administrative reform. As this literature review has established, from the 1970s, reform became synonymous with new public managerialist principles based on a 'substantial theoretical framework...used to justify a set of public sector reforms' (Heeks, 2001:11). These principles were given form by new public managers and exerted to a greater or lesser degree in government, a reformist influence on certain aspects of government administration. Their private sector bias as described previously by Grieves (2000) was an attempt to delayer rigid bureaucratic practice by devolving power down the hierarchy. The field of battle, however, on which new public managers were deployed was bureaucratic and their task was seemingly to work within the bureaucratic paradigm.

Rising wave-like over the public sector in the meantime has been the prospect of e-government and its indisputable logic as government's future operational architecture. Its increasingly loud knocking on the door of transformation is no longer being ignored and steps are being taken to develop e-government policy with a second e-government policy draft produced in 2001. E-government is being recognised by the Department of Public Service and Administration as a key 'driver to maximise service benefits to citizens' (e-Government Policy, 2001:1.1). This would be brought about through the development of a citizen-centric environment, the realisation in the long term of fiscal savings, the improvement of efficiency through the undertaking of mass processing of formerly paper-based tasks, and the effective redeployment of employees into positions congruous with a changing and evolving administration (Field *et al*, 2003).

E-government, a way of using 'information and communication technologies' (Field *et al*, 2003) as a conceptual framework for transformation is still globally on the drawing board. There is, therefore, considerable debate as to how to

implement and institutionalise it within existing administrative structures[7]. In 2003, a team of researchers representing the Organisation for Economic Co-operation and Development (OECD) published a report, *The E-Government Imperative* and its main thesis has been to dispel the notion that e-government is about the provision of online services. In the report, the researchers work from the premise that e-government is as much about updating *front office delivery*, as it is about reforming *back office practice* (Field *et al*, 2003). 'How government can embed good governance principles into solutions that exploit 21st century information and communications technologies (ICTs) to achieve public policy goals within a context of changing social, economic and political circumstances' (Field *et al*, 2003:3). This approach to e-government is echoed in a document *Roadmap for e-Government in the Developing World* published in 2002 by the Pacific Council On International Policy (PCIP). The roadmap suggests that in order to build a deeper understanding about what building an e-Government architecture and ethos is about, is to replace the letter 'e' with 'i' for 'intelligent' or 'information'. Studies and theory around intelligent organisation (Pinchot and Pinchot, 1993; LaPalombara, 2003; Choo, 1995) have a niche in management theory within a conceptual framework of the Learning organisation. Theorists assert that for organisations to become more intelligent, ways must be found to harness the intelligence of all its members to support the purpose and goals of the organisation (Myers, 1996:49). Seen through this lens, both the OECD researchers and the document written by the PCIP are clearly placing much emphasis on a reform of structure and process to underpin a developing e-government strategy so as to underline the need for a whole-of-government transformation approach - an approach that helps government prepare for the changes that the electronic process is bringing and that will profoundly challenge existing ways of working (Field *et al*, 2003). And as much as the technological architecture will enable e-government, the human factor will determine its success or failure. Establishing e-readiness at the level of the human factor is seen as a key area of development that will require a series of paradigm shifts by senior management, shifts in organisational processes, design and strategy and shifts in organisation's approach to technology (Malhotra, 2000).

[7]The implementation of e-government will be approached very differently, depending on the economic strength or weakness of a particular country and its level of technological advancement.

2.10 Reforming back office practices

It is in the 'back office' that these shifts will take place, say Field *et al* (2003). They describe the back office as the 'internal operations of an organisation that support core processes and that are not accessible or visible to the general public' (Field, *et al*, 2003:87). Their assertion is that the implementation of e-government has to take place synonymously with back office reforms and they list them as organisational change, leadership, central co-ordination, collaboration, ensuring skills, public-private partnerships, managing risk and cost, and monitoring and evaluation. They argue that for public administrations to prepare themselves for, and make the most of e-government, collaborative frameworks between organisations must be created where incentives are offered for wide-scale information sharing and co-operation. These frameworks, they assert, will play a key role in engendering new organisational practices with information and data sharing contributing to the devolution of decision-making. E-readiness also means 'harmonising working processes' (Field *et al*, 2003:89). In order to prepare the ground for transversal government projects where a number of different agencies are involved, they suggest that the practice of knowledge sharing at all levels should be led by people whom they describe as agency experts – individuals who possess the requisite cognitive skills to lead the process, pioneers to craft and develop the knowledge organisation.

The question of leadership Field *et al* (2003) state is key to the process of reforming back office processes and procedures. Preparation for e-government means 'creating local leaders' such as team and project leaders who have the power to make decisions and who as a result disrupt entrenched hierarchies through their ability to co-ordinate people at lower administrative levels. New leaders should be developed to manage these new organisational structures that have the ability to commit to the outcomes even though this might mean the disruption of internal balance and redistribution of power. These managers should not be tied to procedures and rules, but instead should be committed to organisational vision (Malhotra, 2000) which clearly involves changing the organisational paradigm of public administration.

In conclusion of the discussion on back office reform, Field *et al* contend that e-government can be used as an 'effective reform leverage' (2003:95), but only if it is backed up by 'a strong political leadership to support its introduction and development' (Field *et al*, 2003:95). The role of political leadership will be to determine the shape and direction of the process of implementing e-government. In the back office, administrative lieutenants will support the transformation by steering organisational reform towards building administrative capability in the first instance to create e-readiness. They will also be required to sustain the 'e-government ways of working (supported by) structured knowledge management strategies' (Field *et al*, 2003:154). As a result, knowledge management becomes part of an integrated strategy of whole-of-public sector transformation.

