

KNOWLEDGE MANAGEMENT AND LEARNING ORGANIZATION FOR DEVELOPMENT TOWARDS THE OCCUPATIONAL STANDARDS OF SUCCESSFUL DIRECT SALES BUSINESS OPERATORS

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ABSTRACT

This research is aimed to study about the success of business operators who were engaged in direct sales occupation and also to develop, manage knowledge, create learning organization for people involved in direct sales business occupation at Thailand in order to meet the international standard recognized in accordance with the occupational standard and Individual Competency Standard Principle: ISO 17024. By using Questionnaires from sampling groups such as business operators and people involved in direct sales business in Bangkok and its perimeter. SPSS Version 24 program have been used in the descriptive statistical data analysis and the data qualitative analysis is conducted through the in-depth interviews among the focused groups. It is found that the knowledge management is necessary for the direct sales business that consists of (1) The analysis of consumers' demands for products, procurement of products from standardized sources, product distribution center development, product transportation system development, procurement of new technology and innovation to add values for the products which are the aspects of the occupational ethics, the production standards and screening, checking the products should meet with the standards and requirements of laws, are important to the highest level, respectively, (2) Defining the marketing strategy by analyzing the target groups, controlling marketing strategy which is moderately important followed in the second place by the development of training and the creation of new knowledge, respectively, (3) Providing systematic payment channel and the use of electronic systems which is moderately important level followed in the second place by the preparation of details about the product materials and the verifications on the accuracy of payment documents, (4) The analysis on the source of standard products which were brought for distributions, respectively, (5) The aspects for the creation of direct sales business network ranks the most important followed in the second place by the information technology system and public relations, respectively, (6) Team working ranks as the important followed in the second place by the organization of group activities and knowledge management, respectively and (7) Product Warranty and creations of relationships with customers, factors related to the organization for continuous marketing activities marks as the important in moderate level followed in the second place by the creation of the sales team leaders, respectively.

KEYWORDS: *Knowledge Management, Retail Sales Business, Direct Sales Business*

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INTRODUCTION

Direct sales business is a form of sales system in which business operators market their products or services by entering into the contracts where assigning the direct sales representatives or independent distributors to distribute products or services for sales to consumers at their residences or workplaces or the other places other than the places where the normal course of business transactions carried out. However, the direct sales representatives or independent distributors will get income according to the payment plan. The return were specified by the direct sales operators in the direct sales business system, people who are applying to become members will generate incomes in 2 ways that is income from retail sales and from team management. The team management is the creation of working teams where recruits people to join in the line of work and provides support to carry out the assigned work well. Each company has a return payment plan (marketing plan) defining the forms and methods of calculation which may vary in nature, however, the calculation method must be done based on the gross product sales and should not be against the law or contrary to public order or good morals of the people and most importantly, no one shall conduct a direct sales business before registered under the Direct Sales and Direct Marketing Act, B. E. 2545 (A. D. 2002). Nowadays, globalization and technology have been developing rapidly and continuing thus, necessitating both the government and private sector to work together and educate human resources to gain knowledge and ability in order that the organization's personnel can apply the gained knowledge in adapting themselves for the survival and eventually provides appropriate adaptation to cope up with the current situation (Bateman and Snell, 2009, referred to in Praphaithip Luepong, 2556). Direct sales business is an economic and a social organization that contains member networks in collaboration to distribute the products or services to the needs or interests of all members. The direct sales business needs to be improved in terms of the working process such that compatibility with the changes in the economy and technology. In addition, work must be performed in compliance with the requirements of law and business ethics. Therefore, knowledge body must be created and managed, being a direct sales business operator should have working style to keep pace with the changes, thus, will result in direct sales business to achieve the growth. Skills and executive knowledge must be developed in such a way where constantly adapting to the changes that occurs in the nature of an learning organization by conducting training sessions and encouraging personnel to have a common vision, a systematic thinking, ensuring operations carried out properly in line with the law, in compatibility with the economic system and technology and with mutual learning which will enable direct sales business operators to achieve sustainable business success.

