Building Knowledge Absorptive Capacity in South African Public Companies Through Recruitment Practices

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Abstract: Most state-owned companies (SOCs) in South Africa are in a perpetual struggle to recruit human resources and replenish their intangible knowledge asset losses that are largely due to high employee turnover. The study is interdisciplinary in nature, presenting a strong link between recruitment practice, employee turnover, knowledge loss and knowledge absorptive capacity. The research project used a mixed methods exploratory sequential design by gathering in-depth qualitative data through interviews with 20 human resource managers in 9 SOCs. Survey data was collected from a 25% response rate to the 585 distributed questionnaires. The survey instrument was tested for reliability with a Cronbach's alpha at 0.94. The qualitative data extracted through the interviews were analyzed thematically using Atlas.ti software, whilst the quantitative data were analysed using Statistical Analysis Software (SAS). The findings revealed that due to increased human resources mobility, human resource management (HRM) establishments in many SOCs were in a perpetual struggle to fill vacancies in mission-critical areas. Knowledge-loss induced by human resource attrition was a serious challenge in most SOCs. On a positive note, the study revealed that recruitment practices were knowledge-driven, largely because they supported SOCs in the sourcing of the required company-specific human and knowledge resources, albeit some extant challenges. The study concluded that HRM recruitment practices build knowledge absorptive capacity in South African SOCs.

Keywords: Knowledge management, Recruitment practices, Human resource management, Knowledge absorptive capacity, Knowledge loss, Knowledge risk management, State-owned enterprises, South Africa

1. Introduction

Employee turnover across the globe has been a well-documented phenomenon in the literature on human resource and knowledge management (Allen and Vardaman 2021). Similarly, it is a well-established fact that the coronavirus (COVID-19) has exacerbated the problem, resulting in what it is described as the great resignation in which employee turnover (voluntary or involuntary) has been at the highest level experienced over the last few years (Phaladi and Ngulube 2022). However, the current great resignation is more than just a human resource management (HRM) or talent management crisis facing many businesses but is a great knowledge exodus with rippling effects on companies and economies across the world (Serenko 2023). The study is mainly grounded in the theoretical lens on the knowledge-based view of the firm. Proponents of the knowledge-based view theory (KBVT) of the firm argue that enterprise intangible knowledge assets such as knowledge, skills and competencies are drivers of competitiveness, productivity and superior business performance (Grant 1996). From a knowledge management perspective, the crisis creates a knowledge exodus, resulting in massive knowledge loss risks which threaten the sustainability and competitiveness of business enterprises. The effects of the global-wide labour market have affected South African companies as well. South African state-owned companies have always had their fair share of higher-than-normal resignations compounded by a lack of retention plans with most of the experienced knowledge workers in critical market sectors retiring in large numbers (Wöcke and Barnard 2021; Phaladi 2021). In a similar vein, it is a well-established fact that the country was facing serious gaps in skills and employers in both the private and public sectors are in a perpetual struggle in seeking to attract and retain top skilled knowledge workers. The demand for highly skilled professionals in the local labour market complicated by a scarcity of suitably skilled talent to fill vacant positions in mission-critical areas means that South African state-owned companies are also always in a struggle to source and retain talented employees. Moreover, South Africa has a special case of the great resignation in that older workers were given early retirement packages due to avoid the health risks associated with COVID-19 in the workplace. The great resignation translates to a knowledge exodus or loss in organisations (Serenko 2023).

Recruitment refers to the practice of sourcing and connecting companies to external sources of tacit knowledge (Mwangi and Olouch 2022). Tacit knowledge, unlike explicit or codified knowledge, is defined as a type of knowledge that is deeply ingrained in the source agent, which includes intangible assets, know-how and know-why forms of knowledge that are difficult to share and retain in a tangible matter without losing its value (Polanyi 1958). Simplistically put, tacit knowledge is therefore accumulated knowledge gained through individual lived experiences, and therefore remains subjective and difficult to share. It provides companies with the capacity to act and remains a source of competitiveness and superior performance. Tacit knowledge is the type of knowledge that is lost when the source or agent leaves an organisation. The loss and sourcing of the enterprise's tacit knowledge are central to this study. Several studies (Galan 2023) concur that tacit knowledge loss in

organisations is largely induced by employee turnover given the fact that workers are sources of such intangible assets. The recruitment process plays a crucial role in the acquisition of the talented workers who are the bearers of such knowledge. Jøranli (2018) highlights the importance of recruitment practice in the management of enterprise tacit knowledge, especially when it pertains to searching and sourcing the required competencies and skillsets.