2.11 Addressing the management of knowledge in public service administration

There appears to be a gap in public administrative research focusing on knowledge management strategy and practice not only in South Africa, but also globally. This could be attributed to a variety of factors, some of which might be the relative 'newness' of the concept of e-government as an enabler to build better government and therefore a lack of context, rendering it insignificant to date. It could be that knowledge management has been the distinct preserve of private sector thinking driven by the principles of profit and survival, principles not at all congruous with public service administration. Or perhaps it is because the thinking behind managing knowledge assets does not find fertile ground in administrative bureaucracies that prefer to stick to idolising technology as the change enabler. Antal, Dierkes, Child and Nonaka (2003) support the assertion that the concept of organisational learning in public sector organisation has been thin. They write of work carried out by Cyert and March in the early sixties and added to in the late seventies by Argyris and Schon, but note that 'this original work was essentially forgotten in the intervening period' (Antal *et al*, 2003:928). The intervening period they say, saw research carried out in the private sector and that it is only recently that non-private institutions are beginning to fall within the scope of organisational development practitioners.

It is time, therefore, for this gap to be addressed and work undertaken to broaden and develop the argument for knowledge management as a dominant reformist approach for public administration. It is important that organisational development practitioners research and craft public sector-specific practices that knowingly challenge existing administrative frameworks to meet the requirements of building e-government consciousness into the public service. If the authority to undertake this fundamental shift lies with the political leadership and their mandarins in public administration as has been stated by Field *et al*, there is argument for its conception and implementation to be the preserve of the middle managers (as local leaders) under the guidance of the human resource managers (Soliman and Spooner, 2000; Nguyen Huy, 2001) who are well placed to 'ensure the success of knowledge management programmes, which are directed at capturing, using and re-using employee's knowledge' (Soliman *et al*, 2000: 337). In effect, it could be argued that middle managers and human resource managers are the future knowledge leaders (Allee, 2000) of public administration.

2.12 The role of the middle manager in implementing knowledge leadership

In his paper, *In Praise of Middle Managers* in the Harvard Business Review (2001), Quy Nguyen Huy provides some insights into why middle managers are particularly important in the change process in organisation. Although he is writing from a private sector perspective, his insights are nonetheless worth examining for public administration. He places middle managers two levels below the chief executive officer (Director-General) and one level above the line managers and professionals. Their contribution towards organisational change, he says, falls in the main into four categories:

- they provide value-adding entrepreneurial ideas;
- they are well placed to leverage the informal networks that interlace organisation and therefore are able to build support ;
- they are constantly attuned to employee's moods and needs and
- they manage the tension between continuity and change.

As 'entrepreneurs', Nguyen Huy says their value lies in the fact that they are

close enough to day-to-day operations involving the external environment and the 'frontline employees' (Nguyen Huy, 2001:73) and far enough away to see the bigger picture. With respect to inculcating a knowledge management strategy in the public service, having this facility is crucial in the evolution of growing knowledge communities. Their entrepreneurial spirit, Nguyen Huy asserts, is also part due to their diversity, because with this diversity comes important insights that provide fertile ground for the production of creative ideas. By involving middle managers centrally in change processes, in effect positioning them as the instruments of change, is a mechanism with which to delayer bureaucracy within an organisational unit. As senior hierarchy consults with middle managers on 'strategy and operations' (Nguyen Huy, 2001:76) at an early stage in the process, they break through the bureaucratic formulation of top-down 'command and execute' (Nguyen Huy, 2001:76). By trusting middle managers with the task of driving the process, they keep out the consultant, asserts Nguyen Huy, (who in a public setting, may well engage private sector perspectives and would be answerable to the senior echelons only) and instead trust the managers to initiate change processes from within. With their positioning in the organisation working in their favour, Nguyen Huy believes that they are well able to work out 'how to hold on to core values and capabilities while simultaneously changing how work gets done...shifting the organisation in new strategic directions' (Nguyen Huy, 2001:79). As a start, selecting middle managers with the most *effective* informal networks means that their credibility within the organisation will lead the initiative. Their ability to translate the social discourse of change as set out by leadership into a 'customised change message' (Nguyen Huy, 2001:77) that is accessible to the rank and file is a further asset that can break down resistance.

This report therefore focuses partly on the role of middle management in public administration. It will look at how within a knowledge management framework they might work towards reversing an embedded autocratic control system of public service organisation (breaking away from standardised procedures) by changing mindsets and work culture (KM-debate) and by instituting 'communities' (Van der Velden, 2002:5) or 'sites of learning' (McGrath *et al*, 2003:3) where individuals learn how to manage themselves in working

environments based on confidence and trust (KM-debate) and developing knowledge value chains that Malhotra (1998) would describe as 'human actors engaging in an active process of sense making to continuously assess the effectiveness of best practice' (Malhotra,1998:2). These two concepts, communities of learning and knowledge value chains, are central to the practical application of knowledge management in the workplace and need to be further explored.

2.13 The role of knowledge value chains: creating intelligent organisations

Drawing on the work of Michael Brackett (1999) and Chun Wei Choo (1995), a basic understanding of the knowledge value chain will start with the three 'primary resources' (Brackett, 1999:1) of organisation: capital, human resource and data resource or 'three classes of knowledge (Choo, 1995), tacit knowledge, rule-based knowledge and background knowledge. Brackett describes the data resource and what he refers to as information engineering as the primary technology resource that is in place to support the human resource in an intelligent learning organisation. Choo would describe the data resource as rules-based knowledge ('used in the design of routines, standard operating procedures, and the structure of data records' (Choo, 1995: 2)) The human resource, Brackett asserts, is a collective of the knowledge environment (both the individual and the organisation as a whole) and its 'business intelligence' (the application of experience and assumptions based on collective and individual wisdom) (Brackett, 1999:2). This human resource, Brackett states, possesses the business intelligence, the intelligence and the wisdom with which to support business strategies. Information (data in context (Brackett, 1999)) therefore becomes the link between data and the human resource. Choo depicts the human resource as a collective of background and tacit knowledge and describes the link that Brackett speaks of as the thread that 'weaves through' the three knowledge classes to stitch together the cognitive fabric of the organisation.