RESEARCH OBJECTIVES

- To study the personal attributes of direct sales business operators: such as; gender, age, educational level, working experience and tenure.
- To study the factors of how a learning organization affects working success of direct sales business operators.
- To study about the knowledge management of direct sales business operators for success.
- To promote and support people in the occupation have knowledge and learning the work of the operators engaged in retail and direct sales business to reach International occupational standards.

Research Conceptual Framework

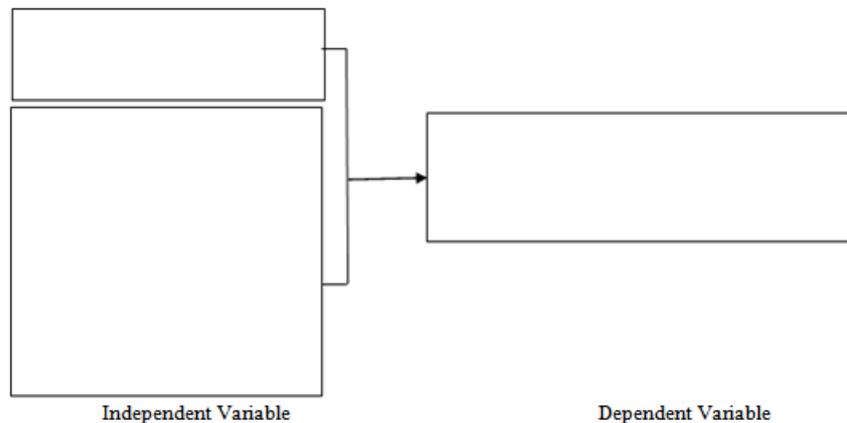


Figure 1

LITERATURE REVIEW

The learning organization concept was developed from the trend such as changes in the learning, organization, management, training and development. As a result, learning has been compiled into an ongoing process and integrated with the environmental condition in life and working of all types of organizations no matter what they are government agencies, state enterprises or private organizations. This can be applied for use in combination with the other forms of the management systems. It helps in having the characteristics for the development of an organization along with the initiative, creativity and yielding the attainment of success through the quality management system throughout the entire organization (Jesadakorn Thongsang, 2553 Page 5). Therefore, while conducting a business, the operator needs to have knowledge management and the creation of a learning organization. The knowledge management means the identifications of knowledge, expertise hidden in the people and then search for a way to bring them out for exchange, learn and decorate easily for utilization, being more beneficial with a continued extension and usage for appropriately real and timely conditions, giving rise to a new knowledge or innovation from deploying the knowledge, Prawet Wasi (2550) The learning organization means an organization that focusing on the motivation to persuade personnel to have a desire to learn and continuously develop self potentials. The organization starts the mission for successful completion by relying on teamwork and exchanging knowledge with the understanding of systematic knowledge in order to gain a competitive advantage to survive with the globalization changes (Chamrieng Waiwat and Benjamas Umphan, 2540). The knowledge management means the process of the continuous creation of new knowledge, the dissemination of knowledge throughout the entire organization and uses it as an important integral part of the service products, new technologies and systems, Nanaka & Takeuchi (2004). Peter M. Senge (1990) states that the learning organizations are the organizations that promotes the expansion of new concepts upon their abilities to achieve the real results, to be able to express their opinions freely with continuous learning which, in this respect, everyone can build work achievement in accordance with their goals, thus, gives rise to many new ways of thinking in which each person is free to create their inspiration and make it as a place where everyone could learn how to work together. The knowledge management process in an organization consists of 7 main steps as follows:

- Knowledge Identification: It is the step to identify what knowledge the organization utilized likewise, in what form, with whom it is and what knowledge the organization necessarily needs, eventually resulting in the organization to know what knowledge is needed or helps to make the Knowledge Mapping to identify which

knowledge is important for the organization and then prioritize based on the importance of the knowledge in chronological order to enable the organization to set the scope of the knowledge management and allocate resources efficiently and effectively.