Enterprises in the knowledge-based economy must invest in building organisational-specific capabilities to source and absorb tacit knowledge from rivalry companies if they are to sustain their production and competitive advantage (Grant 1996). Cohen and Levinthal (1990) characterise such enterprise-specific capabilities as knowledge absorptive capacity. Nevertheless, the role of recruitment practices in building organisational knowledge absorptive capacity is often neglected and under-developed in the existing literature on knowledge management and in practice (Jøranli, 2018). It remains unclear as to what the specific roles and contributions of recruitment practices in facilitating knowledge management capability are, especially absorptive capacity in organisations. Mwangi and Oluouch (2022) point out a knowledge gap and lack of existing theoretical and empirical literature showing a strong link between human resource recruitment practices, employee turnover, KM and the organisational benefits of such a linkage. Losing critical knowledge workers through voluntary or involuntary turnover comes with its own serious consequences for the business. High employee turnover rates lead to massive knowledge loss risks, reduced knowledge absorptive capacities and associated recruitment costs. Public enterprises are no exception to this global phenomenon. Extant literature indicates that state-owned enterprises are in a perpetual struggle in terms of sourcing knowledgeable workers due to increased employee turnover and a lack of human resource retention strategies (Kumar 2020). In South Africa, most public entities are facing the phenomenon of enterprise tacit knowledge loss caused mainly by a turnover of their much-needed firm-specific knowledge workers, either through voluntary or involuntary turnover and the non-existence of human resource retention strategies (Phaladi and Ngulube 2022). State-owned entities play a crucial role in developing and driving the South African economy and positioning the country as a developmental state in the globalised knowledge-based economy. Additionally, as a catalyst for economic development, they drive public sector job creation, public infrastructure investment and economies (Netswera 2022). When knowledgeable workers decide to look for employment opportunities elsewhere and they finally leave, they walk away with a wealth of knowledge, expertise and skills, which could prove detrimental to the sustainability of business enterprises. High employee attrition rates in South African SOCs are more than just a human resource management challenge but are also a knowledge management issue as attrition affects the knowledge absorptive and retentive capacities of many state companies.

The study sought to explore HRM recruitment strategies supporting knowledge management (KM) initiatives in South African SOCs; determine the time and cost of replacing knowledge workers; identify KM attributes; assess HRM recruitment effectiveness in sourcing potential workers with the requisite skills and knowledge; and recommend knowledge-driven recruitment strategies to mitigate knowledge loss risks induced by human resources attrition.

2. Literature Review

2.1 Knowledge Management and Organisational Performance

Grant (1996) views the KBVT as a theory of the enterprise and as a philosophy of strategy or concept of competitiveness that prioritises its focus on internal institutional knowledge as a key resource driving the production of goods, products and services in the knowledge-based economy. One of the earlier key KM theories to have emerged in the current knowledge-based economy calls on organisations to invest and pay more specific attention to the management and securing of organisational intangible knowledge assets. KM presents a direct response to managing knowledge resources in the knowledge economy. Knowledge resources are more than just generic resources, but rather firm-specific and valuable resource that warrant proper management (Grant 1996). A study by Mantje, Rambe and Ndofirepi (2023) on South African enterprises confirmed previous research that established that KM has a direct impact on company competitiveness or organisational performance. Therefore, if knowledge resources are not well sourced and managed properly in South African public enterprises, their capability to drive much of the national economic development agenda, public-sector infrastructure investment philosophy and performance is threatened (Netswera 2022). The loss of enterprise knowledge will inherently lead to the loss of their sustainable competitive advantage as key contributors of economic development. Furthermore, what complicates the terrain of knowledge management in South Africa is the fact that KM is under-developed in many public sector organisations (Maphoto and Matlala 2022). However, Phaladi (2021) cautions that the genesis for the effective management of company-specific intangible

knowledge resources lies in the recruitment and sourcing of employees who are sources and drivers of such resources.

