



ADDIS ABABA UNIVERSITY COLLEGE OF
NATURAL AND COMPUTATIONAL SCIENCES

ASSESSING AND PROPOSING KNOWLEDGE
MANAGEMENT STRATEGY TO UNITED BANK
OF ETHIOPIA

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MANAGEMENT STRATEGY TO UNITED BANK
OF ETHIOPIA

By

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Samerawit Dinku

October, 2016

Declaration

I declare that the thesis is my original work and has not been presented for a degree in any other university.

Date

This thesis has been submitted for examination with my approval as university advisor.

Advisor

Abstract

Organisations are facing ever-increasing challenges, brought on by marketplace pressures. Many organisations are now looking to Knowledge management (KM) to address these challenges. Such initiatives are often started with the development of a Knowledge management strategy.

The study investigated the Knowledge management strategy practice in United Bank of Ethiopia. In addition, the study identified the business strategy of the Bank and the possible suggestion to align with Knowledge management strategy. Finally, based on the findings of the study the researcher proposed a knowledge management strategy that could enhance the performance of the organization.

Mixed method of data collection, which employed both quantitative and qualitative methods, was used from March, 2016 to May, 2016. A self-administered questionnaire was distributed to a total of 110 employees in the organization. SPSS Version 20.0 was used for data analysis.

The findings showed that there is no awareness about Knowledge management strategy among employees. The result also showed the business strategy of the organization prepared independently with Knowledge management. So the researcher proposed that EUB should make a direct connection between organization Knowledge assets and positive business result, identifying how Knowledge management strategy will support the Bank's business strategy and identifying which specific Knowledge domain the organization will focus on.

The study concludes that, since Knowledge management strategy is very important for organizations to enhance their competitive advantage, the organization should create an awareness of knowledge management strategy among employees.

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Acronyms

ADP	Asian Development Bank
APQC	American Productivity & Quality Centre
BS	Business Strategy
DBSA	Development Bank of South Africa
EUB	Ethiopian United Bank
IDC	International Data Corporation
KM	Knowledge Management
KMS	Knowledge Management Strategy
WB	World Bank

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CHAPTER ONE: INTRODUCTION

1.1 Background

This day organizations are mainly dependent on their intelligent use of Knowledge resources. Knowledge rather than physical assets or resources is a key to competitiveness. There is the recognition of the need to harness, manage and use Knowledge like any other asset. Knowledge is becoming a driving force for organizational change and wealth creation (Ian, 2002). It is also important for sustaining a competitive advantage and by strategically managing the Knowledge creation and sharing process. Organizations can understand what Knowledge is and how to create, share and use it effectively to develop and sustain a competitive advantage (Richard, 2004). Hence, such things are essential for every governmental and non-governmental organization.

In enterprises, the use and management of Knowledge is becoming a commercial necessity. Due to that, they manage their corporate intellectual assets and gain competitive advantage (Abdullah, 2004). To develop an effective Knowledge management (KM) program, an organization needs a systematic strategy, not just a general plan to help employees share knowledge. Knowledge Management (KM) has been the subject of much discussion over the past decade. Organisations are told that they will not survive in the modern Knowledge Era unless they have a strategy for managing and leveraging value from their intellectual assets, and many KM lifecycles and strategies have been proposed (Knox & John, 1999). The KM strategy provides the basic building blocks used to achieve organizational learning and continuous improvement so as to not waste time repeating mistakes and so that everyone is aware of new and better ways of thinking and doing (kimiz,2008)

Robertson (2004) points out that a good KM strategy should identify the key needs and issues within the organization and provide a framework for addressing these issues. He also states that resources and skills required to develop a KM strategy depend on the

size and complexity of the organizational unit and on the depth of information gathering and analysis. The ideal mix of skills on the KM strategy team would be a KM expert, access to people who are Knowledgeable about the organization, and a KM advocate who will “sell” the strategy to the senior member of management who mandated the strategy development (Kimiz, 2008)

Although the concept of KM strategy is receiving attention, there have not been many studies investigating KM strategies (Jaflah, 2008). KM strategy focuses on addressing critical processes for bridging the strategic and Knowledge gaps and rationalizing the Knowledge surpluses (Knowledge overload). KM strategy then can be defined as a high-level plan that defines and outlines the processes, the tools, and infrastructure (organizational and technological) required for managing Knowledge gaps (Zack, 1999b).

The globalization of financial markets forced Bankers to be Knowledge-based and be more efficient in managing Knowledge in their Banking operations. Banks have realized the crucial role of Knowledge management in gaining an edge in this competitive field, but there have been laggards in the adoption of Knowledge management usually due to wait and see attitude of what will be the true benefits and pitfalls from early adopters. According to an International Data Corporation’s (IDC) survey conducted across more than 600 Banks in Western Europe, only 20% of Banks are applying a Knowledge management principles (Blesio & Molignani, 2000).

Essentially, this trend is more prevalent among large Banks. With greater awareness of the importance of Knowledge management, IDC expects this situation to change in the near future, and Knowledge management will become a priority for the Banking sector (Hafizi & Nor , 2006). Banks, which understand the benefit of KM, have developed Knowledge management strategy. Development Bank of Southern Africa (DBSA) developed a Knowledge strategy in 2003 (Blackburn et al, 2003). Like DBSA, World Bank (WB) is one of the pioneer institutions that implements KM. Thus this paper focuses on assessing the current knowledge management strategy practice of Ethiopian

united bank. In addition the researcher proposed the possible knowledge management strategy for future development of knowledge management .

As of EUB annual plan (2016), Ethiopia United Bank was incorporated as a Share Company on 10 September 1998 in accordance with the Commercial Code of Ethiopia of 1960 and the Licensing and Supervision of Banking Business Proclamation No. 84/1994. The Bank obtained a Banking services license from the National Bank of Ethiopia and is registered with the Trade, Industry and Tourism Bureau of the Addis ababa city administration.

Over the years United Bank built itself into a progressive and modern Banking institution, endowed with a strong financial structure and strong management, as well as a large and ever-increasing customers and correspondent base. Today, United Bank is a full service Bank that offers its customers a wide range of commercial banking services with a network of 125 branches, and a number of additional outlets on the pipeline.

United Bank's priority in the coming years is to strengthen its capital base, maximizing its return on equity and benefiting from the latest technology in order to keep abreast with the latest developments in the local and international financial services industry. In order to maintain its goal the organization needs to practice good Knowledge management strategy. However, in EUB there is no awareness about knowledge management strategy practice. So the researcher has assessed the practice of Knowledge management strategy in the organization and finally the possible knowledge management strategy is proposed .

1.2 Statement of the Problem

While designing strategic business plans, most organizations do not plan for KM activities (Howard, 2014). As a result, in managing Knowledge and competencies as a strategic advantage to an organization, there are difficulties in capturing, storing, sharing and reusing all this Knowledge. It is compounded when employees leave the organization or become unavailable due to their mobility within the organization. One

of the most important approaches to begin is Knowledge management. So in order to develop an effective Knowledge management (KM) program, an organization needs a systematic strategy. Organizations at a very high level need a structured KM initiative or program to do three general activities (Howard, 2014)

- Reduce Risk
- Identify and Execute on Opportunity for Cost Savings
- Identify and Execute on Revenue Generation Opportunities

EUB has good ICT infrastructure that was implemented to facilitate processes of financial transactions. This resource could help to manage the company core Knowledge assets in different business activities. But the Bank doesn't have a uniform strategic approach to manage the company core Knowledge. The proposed Knowledge management strategy will help as a roadmap to develop and implement a Knowledge management system in EUB. The organization has many challenges to successfully attaining its objectives. There is a difficulty to get qualified employees and to retain its own experienced employees. In addition there is no systematic way to retain the organization major Knowledge asset and Knowledge of retiring people. Further, even if EUB does have the potential for an IT infrastructure to support the storage and dissemination of knowledge there is lack of operate in storage ,organization, capturing and codifying the working knowledge of staff.Hence it has many difficulties in managing its operational relevant Knowledge. In order to cope up these challenges, EUB needs to have appropriate Knowledge management strategy.

Because the nature of Knowledge in organizations varies depending upon Knowledge processes, locations, or time (Wiig, Hoog & Spek, 1997), Knowledge management strategies need to correspond to this contingency. Despite a great deal of discussion about Knowledge management strategies, relatively little empirical evidence is available (Byounggu, 2002). Furthermore, there is no research undertaken on assessing and proposing Knowledge management strategy in EUB. Therefore, this research aims first to assess the organization knowledge management practice and propose Knowledge management strategy in order to use its Knowledge resources which help the

organization to achieve its major goal by enhancing accuracy in decision making, improved risk management and use Knowledge effectively.

Therefore this study investigated the following specific research questions:

1. What are the different Knowledge management practices in EUB?
2. How we develop KM strategy for EUB to promote Knowledge use?
3. How the Knowledge management strategy align with the business strategy?

1.3 significance of the study

Knowledge is used to increase internal efficiency and promote innovation (Gold et al, 2001). Knowledge is a key resource to interpret new information and take appropriate actions that improve the overall operation of the organization. This research developed a theoretical Knowledge management strategy that creates an enabling environment for on the job learning and increasing organizational performance. The theoretical contribution of the research is to increase human understanding on Knowledge management strategies and extend existing Knowledge management claims across different contexts.

This study endeavoured to assess and propose Knowledge management strategy for future implementation of Knowledge management for Ethiopian United Bank. This research will have a practical relevance for managers of UB and employees to effectively manage their Knowledge resources. The output of the study is also used as input for other research work dealing with Knowledge management in general and Knowledge management strategy process in particular. The findings and recommendations of the study will also contribute towards the on-going efforts of developing a good Knowledge management practice in UB.. It also helps to specify the organization Knowledge contents and show their flow in to the business processes. Knowledge processes should be guided by appropriate Knowledge management

strategy (Soliman & Spooner, 2000). Therefore the study will help the UB in Knowledge management implementation effort.

1.4 Objective of the Study

1.4.1 General Objective

The general objective of this research is to propose Knowledge management strategy for United Bank of Ethiopia in order to enhance Knowledge use for the core business activities of the organization.

1.4.2 Specific objective

To meet the general objective, the following specific objectives will be accomplished

1. To explore the Knowledge management practice in UB
2. To identify core Knowledge items used in the business process of the Bank

1.5 scope of the study

This paper explores the assessment and the development knowledge management strategy in EUB. The researcher used customer service, loan and trade departments for the research case. The study develops and applies a KM strategy to a set of identified Knowledge problems after a benchmark study had identified business challenges requiring KM intervention. Although Knowledge management practices occur at individual, departmental, organizational and intra-organizational levels, the focus of this study is on Knowledge management practices at the departmental level with in EUB since each KM practices among the above mentioned services occurs in different

department of the Bank. The research proposes a KM strategy that serves as a road map to implement a KMS in EUB.

The study selected United Bank as a research case. It is one of private Bank that shows great advancement of technology. Currently the Bank is also succeeded in improving its mobile and internet banking platforms, renovating the services to a new world class that is equipped with state of the art technology. Research participants were selected from UB's employees. The Bank has 125 branches throughout the country and the total human resource of the Bank reached 2,921. Respondents in Addis Ababa head office were selected because of the assumption that the selected district represents other branches due to uniform work practices in the Bank throughout its branches.

1.6 Organization of the thesis

This thesis has five chapters. The first chapter deals with the introduction of the study, the Statement of the problem, objective and scope of the study. The second chapter presents literature Review in the area of Knowledge management and discuss related works that assess different issues on Knowledge management strategy. The third chapter discusses the methodology followed by data collection, data analysis and interpretation. The findings, data interpretation, discussion and limitation of the study are presented in chapter four. Finally, the fifth chapter brings to an end of this research with conclusion and recommendations.

CHAPTER 2:LITERATURE REVIEW

2.1 INTRODUCTION

Knowledge management is a concept in which an enterprise gathers, organizes, shares, and analyzes its Knowledge in terms of resources, documents, and people skills. One of the central aims with Knowledge management in the organization is to leverage the Knowledge of individuals and teams so that this Knowledge becomes available as a resource for the entire organization and supports the organization in becoming more competitive (Davenport, 1998). So in order to develop an effective Knowledge management (KM) program, an organization needs a systematic strategy. Organisations are told that they will not survive in the modern Knowledge Era unless they have a strategy for managing and leveraging value from their intellectual assets, and many KM lifecycles and strategies have been proposed (Knox & John, 1999).

This thesis mainly focuses on Knowledge management strategy practice at the United Bank of Ethiopia. Accordingly this chapter is organized into five sub sections. Section one presents the general over view of Knowledge. Section two discusses about different perspectives of Knowledge management in the current literatures. Section three presents the general view of Knowledge management strategy. Section four explains Knowledge management strategy practice in Banks. Finally Section five discusses the current Knowledge management practice of Ethiopian United Bank.

2.2 An Overview of Knowledge

In order to manage something you must be able to recognize it. Knowledge does not exist in isolation though. It is not something that can be picked up or locked in a company vault. Indeed, some philosophers believe that Knowledge is a human construct that cannot exist outside the mind of a person. It is worth considering the relationship between Knowledge and concepts like data and information (Ian , 2002). Some authors, most notably in IT literature, address the question of defining Knowledge by distinguishing among Knowledge, information and data (Alavi & Leidner, 1999). Data

are facts, and information is an interpreted data. Knowledge is an organized flow of information, shaped and organized by their holders (Serrat, 2008).

Knowledge exists in different locations: in people's mind, in organizational processes, embedded into different artefacts, procedures and stored into different media such as print, disks and optical media (Omur , 2009). For that reason, the extents of Knowledge management systems such as capturing, codifying and storing of Knowledge are the most challenging characteristics of Knowledge management.

According to Day (2005), there is an idea of a dichotomy of Knowledge that has been one of the guiding concepts in Knowledge Management (KM). That is tacit and explicit. This dichotomy has provided a theoretical base, but it has, arguably, acted as a limit to further theoretical and practical KM development (Day, 2005) .Furthermore, Herschel et al. (2001) describe that many practitioners and researchers in the Knowledge management arena are aware that there are two forms of Knowledge: explicit Knowledge and tacit (implicit) Knowledge. In line with this category,, there are two types of Knowledge which can be described as two basic Knowledge management approaches.

Explicit (codified) Knowledge can be easily understood because it can be codified and carried out through formal and methodical language in books, archives, databases and libraries (Lahti & Beyerlein , 2000). Whereas Tacit (implicit) Knowledge can hardly be formalized and transmitted because it is closely connected to individuals as it bases on intuition, values and viewpoints that were developed through experiences (Lahti & Beyerlein ,2000). Nonaka and Takeuchi (1995) also stress these characteristics as they state that tacit Knowledge is personal and context-specific depending on acquired Knowledge, beliefs, emotions and personal skills. Organizations incorporate tacit Knowledge in organizational routines. (Zack, 1999) argues that tacit Knowledge is the foundation for sustainable competitive advantages of an organization as it is difficult to formalize and thus hard to be imitated.

Author(s)	Explicit	Tacit
Nonaka et al. (2002)	<p>*Can be expressed in formed and specific language and shared in the form of data, scientific formula, specification, and such like.</p> <p>*Can be processed, transmitted and stored relatively easily.</p>	<p>*Highly personal and hard to formalize.</p> <p>*It is deeply rooted in action, procedures, routines, commitment, ideas, values and emotions.</p>
Van den Bosch & Van Wijk (2001)	<p>*As it is articulated, codified and teachable, it is easier to transfer internally.</p> <p>*Much explicit Knowledge is built on a foundation of tacitly shared Knowledge.</p>	<p>*Difficult to articulate, codified and teach, since it is emanates from context-specific personal experience and learning-by-doing.</p> <p>*Often takes the form of rules and routines.</p>

Lyons (2000)	<p>*Knowledge that has in some way been documented or codified.</p> <p>*It is easily classified, categorized, combined, and distributed to others.</p> <p>*It is typically stored in a Knowledge base or document management system.</p>	<p>*Knowledge held by human being. It is based upon personal experience that is accumulated over an extended period of time.</p> <p>*It is influenced by intangible factors.</p> <p>*Takes the form of rules of thumb, intuition, tips and techniques, internalized skills, best practices, gut instinct and even Knowledge of who to contact for information which is not in one's own expertise.</p>
Vorbek et al. (2001)	<p>*Documented and ideally structured Knowledge that is fairly easily accessible and that is available in different media.</p>	<p>*Exists in the head of the company's professionals.</p> <p>*Includes experiences, ideas, rules of thumb, tips and tricks that have not yet received attention from previous management models they deserve</p>

Table 2.1 Explicit Knowledge Vs Tacit Knowledge (Nonaka et al., 2002; Van den Bosch & Van Wijk, 2001; Lyons, 2000; Vorbek et al., 2001)

2.3 Knowledge Management

Managing Knowledge is important because Knowledge is one of the most strategic weapons that can lead to sustained increase in profits. Most Knowledge management literature treats Knowledge broadly, and uses it to cover all that an organization needs to know to perform its functions. This may involve formalized Knowledge, patents, laws, programs, and procedures, as well as the more intangible know-how, skills, and experience of people. It can also include the way that organizations function, communicate, analyse situations, develop new solutions to problems, and develop new ways of doing business. Moreover, it may involve issues of culture, custom, and values as well as relationships with suppliers and customers. Management includes all the ways in which an organization's Knowledge assets are handled, including how Knowledge is gathered, stored, transmitted, applied, updated, or generated. However, the majority of texts on Knowledge management focus more strongly on the management of the organization as a whole, to create an environment where Knowledge management can succeed (Ian, 2003)

Before continuing the discussion of KM, it is essential to clarify the meaning of Knowledge. When mentioning Knowledge management, the interpretation of Knowledge itself must first explain. There are researchers who define Knowledge in the context of know - why, know - what, know - how, know - who, know - where and know - when, in order to relate it with Knowledge management concepts (Hafizi & Nor, 2006b). Know-what can be defined as something people carry around in their head and pass between each other but in contrast, know-how embraces the ability to put know-what into practice (Brown & Duguid, 2002).

