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Knowledge & HR Management for effective enforcement of Competition Law

- Experiences from Botswana

by

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.

PRESENTATION OUTLINE

1. Introduction
2. Rationale for Knowledge & HR System
3. Strategies for Knowledge Management
4. Strategies for HR in CA
5. Strategic-mix of knowledge and HR
6. Measuring Success
7. Conclusions

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1. INTRODUCTION

- The Competition Authority (CA) in Botswana was established in April 2011 under the Competition Act of 2009
- From the onset, the CA ensured:
  - → A competitive remuneration package
  - → A competitive recruitment process
  - → A Strategic Plan with Key Performance Indicators/targets on KM & HRM
  - → State-of the art IT & documentation system
  - → Staff motivation, reward, retention system

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1. INTRODUCTION *cont'd*

- **KM and HRM are indispensable aspects of any organisation's competitive advantage and thus its ability to attain its vision & execute its mission with efficiency and effectiveness**
- **A CA is a repository of essential data on the industrial economic structure of a country and thus needs a systematic way of managing knowledge and HR issues**
- **KM not just on competition but corporate support services**

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1. INTRODUCTION *cont'd*

- **Our KM and HRM systems inspired from:**
  - ✓**The Objectives of the Competition Law**
  - ✓**Vision**
  - ✓**Mission Statement**
  - ✓**Values and**
  - ✓**Commitments**
  - ✓**Other Guiding national policies/goals (eg "Vision 2016" of Botswana)**

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2. RATIONALE FOR KM & HRM SYSTEM

- **KM comprises a range of strategies and practices used in an organization to identify, create, represent, distribute, and enable adoption of insights and experiences. Such insights and experiences comprise knowledge, either embodied in individuals or embedded in organizations as processes or practices – transforming 'tacit' to useful & shared 'explicit' knowledge**

ATTRIBUTED to Nonaka, Ikujiro (1991). "The knowledge creating company". *Harvard Business Review* 69 (6 Nov–Dec): 96–104. http://hbr.harvardbusiness.org/2007/07/the-knowledge-creating-company/es, ALSO Nonaka, Ikujiro and Hirotaka Takeuchi, *The Knowledge-Creating Company: How Japanese Companies Create the Dynamics of Innovation* (Oxford University Press, 1995).

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2. RATIONALE…*cont'd*

- **KM and HR management systems are critical to ensure that:**
  - ✓ **There is a purposeful, objective and scientific method of acquisition, storage, retrieval and beneficiation of knowledge by CA staff in attaining the objectives of the competition law and vision**
  - ✓ **Secures institutional memory for the CA eg past cases, procedural guidelines, etc**
  - ✓ **Inhouse easily accessibly literature**

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2. RATIONALE…*cont'd*

- **A working system should facilitate an environment for information exchange, education, internal library/reference sources (hardcopy as well as IT based) which will build staff research, investigative and analytical skills necessary for making the CA into a formidable "result-oriented force" than problem-focused**
- **The "strategic capability" of the CA boosted to attain its enforcement objectives in its Strategic Plan**

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The collective knowledge of a company is almost immeasurable and certainly priceless

DeTienne and Jackson, 2001: 1

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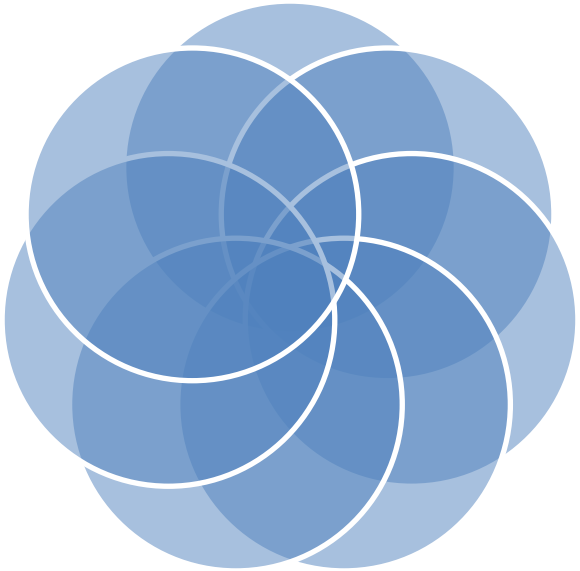
3. STRATEGIES FOR KM

KM activities may entail:

Information Management (IM), etc

Business Process Re-engineering (BPR)



Product Data Management (PDM)

Document Management Systems(DMS)

Quality Management (QM)

Human Resource Management (HRM)