2.2 Role of Recruitment Practices in Knowledge Management

Organisational employees (through the theoretical lens of the resource-based view of the firm) and business knowledge resources (through the theoretical lens of KBV) are sources and strategic drivers of competitiveness and superior enterprise performance. Thus, the loss of these crucial tangible and intangible knowledge sources and assets threatens the competitiveness, productivity and sustainability of an organisation and may render companies into serious sustainability and vulnerability risks (Zieba, Durst and Hinteregger 2022). Existant literature suggests that HRM practices such as recruitment processes have an important role to play in sourcing the required human capital through talent acquisition initiatives (Sharif, Naiding and Shah 2022). This line of thinking seems to suggest that recruitment practices have an inevitable inherent role in the management and acquisition of enterprise-specific knowledge assets and sources of such intangible assets. It is common wisdom that the identification and source of human resources (employees) who have the required knowledge, skillsets or competencies is exclusive HRM territory. Nonetheless, a review of the literature on strategic HRM highlights the fact of one of the biggest challenges facing human resource practitioners is identifying, sourcing and deploying organisational members with such attributes (Sokolov and Zavyalova 2020). Such a level of complexity is attributed to the fact that knowledge workers have a distinctive understanding of work and work ethics compared to just any ordinary employee or a hard labourer. This means that conventional recruitment strategies could be rendered irrelevant and unsupportive of KM practices. Researchers and proponents of the RBVT contend that the sourcing and selection of the human resources' competencies from external companies is the terrain of strategic HRM (Dalkir 2020). Such a position remains undisputable. However, arguing from the KBV standpoint, recruitment is more than just the sourcing and acquisition of potential human resources. At the heart of any recruitment strategy is the acquisition of the required organisational intangible knowledge resources such as knowledge, skills and competencies.

2.3 Knowledge Loss in State-Owned Companies

It is important to unpack the complexity on enterprise tacit knowledge loss and its implications for organisational performance, especially as it relates to SOCs. The review of extant literature on knowledge risk management outlines a number of knowledge-related risks facing modern business enterprises, caused by organisational human resource turnover (Galan 2023). Knowledge risks highlighted in the extant literature includes knowledge loss, knowledge gaps, knowledge leakage / knowledge spillovers, knowledge hoarding, knowledge outsourcing and knowledge hiding (Hammoda and Durst, 2022). Arguing from a sustainability perspective, Zieba et al. (2022) posit that these risks, if left unmanaged, will have serious repercussions for sustainability, economic performance and societal impact. Knowledge loss is one of the biggest risks facing many organizations across the globe. In South Africa, knowledge loss is caused mainly by voluntary and involuntary factors. Many SOCs are lagging in knowledge-driven retention strategies (Phaladi and Ngulube 2022). The ageing skilled workforce in technical, scientific and engineering born in the 1950s are retiring en masse. The prevailing circumstances are not unique to South Africa, as it is a phenomenon causing havoc across the globe. Covid-19 has forced many older workers into early retirement before their actual retirement. According to Serenko (2023), the prevailing labour market conditions have led to an era of what is characterised as the Great Resignation in many countries. It has not only led to great resignation, but in the process, the situation has also led to a great knowledge exodus. Phaladi's (2021) study highlights that the prevailing complex fluid labour market means that SOCs are forever in a recruitment drive cycle, with huge financial impacts and productivity risks. State-owned companies are knowledge-intensive enterprises and learning organisations (Benassi and Landoni 2019). As a result, they are continuously acquiring, producing and processing huge quantities of valuable knowledge and are heavily reliant on knowledge to drive a developmental mandate and the economy. The loss of tacit knowledge when employees depart can have negative consequences for organisational performance.

3. Methodology

Given the fact that not much was known about the specific research questions of the study and the specific roles played by recruitment practices in facilitating knowledge absorptive capacities in SOCs in South Africa, the study deployed mixed methods research (MMR), using the exploratory sequential design as the overall research approach to address the research questions. Phaladi (2022) and Creswell and Plano Clark (2018) posit that MMR designs are best suited for exploratory types of studies that explore complex research issues in KM from multiple viewpoints. Research data were extracted from South African state-owned companies. Since the study was an

exploratory sequential MMR design, ethical considerations were heeded in both the qualitative and quantitative research components. Qualitative data were collected through interviews with twenty managers in the HRM departments of nine state companies that were purposively nominated in the first component of the research project, as illustrated in Table 1 below. The qualitative research data were analysed thematically using Atlas.ti analysis software. The qualitative research results informed the development of variables for testing in the quantitative phase of the study. The research results of the qualitative component were then tested with the larger samples in the quantitative phase of the project through the questionnaire instrument. The questionnaire was distributed to 585 randomly selected employees in three public companies that volunteered to partake in the study, with a response rate of 25% (145). The survey questionnaire was circulated using online forms during the 2020 awkward period of the national Coronavirus (COVID-19) hard lockdowns and directives. The questionnaire comprised of the five Likert scale questions, with five different response options ranging from strongly agree to strongly disagree. Quantitative data extracted through the survey instrument were analysed using SAS. The instrument was tested for reliability with a Cronbach alpha of 0.94.