There are many other definitions such as:

- Knowledge is "information combined with experience, context, interpretation, and reflection. It is a high-value form of information that is ready to apply to decisions and actions." (Davenport et al, 1998)

- Knowledge is “human expertise stored in a person’s mind, gained through experience, and interaction with the person’s environment.” (Sunase & Sewery, 2002)

- Knowledge is “information evaluated and organized by the human mind so that it can be used purposefully, e.g., conclusions or explanations.” (Rousa, 2002)

Once we know the meaning of Knowledge, Why do we need Knowledge management? We need KM because we need a formal process to help organizations identify, capture, store, and retrieve critical Knowledge. We need KM processes to help organizations deal with changing storage strategies. We need KM to help us deal with the transience of Knowledge workers. We need KM processes to help organizations manage a glut of Knowledge. Ultimately, we need KM to help organizations make sense of what they know, to know what they know, and to effectively use what they know (Murray & Jennex, 2008)

Knowledge management is a broad concept which is about creation, dissemination Representation and utilization of Knowledge. But there is no single definition, which means different scholars define it differently as follows

1) “KM is the management of the organisation towards the continuous renewal of the organisational Knowledge base - e.g., creation of supportive organisational structures, facilities of organisational members, putting IT instruments with emphasis on teamwork and diffusion of Knowledge (e.g., groupware) into place” (Bertel, 1996).

2) “KM is the collection processes that govern the creation, dissemination, and utilisation of Knowledge” (Newman, 1997).

3) “KM is the mechanism for building the institutional memory of the firm to better apply, share, and manage Knowledge across various components in the organisation” (Choo, 1998).

4) “KM is a strategy that turns an organisation’s intellectual assets - both recorded information and the talents of its member- into greater productivity, new value and increased competitiveness; it teaches corporation from managers to employees, how to produce and optimise skills as a collective entity” (Murray, 1997).

5) “KM is the explicit and systematic management of vital Knowledge and its associated process of creating, gathering, organising, diffusion, use and exploitation. It requires turning personal Knowledge into corporate Knowledge that can be widely shared throughout and organisational and appropriately applied” (Skyrme, 1999b).

2.3.1 Knowledge management process

Since many definitions of Knowledge management and its organizational applications are stated it is also important to take into consideration the process of Knowledge management in organizations. These KM processes are viewed as cyclic process rather than as a linear process (Hsia et al., 2006). Inconsistency was observed in the literature with regard to the explanation of the Knowledge management processes Serrat (2008) notes that there are five basic activities of Knowledge management processes: identify, create, store, share and use Knowledge. Gold (2001) on his part grouped KM process into four broad dimensions of process capability acquiring Knowledge, converting it into useful form, applying or using it, and protecting it. Further, Leila et al. (2008) said that KM process is about creation, transport, storage, distribution and Knowledge sharing. In practice, KM process has major common tasks namely Knowledge creation, acquisition, codification, sharing and application

2.3.1.1 Knowledge creation

Knowledge creation is the initial task performed in implementing KM in any organization. Thus, organizational participants create Knowledge through their intuition, ability, skills, behaviours, work experiments and problems faced. When a

company creates Knowledge, it has to concern about interactive team working process. This process involves different backgrounds, cutting across organizational boundaries, combining skills, artefacts, Knowledge and experiences in new ways. It involves the collection and organization of raw information, which is stored in tacit and explicit format and will be achieved primarily by creating a repository of relevant information and creating a repository of learning which can be converted into Knowledge (Paween, 2006).

2.3.1.2 Knowledge Acquisition

Knowledge acquisition refers to the Knowledge that a firm can try to obtain from external and internal sources (Alan, 2011). The external sources include suppliers, competitors, partners, alliances, customers and external experts. Whereas as internal sources includes experts and other employees of the organization.

Hence, eliciting the Knowledge exists at the internal and external sources are essential. However, the Knowledge engineers should consider the following issues; most of the Knowledge is in the heads of experts. Experts are very busy and valuable people and each expert does not know everything. Because of these issues, techniques are required to elicit the Knowledge of experts: interview, concept mapping, commenting, observation, audio/video recording and teach-back are some of the techniques used to elicit the Knowledge of the experts (Alan, 2011). Thus, choosing the appropriate technique by considering the real situation is essential to acquire the required Knowledge.

2.3.1.3 Knowledge codification

After acquiring the Knowledge from different sources and experts, it should be Codified or recorded for making easily accessible for whoever wants to use. This process will transform Knowledge into a coded form to make Knowledge structured, explicit, transferable and easy to understand as possible (Paween, 2006). Knowledge codification

involves conversion of tacit Knowledge into explicit Knowledge in usable form. Knowledge codification is stored and retrieved via information retrieval systems such as Decision tree, Decision table, Boolean logic, fuzzy logic, Vector query and Extended Boolean logic. The aim of information retrieval is to access retrospective Knowledge of the organization and to share for all users who need the Knowledge (Sagsan, 2006).

2.3.1.4 Knowledge sharing

Knowledge sharing is a process of Knowledge dissemination to potential Knowledge seekers through communication channels (Al-Ma'aitah, 2008; Alavi & Leidner, 2001). The most important factor in Knowledge sharing is a supportive organization culture that promotes openness and collaboration to share Knowledge (Chu et al., 2011). Knowledge is a resource that cannot be freely circulated unless there is supportive social contexts that promote voluntary Knowledge sharing (Chiran, 2008). Interpersonal trust, on job training, mentoring, collaborative communication tools are some of organizational practices that promote voluntary Knowledge sharing (Al-Ma'aitah, 2008; Chu et al., 2011). Knowledge sharing also includes communication of new Knowledge to potential Knowledge users (Karadsheh et al, 2009).

2.3.1.5 Knowledge application

Naturally, Knowledge acquires from all works of every occupation; even from a simple work, Knowledge is found in tacit or explicit manner. As a result, employees are required to use their Knowledge for making decisions and performing task perfectly for the organizational success. Knowledge has no value unless it consistently used or applied, in the right way, at the right place and at the right time (Payne & Tony, 1994).

So according to Grant (1996) The Knowledge Management Strategy of a firm is based on the best possible strategic design of the above Knowledge management processes in order to reach its competitive goals .in addition Day (1998) states that The development

of a KMS includes all the operations related to the creation, acquisition, integration, storage, transmission, protection and application of Knowledge.

2.4 knowledge management strategy

In section 2.3 we have discussed about definition of Knowledge management and its processes. In this section we will see different issues regarding Knowledge management strategy. However, the definition of strategy should first be clarified. In different literature the word strategy has different meanings. Before the word strategy has military origin which is derived from the Greek strategos (Office of the general or commander). In pure and simple terms, it's the plan of action designed to achieve a particular goal. On the other hand as Yang and Yeh (2009) defines, a strategy is a process of determining the mission, vision, major objectives, strategies and policies that govern the acquisition and allocation of resources to achieve organizational aims. An effective strategic-planning system links long-range strategic goals with both mid-range plans and operational plans. A strategy could be decomposed through a strategy map which is a visual representation of the cause and effect relationships among the components of an organization's strategy. This represents a logical and comprehensive architecture for specifying the critical elements and their linkages in an organisation's strategy and serves as a communication tool for clarifying strategy (Yeh, 2009). Also as Liddel (1967) define A strategy is the art of distributing and applying means to fulfill the ends

Organisations are facing ever-increasing challenges, brought on by marketplace pressures or the nature of the workplace. Many organisations are now looking to Knowledge management (KM) to address these challenges. Such initiatives are often started with the development of a Knowledge management strategy. Knowledge management strategy is the process of generating, codifying, and transferring explicit and tacit Knowledge within an organization, getting the right information, to the right person, in the right place and at the right time (Nikolaos T, Dimitrios M2, Georgios T3). KM strategy can also be defined as a high-level plan that defines and outlines the

processes, the tools, and infrastructure (organizational and technological) required for managing Knowledge gaps or surpluses (Zack, 2002).

A clear and well-planned strategy is considered important for the success of Knowledge management (Liebowitz, 1999). To be successful, a KM strategy must do more than just outline high-level goals such as ‘become a Knowledge-enabled organisation’. Instead, the strategy must identify the key needs and issues within the organisation, and provide a framework for addressing these (James, 2015). Manoj (2012) also states that Due to the intense global competition, the most important managerial context for investing in and promoting the use of Knowledge management is the corporate strategy.

A KM strategy should:

- create an understanding of the organization’s Knowledge resources and where they reside
- articulate the role of Knowledge in value creation; and
- Comprise a number of integrated projects or activities phased over time including quick wins as well as long term benefits (du Plessis, 2007).

The result of KM strategy is identifying how the organization can best leverage its Knowledge resources. Once this fundamental KM strategy is defined, base lining and technology options may be explored. A KM strategy helps address the following questions (Kimiz, 2005)

1. Which KM approach, or set of KM approaches, will bring the most value to the organization?
2. How can the organization prioritize alternatives when any one or several of the alternatives are appealing and resources are limited?

Appropriate KM strategies are important to ensure that the alignment of organizational process, culture, and the KM-related information technology (IT) deployment produce

effective Knowledge creation, sharing, and utilization (Zack, 1999). It is also necessary for facilitating Knowledge enablers like people, process, organization and system (Hansen et al, 1999). KM strategies are no longer empty buzzwords but a fundamental concern for many firms (Earl , 2001).

As kimiz states once the KM strategy is defined, the organization will have a road map that can be used to identify and prioritize KM initiatives, tools, and approaches in such a way as to support long-term business objectives. The strategy is used to define a plan of action by undertaking a gap analysis. The gap analysis involves establishing the current and desired states of Knowledge resources and KM levers. Specific projects are then defined in order to address specific gaps that were identified and agreed upon as being high-priority areas. A good KM strategy possesses the following components:

1. An articulated business strategy and objectives
2. A description of Knowledge-based business issues
3. An inventory of available Knowledge resources
4. An analysis of recommended Knowledge leverage points

The major steps involved in developing a KM strategy are first to understand the organization in terms of its current state (“as is”) and its desired business objectives (“to be”). The analysis of the difference between the two states is often referred to as a gap analysis, and the means of getting from the “as is” to the “to be” state is often represented in the form of a KM strategic road map. (Kimiz , 2005)

2.4.1 Classification of Knowledge management strategy

Though different scholars classify Knowledge management strategy in different literatures most of them classify it in to codification and personalization approach .One strategy to KM involves actively managing Knowledge or push strategy (Gupta & Sharma , 2004).In such instance, individuals strive to explicitly encode their Knowledge into a shared Knowledge repository, such as a database, as well as retrieving

Knowledge they need that other individuals have provided to the repository. This is commonly known as the Codification approach to KM. The codification strategy of KM focuses on capture, codification, storage and dissemination of explicit Knowledge and using them in forms compatible with organizational objectives. (Paul, 2012)

As Karsten (2013) states the underlying idea of codification is to extract the Knowledge from people and store it somehow. This approach is especially used by process-driven companies, which focus on documentation. Here, employees are supposed to fill out forms and create reports about on-going work or intermediate results. The company's processes intend to codify the gained Knowledge, to constantly build up a Knowledge base with formalized content about specific tasks or problems. This Knowledge base should then be accessed, when similar problems occur in future projects. (Karste, 2013),

The codification strategy's goal is to provide scaffolds that lead to standardized reports. These then are collected in a Knowledge base. This standardization makes it easy to search for the documentation of previous results, which, if similar enough, can help in the current situation. Hansen et al (1999) explain that a competitive strategy, which would apply the codified Knowledge management strategy, typically aims to provide high quality solutions that are reliable and specialized in a certain field. A company that produces high-end solutions to a specific problem for different customers is an example for that (Hansen, 1999)

Another strategy to KM involves individuals making Knowledge requests of experts associated with a particular subject on an ad hoc basis or pull strategy (Gupta J & Sharma S, 2004). In such an instance, expert individual(s) can provide their insights to the particular person or people needing this (Snowden, 2002). This is commonly known as the Personalisation approach to KM .or the personalization strategy is concerned with increasing Knowledge flow in the organization through networks and interaction Hansen (1999) propose a simple framework, distinguishing two opposing KM strategies: codification and personalization. Codification focuses on collecting and storing codified Knowledge in previously designed electronic databases to make it accessible to the organisation. Codification can therefore refer to both tacit and explicit

Knowledge. In contrast, the personalization strategy aims at encouraging individuals to share their Knowledge directly (Smith, 2004)

The focus of personalization is on people and their direct communication among each other. Especially in companies, that follow flat organizational structures, the internal communication is important. Encouraging the employees to exchange ideas and experiences is the main principle here. Thus, the employees continuously build up and improve their social network within the company, which they utilize to localize desired Knowledge or experts in the case of need (goal-oriented) (Karsten, 2013), Hansen et al. call this approach the personalized Knowledge management strategy or personalization.

2.5 Alignment of KM strategy with business strategy

In section 2.3 it has been discussed that Knowledge has been recognized as the most strategic resources of an organization and it is a vital asset for an organization's survival and advancement. Academics and researchers also advocated that the true power of Knowledge lies in its ability to positively influence, and enable the business strategy. Zack (2002b), for instance, suggested that the vital role of Knowledge and its management should be reflected by the organizational related strategies in order to achieve the organizational desired competitive advantage.

An organization's strategy of Knowledge management is not arbitrary but depends of the "way the company serves its clients, the economics of its business, and the people it hires" (Hansen et al., 1999). Knowledge management should not be implemented because it is just "nice-to-have". Following the definition of KM as proposed in this paper KM should provide a competitive advantage for the organization. Thus, KM should be tightly related to objectives and business strategies of the organization or subunit of the organization (Davenport et al, 1998; Zack, 1999). Business strategy can be defined as the outcome of decision made to guide an organization with respect to the environment, structure and processes that influence its organizational performance (Croteau, et al. 1999).

Maier and Remus (2002) stated that KM is either integrated within the overall business strategy or treated as a separate business strategy in parallel with other strategies. Thus, they declared that KM and BS should be one strategy and not separated strategies. In this case, KM needs to be in harmony with business strategy. Fusion or harmony is the suitable terms to describe the relationship between KM and business strategy in which there should be a unity between organizational strategies and KM strategy. In different literatures this idea stated as follows.

Asoh (2004) and Snyman and Kruger (2004) for instance, believed that business strategy and KM strategy should feed upon each other and need to work interdependently. Tiwana (2002) states that "Knowledge drives strategy and strategy drives Knowledge management", and, "without a clearly articulated link between Knowledge management and business strategy, even the world's best KM system will deliver nothing". Further, Hansen et al (1999) and Pillania (2005) describes A firm's KM strategy has to be in alignment with its overall business strategy. On the other hand, Zack (2003) puts Companies that succeed over the long term align their KM processes with their strategy.

In order to formulate a KM strategy, the Chief Knowledge Officer (CKO) needs to be fully conversant with all aspects of the business strategy. The Chief Executive Officer (CEO), however, should be able to articulate the organization Knowledge-related activities with the organization strategic activities and strategic plan. This perception of Knowledge management strategic alignment (KMSA) revealed that KM must support business strategy, which means that there are two separate strategies, one for business and the other for KM. In this case, the term linkage and coherent can be used to describe Knowledge management business strategy-strategic alignment (KMBS-SA).