With this basic framework of organisational dynamic providing a background, a value chain of knowledge can be understood to be a 'process of creating,

institutionalising and distributing information between people....it is an integrated approach to identifying, sharing and evaluating an organisation's information' (Brackett, 1999:2). The better quality the data or information and the more intelligent[8] the organisation, the more efficient and effective will be the knowledge value chain. From Choo's perspective, organisation becomes intelligent once it masters a 'fourth class of knowledge – a higher order, or meta knowledge' (Choo, 1995: 2). Meta knowledge Choo asserts, 'creates, integrates and invigorates all its intellectual resources (all the different kinds of knowledge existing in the organisation) to achieve superior levels of performance' (Choo, 1995: 2).

The core of value chain management is to be found in the quality of relationships that exists across organisation (Senge, 1990). Central to achieving and sustaining quality relationships are the following: trust, values, principles and ethics (Senge, 1990). Trust encompasses the emergence of team work where the locus of organisational responsibility is diffused and not hierarchical, where decisions are supported by non-'disparate' (Brackett, 1999) integrated technology. With this form of trust, values emerge that support the value chain, namely, the role of organisational knowledge in the management hierarchy of responsibility (Bahra, 2001), the practice of information and knowledge sharing, 'openness and seeking help' (Soliman and Spooner, 1999), the removal of the practice of punishing and penalising and the encouraging of risk taking. Principles that underpin value chains would be the discipline of the collective based on group intelligence and not on group think (Senge, 1990) and the practice of collaborative learning. Principles would also encompass clear, simple, common objectives that translate into particular actions and that would incorporate feedback where results and expectations would always be compared (Drucker, 1989). This promotes generative learning. The ethic that infuses value chain management is firstly that it is part of an evolutionary and not a revolutionary process (Bahra, 2001) and that within this evolution, the ethic of work is shared

[8]An intelligent organisation can be defined as one that is able to mobilise different forms of knowledge in a working environment that emphasises learning and understanding as two of its guiding principles. Intelligent organisations are always in a state of preparedness to deal with new and trying situations, to have the facility to apply knowledge and to think laterally (Brackett 1999; Choo, 1995).

by each individual who must 'constantly be thinking through what information he or she needs to do the job and to make a contribution' (Drucker, 1989).

2.14 Communities of practice

If knowledge and learning have become the new strategic imperative (Allee, 2000) of organisations, communities of practice (CoP) becomes a primary knowledge resource (Allee, 2000) on which people in organisation can rely. Carpio Tam (2003) goes so far as to say that CoP are a way for public administrations to 'leverage its existing knowledge and learn more effective ways of accessing new knowledge in order to meet challenges and provide public service excellence' (Carpio Tam, 2003:1). Dierkes *et al* (2001) refer to CoP as a central category of organisational learning together with networks and organisational culture.

What are communities of practice? Wenger and Snyder (2000), who undertaken much study and developed a theoretical foundation from which to understand the dynamics of practice communities, say the following: '...people in communities of practice share their experiences and knowledge in free-flowing, creative ways that foster new approaches to problems' (Wenger *et al*, 2000:140). Seely Brown in Allee (2000) refers to CoP as 'peers in the execution of real work. What holds them together is a common sense of purpose and a real need to know what one another knows' (Allee, 2000:4).

In order to develop a fuller understanding of the value of CoP, this informal relational (Burt, 2000) practice must be distinguished separately from work groups, teams and knowledge networks. Verna Allee in her paper, *Knowledge Networks and Communities of Practice*, says that work groups and teams, normally based around projects and tasks are generally assigned by a senior member of an organisation and their goals and objectives are often predetermined by management. In contrast, she says, CoP, defined by knowledge, have objectives and goals that are negotiated among members who are 'self-seeking', meaning that they are voluntary (Carpio Tam, 2003). Drawing on the work of Wenger

and Snyder, Allee explains that people in CoP will organise around a 'domain of knowledge (Allee, 2000:4) where they have a sense of joint enterprise. Identifying with a shared domain, a common programme 'emerges from shared understanding of their situation' (Allee, 2000:4). Working as a community involving a process of mutual engagement she asserts, builds relationship and trust, and over time, builds capability. This is because in the act of developing a 'shared repertoire such as tools, documents, routines, vocabulary, symbols' (Allee, 2000:4), the CoP create the foundations for 'future learning' (Allee, 2000:4).

Some of the benefits that CoP provide in organisation can be described as follows:

- an opportunity for individuals to learn and access new knowledge, to remain well informed in their particular area of work through the effective transformation of tacit knowledge (Carpio Tam, 2003).
- CoP can help drive an organisation's business strategy. Wenger and Snyder (2000) describe how CoPs are the 'heart and soul' (Wenger *et al*, 2000:140) of the knowledge management strategy at the World Bank where they report that in 2000 there were 100 communities operating to improve its strategic direction from simply being a money lender, to offering developmental expertise (Wenger et al, 2000).
- CoPs help solve problems quickly and transfer best practices (Allee 2000; Wenger *et al*, 2000). Perhaps the most famous example of problem solving in recent times, was the conquring of the severe acute respiritory syndrome virus that ran rampant for a few months in the Far East and Canada in 2003. The CoP in this case was a very widespread grouping of scientists who collaborated, shared and communicated their knowledge in order to combat the virus.
- In organisation, a CoP that helps its members work through problems as a short-term benefit has a long-term result too in that it has the effect of 'developing capabilities critical to the continuing success of the organisation' (Wenger and Snyder, 2000: 143). These capabilities can be translated in best practices and become part of the store of organisational knowledge.