Table 1: Participating SOCs From Which Research Participants Were Drawn

Industry sector	Number of participating SOCs	Number of human resource managers interviewed
Development finance sector	2	7
Water utility sector	1	3
Service sector	2	3
Compliance and regulatory sector	2	4
Research and development sector	2	3
Total	9	20

4. Research Findings

4.1 Qualitative Research Findings

4.1.1 *Recruitment processes supporting KM initiatives*

All the participants who took part in the interviews concurred that their talent acquisition processes support their SOC in identifying, selecting and appointing potential applicants who possess the required skillsets or competencies. As managers within the HRM establishments, the participants were largely responsible for sourcing a skilled workforce, albeit using different methods in the execution of their recruitment strategies. For instance, four state-owned companies focused only on the technical competencies, whilst the remaining majority focused on both technical and behavioural competencies as part of the talent acquisition practice. Most SOCs deployed competency-based assessments. Competency-based interviewing was developmental in that it allowed human resource managers to identify gaps and address them through individual capacity development initiatives. As such, in addition to the actual recruitment of workers, it also contributed towards their capacity development as well as knowledge development in the knowledge area gaps identified during the recruitment process. It was common knowledge that the talent acquisition process starts with the vacancy being advertised and with job adverts being structured in such a way that they help in finding specific requisite knowledge assets. Concisely, talent acquisition approaches were playing a crucial role in the sourcing and development of employees and intangible knowledge assets.

4.2 Period and Cost Implications Involved in Replacing Critical Knowledge Workers

Regarding the research question: *How long does it take public enterprises to source the critical skills and expertise lost due to employee turnover, and at what cost?* the following emerged:

Eight participants posited that it takes their enterprises between three to six months to find critical skills from the labour market, while another 8 participants showed that it takes them over six months to a year to close the gap caused by employee-induced turnover. In addition, one participant argued that it takes their company 1 to 2 years, and another 2 years or even lengthier periods in special cases, to source and replace critical knowledge workers lost due to turnover. One participant from a state-owned company indicated that it took them more than 2 years to fill a vacant critical position, and they expressed their frustration in the following manner:

Two years plus, I must say. Because I am having example of that within my area. I arrived at an XY station in 2014, whereby there was these positions of principal electrical engineer, and principal mechanical engineer. Therefore, we have been having those positions for a long time; I think we closed one position now in February or March 2019. Yes, so we could not attract that skill, and another thing is our market salary scales are not competitive. Some of them we cannot afford (Participant#19, 2019).

The rarer a skill is, the harder and more costly it becomes because it comes at a huge cost to the company, and some public enterprises end up paying exorbitant amounts of money to source and replace mission-critical scare and skilful knowledge workers, especially in highly technical specialised fields. Staff turnover triggers a number of risks such as enterprise knowledge risks and affects the productivity of public sector companies facing such issues. Furthermore, the participants opined that the cost implications of sourcing and finding the replacement employee with scarce required skills comes at a premium with huge cost implications, in terms of both direct and indirect costs.

4.3 Targeted KM Attributes in the Recruitment Approach

Regarding the KM attributes that participants in the selected public enterprises focused on in the recruitment process and their logic behind that, ten participants in three of the SOCs identified the following KM behavioural competencies:

- knowledge sharing;
- a learning and training mentality and culture;
- succession planning;
- collaboration and networking capabilities;
- an innovation and creativity mindset;
- ability to work effectively within a team environment; and
- coaching and mentoring (willing to act as a mentor or to be coached).