When a firm's Knowledge Management program isn't aligned with organizational strategy, its success can be no more than a happy accident (Stephani & Nick, 2015).

Therefore, the alignment can be defined as the degree to which the KM missions, objectives, and plans supported and are supported by business mission, objective and plans. So due to the above explanations KMBS-ST defined as The degree to which Knowledge resources and capabilities provided by the Knowledge strategy, is supporting and supported by the strategic and intellectual (Jaflah , 2008) requirements of the business strategy in order to manage the strategic and Knowledge gap.

2.6 Knowledge management strategy practice in Banks

Since we are in the Knowledge era, this forces the Banking institution to view Knowledge management as one of the competitive advantage. Over the last 20 years, Banks have been actively automating their manual processes. This results the creation of many information systems (IS) even within one Bank (Hafizi & Nor, 2006b). While these information systems are able to help Banks better, manage their processes and resources it also slow down their service delivery. One major slowdown of information system in the past was that it resulted in the creation of huge volumes of data, information and resulting information explosion or information overload (Hafizi & Nor, 2006b).

This phenomenon occurs when the Banks face with massive amount of information and it takes time to go through the bulk of information to use. When there was heavy load of information, it results slower response rate and if this happened frequently, inefficiency occurred (Hafizi & Nor, 2006b). Large organizations because they have scattered or virtual units they lack unification and duplicates efforts exists. In such cases large amount of Knowledge will be generating however, it will not put to proper use due to lack of connectivity (Goswami, 2008). To solve such difficulties efforts are underway to implement Knowledge management practices in business, firms and corporate fields sector. In this regard, understanding the experience of the Banks that implement KM is critical. But in order to implement Knowledge management practice an organization

needs to have a good Knowledge management strategy. Different researches are undertaken to investigate KM strategy practice in different regions of the world and there are several examples of development of KM strategy application that is successfully implemented in different organizations.

2.6.1 Knowledge management strategy in Banking industry of Nepal

Manoj K and . Chaudhary (2012) conducted a research on Knowledge management strategy of banking industry in Nepal. In the study it is stated that the growth of Banking sector in Nepal is much better compare to other sectors in the country. The Banking industry is vigorously increasing in the country since the introduction of liberalization in the beginning of 1980s and its reform policy in 1990s. Over the past 20 years, Nepal's Banking industries have grown rapidly in terms of business volume and assets as well as market. But due to the absence of proper Knowledge management practices and reducing number of Banking professionals, there may arise complex situation and it is because of liberalization and reforming finance sectors.

Nepalese Banking sector is emerging industry, so it is turning toward competitiveness, and striving toward the modernization of corporate activities. Their focuses are on how well they can use their resources. But in Nepalese organization, the use of KM for organizational competitiveness is still in transition and initial phase because neither the organization has the clear model of KM strategies nor they clearly use the appropriate mode for strategic integration

The introduction of Knowledge management strategy and its dimensions make it easier for Nepalese Organizations and their manager to focus their attention on them determining the specific actions to carry out to introduce them. The findings of the study show that general status of the practices of KMs and Corporate Strategy in the Nepalese Banking industry is good but not excellent. The study also indicate the gap of understanding in the area of Knowledge management strategy with business strategy for performance and competitiveness.

2.6.2 Knowledge management strategy in Asian development Bank (ADB)

Knowledge management at ADB is evolving purposefully in the right direction, although more needs to be done. In 2001, *Moving the Poverty Reduction Agenda Forward in Asia and the Pacific: The Long-Term Strategic Framework of the Asian Development Bank (2001–2015)* stressed the role of Knowledge management and committed ADB to becoming a “learning organization.” In 2002, ADB established a Knowledge Management Committee, among other measures, to guide the implementation of the long-term strategic framework. In 2004, ADB issued a framework paper on Knowledge Management in ADB that set out five areas to prioritize ADB’s Knowledge management actions.

Despite worldwide attention to strategic planning, the notion of strategic practice is surprisingly new. To draw a strategy is relatively easy but to execute it is difficult. (Olivier Serrat, 2009). ADB’s plan of action for Knowledge management connotes a pragmatic, step-by-step approach: the initial actions/outputs are for a 3-year time frame; measures for their implementation will be incorporated into ADB’s Work Program and Budget Framework (2010–2012);

The action plan starts with emphasis on sharpening the Knowledge focus in ADB’s operations, to be supported by efforts to empower communities of practice for Knowledge capture and sharing, since internal demand is important, with related Knowledge demonstrating faster value to feed in at critical points of corporate planning and priority setting. The plan then aims to strengthen external Knowledge partnerships for Knowledge development and dissemination, and finally scale up staff development programs. The action plan rests on four pillars:

1. Sharpen the Knowledge Focus in ADB's Operations
2. Empower the Communities of Practice.
3. Strengthen External Knowledge Partnerships.
4. Further Enhance Staff Learning and Skills Development.

2.6.3 Knowledge management strategy practice in Ethiopia

In case of Ethiopia, as per the Knowledge of the researcher there is no study undertaken in the practice of KM strategy in the Banking sector. Ever organization, especially organizations like EUB, have the long serving employees who serves over many years, have built up a vast wealth of Knowledge about the company, its clients, its products and the service it provides..

However, no research was undertaken in the organization to assess Knowledge management practice in EUB. In this regard, this study has large contribution for the organization and for the country as a whole for understanding the level of Knowledge management strategy practice for the development of Knowledge management activities.

2.7 Research gap

Researchers used different theories but in many areas, theory development has not yet advanced to a level that warrants elaborate explanations for KM factors including KM strategies and performance (Byounggu & Simon., 2006). Zack (1999b) recognised several studies have investigated different approaches to Knowledge Management. On the other hand he also describes there is a lack of focus in KM literature on strategic aspects of Knowledge (Zack, 2001). This requires a research to identify existing KMS practice problems and select a KMS theory to develop Knowledge management strategy that meets a specific organization needs. Since Knowledge management as a conscious practice is so young, executives have lacked successful models that they could use as guides (morten & Thomas, 1999). In addition the formulation of strategies based on organizational Knowledge and its effect on economic results is a new line of research, which has not yet generated notable findings .

The problem with all of these studies is that they only analyse KMS on the basis of some dimensions. On the other hand relatively small number of studies have addressed the relationship between KM strategies and organizational performance because of the difficulty in measuring and quantifying the value of Knowledge (Byounggu & Simon, 2006).). Further, while designing strategic business plans most organizations do not plan for KM activities and most KM activities are not tied to business strategies (Howard Cohen, 2014).so in this study the researcher tries to full fill the gap regarding the development of Knowledge management strategy for organization competitive advantage and align business strategy with the developed Knowledge management strategy.

CHAPTER THREE:RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research approach and methodology adopted in the current study, specifically in relation to the research design and the data collection process. Research methodology is the general framework of the research processes to undertake the research (Benbasat & Mead, 1987; Yin, 2003). It is also the heart of a research because it helps researchers to decide how they are going to achieve their stated objectives, what new data they need in order to shed light on the problem they are going to address and how they are going to collect data and process the data (Hareya, 2011). Research methodology includes the research paradigm, research procedure, data collection instruments, data analysis methods and data interpretation (Temtim, 2014). This research uses both quantitative and qualitative research methods. Therefore; it needs much attention on choosing the appropriate methods which can provide the desired outputs.

3.2 Research Design

Research designs are the plans and procedure that cover the decision from broad assumption to detailed methods of data collection. There are different types of research designs: qualitative, quantitative and mixed research (Creswell, 2009). Qualitative research approach is one of the main approaches of research methodology. It studies about experiences, behaviours and attitudes from the respondents point of view. Qualitative methods include ethnographic, phenomology, case study and content analysis. As compared to quantitative research approach, it does not use mathematical and statistical methods. However, qualitative research method uses logic to interpret gathered data. Quantitative research approach views Knowledge as objective truth.it uses standard instruments to measure variables (Creswell, 2009).

The qualitative research method focus on deeper understanding of the phenomena (Marshall, 2006) .Mixed research design is a research design that combines both

qualitative and quantitative research approach. Hence, in order to achieve the objective of this study both quantitative and qualitative methods of research design is used. such type of research is called mixed research design (Kumar, 1996). This research investigate to what extent United Bank practices Knowledge management. For the quantitative method, self administered questionnaire is used whereas for the qualitative method the semi-structured face-to-face interview is used to provide more details about how EUB practices KM.

There are different research methods within the qualitative research paradigm. This is mainly because different disciplines come with their own version of qualitative research methods such as ethnography from anthropology, phenomenology from linguistics, symbolic interactionism and case study from sociology (Hancock & Algozzine, 2006). This research uses case study to answer the research questions stated in Chapter one.

3.3 Case Study Research Method

The case study is not itself a research method, but researchers select methods of data collection and analysis that will generate material suitable for case studies such as qualitative techniques (semi-structured interviews, participant observation, diaries), personal notes (e.g. letters, photographs, notes) or official document (Willig & Carla, 2001). Case study research provides rich and contextual data that can help to gain a deeper understanding about a phenomenon (Yin, 1994). The case study method often involves simply observing what happens to, or reconstructing ‘the case history’ of a single participant or group of individuals (such as a school class or a specific social group), i.e. the idiographic approach. A single case doesn’t have to mean just one single person. It might be a family, a social group, or even a single organisation. A case study can involve dealing with quite a number of individuals (Willig & Carla, 2001). This study investigates the case of Knowledge Management strategy practice at EUB. The case could not be considered without its context, EUB. Case study research can be undertaken using single or multiple cases which have unique features (Andrade, 2009). This is a single case study research.

As Willig and Carla (2001) stated the main characteristics of the case study are descriptive, narrowly focused, combines both objective and subjective data. A case study is based on an in-depth investigation of a single individual, group, or event to explore causation. In order to find underlying principles. It may also involve the collection of both qualitative and quantitative like documents, archival records, interviews, direct observation, participant-observation, physical artifacts (Ferdinand and Marell, 2015)

Researchers from many disciplines use the case study method to build upon theory, to produce new theory, to dispute or challenge existing theory, to explain a situation, to provide a basis to apply solutions to situations, to explore, or to describe an object or phenomenon. The advantages of the case study method are its applicability to real-life, contemporary, human situations and its public accessibility through written reports. Case study results relate directly to the common readers everyday experience and facilitate an understanding of complex real-life situations (Soy & Susan, 1997).

3.4 Research Population

There are a number of private and public commercial Banks in Ethiopia. Dashen Bank, Wegagen Bank, United Bank and Awash Bank are some of the private Banks already start giving service. On the other hand, there are three state owned Banks in Ethiopia: Commercial Bank of Ethiopia, Development Bank of Ethiopia (DBE) and Construction and Business Bank (CBE). Moreover, all the public and private Banks are under the control of National Bank of Ethiopia (NBE). Thus, this research focuses on private Bank of Ethiopia. So all the necessary data for this study is collected from United Bank of Ethiopia.

Today, United Bank is a full service Bank that offers its customers a wide range of commercial Banking services with a network of branches, a total of additional 30

branches and 3 sub branches have become operational during the financial year 2014/2015. As of June 30, 2015, the total human resource of the Bank reached 2921 (291 managerial, 1,612 clerical and 1,018 non clerical). This study is focused at EUB head office branch, which encloses a total of 324 employees and 15 departments. The population of the study consists of all managerial, and clerical employees in order to get detailed and relevant information about the Knowledge management strategy practice at organizational level.

The sample population for quantitative study is determined from Employees from the various departments of the Bank. Qualitative data will be also collected using an in depth interview to the 9 manager and observation at different departments.

3.5 Sample Design Process

It is necessary to take sample from the population to make the research cost effective and efficient. Due to cost associated with the inclusion of each unit of the study, cost of time, and cost of equipment and material constraints the researcher needs to take sample. The other is the issue of quality; concentration of effort on a sample can increase the quality of the research, which may then lead to results that are more accurate. The other is feasibility of the research and time (Greenfield, 2002). As a result, designing the sampling process of the research is essential to achieve the objective the research. Accordingly, the following sample design of the research is undertake.

3.5.1 Sampling size

To ensure generalization of the study findings, the questionnaires has been administered Based on simple random sampling to EUB employee in four departments .A total of 110 questionnaires are distributed to the employees who are in managerial, and clerical positions. In addition for the qualitative study respondents are selected using purposive sampling technique only those who serve as managers co coordinators of different sections.

3.5.2 Sampling method

Based on branch distribution a hybrid sampling of stratified, purposive and random sampling techniques is used. Stratified sampling technique is used to categorize branches of United Bank. The advantage of stratified sampling in this case ensures that the resulting sample would be distributed in the same way as the population in terms of the stratifying criteria. Considering the branches of the Bank in Addis Ababa City as one stratum and samples branch of UB is selected with purposive sampling. This is because the Bank operation is highly similar in each branch's even though they are in different districts. As a result, the result of the research also mapped to the other branch Banks of EUB. Purposive sampling method helps the researcher to select the branches and departments that is conducive for collecting the required data. For the quantitative data the sample individuals were selected using simple random sampling method to give equal chance for all sample units. For the qualitative study respondents selected using purposive sampling technique only those who serve as coordinators and managers were chosen.

3.6 Data Collection Methods

Data collection for this study has begun at the end of January 2016 and ended in middle of February 2016. Based on research objective and research design different kinds of data collection methods are used for research studies. The goal of data collection is to gain rich data that suits to achieve the research objective. Data collected from two or more sources helps to support and improve the quality of the research result (Kumar, 1996). Generally; there are two types of data sources: primary data sources (documents) that are collected by the researcher from original sources. On the other hand, secondary source of data are collected and compiled by others. In this regard data collected from the respondents mainly uses primary data collection methods through questionnaire, interview. In addition, secondary data from publication annual reports, organization profile and bulletins of EUB will be consulted. Collecting data from different sources strengths the limitation of each methods and yields the data that are more valid for the

output of the research (Marshall, 2006). The use of questionnaires (quantitative), semi-structured interviews and observation (qualitative) employ in this study allowed for the collection of data from large and varied groups of employees /managers/

3.6.1 Primary data

Primary data are first-hand information collected by the researcher from their original sources through various methods such as observation, interviewing, mailing, Questionnaires, focus group etc (Alemayehu, 2009). Therefore, the primary data for this study is collected from employees, branch managers, and clerical employee of EUB.

3.6.1.1 Questionnaires

The primary data for this research is gathered by using a self-administered Questionnaire. AS Kumar (1996), Questionnaire is a written list of questions the answer to which is recorded by respondents .The questionnaire is divided into two parts namely part 1 and part 2. Part 1 comprised questions eliciting demographic characteristics of respondents. Part 2 Comprised questions designed to ascertain the views of the employees of EUB on Knowledge management strategy practice of the organization, and business strategy of the Bank. The questionnaire will mainly contain close-ended questions. Questionnaires are prepared after extensive review of literatures in this field, those questions in the questionnaires focused on the research problems objective and Questions rose in the statement of the problem.

Before distributing the whole, the questionnaire was pre-tested by circulating it to 10 members of the employees in the organization to determine the understandability of the items included in the questionnaire. The pre-test was conducted to assure whether they can understand the questions. This helps to avoid factors which can lead to misunderstanding and wrong interpretation of the results. Therefore, improvement and modification including rephrasing and rewording will be done based on the feedback obtained.

3.6.1.2 Interview

Interviewing is one of the major primary data collection methods from the people. As (Yin, 2003) explains, Interview is the common and most important source of data for case study research. According to Kumar (1996), any person-to-person interaction between two or more individuals with a specific purpose in mind is interview. Interview discussions can be conducted using open ended and semi-structured questions as guides (Darke et al., 1998). Interview involves not only conversation, but also learning from the respondents' gestures, facial expressions, pauses and his environment (http://www.sheffield.ac.uk/lets_evaluate/general/methods-collection/questionnaire.html). In some cases an interview becomes superior to other data-gathering methods (Kumar, 1996), because people are usually more willing to talk than to write. Once the connection is established, even confidential information may obtain from the interview (Alemayehu, 2009).

There are different types of interview formats such as structured, semi-structured or Unstructured. In structured interview, the investigator asks a pre-determined set of questions, using the same wording and order of question as specified in the interview list of questions in open ended or close-ended format (Kumar, 1996). Open ended interview questions are also used to develop more focused semi structured interview questions and select informants who can provide more specific information in the later stage of the research (Darke et al., 1998). Unstructured interviews also known as in-depth interview taken place by developing framework or interview guide with in which the interview is conducted (Kumar, 1996). The more unstructured the interview, the more it is expected that the main issues will emerge from the interviewee, rather than being imposed by the structure of the interview (<http://www.sheffield.ac.uk/lets-evaluate/general/methods-collection/questionnaire.html>).