- **Knowledge Creation and Acquisition:** From the Knowledge Map, the organization could identify whether the knowledge is necessarily needed or not. If affirmative, the organization must find a method to extract such knowledge from various sources which may be scattered around for consolidation in one place to create the contents to suit and precisely meet the needs of users. For the knowledge, those are necessarily needed, but not available at that time, the organization may create it from its previous knowledge or apply the knowledge obtained from the outsourced organizations. In addition, the organization should have to make a consideration to eliminate unnecessary or outdated knowledge in order to save resources for such knowledge. The most important key of this step is to define the contents of the required knowledge and capture it. The important factors that will make this step successful are the atmosphere and culture of the organization that encouragingly facilitates the personnel to be eager in exchanging their knowledge with each other to create new knowledge everytime. Moreover, the information system partly plays its role in helping the personnel to exchange knowledge with one another rapidly, thus, results in a search for new knowledge from outsources quickly.
- **Systematic Knowledge Organization:** Upon the required knowledge contents are available, the organization must systemize the knowledge in order to enable users to find and apply such knowledge to make use of it. The systematic knowledge management means setting up the table of contents and the storage of various types of knowledge in order to make it easy and fast in terms of collecting, searching, and using. In sorting out the type or category of knowledge depends on how efficiently users will use it whatever the nature of work the personnel held in the organization. Generally, the knowledge classification is divided into the following ways: 1) Skills or expertise of the personnel, 2) The Topic, 3) The duty, process, 4) Type of products, services, market groups, or customer groups.
- **Knowledge Codification and Refinement:** Other than creating the systematic knowledge, table of contents the organization should codify knowledge in the form and language in such a way it is easy to understand and utilize, which can be done in many ways: such as; 1) Creating or improving the document designs at the same standard throughout the entire organization, this method will help for the entries of data from various departments, the storage, the search for and handle the information quickly and effortlessly. 2) Using the same “language” throughout the entire organization: they should prepare the glossary of definitions, meanings of words used by each department, in order of performing duties to provide mutual understanding, this will be helpful in ensuring that the entries of data, knowledge, classification, and storage to be under the same standard. Importantly, the glossary must be kept up-to-date all the times including the matter where the users were be able to search easily and quickly for utilization, 3) Composing, editing, and improving the contents of good quality in various areas: such as; the completeness, precision, modernity, consistency, and accuracy in line with the needs of users.
- **Knowledge Access:** The knowledge acquired will be invaluable if it is not distributed to the other people to make use of it. Therefore the organization must have the methods for storing and distributing the knowledge, both the Explicit Knowledge and the Tacit Knowledge).

- Knowledge Sharing: This step is about the preparations of documents, knowledge base including making yellow page book. By applying information technology for use, it will be helpful in gaining an access to knowledge easily and quickly. However, this method works well for the Explicit Knowledge only. For Tacit Knowledge sharing and changing, it must be done by the individual meeting or group meeting or called by Nonaka as the Socialization.
- Learning: The important objective of knowledge management is the learning of personnel and the application of such knowledge for decision-making, solving problems and improving the organization. Therefore, learning is extremely important. Because, even if the organization have all the methods for good determination, collection, selection, transferring, and sharing of knowledge, if the personnel were unable to learn and adopt it for use, atlast it will be a waste of time and resources. (Public Sector Development Commission, 2546).

Research Hypothesis

- Difference in personal factors of direct sales business operators such as gender, age, education level, personnel category and working tenure has the effect on the success of the business that is carried out by the direct sales operators differently.
- Factors of a learning organization have the effect on the success in carrying out the business of the direct sales operators.
- Factors for creating a learning organization have the effect on the success in carrying out the business of the direct sales operators to be successful.

RESEARCH METHODOLOGY

The population on which Researcher conducts the study was direct sales business operators at different levels in total 276 persons. The Yamane Formula (1973) is used in determining the size of the sampling group and that the size of the sampling group was 130 persons. The tools used for data collections are questionnaires which Researcher has created from the literature reviews and related research works. From the questionnaires, Researcher used the Likert five point scale to divide the scores of the 5 attitudes equally and divided the average value range for comparison by using Weight Mean Score basis for class interval and score level interval, Likert (1932) After receiving the complete questionnaires, Researcher analyzed the questionnaires to find out the reliability of the questionnaires from the group of 30 persons having the qualifications similar to those of the sampling group in order to calculate for the relationship. On the accuracy value, estimation of the questionnaires done by using the alpha coefficient method of Cronbach, it is found that the alpha Cronbach coefficient is equal to 0.945 which is greater than 0.60 for all variables. The reliability is found to be at the highest level, Cronbach (1951).