- A key instrument of support for public administration, CoP 'cross-fertilise ideas and increase opportunities for innovation' (Allee, 2000:6). Carpio Tam (2003) says that the nature of CoP that provide a safe forum for the exchanging of ideas and the asking of challenging questions means that members will be much more willing to contribute their ideas without fear of being judged or criticised. Likewise, members feel secure to offer solutions without fear of ridicule. For this reason, Lesser and Everest (2001) in Carpio Tam (2003:9) suggest that 'CoP provide an important spark for innovation'. Increased capacity for innovation has the result of 'reinforcing an organisation's strategic direction' (Carpio Tam, 2003:9) where the desire to do things better and think outside the box becomes the norm.
- It has been found that CoP can contribute toward retaining talented and valuable members within an organisation (Carpio Tam, 2003; Allee, 2000; Wenger *et al*, 2000). This is because a functioning community is able to become aware at an early stage if one of their members is unhappy or dissatisfied and they can work together to help move this person into a more interesting, appropriate project or programme (Wenger *et al*, 2000). (This is a particularly interesting benefit for public administration in South Africa that has been battling with the outflow of personnel to the private sector, lured by lucrative salaries and more stimulating working environments.)

There is much research around CoP as a critical support for learning and knowledge development in organisation. Wenger and Snyder (2000) refer to the practice as the new frontier that requires intensive energy and commitment in order to thrive. CoP do not fit into traditional bureaucratic frameworks, which means that managers will probably, at the outset, be extremely resistant to their institutionalisation in public administration as part of normal organisational activity. But the inexorable power that the knowledge economy is exerting on government means that this resistance will have to be systematically dealt with. Shifting from bureaucratic procedures to post-bureaucratic processes will require working within a framework of social capital as the medium for co-ordination. (Burt, 2000).

2.15 Conclusion

The literature review has provided a broad overview of social change from modernity to post-modernity and the impact that this has had on organisation. Hierarchical authority and standardisation of tasks within vertical organisational structures are being challenged in the informational era, an era characterised by global networks and the unleashed power of information flows. The historical context that informed the era of radical change from the 1970s was discussed together with the rise of neo-liberalism and its intensely managerialist private sector approach directed at the public sector in the form of New Public Management. Monteiro's challenge to African managers to find a way of integrating the past and the present with uniquely crafted African solutions was laid out and supported, but challenged by the notion that for this solution to be found, new ways to proceed at the organisational level should be sought. This took the review into the arena of knowledge management, a contemporary approach to managing organisation that places knowledge as opposed to data and information as a central organising principle. Knowledge management in the private sector has rapidly evolved over the past decade, enabled by the exponential growth of information technology in the workplace and by the diffusion of information globally. As IT has increasingly defined the shape of social discourse, the value of knowledge has been replacing data and information as the new economic foundation for organisation in the 21st century.

Thereafter, a review of management theorists and academic practitioners was undertaken to contextualise the evolution of knowledge management covering Drucker, Argyris and Schon, Moss Kanter and Senge. The review then explored the difference between knower- and knowledge-centred management approaches and reflected on the dearth of research in the public sector around the practice and implementation of knowledge management. There was recognition, however, that academic practitioners such as Heeks had been working on predominantly knowledge-centred approaches to public administration. It was argued that of equal importance was the need for knower-centred research to be undertaken, focusing on the human factor in organisation.

The review then explored the view that a broad government transformational context needs to be developed so as to situate knowledge management practice and demonstrate its relevance for public administration. It suggested that the implementation of an e-government strategy whose scope covers the public sector in its entirety, might offer a broad context to help locate and provide impetus for a holistic knowledge management (involving knower- and knowledge-centred) approach to organisational reform work processes in public administration. This area of reform was then explored as part of a back office government activity and the mechanisms needed to propel the adoption of knowledge management practice were discussed.

Having presented an argument for the location of knowledge management within a wider transformation process, the review drew on the work of management practitioners to suggest how a knowledge management approach in the public service might be evolved. The strategic positioning of middle management within a knowledge context was focused upon and arguments provided as to why these strata in the public service were key in the shifting of organisational culture and behaviour to meet the needs of rapidly changing informational environments.

Finally, the review explored two key areas of knowledge management: value chain management and communities of practice as two concepts central to the principles of knowledge management. These concepts, it was argued, will help public administration reverse mindsets and behaviour in sum, and reorientate bureaucratic organisational culture .

The review has attempted to draw together a broad argument to try and take the study of public administration reform forward in a way that is congruous with the demands of the knowledge economy. In the process of doing so, there has been recognition of the degree of difficulty that this presents in its practical application and the risks and leaps of faith that leadership, both political and administrative, will have to take to taste the fruits of an integrated knowledge-driven programme for public service reform.

The following chapter will take the argument forward into the environs of South African public administration, and more specifically on the most important asset in government, its human resource. A proposal for research will be developed, locating public administration's key asset at the centre of a KM approach to reform for PSA.

CHAPTER 3
The Research Context, Methodology And Case Study

3.1 Presenting a context for research

One of the core criticisms of the Public Service Commission is that there are insufficient skills across the public service[9]. This shortfall can be attributed in part to the legacy of South Africa's apartheid past and the subsequent need to fast-track government transformation after 1994. It can also be attributed at an organisational level to the principle of knowledge scarcity being used as a management control mechanism, where knowledge is kept in short supply and in the hands of those that deploy it strategically. (Mintzberg, 1983). This form of knowledge management is congruous with the traditional centralised and hierarchical structuring of the pre-1994 conservative tailor-made bureaucratic administrations. The net result of knowledge poverty in the workplace has been the entrenchment of an insufficient distributed knowledge base to support decision-making at levels across the public service. The critique provided by the PSC of the workplace skills deficit in 2002 gives weight to the assertion that eight years into democratic rule, public service organisation is being supported by poorly structured or ill- conceived knowledge-driven programmes and projects supported by poorly prepared knowledge workers[10]. This not only presents a constant problem for government delivery, but it also might explain why our policies are classed among the best in the world yet our programme implementation lags some way behind.