This research used open ended interview questions at the beginning of the research and semi structured interview questions at a later stage. During the interview, a digital voice recorder is used to record the interview discussions. This helps to capture everything the respondents' said including feelings. Since it is difficult to choose relevant and non-

relevant information during interview discussion, it is good to record everything during the interview (Eisenhardt, 1998).

Further the researcher can also focus only on the interview discussion and have time to adjust the necessary questions to ask. During the discussion, the researcher took only notes of main points. One disadvantage of digital records are digital voice recorder may generate too much data which the researcher may not able to analyze and use it. The researcher dropped during interview transcriptions items which were not relevant to the research topics (temtem, 2014). In order to identify further information to be collet in the next field visit, the researcher transcribed the interview discussion and then analyse it.during open ended interview discussion, the respondent may provide unnecessary information which is not relevant to the topic.so the researcher should remind the interviewee to focus on the interview questions only.

3.6.2 Documents

In this study documents are used as the secondary source of data collection methods .Documents were used as important data source for the research as they contain readily available data (Yin, 2003).these documents will consist of readily available list of items that are already compiled statistical statements and reports. The researcher will collect necessary documents that can supplement data gathered through interview. When the researchers undertake the interview discussion, there might be ideas that require further explanation and are supported by documents. The researcher will take notes and ask respondents to provide the documents immediately after the interview discussion or will take appointment to collect the documents. Documents that provide background information about EUB such as EUB profile, annual reports ,EUB five year strategic plan, management meeting minute and organization structure are collected after the interview discussion.

3.7 Procedures on data analysis

Data analysis involves critical thinking. In this research the data analysis is done after collecting all data from the respondents. Thus, the analysis of the study followed the objective of the research. Moreover, the data gathered through the above-mentioned methods was analysed using statistical tools, such as tabulation and percentage using SPSS. Whereas, the data from interviews was presented qualitatively.

Qualitative data was analysed manually. Some speech marks from the qualitative data that best explain points regarding Knowledge management practice and the organization business strategy was identified and presented by the participants own words in parallel with the quantitative information to give more insight for the study.

3.8 Reliability and Validity

Validity and reliability are the two important attributes to judge the quality of research. Reliability means the consistency or repeatability of the measure (Marshall, 2006). Reliability is especially important if the measure used for an on-going basis to detect change. Reliability is achieved by providing detailed descriptions of the research procedures and standard data collection instruments to allow other researchers to replicate (Temtem, 2014). The researcher used data collection instrument developed for the research. The use of a digital voice recorder also increased the trustworthiness of the research because it reduces misinterpretation of respondents' views due to errors in note taking.

Cronbach's alpha was used to measure the reliability of items in the questionnaire. Cronbach's alpha is a model of internal consistency based on the average inter-item correlation. Measures in this study are judged to be reliable if Cronbach's coefficient alpha is 0.7 or greater (Sekaran, 2000).

On the other hand validity means that we are measuring what we want to measure (Marshall, 2006) or Validity refers to what extent the research instrument measures what is supposed to measure (Yin, 2003). There are different types of validity measurements including, face validity -whether at face value, the questions appear to be measuring the objective of the study. The researcher undertakes a pre-test on selected employee to check the validity of the questionnaire. The validity of each question to collect data that focused on the present research objective was discussed with 8 participants. The feedback also led to minor modifications aimed at increasing the questionnaires validity and clarity.

CHAPTER FOUR: DATA ANALYSIS AND DISCUSSION

4.1 Introduction

To assess the existing Knowledge management strategy practice of EUB questionnaires are distributed to employees at different branch offices of the Bank. The responses obtained through Questionnaires are supplemented with interview, physical observation and document survey. Data collected through interviews, observation and document survey was aggregated into categories and themes in such way that it can answer the research questions stated in Chapter One. The analysis is done using SPSS version 20. Frequency, percentage, means and standard deviation value is used for discussion of the questionnaire collected from EUB.

The total number of questionnaires distributed was 115 and the returned questionnaires are 79 with a response rate of 70%. These Questionnaires were distributed across the branches that are found in Addis Ababa city. In addition, the questionnaires are distributed to Human Resource, Customer Loan, customer service, trade and information technology the departments of EUB. In addition, physical observation was undertaken to understand the Banking service delivery and to see the employee's social interaction. Moreover, interview also held with the Bank officers to clear ambiguity during data analysis.

4.2 Demographic Analysis

This portion of the survey is concerned with background of the respondents to understand respondents who participate in filling the questionnaire for this research. Respondents are requested to fill their sex, level of education, their adaptation to technology and present work position in the Bank and their experience. The profile of respondents is presented in table 4.1. The demographic and background variables used in this study are gender, educational level, position, respondents working experience and their ability towards Adaptation to Technology.

When we look the respondents 'gender wise 60.8% of the respondents are males whereas only 38% of the respondents are females. The other 1.2% didn't mention their gender. This shows that more of the respondents are male. In addition Most of the respondents are Bachelor's degree holders (69.62%), with working experience between three and ten years(60.75%).21.52% of them have master's degree and the rest 1.2% didn't mention their educational status., When we see respondents' by their adaptation to technology majority of the respondents have high adaptation to technology(45.56%).25.4% of respondents have a very high adaptation to technology and 28.4% of them responds that their adaptation to technology is average. 8.86% of them didn't mention their level of adaptation Among the respondents three of them didn't respond for the question and none of them responds that they have low adaptation to technology. In addition, 58.23% of respondents are officers, 16.46% are coordinators and 10.13% of them are managers and 8.86% of them are assistant officers. The rest of 6.32% didn't mention their position.

Respondents Profile	Classification	frequency	percentage
gender	No response	1	1.2%
	Male	48	60.8%
	Female	30	38%
Educational Status	No response	1	1.2%
	1. Diploma	6	7.59%
	2. Bachelors	55	69.62%
	3. Masters	17	21.52%.
	4. Doctorate	0	0
Ability towards Adaptation to Technology	No response	3	3.79
	Very High	20	25.32%
	High	36	45.56%
	Average	20	25.3%
	Low	0	0
Position	No response	5	6.32%
	Manager	8	10.13%
	Coordinator	13	16.46%
	Officer	46	58.23%

	Assistant officer	7	8.86%
experience	No response	1	1.2
	Less than 3 Years	20	25.3%
	3-10 years	48	60.75%
	11-15 years	9	11.39%
	Greater than 15 years	1	1.2

Table 4.1 Respondents demographic profile

4.3 Knowledge management strategy practice in EUB

In order to understand the Knowledge management strategy practice of EUB Questions are presented in categorical form .Respondents are asked questions regarding the organization Knowledge vision and strategy, respondent’s perception regarding methods to disseminate and document Knowledge. In addition whether the company achieves needful qualified or skilful personnel, and the extent of using systematic way to gather, organize, exploit and protect key Knowledge assets .further their perception regarding whether the company experts have different domain of key Knowledge and if there is a place mechanism to codify their tacit Knowledge in to explicit. The summary of the responses for those questions are presented in table 4.1

The first question is concerning whether the organization has Knowledge vision and strategy. The response show that 7.6 % of the respondents disagree with this idea. 26.6 % neither agree nor disagree with the idea or they have no idea about the issue. The other 64.4% of respondents agree and strongly agree with the idea. Among the respondents only 1.3 % didn’t give any respond to the question. From these, we can say that most of the respondents believe that the Bank has its own Knowledge vision and strategy.

Question Items		Strongly disagree	disagree	Neutral	Agree	Strongly Agree	Missing	Mean	Std Deviation
My company has a compelling Knowledge vision and strategy, actively promoted (supported) by our Chief Executive	%	0	7.6	26.6	49.4	15.2	1.3	3.73	.817
My company uses formal methods to document and disseminate Knowledge (i.e. formal meetings and instructions	%	0	8.9	21.5	51.9	15.2	2.5	3.75	.830
My company uses information technology and communication systems to document and disseminate Knowledge	%	1.3	5.1	15.2	38.0	38.0	2.5	4.09	.934
My company usually achieves needful qualified and skilful personnel in Knowledge through training and development programs.	%	1.3	5.1	16.5	48.1	26.6	2.5	3.96	.880
My company introduces intermediate and long range plan to achieve effective Knowledge management administration	%	0	2.5	35.4	45.6	13.9	2.5	3.73	.737
My company encourages personnel to benefit from the experience of successful international practices and Knowledge to adopt them.	%	5.1	5.1	31.6	43	12.7	2.5	3.55	.967
My company has systematic way to gather ,organize, exploit and protect key Knowledge assets, including those from external sources	%	0	10.1	32.9	38	17.7	1.3	3.64	.897
My company has best experts for different domain of key Knowledge and there is a place mechanism to codify their tacit Knowledge in to explicit	%	3.8	11.4	30.4	30.4	21.5	2.5	3.56	1.082

Table 4.1 question items on Knowledge management strategy practice of EUB

Regarding the question if the company uses formal methods to document and disseminate Knowledge, 8.9% of respondents strongly disagreeing and disagree with the idea. 21.5% of them has moderate attitude towards the idea. 66% of the respondents strongly agreeing and agree with the idea. The other 2.5% of the respondents didn't give any respond to the idea from this, we can conclude that most of the staff believes that they use formal method to document and disseminate Knowledge.

For the question regarding the company uses information technology and communication system, 6.4% of the respondents replied that they strongly disagreeing and disagree with the idea. 15% of them didn't have any attitude towards this idea. 76% of the respondents replied that they strongly agreeing and agree with the idea. 2.5% of the respondents didn't give any respond to the question. From this, we can conclude that majority of the employee believe that EUB uses information technology and communication system. In this regard one of the IT manager noticed that their Bank is one of the leading Bank in terms of technology.

Regarding the organization habit towards achieving skilful and qualified personnel in training and development programme, 6% of the respondents strongly disagreeing and disagree with the idea. 16% have moderate attitude towards the idea. 75% of them strongly agreeing and agree with the idea. The rest 2.5% of the respondents didn't respond for this question. From this, we can say that most of the staff believes that EUB achieves skill full and qualified personnel through training and development programme. In this regard one of branch manager remarked that training is given starting from the day one employee hired in the organization.

For the question whether the organization has long range plan to achieve effective Knowledge management administration, 2.5% of the respondents replied that they strongly disagreeing and disagree with the idea. 35.4% of them have moderate attitude towards the idea. 59% of them strongly agreeing and agree with the idea. The rest 2.5% of them didn't

give any response for the question. From this, we can conclude that most of the staff believes that EUB has a long range plan to achieve effective Knowledge management administration.

For the question regarding the company encourages personnel to benefit from the experience of successful international practices and Knowledge to adopt them, 10% strongly disagreeing and disagree with the idea. 31.6 of the respondents neither disagree nor agree with the idea. 55% of them strongly agreeing and agree with the idea. The rest 2.5 % didn't give any response for the question. From this, we can conclude that majority of the staff believe that the organization encourage personnel to benefit from the experience of successful international practices and Knowledge.

For the question whether the company has systematic way to gather ,organize, exploit and protect key Knowledge assets, including those from external sources, 10% of the respondents strongly disagreeing and disagree with the idea .33% have moderate attitude towards the idea. 56% strongly agreeing and agree with the idea. The rest 1% didn't give any respond for this question. in this aspect one of the assistant manager remarked that the Bank has both internal and external way to gather, organize, exploit and protect key organization For instance internally the Bank uses portal system in every department .if there is new product this portal system gives guide how this product works and it includes every information regarding the Banks product. When one staff wants to know about internet banking, he can get from this portal. It also helps to put different memos for every department so this shows that Knowledge is systematically gathered, organized and exploited in the Bank.

Externally, if the staffs want to gather information about different products like interest free Banking, first information is gathered from different branches of different Banks how it works. The IT department communicate regarding the application and operationally the staff go and ask how customers fill forms how it works. in addition we browse there sites to gather different information.

For the last question regarding whether the Bank has best experts for different domain of key Knowledge and there is a place mechanism to codify their tacit Knowledge in to explicit, 15% Of respondents strongly disagreeing and disagree with the idea.30.4% of respondents have moderate attitude towards the idea.52% strongly agreeing and agree with the idea. The rest 2.5% didn't give any respond for the question. From this, we can conclude that most of the staff believes that the organization has best experts for different domain of key Knowledge. Regarding, this idea, one of the credit analyst explained that the Bank has different domain experts for different departments. For instance in his department he said that tacit Knowledge of these best experts is documented while they give training for other staffs.

The mean and standard deviation value for each question regarding Knowledge management strategy practice of EUB is in table 4.1.The highest mean value is 4.09 which is for the question whether the company uses information technology and communication systems to document and disseminate Knowledge with standard deviation .934.this show that most of the staff believe that their company uses information technology and communication system in order to disseminate and document Knowledge. The lowest mean value was **3.55** for the question whether the company encourages personnel to benefit from the experience of successful international practices and Knowledge to adopt them with the standard deviation value of .967. That is the lowest mean value for this question gives an understanding that the company didn't encourage employees to benefit from successful international practices and Knowledge.The highest standard deviation score was registered for the question whether the company has best experts for different domain of key Knowledge and a place mechanism to codify their tacit Knowledge in to explicit, which is 1.082. This show, employees are a variation in answering for the question. From this, we can understand that most of the staff don't believe that the organization has best experts for different domain of key Knowledge.

4.3.1 Application of tacit vs explicit oriented Knowledge management strategy

4.3.1.1 Tacit oriented Knowledge management strategy.

Another mechanism in order to know whether EUB practices Knowledge management strategy

Practice is to identify different types of KMS in the organization. The researcher try to classify it as tacit vs explicit, internal vs external .In this section respondents are asked questions regarding whether they easily acquire Knowledge from experts and co- workers or if they easily get face-to-face advice from experts, whether they believe that informal dialogues and meetings are

Question Items		Strongly disagree	disagree	Neutral	Agree	Strongly Agree	Missing	Mean	Std Deviation
Knowledge is easily acquired from experts and co-workers in my organization	%	1.3	12.7	10.1	53.2	21.5	1.3	3.82	.964
It is easy to get face-to-face advice from experts in my organization	%	2.5	8.9	17.7	50.6	19.0	1.3	3.76	.956
Informal dialogues and meetings are important methods for Knowledge sharing in my organization..	%	2.5	6.3	20.3	48.1	19	3.8	3.78	.932
One-to-one mentoring is frequently used for Knowledge acquisition in my organization.	%	6.3	24.1	26.6	25.3	16.5	1.3	3.22	1.18
Knowledge is closely tied to the person who developed it and employees shared mainly through personal interaction in my organization	%	1.3	11.4	20.3	43	21.5	2.5	3.74	.979

Table 4.2 question items on Tacit oriented Knowledge management strategy

important methods for Knowledge sharing. In addition they are asked if the organization has a habit of using One-to-one mentoring frequently for the purpose of Knowledge acquisition ,whether Knowledge is closely tied to the person who developed it and they shared Knowledge mainly through personal interaction in their organization. The summary of the responses for those questions are presented in table below.

Regarding the question if staffs acquire Knowledge from experts and co-workers 14% of respondents strongly disagreeing and disagree with the idea.10% of them are neutral

towards the idea.74.7% of respondents strongly agreeing and agree with the idea.only 1.3% didn't respond for the question. This shows that most of the staffs believe that they acquire Knowledge easily from other experts and co-workers. For this idea one of the employee in his interview provided his view as follows

“Experts in each department prepare and give training on area they are more capable.”[Customer Service Coordinator]

On the other hand regarding to question, if there is a habit to get face to face advice from experts,11% of respondents strongly disagreeing and disagree with the idea.18% of respondents have moderate attitude towards the idea.70% of them strongly agreeing and agree with the idea. Only 1.3% of respondents didn't give any response for the question. This show that most of the staff believe that they can easily get face to face advice from experts.

Making informal dialogue with other staffs is one of the mechanisms to share tacit Knowledge of other experts in the organization. Also preparing different meeting sessions help employees to share tacit Knowledge of other co-workers. In this regard the respondents are asked whether they make informal dialogues and meetings.8.8% of respondents strongly disagreeing and disagree with the idea. 20% of them have moderate attitude towards the idea.67% of respondents strongly agreeing and agree with the idea.3.8% of them didn't respond for the idea.this show that majority of the staffs believe that making informal dialogues and meeting help them to share others Knowledge. One of the assistant branch manager noted in his interview as follows

“we made informal dialogue with other upper managers to know in what way they manage their staffs. In addition there is a habit of making monthly and management meeting.”