Research Result

Result of the study based on the general information gathered from the direct sales business operators, 75 of them are male and 55 of them are female thus, gender representing twenty-four percent (24%); the age mostly ranging from 45-55 years in number of 67 people, representing thirty percent (30%); mostly are Bachelor Degree graduates in number of 116 people, representing eighty-one percent (81%) and most of them that is 81 persons generate the incomes from their occupations per year is ranging from 30,000 - 50,000 Baht, representing eighty-three percent (83%).

Table 1: Result of the Study of the Knowledge Management Factors of Direct Sales Operators

| Factor | X | S.D | Priority |
|---|------|------|----------|
| Knowledge Identification Identifying necessary knowledge | 2.11 | .618 | Moderate |
| Identifying currently available knowledge | 2.19 | .649 | Highest |
| Identifying knowledge forms | 2.28 | .659 | Moderate |
| Creating and seeking knowledge Creating new knowledge | 2.37 | .655 | Moderate |
| Seeking outsourced knowledge | 2.67 | .636 | Highest |
| Retaining originally existing knowledge | 2.79 | .725 | Moderate |
| Systematic Knowledge Organizing Knowledge Structuring | 2.37 | .690 | Moderate |
| Classification | 2.70 | .755 | Moderate |
| Determining method of storage and identification | 2.72 | .774 | Moderate |
| Knowledge codification and screening Document updating to meet the Standard | 3.19 | .667 | Moderate |
| Using the same language throughout the organization Improving contents for perfection | 3.04 | .731 | Moderate |
| Knowledge access Information Technology System | 3.71 | .773 | Highest |
| Training | 3.91 | .830 | Highest |
| Public Relations Board | 3.59 | .817 | Highest |
| Knowledge Sharing Cross work line teaming up | 2.49 | .718 | Highest |
| Quality group activity organization | 2.39 | .719 | Highest |
| Learning community organization Learning | 2.36 | .718 | Highest |
| Application of acquired knowledge body | 3.41 | .666 | Moderate |
| Learning and creating innovation | 2.40 | .754 | Highest |
| Learning rising | 2.63 | .694 | Moderate |

From Table 1: (1) From the Knowledge Identification, it is found that identifying factors for knowledge accounts for the highest mean of 2.28 which means that it is in the level of low importance. While the identification of currently available knowledge accounts for the average mean of 2.19 which means that it is in the low level of importance and the identification for necessary knowledge accounts for an average mean of 2.11 which means that it is also in the level of low importance. (2) On Creating and seeking knowledge, it is found that the factors on the aspect of the retention of the originally existing knowledge account for the highest mean of 2.79 which means that it is in the level of moderate importance while on the aspect of seeking outsourced knowledge, the mean is 2.67 which means that it is in the level of moderate importance and on the aspect of creating new knowledge, the mean is 2.37 which means that it is in the level of low importance. (3) On the systematic knowledge organizing, it is found that the factors determining the method of storage and identification accounts for the highest mean of 2.72 which means that it is in the level of moderate importance while on the aspect of classification; the mean is 2.70 which means it is of medium importance. And in the knowledge structure, the mean value is 2.37 which mean that it is in the level of low importance. (4) Respective to the knowledge codification and screening, it is found that the documents updating factors to meet the standard were account for the highest mean of 3.19 which means that it is in the level of moderate importance where on the aspect of using the same language throughout the organization accounts for the mean of 3.05 which means that it is in the level of moderate importance and on the aspect of improving contents for perfection, the mean is 3.04 which means that it is in the level of moderate importance. (5) On the knowledge access, it is found that the factors on the aspect of the training account for the highest mean of 3.19 which means that it is in the level of highest importance while on the aspect of the information technology system, the mean is 3.71 which means that it is in the level of highest importance and on the aspect of the Public Relations Board, the mean is 3.59 which means that it is in the level of high importance. (6) On knowledge sharing, it is found that the factors on the aspect of the cross work line teaming up accounts for the highest mean of 2.49 which means that it is in the level of low importance where on the aspect of the quality group activity organization, the mean is 2.36 which means that it is in the level of low importance and on the aspect of the learning community organization, it accounts for the mean of 2.36 which