Skills development based on critical knowledge development and management in the workplace is therefore a key area of focus for public administration to encourage innovative and creative means to advance administrative reform. This will involve fundamental shifts in organisational culture out of the old

[9]Public Service Commission (2002) State of the Public Service Report. Department of Public Service Administration. www.gov.za.
[10]Organisational theorists such as Drucker and Berquist speak of the knowledge worker as one that over the past decade has become more evident and refers to those who are evaluated not according to rank and function, but to skill and professional training (Berquist 1993; Drucker 1997).

mindset of leadership style (precisely linked to skills/knowledge scarcity and vertical power flows) and into a new arena geared towards horizontal (decentralised knowledge-supported informal power flowing out and away from the traditional sytems of authority across the organisational spectrum (Mintzberg 1983)). For this shift to be realised, knowledge management becomes the conceptual framework within which an organisational knowledge culture is crafted, enabled by organisational informatisation[11]. The framework will provide for the evolution of a new and innovative managerial genre, an integrated system of managerialist (NPM)/post-bureaucratic thinking within a decentralised authority structure, functioning under an overarching regulatory and legislative system. To some this might appear to be a paradox. The challenge for public service transformers is how to successfully integrate these organisational approaches. This report would suggest that integration will be greatly enhanced through the institutionalisation of a knowledge management culture, promoting collective as opposed to individual responsibility. It suggests that the development of a culture that is able to effectively respond to the shortcomings of bureaucratic principles practised within individual organisational units such as intolerance of mistakes, the promotion of risk averse behaviour and the discouraging of a culture of risk taking for the benefit of short-term 'wins' (Dixon *et al*, 1998; Brown *et a*l, 2003) should be a key area of focus.

Inherent and central to this new hybrid-style organisational culture will be a particular focus on the utilisation and dissemination of tacit and explicit knowledge within individual organisational units. As this type of reformist culture works on the principle of devolution of authority and localised decision-making as opposed to traditional top-down command and control-style management, organisations will have to be strengthened by a data/information architecture (explicit knowledge) and driven by expertise/experience (tacit knowledge).

[11] Informatisation is the process that occurs through IT reengineering in organisation that, dependant on the degree or level of IT usage, enables and supports information flows organisation-wide. Incorporated in the process is the rapid growth of organisational memory resulting in the "whole person' approach to citizens' (Heeks, 1999:40) such as one stop information centres, the development of organisational intelligence aligning information about the external environment and internal processes, flexibility in the access and exploitation of information and a greater flow of information across boundaries in public administration. (Heeks, 1999).

Knowledge management as a conceptual framework for organisational reform is a means to counter PSC criticisms by engaging with the key asset of public service, its human resource base. Managing knowledge incorporated into public service strategic organisational design will drive new programme development through the harvesting of knowledge workers' tacit, intrinsic knowledge through communities of learning (Van der Velden, 2000) or communities of practice: 'groups of people who share a concern, a set of problems or a passion about a topic and who deepen their knowledge and expertise in this area by interacting on an ongoing basis' (Carpio Tam, 2003). As networks of collective responsibility, these knowledge workers will be able to optimally draw on the situated intellectual asset base of the organisation. And through the codification and storage of explicit knowledge in electronic documentary systems (the information base), information will be freely available to all working in the organisation.

At time of publication, the *State Of The Public Service Report 2002* revealed that such a framework remains elusive, representing a considerable impediment to public service reform possibilities.

3.2 Research Question

In the light of the comments made by the PSC in 2002 concerning the current shortfall of a critical skills base that is impeding reform in the public service, its focus falling particularly on the human resource element within the service, the research intends to explore how redefined organisational frameworks founded on a culture of knowledge development, might contribute towards building skillful decision-making and better government. The research focus therefore is directed at looking at where, if at all, such a culture has begun to emerge in the public service. The following questions in this regard set down the scope of the study:

Does the strategic direction of public administration's organisational reform programmes include processes of change management located within the

discourse of the knowledge economy? Is the strategic direction of public organisation encouraging the shifting of attitudes towards more knowledge-defined organisational behaviour? In what ways is knowledge capital being developed in public organisation? Has there been any redefinition of the internal environment to allow for the embracing of new norms and values that are aligned to a knowledge-driven organisational discourse?

The sections that follow will discuss the research methodology, the research design, the design of findings, and the case studied.

3.3 Research Methodology

3.3.1 Qualitative Research

The research is focused on the human asset base of PSA and the structures that shape it. It aims firstly to explore how knowledge management approaches in PSA might help bring about core changes in current organisational structures and secondly, it discusses the value that such an approach can have for PSA reform. The nature therefore of the study –surveying public administration's engagement with, understanding of, and commitment to knowledge management practices - lends itself to qualitative research.

Leedy (2001) describes the qualitative method as one where the phenomenon being researched is focused upon in its natural setting and deeply studied, taking into consideration its myriad implications. Qualitative research, according to Mouton (2001), is based on no 'clear-cut objectivity or reality' (Coetzee, Graaff, Hendricks, Woods, 2001:22). It decodes, describes and interprets, while being focused on the complexity, authenticity and contextualisation (Coetzee *et al*, 2001) of its subject matter. While theory is deducted by means of hypothesis in quantitative research, it emerges from the data that is collected through qualitative research. This report is intended to be carried out in the form of firstly, an exploration of actors within organisation who, as members of a social unit, reveal their 'individual perceptions of process' (Coetzee *et al*,

2001:16) and secondly, an exploration of organisational dynamic and structure that attempts to reveal a different perspective that might emerge. Through this bilateral research method, it is hoped to develop an interpretive repertoire of data that the researcher will analyse and thereafter, draw conclusions. Employing a quantitative methodology would not have done justice to the objectives of the research because quantitative research carries an assumption of 'objective truth' (Cassell and Symon,1994:2) to be revealed through scientific method involving the measuring of variables, both statistically and systematically (Cassell *et al*,1994). As the research is not looking for 'the truth', nor for variables, such as quantifiable information of, for example, managerial competency or efficiency, to prove a point, quantifying data will not suffice. The aim of the report in effect is to present an overview in the form of a description, which is then evaluated within the parameters of the research question.