The respondents are also asked their frequent use of one to one mentoring in order to acquire Knowledge.30.4% of respondents strongly disagreeing and disagree with the idea. In addition 26.6% of the respondents have moderate attitude towards the idea.41.8% of

them strongly agreeing and agree with the idea. The rest 1.3% didn't give any response for the question. This shows that the majority of the staff believe that one-to-one mentoring is frequently used to acquire Knowledge in the Bank.

The last question regarding tacit oriented Knowledge management strategy is whether the organization Knowledge is tied to the person who develops it and employees share this Knowledge through personal interaction. About 13% of respondents strongly disagree and disagree with the idea. 20% of them have a moderate attitude towards the idea. The other 64.5% of respondents strongly agree and agree with the idea. The rest 2.5% didn't give any response for the idea. This shows that the majority of the staff believe that Knowledge is tied to the person who develops it and they share this Knowledge through personal interaction.

The mean and standard deviation value for each of the questions regarding tacit oriented Knowledge management strategy is calculated and seen in table 4.2. The highest mean value is 3.82 which is for the question whether Knowledge is easily acquired from experts and co-workers in the organization with a standard deviation of .964. This shows that most of the staffs believe that they acquired Knowledge easily from experts and co-workers. The lowest mean is 3.22 for the question One-to-one mentoring is frequently used for Knowledge acquisition with the highest standard deviation of 1.18. This shows that one-to-one mentoring is not frequently used for Knowledge acquisition.

4.3.1.2 Explicit oriented Knowledge management strategy

Questions are presented regarding explicit oriented Knowledge management strategy in EUB. Respondents are asked whether Knowledge is well codified and can be acquired easily through formal documents and manuals. In addition, they are asked whether they believe that project experiences and meetings are carefully codified and stored in databases and documents in the organization. They are also asked if they document problems they faced and methods used to solve these problems for future benefits. In addition, whether they document experts' Knowledge in each department and organize it as a basis for problem solving and if they frequently record their Knowledge. The summary of the responses for those questions are presented in table 4.3

Question Items		Strongly disagree	disagree	Neutral	Agree	Strongly Agree	Missing	Mean	Std Deviation
Knowledge is well codified in my company	%	2.5	13.9	25.3	43.0	12.7	2.5	3.51	.982
Knowledge can be acquired easily through formal documents and manuals in my company	%	1.3	8.9	17.7	49.4	20.3	2.5	3.81	.918
Results of projects and meetings should be documented in my company.	%	2.5	1.3	29.1	46.8	17.7	2.5	3.78	.853
Knowledge is carefully codified and stored in databases and documents, where it can be accessed and used easily by employees in the organization	%	2.5	15.2	19.0	40.5	21.5	1.3	3.64	1.07
I record and use Knowledge acquired in training and meeting	%	0	10.1	20.3	39.2	25.3	5.1	3.84	.945
My Company documents new acquired Knowledge for each accomplished project	%	0	10.1	34.2	39.2	15.2	1.3	3.60	.873
I document problems we faced and methods used to solve these problems for future benefits	%	5.1	11.4	16.5	50.6	13.9	2.5	3.58	1.04
In each department, we document experts' Knowledge and organize it as stories of success to be used as basis for problem solving	%	2.5	17.7	27.8	34.2	13.9	3.8	3.41	1.04
I am frequently recorded my Knowledge	%	6.3	19	13.9	40.5	11.4	8.9	3.35	1.15

Table 4.3 Question items on explicit oriented Knowledge management strategy

For the question regarding if Knowledge is well codified in the organization, 16.4% of respondents strongly disagreeing and disagree with the idea. 25.3% of them have moderate attitude towards the idea. The other 55.7% of respondents strongly agreeing and agree with the idea. The rest 2.5% didn't have any attitude towards the idea. This shows that majority of the staff believe that they codify the organization Knowledge. As one of customer service coordinators determine, most of the organization Knowledge is in explicit (codified) form.

Respondents are also asked whether Knowledge is acquired through formal documents and manuals in the organization. 10% of them strongly disagreeing and disagree with the idea. 17.7% have moderate attitude towards the idea. 69.7% strongly agreeing and agree with the idea. The rest 2.5% didn't mention their attitude towards the idea. This implies that majority of the staff believe that they acquire Knowledge through formal documents and manuals. In this aspect one of the branch managers mention that manuals are used extensively in the Bank. For instance policy manual which is prepared by the national Bank helps to prepare procedure manuals. These procedure manuals are distributed in every department and help all staffs to maintain their responsibilities. In addition one of the staff in credit session mentioned in his interview that manuals like risk rating procedures, loan procedure manuals, coordination manual which is useful in case of data transfer, estimation manuals, national Bank manuals and system manuals are used in the department.

The other question concerning if Knowledge is carefully codified and stored in databases and documents, 17.7% of respondents strongly disagreeing and disagree with the idea. 19% are neutral with the idea. The other 62% strongly agreeing and agree with the idea. The rest 1.3% didn't give any response for this question. This shows that most of the staff believes that in the Bank, Knowledge is codified and stored in database and documents which helps employees to access and use it easily.

Bank prepares different training programmes to fill a Knowledge gap on the task. In EUB training is prepared by HRM directorate. This training program helps to facilitate Knowledge sharing among its employees. Regarding this idea, question is presented whether employees record and use Knowledge acquired in training and meeting. 10% strongly disagreeing and

disagree with the idea.10% of them have moderate attitude toward the idea.65% strongly agreeing and agree with the idea. The rest 5% didn't give any response. This show that most of the staff believe that in the Bank there is a habit of recording and use Knowledge acquired through training and meeting.in this regard, one of the assistant manager tells in his interview that if there is a management meeting, the manager will take a minute during the meeting .so this meeting minute is distributed to other staff through secretary. This helps other staffs to share different experience of upper managers.

The other question regarding explicit oriented Knowledge management strategy is whether the organization has a habit of documenting new acquired Knowledge for each accomplished project.10.1% of respondents strongly disagreeing and disagree with the idea.34.2% have moderate attitude towards the idea. The other 54.4% strongly agreeing and agree with the idea. The rest 1.3% didn't mention their attitude. This implies that most of the staff believes that their organization has a practice of documenting new acquired Knowledge for each accomplished project. For this idea ,the IT manger remarked that most of the organization Knowledge, especially operational Knowledge is documented.

Respondents are also asked if they have a habit of documenting problems they faced and methods used to solve these problems for future benefits.16.5% strongly disagreeing and disagree with the idea.16.5% have moderate attitude towards the idea. The other 64.4% strongly agreeing and agree with the idea. The rest 2.5 didn't give any respond for the question. This show that majority of the staff believe that they document problems they face and methods used to solve these.one of the interviewee from customer service noted in his interview that he uses a personal diary and he refers it when he needs some information.

Since Banks have bulk of information, this information should be kept explicitly for future benefit. Codified Knowledge can be easily understood because it can be codified and carried out through databases and libraries. Regarding this, respondents were asked if they document experts' Knowledge and organize it as stories of success to be used as basis for problem solving.20.2% of respondents strongly disagreeing and disagree with the idea.28% of them have moderate attitude. The other 48 % strongly agreeing and agree with the idea.

The rest 3.8 % didn't respond for the question. This shows that majority of the staffs believe that there is a habit of documenting experts Knowledge and organize it for future benefit. one of the assistant branch manager remarked in his interview that even if there is no formal method to document experts Knowledge for future benefit, the experts themselves prepare documents on the area they are more capable.

The last question in the aspect of explicit oriented Knowledge management strategy is whether they have a habit of recording their Knowledge frequently. 25.3% strongly disagreeing and disagree with the idea. 14% have moderate attitude. In addition the other 52% strongly agreeing and agree with the idea. The rest 9% didn't respond for the question.

The mean and standard deviation value for each of the questions regarding explicit oriented Knowledge management strategy is calculated and seen in table 4.3 .The highest mean value is 3.84 which is for the question whether they record and use Knowledge acquired in training and meeting with standard deviation .945. this shows that most of the staff believe that there is a habit of recording what they got from training and meeting. The lowest mean is 3.35. It is for the question if they record their Knowledge frequently. This denotes that majority of the staff believe that in EUB there is no habit of recording Knowledge for future benefit. the highest standard deviation is 1.153 which is for the question whether the staff frequently record their Knowledge. This shows that there is a variation in responding this question. This denotes, majority of the staff don't believe that there is a habit of recording Knowledge.

In general explicit oriented Knowledge management strategy has higher mean value than tacit oriented Knowledge management strategy. From this, the researcher can understand that majority of Knowledge in EUB is in explicit form. Also most of the researchers Interviewees explain majority of Knowledge in EUB is in explicit form.

4.3.2 Application of internal vs external oriented Knowledge management strategy.

4.3.2.1 Internal oriented Knowledge management strategy.

An organization can have internal or external oriented Knowledge management strategy. External-oriented strategy attempts to bring Knowledge from outside sources via either acquisition or imitation and then transferring the Knowledge throughout organization. Internal-oriented strategy focuses on generating and sharing Knowledge within the boundary of the firm. In this section the researcher Discuss questions regarding internal oriented Knowledge management strategy. The summary of the responses for those questions are presented in table below

Question Items		Strongly disagree	disagree	Neutral	Agree	Strongly Agree	Missing	Mean	Std Deviation
Internal Knowledge is important resource to create new Knowledge in my company	%	1.3	1.3	11.4	59.5	25.3	1.3	4.08	.734
Internal Knowledge is frequently used for developing Knowledge in my company.	%	2.5	3.8	26.6	48.1	17.7	1.3	3.76	.885
Our organization re-use current or existing Knowledge resources to enhance organisational competitiveness and efficiency..	%	2.5	7.6	15.2	57	16.5	1.3	3.78	.907
We frequently adjust our procedures, rules, and policies to make things work better	%	1.3	7.6	19	49.4	21.5	1.3	3.83	.903
The quantity and quality of Knowledge created internally are superior to those of competitors for developing new Knowledge	%	1	5	25	32	14	2	3.69	.892
My company prefers internal Knowledge to external one	%	3.8	15.2	40.5	21.5	17.7	1.3	3.35	1.07

Table 4.5 Question items on internal oriented Knowledge management strategy

For the question about the importance of internal Knowledge in order to create new Knowledge , about 2.6% of respondents are disagree and strongly disagree with the idea. But 85% strongly agreeing and agree .In addition 11.4% of the respondents responded a moderate value for the question. The rest 1.3% didn't respond for the question. From this we can understand that in EUB internal Knowledge is an important resource to create new Knowledge.

Regarding the frequent use of internal Knowledge, 6% of respondents are strongly disagree and disagree with the idea. Further, 26.6% responded moderate value. However 66% strongly agree and agree that they frequently use internal Knowledge. The rest 1.3% didn't give any value for the question. This shows that most of the staff believe that they frequently use internal Knowledge to accomplish their day today activities.one of the interviewee explained this idea as follows

“While any employee hired in EUB for the first time, he/she take internal training on different areas” [Branch Manager]

The other question concerning if the organization reuses the existing Knowledge resources to enhance organisational competitiveness and efficiency, about 10.4% of respondents strongly disagree and disagree with the idea.in addition15% of respondents responded moderate value and the other , 73.5% strongly agreed and agree with the idea. The rest 1.3% didn't give any response for the question. From this the researcher can conclude that in EUB current Knowledge resources are reused to increase organization efficiency. In this aspect, one of the branch assistant manager explained in his interview that the Bank has a system which is related to customer communication skill. But, since currently the competition is very high, the organization needs to upgrade its customer handling method. So employees are sent to customers in person and make them to open account.

Regarding the frequency on the adjustment of manuals, procedures and policies prepared in the Bank,9% disagree and strongly disagree with the idea.19% have moderate attitude. The other 71% are agreeing and strongly agree with the idea. The rest 1.3% didn't give any value for the question. From this, the researcher concluded that in EUB manuals, procedures and policies are

frequently adjusted. On this point, one of customer service coordinator remarked that, while new products are in use, manuals which contain the national policy will be adjusted.

A firm Internal-oriented strategy focuses on generating and sharing Knowledge within the boundary of the firm. It build up unique Knowledge and experience which is difficult for competitors to imitate.in this regard respondents are asked If the quantity and quality of Knowledge created internally are superior to those of competitors .About 7.6% responded that they strongly disagreeing and disagree with the idea. In addition 31.6% give moderate value for the question. The other 58.2% strongly agree and agree. The rest 2.5% didn't respond .from this, researcher can assume that the employees believe that their organization is unique than other competitors. In regard to this idea, one of the staff explained his idea as follows

“Our Bank is unique in its internet banking service since we can transfer money from one person account in EUB to the other person account in other bank. The other is Hawala makes our bank special. Without coming here only through internet money can be transferred.” [Assistant Branch Manager]

The last question regarding internal oriented Knowledge management strategy is the staff's attitude towards the preference of internal or external Knowledge. 19% of respondents strongly disagreeing and disagree with the idea.40.5% are neutral.in addition 39.2% strongly agreeing and agree with the idea. The rest 1.3% didn't respond for the question. From this, the researcher can understand that the respondents were confused to choose internal or external Knowledge. This is because the organization uses either internal or external oriented Knowledge creation. For this idea employees in their interview give explanations as follows.

“EUB uses both kind of Knowledge creation method. For instance new products like agent Banking is adopted externally .however the Bank also upgrade the product which is already in use” [Customer Service Coordinator]

“In EUB both internal and external Knowledge creation method is used. For instance one IT application was used But through time the organization recognize that this application is not good to use products comprehensively.so the organization had

bought another application like internet Banking, agency Banking or mobile Banking.”[Branch Manager]

The mean and standard deviation value for each of the questions regarding internal oriented Knowledge management strategy is calculated and seen in table 4.5. The highest mean value is 4.08. It is for the question internal Knowledge is important resource to create new Knowledge in the company for standard deviation of 0.734. This shows that majority of staffs believe the importance of internal Knowledge in order to create new Knowledge. The lowest mean is 3.35 for the question internal Knowledge is more preferred than external one with the highest standard deviation of 1.067. This shows there is a variation in responding this question. From this, the researcher can understand that in EUB internal oriented Knowledge is not more preferred than external one.

4.3.2.2 External oriented Knowledge management strategy.

In this section, like internal oriented Knowledge management strategy, questions regarding external oriented Knowledge management strategy are presented. There are questions concerning if a large portion of new Knowledge has been developed on the basis of customers’ or competitors Knowledge. Respondents are also asked whether the Bank prefers external consulting company than internal one or the Bank has a habit of participating in conferences and workshops inside and outside the country. Besides, whether the Bank has a trend of either developing new Knowledge through collaboration and alliance with external institutions or the Bank seeks the help of external experts and specialists to transfer their Knowledge and experience to its personnel. The summary of the responses for those questions are presented in table 4.6

For question regarding if a large portion of new Knowledge in the Bank has been developed on the basis of customers’ Knowledge, 17.7% of respondents strongly disagreeing or disagree with the idea. About 38% have moderate attitude. Further, 43% are strongly agreeing or agree and the rest 1.3% didn’t respond for the question. This shows majority of the staff believe that large portion of new Knowledge in the Bank is depend on customers’ Knowledge.

Question Items		Strongly disagree	disagree	Neutral	Agree	Strongly Agree	Missing	Mean	Std Deviation
A large portion of new Knowledge in my company has been developed on the basis of customers' Knowledge	%	2.5	15.2	38	30.4	12.7	1.3	3.36	.980
A large portion of new Knowledge in my company has been developed through analysis of competitors' Knowledge (e.g., products or services).	%	0	10.1	26.6	50.6	10.1	2.5	3.62	.812
My company prefers external consulting companies' Knowledge to internal departments' one	%	3.8	17.7	41.8	27.8	7.6	1.3	3.18	.950
A large portion of new Knowledge in my company has been developed through collaboration and alliance with external institutions or organizations.	%	1.3	15.2	34.2	36.4	11.4	1.3	3.42	.933
My company periodically checks competitors' strategy and products (services) to get new Knowledge.	%	2.5	7.6	31.6	38	19	2.5	3.64	.967
My company seeks the help of external experts and specialists to transfer their Knowledge and experience to our personnel.	%	3.8	15.2	26.6	43	8.9	1.3	3.39	.989
My company is concerned in participating in conferences and workshops inside and outside the country as a method of obtaining Knowledge	3.8	8.9	25.3	45.6	13.9	1.3	3.8	3.58	.978

Table 4.6 Question items on external oriented Knowledge management strategy

The other question is about a large portion of new Knowledge in the Bank is based on competitors' Knowledge. About 10% of respondents, strongly agreeing and agree .but 26.6% responded moderate value. In addition 60.7% strongly agreeing and agree with the idea. The

rest 2.5% didn't respond for the question. From this, the researcher can understand that a large portion of new Knowledge like new products and services in EUB is adopted from competitors.