means that it is in the level of low importance. (7) On the aspect of Learning, it is found that the factors on the application of acquired knowledge body accounts for the highest mean of 3.41 which means that it is in the level of high importance while on the aspect of the knowledge rising, the mean is 2.63 which means that it is in the level of high importance and on the aspect of learning and creating innovation, the mean is 2.40 which means that it is in the level of highest importance.

Quantitative Research Finding Conclusion

From the identification of knowledge, factors on the identification for knowledge forms are of high importance. In the second place, is the identification for the currently existing knowledge and the aspects for the identification of necessary knowledge, respectively. While on the knowledge creation and seeking, the factors on the retention of the previously existing knowledge are in the level of moderate importance followed by the seeking of outsourced knowledge and the new knowledge creation, respectively. From systematic knowledge organizing, the factors determining the method of storage and retention are in the level of moderate importance followed by the classification and the knowledge structuring, respectively. On the codification and screening of knowledge, the factors for document standardization are in the level of moderate importance followed by the use of the same language throughout the entire organization and the aspect of the content improvement for perfection, respectively. On the aspect of the knowledge access, the training factors are in the level of high importance followed by the information technology system and Public Relations Boards respectively. On the knowledge sharing, the factors of the Cross work line teaming up are in the level of low importance followed by the organization of quality group activities and the organization of learning communities, respectively. On the aspect of learning, the factors of the application of the acquired knowledge are in the level of moderate importance followed by the learning and learning and creation of innovation, respectively.

Qualitative Research Findings

Qualitative research is conducted through in-depth interview and the focused group is the operator group. As a result of the interviews with the business operators, it is found that the aspect of knowledge management, knowledge codification and learning, the business operators by learning management, defines the organizational vision, procurement of products or services by analyzing the demand of consumers in the future, setting up a department for the procurements and entries of data, comparing, analysis and decision making on the product imports, arranging for the screening and inspection of products and services to ensure that are compliance with the specified laws, taking quality products have been already analyzed and selected for utilizing in determining the marketing strategy, procuring new technologies and innovations for use in the development to create added value in the products, making marketing plans that meet the objectives of the business associates, creating a program system for calculating marketing plans or fair compensation plans for business associates, defining the marketing strategy by analyzing the target audience with STP Marketing, defining the business strategy, creating growth with Vertical Integration, creating Horizontal Integration, creating a business growth strategy in the form of the Business Diversification, controlling marketing strategies in accordance with the marketing plan of the organization, regularly developing human resources, designing curriculum for marketing personnel development to have knowledge in the presentations, sales and human management through trainings, both on-sit and /or through E-learning systems, designing a Leadership Curriculum to improve business potentials, analyzing factors of the best practices, developing new product innovations to compete, establishing an Innovation Identification, Development and Research Department in order to concretely develop the products and services, expanding the customers' market in order to support the products which were manufactured as a result of newly developed innovations, expanding branches by way of

franchising system, arranging for financial analysts to assess the increasing potentials in the domestic and foreign customer markets, analyzing and evaluating the financial costs of the organization, providing areas to be product diversification center and distribution center that are suitable for customers in the market and diversifications in the areas which are suitable for delivery to different branches quickly and completely, developing and modernizing logistics network and product diversification center to support transportation, storage and product distribution efficiently and professionally, procuring technology for distributions, warehouse operations and payment system as appropriate, providing technology systems for supply chain management, improving quality and guaranteeing usage of products or services.

CONCLUSIONS AND RECOMMENDATIONS

From the research, there is a recommendation for direct sales business operators to focus on the factors of learning management and learning organization for the purpose of adjustment in the implementation in carrying out the business to attain successful position. In addition, it is advisable that the success of direct sales business operators can be studied in various dimensions which are very important, such as, the aspect of the production, the innovation in the production and innovation in the products including the transportation of products with an innovative system, logistics and modern transportation to reach consumers quickly.

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