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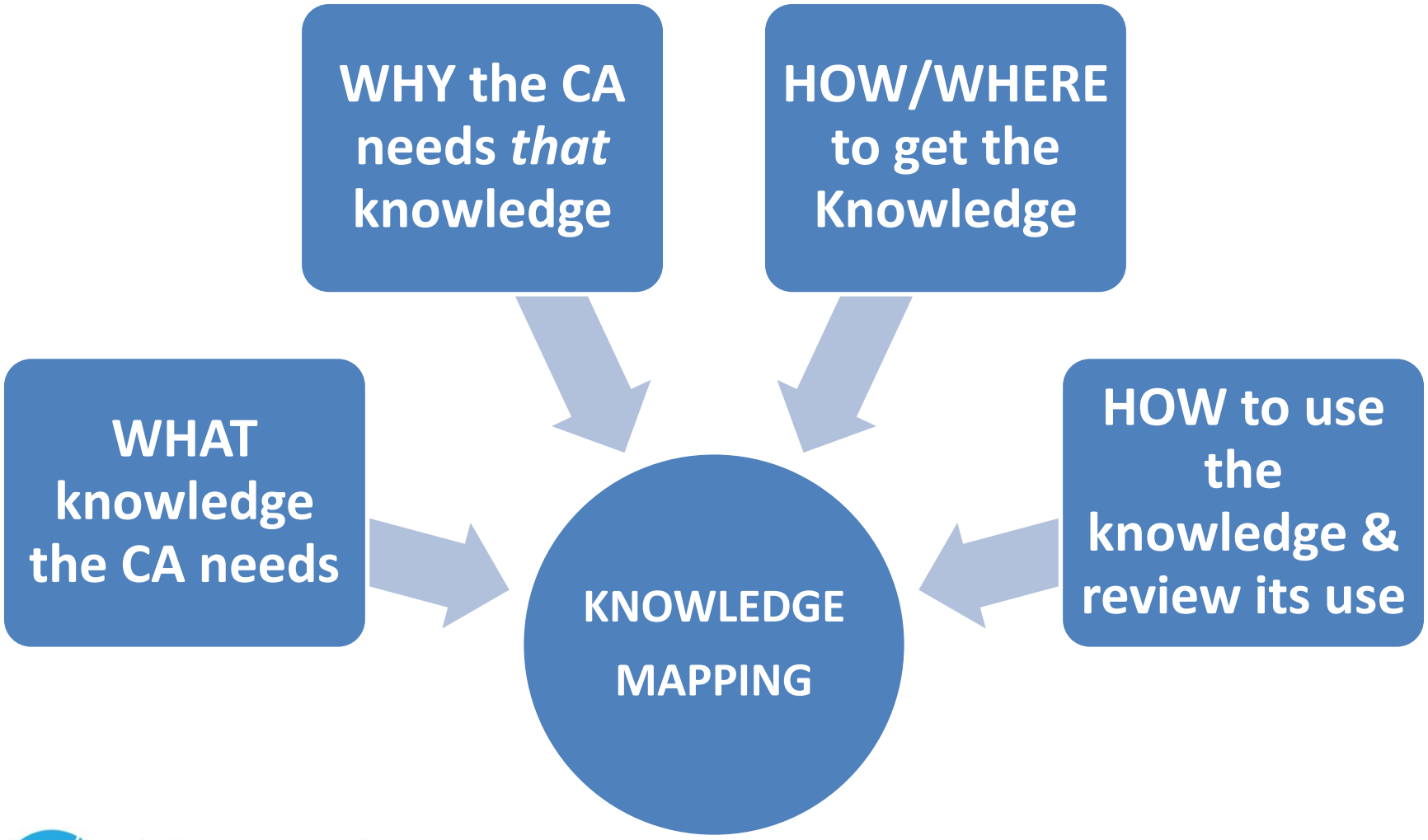
3. STRATEGIES FOR KM…*cont'd*



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3. STRATEGIES FOR KM…*cont'd*

Knowledge coordination is important through the corporate support services to ensure:

- **Knowledge Identification**
- **Knowledge Collection**
- **Knowledge sharing**
- **Knowledge storage**
- **Knowledge update**
- **Knowledge application**
- **Knowledge Audit**

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3. STRATEGIES FOR KM…*cont'd*

PEOPLE & NOT SYSTEM-FOCUSED Knowledge Management

- Maintain good relations with former staff as they have the institutional memory
- System of exit interviews to extract knowledge
- Reward system for exceptional knowledge application
- People input into business process documents eg operational guidelines, code of conduct, investigative techniques, process maps, etc

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4. STRATEGIES FOR HR MANAGEMENT