A Bank needs the effort of external companies for the adoption new products or services.in these regard respondents are asked if EUB prefers external consulting companies than internal departments. About 21.5% strongly agreeing and agree that the Bank prefers external companies. But 41,8% responded moderate value .In addition the other 35.4% strongly agreeing and agree with the idea. The rest 1.3% didn't give any value for the question. This shows majority of staff believe that the Bank prefers either internal or external consulting companies

The other question regarding external oriented Knowledge management strategy is if a large portion of new Knowledge in the Bank has been developed through collaboration and alliance with external institutions or organizations. 16.5% of respondents strongly disagreeing and disagree with the idea. But 34.2% give neutral value for the question. The other 47.8% strongly agreeing and agree with the idea. The rest 1.3% didn't respond for the question. This shows majority of the staff believe that most of new Knowledge in the Bank is developed through Communicating with external bodies .As one of the interviewee explained

“Our Bank has communication with other external institution. For instance there is one organization called ERCATA, which gives training on customer service.”[Assistant Branch Manager]

Respondents are also asked their attitude towards the organization habit on checking competitors' strategy and products (services) to get new Knowledge.About 10% of respondents strongly disagreeing and disagree on the idea. Nevertheless 31.6% have moderate attitude. The other 57% strongly agreeing and agree that the Bank has a habit of checking competitors strategy and products. The rest 2.5% didn't respond for the question. From this the researcher can understand that the company has a habit of checking competitors' strategy and products (services) to get new Knowledge. This is also reported by the branch manager as follows

“When EUB starts interest free Banking for the first time, information is gathered about this product from different branches of different Banks. The IT department communicate regarding the application and operationally other staffs sent to ask how customers fill forms, how it works.in addition different information is gathered from their sites”

The other question regarding external oriented Knowledge management strategy is whether the company seeks the help of external experts and specialists to transfer their Knowledge and experience to employees.19% of respondents strongly disagreeing and disagree with the idea. About 26.6 % give neutral value and the other 52% strongly agreeing and agree with the idea. The rest 1.3% didn't respond for the question. This shows most of the staffs believe that in EUB there is a need of external experts and specialists in order to adopt their Knowledge to personnel.

The last question is whether the company is concerned in participating in conferences and workshops inside and outside the country as a method of obtaining Knowledge. About 12.7% of respondents strongly disagreeing and disagree with the idea. But 25.3% are neutral in responding the question. In addition the other 59.5% strongly agreeing and agree that in EUB employees are participated in conferences and workshops inside and outside the country .Besides the rest 1.3% didn't respond for the question. From this the researcher can understand that employees of EUB are participating in different conferences and workshops One of the HR manager noted that any kind of conferences or trainings are prepared by HR department. She remarked that trainings are given for staffs while it is necessary. For instance when there is new product, training is given for the necessary department. She also explain that most of the time external trainings are given for staffs who are in managerial position

The mean and addition standard deviation value for each of the questions regarding external oriented Knowledge management strategy is calculated and seen in table 4.7. The highest mean value is 3.64.which is for the question whether the company periodically checks competitors' strategy and products (services) to get new Knowledge with standard deviation of .967.this denotes, most of the staff believe that in order to get new Knowledge, EUB checks competitors' strategy and products. The lowest mean is 3.18 which is for the question if the company prefers

external consulting companies' Knowledge to internal departments' one. This shows that most of the staff don't believe that in EUB external consulting companies Knowledge is not more preferable than internal ones. The highest standard deviation is .989 which is for the question whether EUB needs the help of external experts and specialists to transfer their Knowledge and experience to staffs which denotes, there is a variation in responding the question. As stated earlier the bank uses both external and internal knowledge to develop new Knowledge.

4.4 Business Strategy at EUB

In this section questions concerning business strategy of EUB are presented. Respondents are asked if the organization follows a defined set of procedures and the kind of business strategy the organization is currently focused. In addition the question include about the frequency of the introduction of new products or services. and exploitation of internal Knowledge or acquiring external Knowledge. The summary of the responses are presented in table below.

Question Items		gly disagr	Disag ree	Neutr al	Agree	Stron gly Agree	Missi ng	Mean	Std Devia tion
Our organization follows a defined set of procedures in its business strategy process.	%	1.3	7.6	17.7	46.8	25.3	1.3	3.88	.926
Our organization business strategy focuses on generating new or customer specific solutions or product (innovations).	%	1.3	13.9	20.3	44.3	19	1.3	3.67	.989
Our organization business strategy requires re-using existing Knowledge(defensive)	%	1.3	13.9	34.2	40.5	8.9	1.3	3.42	.890
Our organization business strategies focus on efficiency of processes.	%	1.3	6.3	26.6	49.9	13.9	2.5	3.70	.844
Our organization business strategy requires product or process	%	1.3	6.3	24.1	46.8	17.7	3.8	3.76	.877
Our organization is the first to introduce new brands or products in the market	%	5.1	6.3	21.5	39.2	26.6	1.3	3.77	1.080
There is high Frequency of new product or service introduction in our Bank	%	1.3	8.9	15.2	45.6	27.8	1.3	3.91	.956

Table 4.7 Question item on business strategy

For the first question about the Bank trend on following a defined set of procedures in its business strategy process, 9% of respondents strongly disagreeing and disagree with the idea. 17.7% responded moderate value. In addition 72% strongly agree and agree with the idea. The rest 1.3% didn't give any value for the question. From this the researcher can understand that EUB has a defined set of procedures in its business strategy process.

For the question concerning whether the organization business strategy is focused on generating new or customer specific solutions or product(innovations), 15% of respondents replied that they strongly disagreeing or disagree with the idea. In addition 20.3% of respondents are neutral towards the idea. Also, the other 63.3% strongly agreeing and agree with the idea. The rest 1.3% didn't give any value for the question. From this the researcher can understand that most of the staffs believe that EUB'S business strategy is focused on innovative kind of business strategy. For this idea one of the interviewee said that since the Bank major aim is to be preferred Bank, more of its business strategy is innovative kind of strategy. For instance the emergence of agent Banking shows that the Bank is focusing more on innovative kind of strategy.

The other question is about the reuse of existing Knowledge which shows defensive kind of strategy. Here 15% of respondents are strongly disagree and disagree with the idea. In addition 34.2% have moderate attitude .the other 49.4% of respondents strongly agreed and agree with the idea. The rest 1.3% didn't give any value for the question. This shows majority of the staff believe that the Bank reuses existing Knowledge. However when it compares with innovative kind of Knowledge management strategy, the number of respondents replied innovative is more in number than defensive kind. From this, the researcher can understand that EUB mostly focuses on generating new or customer specific solutions rather than reusing existing Knowledge.

Respondents are also asked whether the organization business strategy focuses on efficiency of processes. About 7.6% strongly disagreeing and disagree with the idea. The other 26.6% have moderate attitude towards the idea and 50% of them are strongly agreeing and agree with the

idea. The rest 2.5% didn't respond for the question. This shows that most of the staff believe that the organization business strategy is focused on efficiency of processes.

The other question regarding EUB'S business strategy is whether the organization business strategy needs product or process. 7.6% of respondents strongly disagreeing and disagree with the idea. Also 24% are neutral towards the idea. The other 64.5% are strongly agreeing and agree with the idea and the rest 3.8% didn't mention their idea for the question. From this, the researcher can understand that EUB's business strategy require product or process.

EUB's vision is to be the preferred Bank in Ethiopia and Africa through delivering better Banking services to its customers using modern service delivery channels (products).so respondents are also asked if the organization is the first to introduce new brands or products in the market. 11.4% of respondents strongly disagreeing and disagree with the idea. in addition about 21.5% have moderate attitude towards the idea. the other 65.8% are strongly agreeing and agree with the idea. The rest 1.3% didn't give any value for the question. From this the researcher can understand that most of the staffs believe that EUB is introducing new brands or products in the market.

For a certain Bank to be competitive and satisfy its customer, there should be a high frequency new technology use in the Bank. Regarding this respondents are asked if there is a high frequency of introduction of new products in EUB. About 10.2% of respondents are strongly disagreeing and disagree with the idea. 15.2% have moderate attitude and the other 73.4% strongly agreeing and agree with the idea. The rest 1.3% didn't respond for the question. This shows that most of the staff in the Bank believes that there is a high frequency of introduction of new technologies.

The mean and standard deviation value for each questions regarding business strategy is computed and seen in Table 4.8. The highest mean value is 3.91, which is for the question regarding the frequency of introduction of new products in the company. From this the researcher can conclude that in EUB there is high frequency of introduction of new products. In addition one of the IT managers in his interview determines that EUB is very vigorous in using

various technologies. Moreover the researcher compare the mean value for innovative kind of business strategy to defensive kind which shows in EUB mostly innovative kind of business strategy is applied. Also the highest standard deviation is for the question if EUB is the first to introduce to use new brands or products. This shows there is a variation in responding the question which denotes mostly the organization is not the first to introduce new brands or products.

4.5 Strategic alignment between Knowledge management strategy and business strategy at EUB

The other mechanism the researcher used to assess the KMS practice of EUB is to understand its alignment with the business strategy of the organization. so respondents are asked question based on the alignment between business strategy and Knowledge management strategy, the degree of their importance in the Bank. In addition the role of business strategy to km and how km and business strategy relate in the Bank. Further the question contain about the interaction among business manager and Knowledge manager in the Bank. The summary of the responses for those questions are presented in Table 4.8

In order to understand the degree of the awareness of the staffs bout KMS, question regarding the degree of the importance of business strategy and KMS was presented. About 10 % of respondents were disagreeing with the idea of KMS and business strategy is equally important. In addition 25.3% of respondents have moderate attitude and the other 62% are strongly agreeing and agree with the idea. The rest 2.5% didn't respond for the question. This shows that most of the staff believes that business strategy is equally important with KMS.

Respondents are also asked if KMS and business strategy are prepared at the same time. For this question about 7.6% of respondents strongly disagreeing and disagree with the idea. However 52.3% replied neutral value for the question. In addition the other 36.7% strongly agreeing and agree on the idea .the rest 3.8% didn't replied for the question. Since most of the respondents are neutral to respond this question, this shows that most of the staff don't have any idea about when does KMS and business strategy is prepared. in addition majority of interviewees noted that in

EUB there is no Knowledge management department. Hence the researcher could understand that in the organization KMS is not formally prepared.

Question Items		Strongly disagree	disagree	Neutral	Agree	Strongly Agree	Missing	Mean	Std Deviation
Business strategy and Knowledge management strategy are aligned in my Bank	%	2.5	12.7	31.6	40.7	8.9	3.8	3.42	.928
Business strategy and Knowledge management strategy are equally important in our Bank.	%	0	10.1	25.3	50.6	11.4	2.5	3.65	.823
Knowledge management strategy and business strategy are prepared at the same time	%	1.3	6.3	53.2	25.3	11.4	2.5	3.40	.831
Business strategy and Bank context is considered to be critical to the success of a KM initiative	%	0	6.3	35.4	40.5	13.9	3.8	3.64	.812
The business strategy of the Bank outlines the processes, tools, and infrastructure required for Knowledge to flow effectively.	%	0	2.5	30.4	46.8	16.5	3.8	3.80	.749
Knowledge manager and business managers are satisfied with their ability to communicate and negotiate with each other	%	0	13.8	48	21.8	13.9	2.5	3.68	.768
Knowledge manager and business managers are satisfied with their ability to communicate and negotiate with each other	%	0	2.5	38	44.3	12.7	2.5	3.69	.730

Table 4.8 Question item on strategic alignment between KMS and BS

The other question is whether the Business strategy is considered to be critical to the success of a KM initiative. About 6.3% of respondents are agreed with the idea. However 34.5% are replied neutral values. The other 54.4% are strongly agreeing and agree .the rest 4% didn't respond for the question. This shows that most of the staff believes that the organization business strategy helps for the success of Knowledge management

The other question concerning the alignment between KMS and business strategy is whether the business strategy of the Bank helps for Knowledge to flow effectively. About 2.5% of respondents are disagreeing on the idea.in addition 30.4% respond neutral value and the other 63.3% are strongly agreeing and agree .the rest 3.8% didn't respond for the question. This shows even if there is no strategic alignment between BS and KMS, the business strategy of the bank indirectly incorporate different knowledge issue of the company.this is also explained by one of the assistant manager as follows:

“Since there is no km department, we couldn't see the alignment but personally I can say that everything in the business strategy is connected with Knowledge like training issue, new products, meeting and so on.”

Finally, respondents are asked whether the business manager and Knowledge manager of the Bank communicate and negotiate with each other. About 13.8% of respondents replied that they agree on the idea. However 48% replied neutral value and the other 35.7% are strongly agree and agree on the idea. The rest 2.5% didn't reply any value for the question. From this, the researcher can conclude that majority of the staffs don't have any idea about the communication among business manager and knowledge manager.

The mean and standard deviation value for each questions regarding business strategy is computed and seen in table 4.8.The highest mean value is 3.80, which is for the question regarding the organization business strategy helps for Knowledge to flow effectively. From this the researcher can understand that in EUB the business strategy is prepared in the aspect it can help for good flow of Knowledge in the organization .for instance two interviewees provided their view on this idea as follows:

“One of our Bank business strategy is being competitive than other by using advanced technologies. In addition there is also a 5 or 10 year strategy like the Bank should reach at a certain stage regarding deposits in these periods”
[branch manager]

“our business strategy include the organization annual plan regarding budgets control, the number of customers and so on. Further Regarding products, if any new product is available it could have different features.so for the first time we only use some features which are very necessary for the current activity. So our business plan includes what features we need to include in the future.in addition our business plan includes meeting and training issues” [assistant branch manager]

Accordingly from the interviewee’s idea the researcher can understand that the business strategy of the Bank helps for effective Knowledge flow by including the organization issues like meeting, training, products and annual plan.

In addition the lowest mean is 3.40 for the question whether business strategy and Knowledge management strategy is prepare at the same time. This shows that most of the staff don’t believe that BS and KMS are prepared at the same time. Also the highest standard deviation is 0.928, which is for the question if there is an alignment between business strategy and Knowledge management strategy. This shows there is a variation in responding this question. From this the researcher can conclude that in EUB there is no alignment between BS and KMS. Some views from the employee of EUB is as follows.

“Since there is no Knowledge management strategy in our Bank, there is no alignment” [customer service coordinator]

“I don’t have any idea whether our organization has Knowledge management strategy or not.so it is difficult to explain how the Knowledge management strategy aligns with business strategy” [credit analyst]

So from the above employee ideas the researcher can understand that in EUB the idea of Knowledge management strategy and its alignment with the business strategy is not

known. Based on these findings the development of Knowledge management strategy is necessary to make the bank competitive by using its knowledge resource.

4.6 Discussion of the Findings

Private Banks started to operate in the Banking business after free market economy liberalization by the current government in 1991 (Shanka, 2012). The share of private Banks is growing in the Banking business. The management of private Banks is more efficient than the government Banks. Kapur & Kassie (2012) undertook a study on the performance of public and private Banks taking data from 2001 to 2008. Their study showed that private Banks were performing better in profitability, asset quality and capital adequacy than public sector Banks. public Banks are generally facing poor management and low efficiency due to low payment and lack of transparent performance based promotion (Kapur & Kassie , 2012). Private Banks make wise decisions when they finance projects that bring more return unlike government Banks. They can also negotiate and pay more salary scale to attract talented employees from the market including from government Banks (Tentim, 2014)

EUB is one of private Bank that shows great advancement of technology. Currently the Bank is also thrived in improving its mobile and internet Banking platforms, renovating the services to a new world class that is equipped with state of the art technology. EUB is aggressively expanding its branches. For instance, a total of additional 30 branches and 3 sub-branches have become operational during 2014/2015(EUB.2015).In addition the total human resource of the Bank has shown an increase of 496 employees compared to the total number reported on June30,2014 (EUB,2015) .EUB has also a vision to render quality commercial Banking services to the best satisfaction of its customer, to enhance share holders' value, one of the best employer in the industry ,and to discharge its corporate responsibility to both the community in which it operates and the environment which it shares with the world (EUB, 2015). This requires the Bank to integrate its internal and external Knowledge resources to create new capability to achieve its vision. However EUB does not have the Knowledge and experience to practice Knowledge management strategy. There is also no research on the assessment of knowledge management practices in the context of United Bank in Ethiopia. This study disclose findings that are crucial to improve the Knowledge management strategy

practice of EUB and to gain competitive advantage over others. The following sections are organized by the research questions stated in chapter one to assist readers to map the research questions with the research findings.