These public enterprises paid particular attention to knowledge-based behavioural competencies as part of the talent sourcing practice. The reasoning behind such a focus was that it supported them in sourcing employees with relevant knowledge-driven competencies and behaviours. Additionally, it helped to focus on developing and nurturing KM behaviours where candidates were found lacking, thus in the process contributing towards the desired enterprise-specific knowledge-sharing culture in those entities. The other nine participants revealed that in one way or other, they do reflect on such knowledge attributes without labelling them as such largely due to their limited understanding of the philosophy and concepts of knowledge management. Some of the interviewees mentioned that KM language is not their language, therefore managing enterprise knowledge was not in their vocabulary. Only one participant of SOC4, in the compliance and regulatory service industry, argued that they did not focus on knowledge-driven attributes at all.

Moreover, participants who paid attention to specific KM-behavioural competencies advanced the following reasons for their focus on such attributes: ensures enterprise cultural fit; secondly, that the new acquired workers will fit into the organisation (emphasis on team fitness); thirdly, longer tenure within public enterprises; fourthly, alignment of the new employees to these KM competencies; fifthly, sustainability of their public enterprises and lastly, to ensure sustained productivity and superior business performance.

4.4 Effectiveness of Recruitment Practices in Attracting Candidates With the Required Knowledge and Skillsets

Pertaining to the research question on the effectiveness of the recruitment processes in sourcing and recruiting workers with the required knowledge, skills and expertise, fifteen out of twenty participants concurred that their recruitment process is effective in identifying and sourcing potential workers with the required relevant knowledge attributes, whilst five responded to the contrary, emphasising the fact that their practices were ineffective. Participants who said that their enterprises were effective in sourcing human resources with the required knowledge and skills attributed their success to internal recruitment.

Six participants in two of the public enterprises credited the high employee retention rate as the reason behind the effectiveness of their talent acquisition practice. Furthermore, their firms' brand-power, competitive compensation benefits, knowledge-driven learning culture and compelling employee value proposition assisted some of the enterprises to retain their talented knowledge workers. In contrast, the other nine participants mentioned that while their recruitment practice is very effective, they were experiencing serious difficulty in retaining their organisational members with mission-critical knowledge and skillsets. These challenges

accelerated employee turnover in those SOCs. This was a serious issue for many of the public enterprises that participated in the project. Five participants revealed that their staff acquisition practices are ineffective, mainly due to a struggle to find the right calibre of candidates at the right salary amount.

5.   Quantitative Research Results

HRM departments within state-owned companies play an important role in the recruitment or sourcing of workers with the required knowledge, skills and competencies. The statistical results (as illustrated in Figure 1) posited that 50% of the responses concurred that their recruitment processes or strategies supported the public enterprises in sourcing and attracting candidates with the required knowledge management behaviours such as knowledge-sharing, teamwork, learning, networking abilities or capabilities, etc., while 24% of the responses were of the view that recruitment processes did not support such activities and behaviours. A small share of the participants (26%) was less informed on whether the recruitment processes supported knowledge management activities.

Regarding the research question on whether the sourcing of workers focussed on their potential learning and growth in the public enterprises of the study, a majority of the responses (62%) showed that the sourcing of knowledge workers stressed on their potential to learn and grow in the company, whereas 16% of the responses held contrasting views about this variable, showing that talent acquisition practices did not emphasise the potential to learn and develop or grow in the public enterprises. A minority share of responses (22%) were neutral or less informed about this variable.