3.3.2 The research form

The research has been carried out in the form of a single case study. The choice to carry out a single as opposed to a multiple case study was to keep the study within achievable perameters and also to have the opportunity to deeply investigate a single organisational entity. The formulation of knowledge management as a change management discipline in the South African public sector is new and as such, a case study is a more appropriate means of research (Leedy, 2001) to 'adapt and probe areas of original, but also emergent theory' (Cassel *et al*, 1994:210). Located within a qualitative research framework, the case studied provides an opportunity to feed into and expand the body of knowledge concerning knowledge management studies and also to shed light on what is seemingly a lesser understood and written about practice in public administration. The study has been undertaken using an inductive approach. The collected information of the population sample has therefore been analysed working from a premise that there is value in investigating KM an organisational approach in a public sector context. Conclusions are then drawn about the nature of public

administration organisational culture and behaviour to determine how these might fit into a knowledge management framework of reform.

3.3.3 The case studied

The case that has been studied is the National Treasury (NT). The reason for choosing this particular institution is its key role in the 'evolving intergovernmental system' (NT, Strategic Document, 2003-2006:9) and its positioning in the macro-administration as the custodian of the finances of the country. Maria Ramos, the former Director-General of the NT, in her departmental Annual Report 2002-2003, referred to her organisation as being at the hub of government business bearing 'considerable responsibilit[y] for developing and maintaining .... legislative and regulatory frameworks that enhance South Africa's growth and development, and support improved service delivery to communities' (NT Annual Report, 2003:1). As one of the leading public administration departments, the NT has a responsibility to lead by example. This supports the report's external validity in that the conclusions drawn may be generalisable across public administration organisations (Leedy, 2001) as it is anticipated that the research findings will have implications that extend beyond the NT. In addition, it is hoped that the research will motivate further study based on this preliminary undertaking so as to begin to develop a body of knowledge in the area of knowledge management public sector practice.

The units of analysis, meaning the fundamental problems defining the 'case', (Yin:21), have been defined as the extent of knowledge-focused management in the organisation, the effects of KM interventions on the organisation and the concomitant degree of commitment of public servants to a KM process of reform.

3.3.4 The research process

The components of the research design have been set out as follows:

- A general scrutiny of relevant documents pertaining to the overall change strategy of the National Treasury. These documents were made freely available by the Chief Director for Human Resources.
- A face-to-face interview focusing on the period of merging and restructuring in 2000/1, with the Deputy Director-General for Corporate Services to add more substance and to gain deeper insight into the overall restructuring process.
- A questionnaire sent out by e-mail to 48 National Treasury employees above employment level 7 and below employment level 15 across the eight divisions of the department. The respondents were chosen with the help of the Chief Director Human Resources, based on a verbal brief that the researcher provided. The questionnaire was framed in such a way as to establish a general basis of understanding of the engagement with knowledge management practices incorporated within their organisational reform programmes. Questions included a section on the organisation as a knowledge environment, staff and staff skills management, the managing of knowledge, how the organisation functions and organisational culture and reform. In order to make the questionnaire less arduous for the respondents, it was divided into two sections with one group (X) getting a portion of the questions and the second group (Y) receiving the balance.[12] Each group was asked to complete a short biography and each received the section on knowledge management. The questionnaire was to provide an opportunity for the researcher to be able to intuitively select a second sample

All government employees are linked to a salary level. Deputy Directors-General are placed in top level 16, 13 to 15 houses senior management, 9 to 12, highly skilled supervision and 6 to 8, highly skilled production which is made up of administrative officers, professional specialists and clerks. Levels 5 and below incorporate support staff. Salary levels are divided into 'notches' which more closely define a public official's work responsibility. The system of levels forms part of public service legislation and structures an immutable hierarchical framework of responsibility across government.

[12]Appendix iv

of interviewees made up of workers as well as non-knowledge workers for the second stage of the research. The identification would be based on the researcher's perception as to whether respondents might offer more in-depth commentary and analysis in a face-to-face interview.

- Face to face interviews with 15 NT members spread across levels 8 to14. The interviews would be exploratory, in depth, and both semi- and unstructured. The interview grouping was divided into levels 8to 10 and 11 to 14, respectively.
- A tour of the two buildings that house the National Treasury: 240 Vermeulen Street and 44 Church Street to get acquainted with the overall geography of the organisation.

Both groups were asked a core group of questions followed by a second group of questions pertinent to their senior or less senior function at the department[13]. The core group of questions covered the spatial environment, NT corporate culture, the introduction of the Personal Development Plan, workplace values guiding working relationships, what was understood by e-government and a general gauging of personal orientation in the department to get a sense of any changes that the restructuring exercise might have brought about. The additional questions addressed to levels 8-10 generally probed their sense of place in the organisation and tried to establish personal perspectives of the overall mechanisms of organisational life. The questions addressed to levels 11-14 over and above the core questions were aimed to gain an understanding of the strategic direction of the department, their commitment to the organisation and their response to the restructuring process.

3.3.5 The research process amended

The Questionnaire process

The first attempt to send the e-mailed questionnaire accompanied by a letter from the researcher was unsuccessful.[14] The letter set out the parameters of the research and emphasised the need for the responses to be personal and not

[13]Appendix v & vi
[14]Appendix ii

official. The tone of the letter made it clear that participation was voluntary and that the information provided was strictly confidential. Furthermore, the interviewees were told that copies of the research report would be made available through the office of the Human Resources Chief Director. There was a negligible response.