4.6.1 Knowledge management practices

In the previous sections it is stated that knowledge management is one of the core organizational activities that can lead to sustained increase in organizations profits. In EUB even if there is no Knowledge management department, these Knowledge management practices are done in different activities of the Bank informally. The result of this research revealed that 64.4 percent of respondents stated for availability of Knowledge management vision in the organization. However 27 percent of respondents are not aware of it. This shows that a significant number of employees are not aware about KM practice and principles. References for neutral value, which shows differences of viewpoint of the concept of Knowledge vision or strategy. So the researcher proposes Knowledge management Strategy as Business Strategy which is A comprehensive, enterprise-wide approach to KM, where Knowledge is frequently seen as the organization product.

In addition the highest mean regarding Knowledge management activities of the Bank is for the usage of information technology and communication systems to document and disseminate (share) Knowledge. This shows most employees in EUB use information technology and communication systems in order to accomplish day today activity of the Bank. Other researcher also explain the use of information technology is very important to share tacit Knowledge by converting into explicit Knowledge (Habtamu, 2011). This is because Bank Knowledge is unique Knowledge which is acquired by working on the task and found mostly as tacit knowledge (temtem, 2014). Unless the tacit knowledge is codified, it may not be easily accessible.

EUB organizes training for new employees and employees assigned to new positions. On the job training prepared to allow employees from different branches to sit in one training room and know each other for future knowledge sharing. The result of this research shows the lowest mean (3.55) regarding Knowledge management practice is seen for the company

encourages personnel to benefit from the experience of successful international practices and Knowledge to adopt them. Although EUB achieves qualified and skilful personnel in Knowledge through training and development programs, as the HR manager stated most of trainings were offered outside the country only for upper managers. Other research result shows that participating in conferences and workshops inside and outside the country helps as a method of obtaining Knowledge (Faisal Bourini, 2013). In order to achieve its business objective, the Bank should value its employee by encouraging to participate in international practices to acquire Knowledge to develop their intellectual capacity.

After acquiring Knowledge from different sources and experts, it should be codified or recorded for making easily accessible for whoever wants to use (Habtamu,2011). This process will transform Knowledge into a coded form to make Knowledge structured, explicit, transferable and easy to understand as possible (Paween, 2006). Knowledge codification involves conversion of tacit Knowledge into explicit Knowledge in usable form. The result of this research shows the highest standard deviation(1.082) is valued regarding the Bank has best experts for different domain of key Knowledge and there is a place mechanism to codify their tacit Knowledge in to explicit. This shows in EUB there is no mechanism to codify Knowledge of different experts. The researcher suggest a mechanism like information retrieval system to access retrospective Knowledge of the organization and to share for all users in the future. The organization can have new employee without any cost for training as task knowledge is already codified and available to the new employees. In addition other research confirmed that the shift from implicit to explicit Knowledge ultimately makes key data resources more discoverable and reusable(Kane, 2016)

4.6.2 Knowledge management strategy practice in EUB

Previously the importance of KMS is discussed in different literatures. However the result of this research shows that in EUB there is no KMS for the competitive advantage of the organization. Even if there is no identified KMS in the Bank, the researcher try to identify different orientation of KM strategy in EUB like tacit versus explicit oriented ,internal versus external oriented KM strategy. Researchers categorized knowledge management strategies as

being either human or system oriented (Byounggu & Heeseok 2002). Human oriented KMS emphasizes Knowledge sharing via interpersonal interaction. Besides it helps to share Knowledge among people and attempts to acquire tacit Knowledge and share it informally. System oriented KMS emphasizes the capability to help create, store, share, and use an organization's explicitly documented Knowledge. Regarding tacit oriented KMS the result of this research accounts the highest mean (3.82) for easily acquisition of Knowledge from experts and co-workers in the organization. Employees of the Bank explain in their interview that experts of different departments give training on different areas for others. In addition an employee can acquire any information from other co-worker in the Bank. Also the lowest mean (3.22) with the highest standard deviation (1.18) is for the frequent use of One-to-one mentoring as Knowledge acquisition method in the Bank. This shows in EUB there is no planned one to one mentoring programme in EUB. But Task Knowledge is mostly tacit Knowledge which is effectively shared by working on the task rather than verbalizing in abstract language (Temtim, 2014). This research contributed new insight for one to one mentoring programme in EUB context

The Bank stores its best practice Knowledge in procedure manuals (explicitly) that serve as a guide for employees to accomplish their task. Regarding explicit oriented KMS the result of this research shows the highest mean (3.81) is for easily acquisition of Knowledge through formal documents and manuals. Other research confirmed that explicit Knowledge Makes life easy in this world because if there is documented materials of how things done there may not be challenges of knowing how things done for everyone (Hareya, 2011). In this study the lowest mean (3.35) with the highest standard deviation (1.153) is if the staffs frequently record their Knowledge. This shows that recording Knowledge like personal diary are not the norm of the employees. Researches confirmed explicit Knowledge can be shared more easily because it exists in documented form (Habtamu, 2010).

Zack (1999) describes organisations which are more exploitative of internal Knowledge as having a "Conservative" KM Strategy while those that are more innovative (exploring external Knowledge) have a more "Aggressive" KM Strategy. Regarding internal oriented KMS the result of this research shows the highest mean is (4.08) for the importance of

internal Knowledge in order to create new Knowledge .this research shows the Bank reuses the existing Knowledge in order to create another new Knowledge. Also the lowest mean(3.35) with the highest standard deviation(1.067) is seen for the preference of internal Knowledge than external Knowledge which shows respondents have variation in this idea. Also the result shows most of the respondents are neutral for the response, which shows they have no idea whether internal or external Knowledge is preferred in the Bank.

Most Banks use external Knowledge parallel with their internal Knowledge in order to achieve their objective of being competitive in the market.EUB adopts external Knowledge by creating collaboration with others through Preparing different conferences and meetings, analysing competitors product and service by seeking the help of external experts and specialists to transfer their Knowledge and experience the Bank personnel. Researches confirmed that. External-oriented strategy attempts to bring Knowledge from outside sources via either acquisition or imitation and then transferring the Knowledge throughout organization (Choi,2006).The result of this research shows the highest mean (3.58) for the Bank checks competitors' strategy and products (services) to get new Knowledge. In addition the lowest mean (3.18) is seen for the reference of external consulting companies' Knowledge to internal departments'. This is due to EUB uses both internal and external Knowledge to achieve its goal. Researchers confirmed that effective transfer of external Knowledge or internal creation of new Knowledge is significant success factor for innovation and new product development (Mohannak , 2011)

4.6.3 Strategic alignment between business strategy and Knowledge management strategy

Prior research indicates that the mutual alignment between business strategy and Knowledge strategy is important and more effective (Ribbens, 1997). There are many KM functions that are mapped on various core areas of business such as customer needs and customer relationship, personnel training and technology upgrading ,products and services .Therefore, the business and KM managers must think and plan ahead to clarify the key achievements to be accomplished in each of these areas so as to leverage the maximum use of the Knowledge

in their organizations (Hamid, 2003).the result of this research shows the highest mean.(3.80) is obtained for whether the business strategy of the Bank outlines the processes, tools, and infrastructure required for Knowledge to flow effectively. This shows the business strategy of the Bank includes the plan for the organization processes of Knowledge flow.In addition it contains tool and arrangement for effective Knowledge flow in the Bank. However this doesn't mean that the business strategy is aligning with the Knowledge management strategy of the organization. Earlier it is stated that the business strategy of the EUB contains different Knowledge related issues like training, meeting, annual plan and so on .However as stated before EUB doesn't have any formal Knowledge management strategy.

The researcher proposed that EUB should make a direct connection between organization Knowledge assets and positive business result, identifying how Knowledge management strategy will support the Bank's business strategy and identifying which specific Knowledge domain the organization will focus on. Civi (2000) stated that at the strategic level, the organization needs to be able to analyse and plans its business in terms of Knowledge it currently has and the Knowledge it needs for supporting its strategic goals and objectives. Likewise researches reveal that KM strategy should be integrated with business strategy at the functional level (tactical level) and operational level.

4.7 proposed knowledge management strategy

In the previous section it is stated that EUB doesn't have Knowledge management strategy.Based on the qualitative and quantitative findings of the study, the researcher proposed hybrid kind of KMS, which focuses on both personalization (people to people) and codification (people to document) kind of strategy. The personalization strategy includes organizational culture (learning and sharing), staff (perception and understand).codification strategy requires IT and KM team (to build a knowledge database and repository).The researcher depicts the proposed strategy as follows

Hybrid strategy or dynamic style

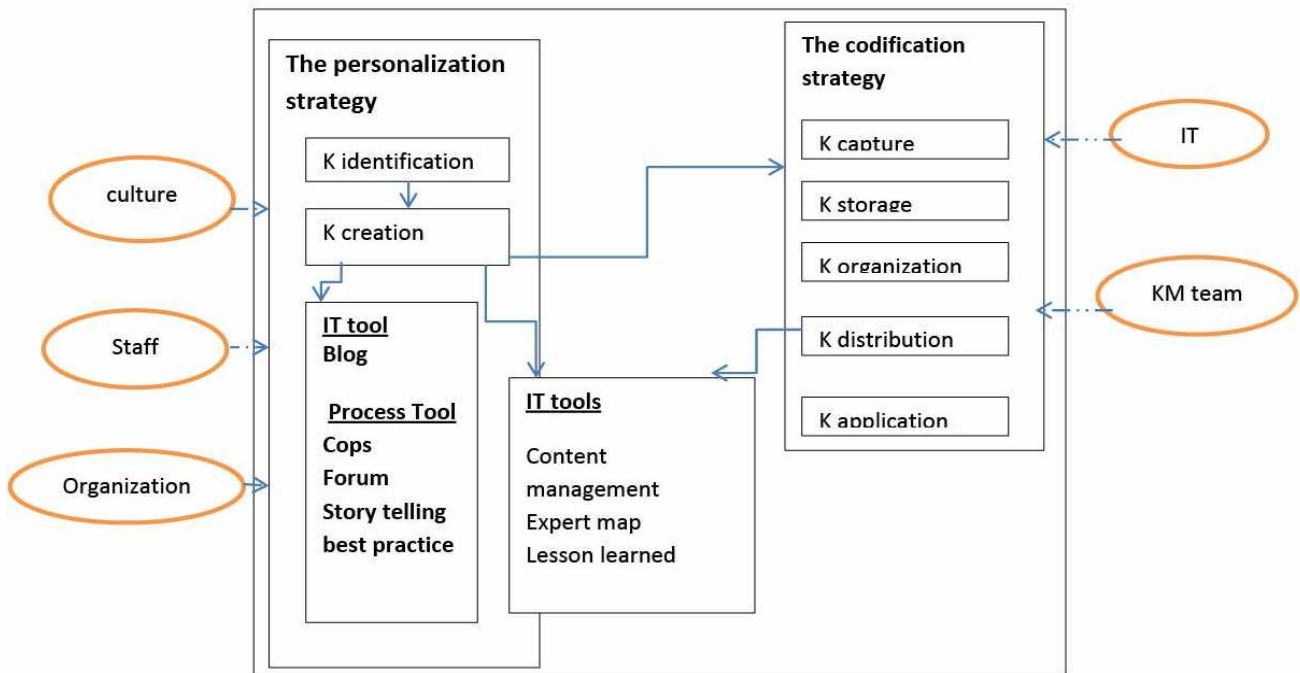


Figure 4.1 The proposed knowledge management strategy

The proposed knowledge management strategy include the following three components

1. KM process
2. IT and process tools
3. KM key success factor

4.7.1 KM process

Since in EUB the staffs don't have understanding of KM process the proposed KMS include KM process as depicted in figure 4.1. The detail of each KM processes are as follows.

1. K. identification

The organization should create the mechanism to identify and correct the knowledge gaps of EUB that are necessary to support the staff daily work.

2. K. creation/acquisition

The organization should encourage and allow the exchange of ideas and knowledge among individuals and groups. In addition staffs need to be rewarded for new ideas and knowledge.

3. K. capture/codification

Since EUB doesn't have a mechanism to preserve knowledge of individuals specially retirees.so the organization should establish the means to absorb and transfer the necessary knowledge of the company.

4. k. storage

Since in EUB there is a problem regarding IT that lacks knowledge management system for knowledge storage, it is recommended that the organization should utilize databases, repositories and IT applications to store knowledge for easy access by all staff.

5. k. organization

EUB needs to have mechanisms for filtering, cross listing and integrating different sources of knowledge.

6. k. distribution

This KM process includes establishing methodologies for distributing knowledge to staff.in addition timely reports of the organization should be sent with appropriate information to staff.

7. k. application

The organization should establish different methods for staff to further develop their knowledge and apply it to new situation. In addition staff can quickly link sources of knowledge to problem solving.

4.7.2 IT and process tools

4.7.2.1 IT tools

On the recommended KM strategy web blog, content management, expert map and lesson learned are included under the IT tools. Since the qualitative findings of the research shows there is a knowledge sharing gap in EUB, online discussion through web blog is recommended. The web blog will help the staffs to discuss on different issue and to solve problems they face while they work .In addition it helps to support online information sharing and management.

content management is the other IT tool which is included in the proposed KM strategy. most organizations generate content as part of their day to day operations. This content is about their processes and customer interactions and mostly exists in digital format, text documents, spread sheets, images, audio and video files and many other file types and formats. The content is also generated throughout the organization and exists on personal computers, laptops and papers. The qualitative finding shows the organization faced challenges in collating, tagging, identifying, storing, retrieval, reuse, archival and disposal of this content. Enterprise content management aims at managing all of the unstructured information or content in an enterprise.

In addition most of the interviewee discloses that the organization doesn't have a mechanism to absorb and transfer knowledge of staff particularly retirees. Based on this finding, the researcher incorporates lesson learned KM in the proposed KMS.it is the recording of experience-based lessons-learned analyses such that individuals can discover, retrieve, and apply lessons appropriate to their current circumstance.it also Yields accurate lessons about the causes for successes and failures, forecasts about what would have occurred if different actions had been taken, and forecasts of outcomes that will occur in future situations where the lessons are applied.

4.7.2.2 Process tools

Under the process tools COP, forum, story telling and best practices are seen in the proposed KMS. From the SWOT analysis document of the organization the researcher can understand that one of the weakness of the organization is lack of innovative marketing. due to this factor Community of practice (COP) is recommended, which are groups of people with a common interest who meet for sharing their insights in order to develop better solutions to problems or challenges. These Members choose to join as they realize the value of knowledge sharing. They will encourage innovation, collaboration and sharing of good practices.

The other KM tool the researcher included in the proposed KMS is story telling. this session helps the the organization as a form of communicating important information. so creating this culture of story telling is done by including a storytelling element to every meeting in the bank. for example, having a few minutes set aside each meeting for some one to tell a quick story. This will help the staffs to get the message about their work.

In addition from the qualitative findings of the researcher, in EUB the staffs don't take time to document what they know. so KM forum is recommended to capture tacit knowledge of different groups. so this knowledge capture needs to be done as part of the work process in the bank.

4.7.3 KM key success factors

The research findings shows that EUB needs various critical factors in order to develop a successful KM plan with in the organization. so the researcher incorporate these factors in the proposed KMS. These factors are organizational culture, staff, administration, KM team and IT.

Since the qualitative finding of this research show that the organization doesn't have a frequent knowledge sharing habit, the bank needs to encourage a good knowledge sharing

culture. In addition, the staffs need to be motivated to share and learn. Furthermore, the staffs need to have an understanding of KM tools and processes so that the tool can improve the staffs performance.

Besides, the organization administration has a greater role to develop a successful KM in the bank. For instance, staffs who are consistent with learning and sharing should get a reward. Further team work among the staff needs to be fortified. Also, the organization needs to prepare sufficient time for staffs to share their experiences.

Moreover, KM team is another factor for successful KM in the organization. This is a qualified and ideal team to lead and develop effective KM operation in the bank. This team should include chief knowledge officers, knowledge managers, KM members from different departments.

In addition, information technology (IT) is considered as the other factor for successful KM plan in the organization. So the bank needs to have a knowledge management system to build knowledge database and repository. In addition, IT services like internet, intranet, websites and email reduce efforts and social barriers to access knowledge in bank. Also, from the qualitative findings of this study, the researcher can understand that information technology is useful for the quality of work in the bank.