Pertaining to the question on whether recruitment or talent acquisition processes focussed on knowledge management attributes such as coaching and mentoring, teamwork, knowledge-sharing, innovation and being a team player, 37% of the responses were of the view that recruitment practices did not stress such attributes. Moreover, 34% of the respondents showed that there was such a deliberate focus on those KM attributes and behaviours. Furthermore, a smaller share (29%) of the responses were neutral or did not express their views on this variable.
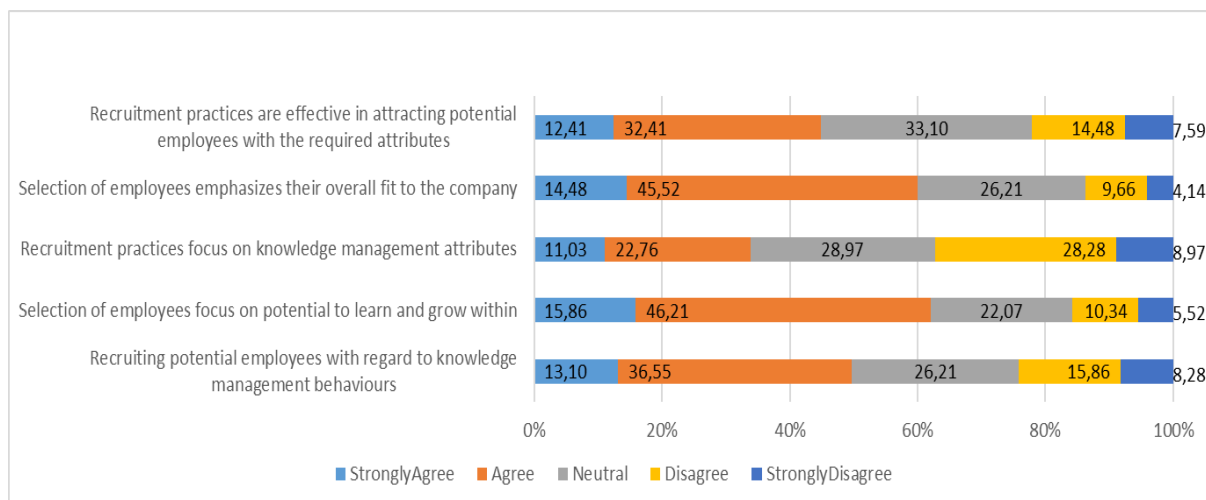

Figure 1: Recruitment Practice Support to KM

The larger share of responses (60%) indicated that the selection or acquisition of workers stressed the overall fit for the enterprise in terms of personality, values, norms and other principles. In contrast, 14% of respondents were of the view that this was not the case whereas 26% of the responses were neutral or did not know whether recruitment practices emphasised overall organisational fit.

Regarding the effectiveness of the talent acquisition or recruitment practices in SOCs in sourcing potential knowledge workers with the much-needed knowledge-driven attributes such as coaching, mentoring, collaboration, networking, teamwork, team player, etc., most of the responses (45%) were in agreement that talent acquisition practices were effective. According to a smaller share of the responses at 22%, the effectiveness of the recruitment practices was a serious problem in attracting or sourcing workers with such knowledge-driven attributes and values or principles. However, it was a worrying observation that a noticeable share of responses at 33% were neutral or did not know if their talent acquisition or recruitment strategies were effective in sourcing potential workers with those KM-driven attributes.

6. Discussion of the Findings

Traditionally, sourcing and attracting company-specific workers and their knowledge and skillsets to ensure the company's sustainable performance and competitiveness (Dalkir 2020) remains the exclusive terrain of the human resource management field. Both the qualitative and quantitative research results revealed a common understanding amongst the participants that recruitment processes supported their public entities in the identification, sourcing and attraction of potential workers who possess much-needed mission-critical knowledge, skills and competencies. However, due to increased human resource mobility, the talent acquisition practices in most of the public companies were in a perpetual struggle to find employees with the required skillsets in mission-critical business areas. The results of the qualitative strand of the study showed that human resource managers were facing a serious challenge in that it took them 6 to 12 months to fill a vacancy in their organisational structures because of employee-induced turnover. In worst cases, it took some SOCs 1 to 2 years to fill a vacant post in mission-critical business areas. The more advanced the employee mobility, the greater the challenges for talent acquisition practices in most of the public enterprises. Moreover, the scarcer the talent is, the costlier it becomes, largely because skillful or talented workers come at a premium. As a result, the public companies had to compete with private entities in the open labour market, with some of them paying higher price tags to attract employees with the required knowledge, skills and competencies. Most of the public companies could not compete with other companies in the labour market due to their salaries not being competitive or market related. The prevailing circumstances are even worse in some of SOCs where there are no concerted strategies to retain their knowledge workers and much-needed knowledge assets. Knowledge management was non-existent in a majority of the South African public companies.