The second attempt included a letter written by the Chief Director for Human Resources[15], National Treasury and a second mailing was undertaken. The response was marginally better and in the interests of moving the research forward, a revised research design was put in place. The respondents who were deemed by the researcher to be the most informative within each level were contacted by telephone and by e-mail and a face-to- face interview was requested. All those who were contacted agreed to be interviewed save one or two who were on leave. The NT staff who had not responded, but who the researcher felt fitted the criteria of the research, were selected randomly. A global figure of 15 finally made up the population of the face-to-face interviews.

3.3.6 Findings design

The purpose of the interviews was to collect data and build a comprehensive overview of the NT within a specific framework of knowledge management principles and practices. In order to achieve this, the research design followed an analytic process based on key words that captured a sense of organisational dynamic, both on a cross-sectional and a structural basis. The key words were then grouped into themes and the groups given headings. The headings were derived from the review of literature and spoke broadly to a KM vision that was able to provide a backbone to the findings and analysis. With the structure in place, the researcher returned to the data and collated it into groups according to the structured headings. As a final step in the findings design, the headings were arranged in the form of a logical flow for the purposes of making sense of the

[15]Appendix iii

data. This stage acted as a natural outcome of the findings design and process of analysis and presented the researcher with a map representing a possible approach for the adoption of KM practices as a reform mechanism in PSA.

It is hoped that the outcome of the research report, a product of the findings design, will provide new insights into public organisational discourse and more importantly, provide incentives for further research. As the purpose of the research is to explore a knowledge management approach to effecting reform in public service administration, the findings design can be seen as a map or a starting point for organisational change practicitioners or a window through which researchers might direct their attention.

3.4 The National Treasury: a background

In 2000/01, the National Treasury was created, the result of a restructuring exercise when the Departments of Finance and State Expenditure were merged. The restructuring involved two important processes:

- A complete overhaul of the existing structures to make way for the creation of a new divisional structure (NT, Strategic Plan, 2002-2005) headed by newly appointed Deputy Directors-General and supported likewise by newly appointed Chief Directors.
- An unprecedented institutional initiative, pioneering the development of a greenfield organisation involving a complete organisational transformation (Le Hane, 2004) as opposed to a haphazard union/moulding of two existing institutions.

The National Treasury as a result becomes a compelling research site as a newly crafted public organisation that has risen phoenix-like out of the ashes of two apartheid-era government departments. In their previous life as controllers of the apartheid fiscus, they could justifiably be perceived as the gatekeepers of the deeply embedded bureaucratic norms and values of the previous regime.

The merging of the two departments in 2001 saw the creation of eight new divisions that would cover the macro and micro policies for economic growth;

sound budgeting and financial management; ensuring fair tax policy; management of government's financial assets and liabilities and the promoting and enforcing of transparent practices across government (NT Strategic Plan, 2002-2005). In effect, the newly formed National Treasury would 'promote economic development, good governance, social progress and rising living standards through accountable, economic, efficient, equitable and sustainable management of public finances' (NT Strategic Plan, 2002-2005:6).

What has set the process of transformation at the NT apart from other government departments that have undergone transformation such as the SA Revenue Service (Sars), was that it was carried out as an internal change process. A conscious decision taken at leadership level (Le Hane, 2004) meant that consultants were not appointed as in the case of Sars, to help them work through their change-management processes. The process involved benchmarking practices from treasuries worldwide, Canada, the United Kingdom, New Zealand, Australia (Le Hane, 2004). In this way, Le Hane (2004) said, the NT was created with a clear set of strategic objectives upon which a structure was subsequently built, division by division.

Merging two departments into one had a series of human resource and workplace environmental implications. There was the issue of surplus staff, redundant positions and entire work areas that were scrapped and incorporated into new divisional areas. Furthermore, with the creation of a new organisation based on newly created divisions, the opportunity was provided to build up a fledgling workforce on the basis of merit (all staff had to reapply for posts in the new dispensation) as opposed to length of service. It also allowed the change agents within the NT to focus on the improvement of systems and procedures where staff functions would be streamlined in line with the strategic objectives of the department (NT Strategic Plan, 2003-2006).

The workplace environmental implications were particularly interesting in that the existing premises, which housed the former departments, were closed down and new accommodation was sought for the new entity. In her interview with

the researcher, Simone le Hane, Deputy Director-General of the Corporate Services Division relates how she took on the task of finding the premises and refurbishing them. She undertook a process of wide consultation, running workshops to find out from the staff complement their ideas for the new office configurations and she ran further workshops in order to break down resistance to working in open plan as opposed to cellular spaces, a directive that came from the Director-General, Maria Ramos, in line with the new strategic approach of the NT to building a new organisational culture. Walking into the NT premises today at 240 Vermeulen Street and 44 Church Street (this building is shared with the Reserve Bank, one of the institutions under the stewardship of the Minister of Finance), one is struck by the design of the office space, floor by floor. There are no dimly lit corridors lined with closed doors, no evidence of hierarchy apart from the glassed off spaces belonging to Chief Directors and above, no piles of documents or standard issue government desks, chairs and cabinets. Le Hane spoke of treating staff as valued assets as a generic departmental approach to the workplace and this reflected in the refurbishment – fully equipped kitchens, floor by floor, conference rooms to accomodate all manner of meetings and modernised, tailored ablution facilities. The new organisational vision, launched as part of the Strategic Plan for 2003-2006 for the department bears this out: as valuable assets, the vision statement declares that all opportunities will be afforded personnel to 'enhance their skills, to access the best technology and to advance their careers to their fullest potential' (NT Strategic Plan, 2003-2006:12).