4.8 Summary

This Chapter presented research conclusions that emerge from survey data. It also compared the research findings with findings in the current literature to assess the existing Knowledge management strategy studies across different contexts. The research identified that EUB doesn't have a Knowledge management strategy practice. Knowledge management strategy can be defined as a high-level plan that defines and outlines the processes, the tools, and infrastructure required for managing Knowledge gaps or surpluses. Unless the Bank have a KMS, different difficulties will be occurred so the researcher proposed a hybrid kind of Knowledge management strategy for the organization. The proposed strategy includes three

components like KM process , IT & process tools and KM key success factor.The next chapter will discuss the main conclusion of the research .

CHAPTER FIVE :CONCLUSION AND RECOMMENDATIONS

In this study, the author attempt to assess the Knowledge management strategy practice of EUB. To this end, primary and secondary sources are consulted to get the necessary information for the research. Questionnaires are distributed to EUB branch offices. In addition, interview also held with appropriate departments and individuals. This chapter concludes the results and contributions of the study from the Academic and managerial perspectives. The next section presents a conclusion on research Results and this is followed by a discussion on the limitations of the study and suggestions for future research.

5.1 CONCLUSION

In the Knowledge economy, a key source of sustainable competitive advantage relies on the way to create, share, and utilize Knowledge (Desouza, 2003). For reacting to an increasingly rival business environment, many companies emphasize the importance of KM, and base the KM Strategy on their unique resources and capabilities (Lee, 2007) Knowledge management strategy benefits the Ethiopian private Banks for effective implementation of KM. In this dynamic world, the Banks will not be able to compete in an open economy unless they have invested in such new programs to get most of the value from the Banks' assets. In this context, an effective Knowledge management strategy was seen as an appropriate means to control business focus.

The result of this study shows that the highest mean for easily acquisition of Knowledge from experts and co-workers in the organization, whereas frequent use of One-to-one mentoring as Knowledge acquisition method has the highest standard deviation. This shows Knowledge sharing habit is relatively in a good status in the Bank. Nevertheless, one to one mentoring is still in its infancy among employees. So to fill this gap the researcher suggested different IT and process tools under the proposed KMS. for instance web blog helps for online information sharing and management. In addition story telling helps the the organization as a form of communicating important information.

In addition regarding explicit oriented KMS the lowest mean with the highest standard deviation is observed for the staffs frequently record their Knowledge as a personal diary for the future benefit of sharing their experiences to others. so to fill this gap the researcher suggested KM forum to capture tacit knowledge of different groups in order to improve operational quality and efficiency.

Further regarding internal and external oriented KMS the lowest mean is seen for the preference of internal Knowledge than external Knowledge. As stated earlier Zack describes organisations which are more exploitative of internal Knowledge as having a "Conservative" KM Strategy while those that are more innovative (exploring external Knowledge) have a more "Aggressive" KM Strategy. In EUB both conservative and aggressive kind of KMS is suggested. In the proposed KMS both the IT and process tools shows that the organization needs to use both internal and external knowledge.

Finally the researcher concluded that the bank needs to have a knowledge management strategy that helps the organization to achieve its goal. Researches stated Knowledge management strategies should be shaped around the organizational goals and objectives and be a function of the business strategy, or else, the KM initiatives will fail to achieve their goals Sunassee and Sewry (2002). In the study it is suggested that business strategy should treat the Knowledge component of business activities as an explicit concern of business reflected in strategy activities. The Banks thus, should make a direct connection between organization Knowledge assets and positive business result, identifying how Knowledge management strategy will support the Bank's business strategy and identifying which specific Knowledge domain the organization will focus on.

This study has contributed to the KM discipline through an investigation of issues related to the concept of alignment. This research has looked into a Knowledge management strategy with its components. In addition it has contributed to the growing number of theoretical and practical insights into Knowledge management strategy. It

also provided a practical scenario for applying KM strategies in private Banks such as the United Bank of Ethiopia. Understanding and applying KM to business strategy will increase Knowledge flows that would leverage firm's core capabilities.

5.2 Recommendation

To improve the Knowledge management strategy practice of United Bank of Ethiopia the following recommendations are forwarded.

- More efforts must be made and awareness must be created about knowledge management strategy. In addition the existing culture of both the individual employees and the organization should be changed to ensure that people understand the benefits of Knowledge management strategy.
- The organization should establish teams or groups that are responsible for the preparation of KMS and its alignment with the business strategy of the organization..
- Knowledge management strategies should be shaped around the organizational goals and objectives and to be a function of the business strategy,
- The organization should implement the proposed KMS , since it helps the organization to fill organization gap.
- Since knowledge management strategy is vital for organizations survival further studies should be conducted on financial sectors.
- This research focuses on some branches of EUB found in Southern Addis Ababa City However, assessing the branches in all regions may help to identify the degree of Knowledge management strategy in EUB. Further studies should consider all districts to have a big picture of EUB.
- This study is undertaken in United Bank of Ethiopia. Therefore, further studies

should be directed towards examining the Knowledge management strategy practice of other financial sectors in Ethiopia.

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APPENDIX I . QUESTIONNAIRE

Declaration

The researcher is undertaking a research on assessment of Knowledge management strategy practice at the United Bank of Ethiopia. As part of the study, the researcher is assessing the current practices of Knowledge management strategy, core Knowledge asset , the alignment between business strategy and Knowledge management strategy and major business activities in different sections of the Bank. I respectfully request your cooperation in completing this questionnaire for the purpose of the research mentioned. We assure you that, we will not identify you in person; nor will disclose any part of your individual response.

Part 1: Personal Profile

Please circle write in the space provided your response to each of the questions.

1. Your gender?			
1. Male	2. Female		
2. Educational Status?			
1. Diploma	2. Bachelors	3. Masters	4. Doctorate
3. Your ability towards Adaptation to Technology?			
1. Very High	2. High	3. Average	4. Low
4. Position?			
1. Manager	2. Coordinator	3. Officer	4. Assistant Officer
5. Your experience in the organization (the current or prior)			
1. Less than 3 Years	2. 3 -10 Years	3. 11-15 Years	4. Greater than 15 Years

Part 2 Questionnaire items

Definitions provided to survey respondents

Knowledge

Here, Knowledge means the idea, know-how, technical skill, problem-solving methods, or something that is helpful in solving problems in the organization

Explicit Knowledge: it is the Knowledge that has been captured in some tangible form such as words, audio recordings, or images.

Tacit Knowledge: it is the Knowledge that tends to reside “within the heads of knowers,” whereas explicit Knowledge is usually contained within tangible or concrete media.

Knowledge management strategy: it is defined as a high-level plan that defines and outlines the processes, the tools, and infrastructure (organizational and technological) required for managing Knowledge gaps or surpluses.

Indicate the extent to which you agree with the following statements as it suits your Bank, by putting [x] in the appropriate number against each using the response scale ranging from 1 to 5.

1. Strongly disagree (SD) 2. Disagree (D) 3. Neutral (N) 4. Agree (A) 5.strongly agree (SA)

	SD 1	D 2	N 3	A 4	S A 5
1. My company has a compelling Knowledge vision and strategy, actively promoted(supported) by our Chief Executive,					
2. My company uses formal methods to document and disseminate Knowledge (i.e. formal meetings and instructions).					
3. My company uses information technology and communication systems to document and disseminate Knowledge.					
4. My company usually achieves needful qualified and skilful personnel in Knowledge through training and development programs.					

5. My company introduces intermediate and long range plan to achieve effective Knowledge management administration.					
6. My company encourages personnel to benefit from the experience of successful international practices and Knowledge to adopt them.					
7. My company has systematic way to gather ,organize, exploit and protect key Knowledge assets, including those from external sources					
8. My company has best experts for different domain of key Knowledge and there is a place mechanism to codify their tacit Knowledge in to explicit					

Part 3 Questionnaire items

1. The following statements are related to your perception regarding the application of tacit vs explicit oriented Knowledge management strategy. Indicate the extent to which you agree or disagree by putting [x] in the appropriate number against each using the response scale given below:

Explicit-oriented Knowledge management strategy

Definition: The degree of codifying and storing organizational Knowledge to access and use it. It measures Knowledge codification, Knowledge acquisition and sharing in codified forms, and documentation

	SD 1	D 2	N 3	A 4	S A 5
1. . Knowledge (idea, know-how, technical skill, problem solving methods, or etc.) is well codified in my company					
2. Knowledge can be acquired easily through formal documents and manuals in my company.					
3. Results of projects and meetings should be documented in my company.					
4. Knowledge is carefully codified and stored in databases and documents, where it can be accessed and used easily by employees in the organization					
5. I record and use the Knowledge acquired in training and workshop					
6. My Company documents new acquired Knowledge for each					

accomplished project.					
7. I document problems we faced and methods used to solve these problems for future benefits.					
8. In each department, we document experts' Knowledge and organize it as stories of success to be used as basis for problem solving.					
9. I am frequently recorded my Knowledge					

Tacit oriented Knowledge management strategy

Definition: The degree of acquiring and sharing tacit Knowledge through interpersonal interaction. The tacit oriented degree measures the level of Knowledge acquisition from experts and co-workers, face to- face help by experts, informal dialogues for Knowledge sharing, and Knowledge acquisition through one-on-one mentoring.

	SD 1	D 2	N 3	A 4	SA 5
1. Knowledge is easily acquired from experts and co-workers in my organization.					
2. . It is easy to get face-to-face advice from experts in my organization..					
3. Informal dialogues and meetings are important methods for Knowledge sharing in my organization..					
4. One-to-one mentoring is frequently used for Knowledge acquisition in my organization..					
5. Knowledge is closely tied to the person who developed it and employees shared mainly through persona interaction in my organization					

Part 4 Questionnaire items

- The following statements are related to your perception regarding the application of internal vs external oriented Knowledge management strategy. Indicate the extent to which you agree or disagree by putting [x] in the appropriate number against each using the response scale given below

Internal-oriented Knowledge management strategy

Definition: The degree to which company depends on internal Knowledge in developing new Knowledge (e.g., products or services). Internal Knowledge may be resident organizational members' brain, embedded in members' behaviors, software and equipment, and so on. It measures the perceived importance, trust, usefulness, superiority, and quality and quantity for internal Knowledge and frequency of using internal Knowledge.

	S D 1	D 2	N 3	A 4	S A 5
1. Internal Knowledge is important resource to create new Knowledge in my company.					
2. Internal Knowledge is frequently used for developing Knowledge in my company.					
3. Our organization re-use current or existing Knowledge resources to enhance organisational competitiveness and efficiency					
4. We frequently adjust our procedures, rules, and policies to make things work better .					
5. The quantity and quality of Knowledge created internally are superior to those of competitors for developing new Knowledge.					
6. My company prefers internal Knowledge to external one in developing new Knowledge					

External-oriented Knowledge management strategy

Definition: The degree to which company seeks Knowledge from outside the company in developing new Knowledge (e.g., products or services). Common sources of external Knowledge include publications, consultants, interorganizational alliances, competitors, customers, and Knowledge brokers. External-oriented measures amount of Knowledge from customers and collaborator, analysis of competitors and their Knowledge, and preference of external Knowledge.

	SD 1	D 2	N 3	A 4	SA 5
1. A large portion of new Knowledge in my company has been developed on the basis of customers' Knowledge					

2. A large portion of new Knowledge in my company has been developed through analysis of competitors' Knowledge (e.g., products or services)					
3. My company prefers external consulting companies' Knowledge to internal departments' one					
4. A large portion of new Knowledge in my company has been developed through collaboration and alliance with external institutions or organizations					
5. My company periodically checks competitors' strategy and products (services) to get new Knowledge.					
6. My company seeks the help of external experts and specialists to transfer their Knowledge and experience to our personnel					
7. My company is concerned in participating in conferences and workshops inside and outside the country as a method of obtaining Knowledge					

Part 5 Questionnaire items

Business strategy definition provided to survey respondents

Here, **business strategy** defines as actions taken by an organization to reach its objectives. The business strategy can be studied at the business level to discover how firms compete effectively in their product market segments.

1. **Indicate the extent to which you agree with the following statements as it suits your Bank regarding business strategy, by putting [x] in the appropriate number against each using the response scale given below**

	SD 1	D 2	N 3	A 4	SA 5
1. Our organization follows a defined set of procedures in its business strategy process.					
2. Our organization business strategy focuses on generating new or customer specific solutions or product(innovations)					
3. Our organization business strategy requires re-using existing Knowledge(defensive)					
4. Our organization business strategy focus on efficiency of					

processes					
5. Our organization business strategy requires product or process					
6. Our organization is the first to introduce new brands or products in the market					
7. There is high Frequency of new product or service introduction in our Bank					
8. Our organization keep its competitive advantage by exploiting internal Knowledge rather than acquiring external Knowledge.					

Part 6 Questionnaire item

For the purpose of this survey, respondents will be asked to apply the following definition:

Strategic alignment between Knowledge management strategy and business strategy:

The degree to which Knowledge resources and capabilities provided by the Knowledge strategy, is supporting and supported by the strategic and intellectual requirements of the business strategy in order to manage the strategic and Knowledge gaps.

- 1. The following statements are related to your perception regarding the relationship between Knowledge management strategy and business strategy in your Bank. Indicate the extent to which you agree or disagree by putting [x] in the appropriate number against each using the response scale given below:**

	SD 1	D 2	N 3	A 4	SA 5
1. Business strategy and Knowledge management strategy are aligned in my Bank					
2. Business strategy and Knowledge management strategy are equally important in our Bank.					
3. Knowledge management strategy and business strategy are prepared at the same time.					
4. Business strategy and Bank context is considered to be critical to the success of a KM initiative					
5. The business strategy of the Bank outlines the processes, tools, and infrastructure required for Knowledge to flow effectively business strategy					

6. Knowledge manager and business managers are satisfied with their ability to communicate and negotiate with each other					
7. The Bank places responsibility for business strategy and Knowledge management strategy within the same senior executive position					

APPENDIX II. INTERVIEW CHECKLIST FOR CUSTOMER SERVICE AND LOAN OFFICERS

1. Does your organization have a compelling Knowledge vision and strategy, actively promoted (supported) by your Chief Executive? Or there is plan in the future for Knowledge management strategies

2. Are there any systematically way to gather, organize, exploit and protecting key Knowledge assets, including those from external sources?

3. Do you know who your best experts are for different domains of key Knowledge, and do you have in place mechanisms to codify their tacit Knowledge into an explicit format

4. Are your Knowledge and Knowledge management capabilities packaged into products and services and promoted in your organization's external marketing (exploitation)?

5. Does your organisation focuses on creating new Knowledge to establish a competitive position(exploration) or re-use current or existing Knowledge resources to enhance organisational competitiveness and efficiency(exploitation)

6. How is the organization experience sharing habit? Is that much of internal or external

7. What kind of manuals the organizations use? How does u use it?

8. How u communicate (share Knowledge) with other stakeholders or branches?
9. How is the organization training habit?
10. What kind of reports do u use & for what purpose?
11. How u retain Knowledge of retire people?
12. Is there much Knowledge in the organization codified or uncodified (tacit or explicit)?
13. How the organization align business strategy with km strategy
14. How the Knowledge manager and business manager work together in your organization?
15. Does the Business managers in your organization involved in formulating Knowledge strategy? How?
16. What do u think the organization gap that need to be full filled in the future regarding Knowledge management strategy?

APPENDIX III. INTERVIEW CHECKLIST FOR TOP MANAGERS

1. What are the vision, mission and value of EUB?
2. Do u have any idea about knowledge management?
3. How is the company policy towards the organization knowledge assets?
4. What is the organization vision for knowledge management?
5. What is the objective of different knowledge management practices in the bank? For instance training...why it is given for the staff? Is there any significant change in EUB due to training?
6. What are the weaknesses of the bank towards managing the company knowledge?

7. Are there any threats towards knowledge management?
8. What do u think the solutions to avoid such threats?
9. How Knowledge repository of the company looks like? (its strength, weakness)
10. How is the Knowledge sharing habit of the organization (strength, weakness....)
11. Is your company policy contains knowledge management issues? what do u think in the future?
12. How is the company policy towards the usage of different manuals?(is there any strength,weakness)
13. What does the business strategy of your company encompass? What du u think in the future regarding knowledge management issues?

APPENDIX IV.LIST OF DOCUMENTS

- 1) EUB ,Annual report,2015,2016
- 2) EUB,five year strategic plan ,July2015/16-June2019/20
- 3) EUB, vision and mission,2016
- 4) EUB, meeting Minute,2016
- 5) EUB, procedure manual

Annex : Declaration

I declare that the thesis is my original work and has not been presented for a degree in any other university.

Date

This thesis has been submitted for examination with my approval as university advisor.

Advisor