- There is no substitute to a knowledgeable, motivated and self-motivated HRM team – HR team should not just be inspired but they should inspire the whole CA
- Well defined and clear staff job descriptions are a must – which may be arrived at by looking at similar job descriptions of other CAs (eg through ICN or Global Competition Review)

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4. STRATEGIES FOR HR…*cont'd*

- **Objective recruitment process through psychometric and other written tests, character & qualification checks critical**
- **Use of internships to test suitability before hiring (Botswana has a *National Internship Program* which the CA will tap into)**
- **Creation of good working environment which facilitates team-spirit (*esprit de corps*)**
- **Continuous process/system review in "Quest for zero-defect"…**

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4. STRATEGIES FOR HR…*cont'd*

- **While use of HR agents may be used, its reliability must be authenticated to ensure that there is no collusion (i.e. 'recruitment cartels') between the HR agents and the recruited**
- **Team building activities, established 'scientific' methods of performance recognition and reward, counselling, etc**
- **CA Botswana has a succession plan policy to ensure knowledge & experience are passed on**

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5. KM & HR SYSTEM MIX

- The right training is important – but more important are the results of the training in the performance of the CA
- Knowledge must translate into a benefit for the CA to be used in e.g. busting a cartel, a higher standard of analysis, or better support services to the technical teams
- Often, knowledge acquired may not be used where there is no individual application after training - HR team must monitor & audit

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5. KM & HR SYSTEM MIX…*cont'd*

- **Skills Audit to determine levels of skill/ knowledge of staff may be necessary (*underway in Botswana through an independent consultant*)**
- **Creating knowledge through consultants and other external sources should involve staff so that they can be part of, & own the process**
- **Much as key performing and knowledgeable staff must be recognised and motivated, a careful evaluation must be done to ensure that non-performers are equally identified and necessary interventions made**

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6. MEASURING SUCCESS

- Whatever a CA is doing, there must be a method, formal or informal, of measuring performance
- All sorts of claims may be made on how knowledgeable a CA's staff may be through their qualifications and training
- The 'litmus test' must not lie in qualifications attained and training acquired but whether such have led to:

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6. MEASURING SUCCESS… *cont'd*

- Effective investigation techniques
- Enhanced enforcement
- Number of successful cases
- Improved analytical proficiency
- Market Studies conducted
- Skilful advocacy
- Better support from corporate services

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6. MEASURING SUCCESS… *cont'd*

- **In Botswana, we have, *inter alia,* put in place:**
  - ✓**Skills audit using independent consultant**
  - ✓**Risk Assessment Review system**
  - ✓**All process documents circulated to staff before adoption**
  - ✓**Monthly Progress Report Template KPIs by each team to the CEO**
  - ✓**A 'Balanced Score Card' based on weighted KPIs adopted**

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6. MEASURING SUCCESS… *cont'd*

- **Weighted score system for KPIs used and performance contracts arrived at in close consultation with staff**
- **Regular feedback given to all staff during weekly team-focused, management and executive committee meetings**
- **From our strategic internal process review, we have developed the following corporate review system:**

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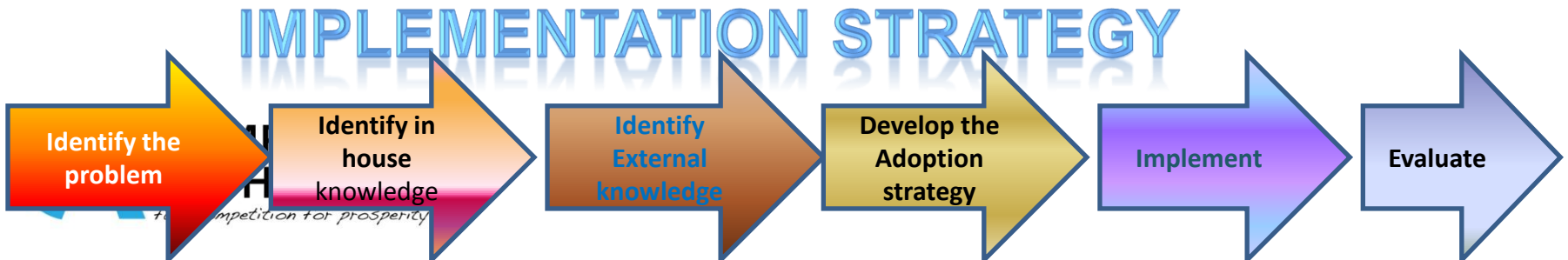
Problems identified	Causes	Resolution
Lack of usable Knowledge required to implement the Act.	In ability to identify the existence of knowledge	Put process in place that identify talents like talent management, keeping staff training & devpt, engaging employees on discussions relating to the competition act etc.
Lack of knowledge transfer	➢Lack of structures that recognise the availability of knowledge ➢Unwillingness to impart knowledge	➢Enhance knowledge based HRM ➢Set up structures to use inhouse knowledge ➢Have accurate HR training & development records ➢Motivate knowledgeable staff to impart it to other staff
Inward looking by organisations responsible for enforcement of competition law	➢Lack of alliances and networks with relevant organisations responsible for enforcement of the competition law	➢Form strategic alliances and networks with relevant organisations eg ICN, UNCTAD, OECD ➢Identify relevant fora & training partners such as King's College, CUTS
Demotivated Staff	➢Rewarding of knowledge and forgetting other structures	➢Have a proper well balanced rewards mechanism
Labour Turnover	➢Demotivated workforce ➢Looking for more challenges	➢Have staff retention strategy for institutional memory