A problem that HR managers in public companies faced was the attraction and retention of workers with mission-critical skillsets. Whenever a valued knowledge worker left the occupation in SOCs, either through voluntary or involuntary turnover (resignation or retirement or death), this created serious issues for the HR establishments in terms of the direct and indirect costs related to such employee turnover (mobility) developments. What made the challenge even worse was that most HRM establishments in SOCs lacked strategies to quantify the impact of losing employees with critical knowledge lost due to voluntary employee turnover. In broad terms, HRM talent acquisition or recruitment practices supported SOCs in the identification and sourcing of knowledge workers with the required knowledge and skillsets. However, the approach and execution of the human resourcing strategy differed from one SOC to another. For example, the qualitative results revealed that in some SOCs, the focus of human resource acquisition was only on the technical competencies and not so much on knowledge-driven behaviours and principles. In a nutshell, knowledge behavioural competencies were not a priority or focus in the recruitment practices in some public companies. The articulation of specific KM behaviours, values and principles in the human resourcing practice was a serious challenge in most of the public enterprises. This research finding was also corroborated by the quantitative evidence because a majority of participants (employees) revealed that their recruitment approaches did not pay attention to knowledge management attributes such as coaching and mentoring, collaboration, innovation, teamwork and knowledge-sharing. Hence, it can be inferred that recruitment practices in most South African SOCs did not display knowledge-driven attributes largely because KM and its vocabulary is still under-developed. In three SOCs out of nine that participated in the qualitative strand of the study, the attraction and sourcing of potential workers emphasised specific KM attributes and behaviours. Those three SOCs were only part of smaller cases whose talent acquisition strategies exhibit knowledge-driven attributes, behaviours and other characteristics. In addition, this was not a common staff acquisition practice in a majority of the public companies. Moreover, the evidence from the qualitative data showed that the three SOCs whose talent acquisition strategies emphasised the importance of certain KM behaviours and attributes were those whose knowledge management strategies and practices were better institutionalized. It can be deduced that the presence of institutionalized KM supported HRM practitioners in those enterprises to develop an understanding of KM attributes and vocabulary.

The data revealed that state-owned companies take pride in being learning and knowledge-driven business enterprises. Similarly, survey evidence also affirmed that the process of sourcing workers focused on their potential to learn and develop in SOCs. The ability to learn, accumulate knowledge and grow goes a long way towards facilitating and developing knowledge absorptive capacities in SOCs. However, a serious challenge lies in the retention of these knowledge workers, which defeats the purpose of such investments in human capital development. SOCs are forever on a recruitment drive. This finding confirms the empirical evidence in the existing body of knowledge which shows that the retention of knowledge workers remains a serious problem once they are sourced and developed (Phaladi and Ngulube 2022; Kumar 2020). Many of the human resource

managers in the qualitative strand of the research project lamented the problem that their SOCs were in a perpetual battle to replace and retain workers with mission-critical knowledge and skillsets. Equally, they rated their talent acquisition practices as being effective in sourcing company-specific knowledge workers, knowledge and competencies. However, being very effective in sourcing knowledge workers but not much successful in retaining them created a strategic contradiction for the SOCs, their human resource management departments and knowledge management capabilities.

7. Limitations and Suggestions for Future Research

This mixed methods research project has some limitations in that the study took place in a limited number of the public companies in South Africa. The COVID-19 lockdown restrictions also proved to be a serious challenge and negatively affected access to the research sites of the study, resulting in limited sampling and response rates. Similar studies in future could address these sampling limitations with larger samples. Moreover, this paper focused only on HRM recruitment practices and how such practices facilitated and developed knowledge absorptive capacities for the effective mitigation of tacit knowledge loss. The project was a cross-sectional enquiry in South African SOCs. For this reason, the findings should be approached with caution in other types of business enterprises. A longitudinal form of study involving similar SOCs and in other areas of the South African economy is also recommended for future research.

8. Conclusion and Recommendations

This study concludes that HRM talent acquisition strategies in public companies develop knowledge absorptive capacity, focusing on recruiting and selecting workers with intangible tacit knowledge assets which increase knowledge acquisition capacity. Staff acquisition and retention practices' effectiveness in managing enterprise knowledge is questionable, as high employee turnover and insufficient strategies for staff retention can create instabilities in the knowledge base and capacities, hindering SOCs' ability to sustain business performance and deliver on their developmental mandates. Most SOCs lack articulation of knowledge management behavioural competencies in talent acquisition, which should prioritize KM attributes and behavioural competencies, including knowledge-sharing behaviours, creativity, innovation, teamwork, coaching and networking abilities. KM remains under-developed in most SOCs and proactive strategies to quantify the impact of losing critical knowledge and skillsets due to employee attrition are imperative because acquiring knowledge assets beyond sourcing and attracting core competencies fosters loyalty and attracts the best knowledge workers in the sector.

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