Out of the restructuring process, new organisational opportunities on a variety of levels are emerging. On a structural level is the creation of a post of Chief Operations Officer in the office of the Director-General. Le Hane (2004) describes the position as care-taking the day-to-day running of the organisation. The Chief Operations Officer's mandate according to Le Hane, is to ensure strong communication between the divisions and to prevent a silo-like setting developing. The installation of the Chief Operations Officer as set out in the Strategic Plan 2003-2006 for the NT allows for the 'delegation of (the DGs) work to a senior manager' (NT Strategic Plan, 2003-2006:22), suggesting a devolution of administrative powers away from the

direct control of leadership. The strategic plan describes this move as a pilot model for South African public administration.

Taking into consideration the restructuring and the transformation that has given birth to the National Treasury, there is fertile ground for research into the nature of a public administration organisation in transition and beyond. It is clear that although the NT on a broad level adheres to the bureaucratic rules and regulations that hold government together through legislation, shifts are being made within the organisation to try and deal with what le Hane describes as the 'soft stuff' (2004) of bureaucracy, working within the framework, yet at the same time challenging the day-to-day unspoken 'rules' that have become the glue of traditional bureaucratic practice. Le Hane speaks of the NT as a working environment where staff are encouraged to challenge traditional practice by 'creating a very stimulating environment to work in, where people feel a part' (Le Hane, 2004). The restructuring moreover, has made space for the installation of a 'state-of-the-art network infrastructure' (National Treasury Strategic Plan 2003-2006:24), which, among other things, provides 'task-specific applications' (NT Strategic Plan 2003-2006:24) with 'electronic work-flow system[s]' (NT Strategic Plan 2003-2006:12) in the pipeline for National Treasury employees. The intersection of a two-pronged strategy: cutting-edge technology to build a powerful information architecture and an innovative human resource programme to develop human capital – offers further opportunity to discover how these strategies synthesise and what the outcomes might be.

The National Treasury thus makes a compelling case study and a useful starting point to work towards defining a knowledge-management approach for the public service as an instrument of reform. This should help public service managers to constructively address criticisms raised through the Public Service Commission Report, 2002. The ground- breaking organisational development that is taking place at the NT provides valuable source material and a baseline from which to proceed.

3.5 Participants

Participants in the research were all full-time employees of the National Treasury. Both the electronic and the face-to-face interviews ranged across salary levels 8 to 14. The following figure is a representation of the spread of respondents across the levels and of the gender component:

Level	8	9	10	11	12	13	14
Male	0	2	0	0	2	3	1
Female	3	2	0	2	0	1	0

Figure 1

The researcher worked on the basis of anonymity and this applied to all the electronic and face-to-face interviews with an exception being the interview with the Deputy Director- General of Corporate Services, Simone le Hane. All names mentioned in the findings bar Le Hane have thus been changed to conceal the identity of the respondents. The respondents will be referred to by name and surname once and thereafter by surname only. The participants with the exception of Le Hane met with the researcher at the National Treasury offices in Pretoria[15].

3.6 Limitations of the research

3.6.1 Research Administration

Researching an organisation as an outsider has its limitations, it is difficult and time consuming. In order to begin the process, support and buy-in from the Chief Director (CD), Human Resources at the National Treasury, followed by the permission from the office of the Director-General (DG) was sought. Although I received the support from the CD at the outset, official permission

[15] The names given to the respondents are: Raymond Naidoo, Tebogo Diphoko, Grace Ndlovu, Marta van Rooyen, Christine du Preez, Robert Brown, Wilma Versveld, June Parks, George van Zyl, Ilse van Schalkwyk, Sibongile Tshabalala, Henry du Plessis, Pieter Koning, Michelle Barends, Mark Douglas, Themba Witbooi.

was long in materialising. As an outsider, it was very difficult to know how to motivate for the research in order to move on to the second stage of preparation, other than by calling and sending regular e-mail communications. For this reason, it took me four months to finally complete the second stage of research –the choosing of a respondent population for the e-mail questionnaire. In addition, as I had to rely on the office of the CD to select the primary interview population, I was bound by his choice and his instincts and had no means with which to countercheck his choices. In retrospect and in the light of the quality of the data collected, however, I am appreciative and cognisant of his informed and considered direction.

3.6.2 Access

As I am not a member of the public service, I recognise that there have been certain limitations to my research. Lacking a grounded understanding as to how systems operate in public service, limited my capacity to manage the process and the respondents at every stage of the process. It is possible that had I been a member of the NT, there would have been a distinct advantage in that I might have got much deeper in the 'belly of the beast'. Nonetheless, there is also the counter argument that my not being part of the establishment could account for the frank and open approach of the respondents in the interviews. There was also a limitation of access to some of the respondents in the face to face interviews if their time was limited. This meant that not all the interviews were fully completed, a factor that did prejudice the research process at the level of accumulating data to a certain degree. When I was aware that time had to be strictly adhered to (the respondents stating this at the beginning of the interview) the core questions were asked.

3.6.3 Language

The research was carried out in the medium of English. This too I have recognised as a limitation. Had I been able to converse and communicate with NT employees in their language of preference, I think that the information that I

might have leveraged could have been richer and more detailed. This is particulary relevant with respect to the abstract concepts that form part of the lexicon pertaining to the research subject. Coming from an academic management environment and not having the experience of being a public administration employee, presented some obstacles. The theoretical and conceptual areas of research were therefore not responded to by all the respondents.

3.6.4 Conclusion

Despite these obstacles, namely the delays between research planning and data collection, my position outside of the public service family, the language factor, there was nonetheless sufficient, information-rich data with which to proceed. The data overall was wide ranging in its content and alive with evidence that both enabled and encouraged me to embark on a process of analysis. The following chapter therefore presents findings and analysis in the form of a composite whole that draws on themes emerging from the analysis. The composite whole takes the form of a proposed conceptual framework representing a knowledge management approach to organisational reform.