7. CONCLUSIONS

- Successful CAs appear to have invested carefully in a self-regulatory and quality-guaranteed recruitment, retention and reward system
- It is costly to keep and train an average analyst or investigator in a CA, more so for developing CAs and thus the greater need to ensure that the CA gets the:

"The Right STAFF
for the Right STUFF"

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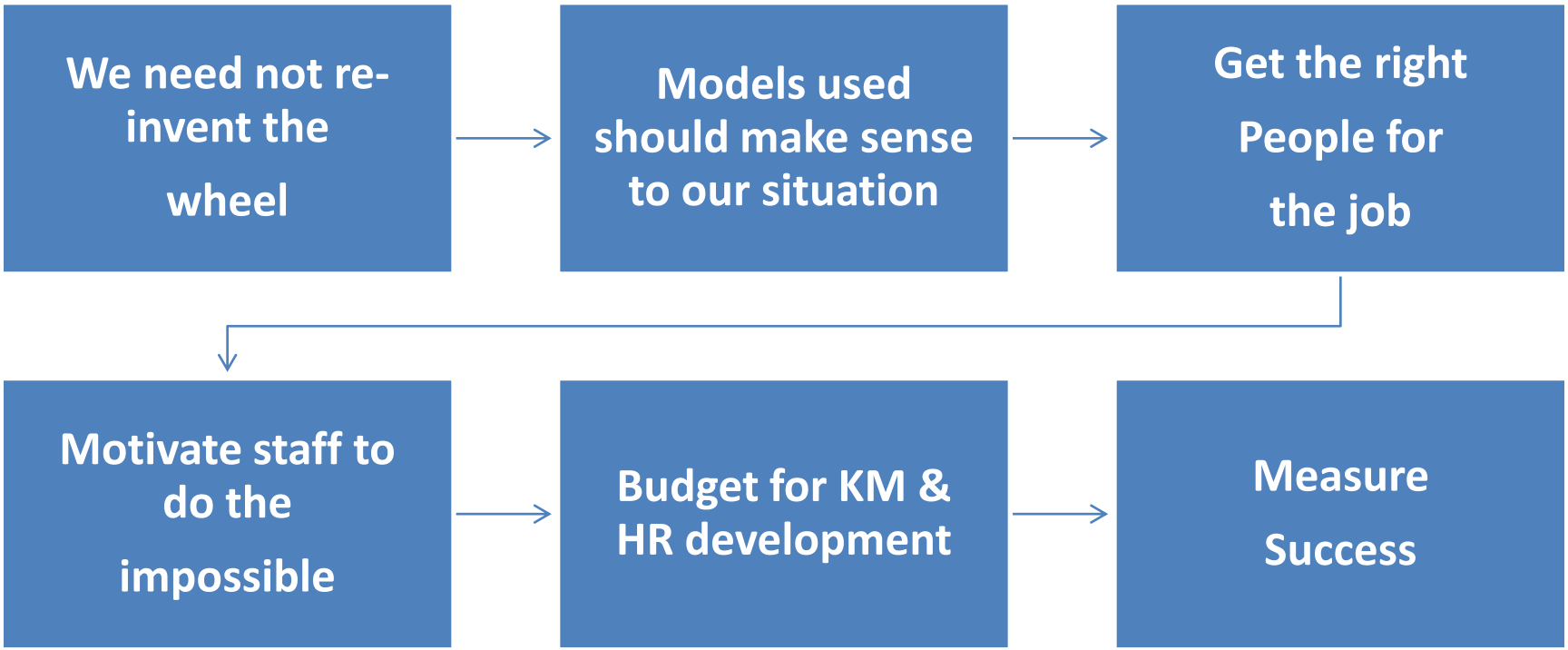
For smaller CAs such as Botswana:



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THANK YOU

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