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KNOWLEDGE AS A COMPETITIVE ADVANTAGE IN PRIVATE SECURITY: A STUDY IN A COMPANY IN SANTA CATARINA, BRAZIL

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ABSTRACT

The aim of this study was to identify the relevance of knowledge management actions, specifically in the categories of ‘knowledge’, ‘human capital’, and ‘innovation’, adopted by one of the leading companies in the private security market of Santa Catarina. The leading company in the private security sector in the business segment of Santa Catarina served as the basis for the research on knowledge management application. The qualitative method with a descriptive approach was used. The results confirm the feasibility of knowledge management in companies in the sector, although the process is not formalized in private security organizations of Santa Catarina. Investment in intellectual capital, more specifically in human capital, is perceived as fundamental. Important items for the implementation of this process are being considered, such as the beginning of participation in communities of practice, the organization, processing and retention of information of the organization in a strategic manner, and the concern about communication between their employees.

Keywords: Knowledge management, Marketing, Private security, Value, Competitive strategy.
1. INTRODUCTION

The current market requires that companies have prompt response and be intelligent to deal with the demands, under the threat of disappearing in a short time.

The private security sector is an example: with the increasing audacity of criminals, a good preparation for the continuous and systematic implementation of innovations in readiness and prevention techniques is required, according to Brasiliano and Branco (2003). Changes in the scoundrels’ actions are constant and the value safeguarded by companies is known beforehand by them and consequently the intelligence and counterintelligence process becomes intense. Furthermore, as Bayley and Shearing (2001) inform, there is a strong pressure from insurance companies on organizations to hire specialized capital protection services. This reality leads to the need of knowledge production and maintenance for the success of business activities in this sector.

Knowledge management is a process that creates, organizes and disseminates knowledge in the organization, facilitating and controlling access to knowledge in order to enable the company to have more agile actions. For Bukowitz and Williams (2002), it is the process by which an organization generates wealth. Therefore, the adoption of knowledge management in the private security sector imposes itself as necessary for the survival of the business.

In this scenario, the study sought to identify the relevance of the actions taken by one of the leading companies of the private security market of Santa Catarina, with a specific study of the categories of ‘knowledge’, ‘human capital’, and ‘innovation’. Proceeding from these categories, it also sought to assess the extent to which knowledge management is beneficial to the organizational activity of this sector.

The theme dealt with is justified by its importance at the current moment in the entrepreneurial sphere, which requires innovative solutions and perfect harmony with regard to rendering services to the users, as a basis for the development and survival of the organizations. For Canongia et al (2004), the survival of a company depends, among other things, on the anticipation of changes and their consideration in the processes of defining organizational strategies. In the same way, knowledge management reveals itself as a contemporary theme, being of interest of the organizational strategy.

In this respect, the questioning emerged: do private security companies, which depend directly on knowledge for the prevention and the wealth of individuals and property, adopt knowledge management as an organizational alternative in face of market competitiveness?

2. KNOWLEDGE MANAGEMENT

In the United States, the term knowledge management began to be used in the context of Artificial Intelligence in the late 80s. Researchers at ‘Digital Equipment Corporation’ tried to understand how learning could be improved by technology, while another group carried out research on Artificial Intelligence. A third group, advised by business consultants, started assessing the knowledge context in business management (WIIG, 1986).

In Sweden, Sveiby developed the so called ‘competence-based strategy’, explained in the book The Know-How Company (1986). In 1990, he published Knowledge Management, possibly the first book with the term ‘knowledge
management’ in the title. He addressed the strategic management of knowledge resources, especially of knowledge workers, without highlighting information technology.

In the same decade, works of Peter Senge contributed to the popularization of organizational learning. However, it was Peter Drucker who coined the term knowledge worker, being one of the first organizational theorists to draw attention to the implications of the fact that both the technical work and the non-technical one are more and more based on knowledge.

In Japan, in 1995, Nonaka and Takeuchi published the book The Knowledge Creating Company, which redefined the concept of knowledge management. For the authors, the success of Japanese companies in the 90s occurred due to their capacity of creating new organizational knowledge, resulting in constant innovations in their products and management processes.

Therefore, knowledge management has three sources: the first North-American studies on information and artificial intelligence; the Japanese research on knowledge and innovation; and strategic measurements of competence in Sweden. Thus, the North-American influence on knowledge management is based on information technology, while the Japanese and Swedish studies and practices have their focus on people.

For Terra (2007), knowledge management in organizations is inevitably linked to the understanding of the characteristics and demands of the competitive environment. For Johannessen et al. (1999), we are living in an increasingly turbulent environment; competitive advantages need to be continuously reinvented and sectors of little intensive technology and knowledge lose economic participation. The challenge of producing more and better is being overtaken by the permanent challenge of creating new products and managerial processes (Johannessen et al. 1999). Given the speed of changes and the increasing complexity of market challenges, the concentration of efforts on a few employees or company departments is no longer allowed (Tarapanoff, 2006; SABBAG, 2007). For O’Leary and Studer (1997), knowledge management involves human resources, the organization and the organization’s culture, as well as information technology, methods and tools that support it and make it possible.

Knowledge management, as a concept, still causes controversy in its definition. According to Perrotti and Vasconcellos (2005) several authors even state the concept almost as synonymous with the science of administration itself, in an attempt to give importance to the topic. The authors argue that it is a concept in construction. Bukowitz and Williams (2002) defend the point of view that there is neither a standard definition, nor a universal scheme within which it is possible to align different professionals: it is an emerging and necessary complex discipline, representing a shift from a focus on information to one on individuals who create and possess their own knowledge. For the authors, it is a process by which an organization generates wealth from its knowledge or intellectual capital. A classification of organizational knowledge, based on tacit and explicit knowledge, was developed by Nakano and Fleury (2005), with the note of the “synonym”, “form”, and “component” categories.

Specifically for highly competitive markets, Scharf (2007) proposes knowledge management as a set of processes for the creation, dissemination and use of knowledge within the company, with the goal of developing sustainable competitive advantages by means of the creation of values shared with the market. And he argues that "... it passes through study, discussion and understanding of the characteristics and demands of the
competitive environment and understands knowledge as the most important asset of enterprises" (SCHARF, 2007, p. 93). For Angeloni and Fernandes (2000), the changes, which occur in complex business environments, lead the organization to obtain knowledge as a sustainable competitive advantage. Also for Alvarenga Neto, Barbosa and Parker (2007), the emerging of a new economic paradigm based on knowledge and innovation made organizations invest in typical assets of the information area, more than in assets of the industrial one. The authors understand that this consolidates knowledge as a factor of differentiation for organizational competitiveness.

Knowledge management does not happen without the active participation of employees and the company itself. While the former represents the main actors in the process, it is up to the company to perform some actions and take initiatives to ensure all its stages. For Terra (2007), these actions depend on the human and technological infrastructures that support them.

Finally, both information and knowledge are context specific and relational, according to Takeuchi and Nonaka (2008), in so far as they depend on the situation and are created dynamically in the social interaction between people. For Mussi and Angeloni (2004) the factors influencing knowledge sharing can be related to the context, to the dynamics of organizations, and to the individual characteristics of people. Balestrin (2007) contributes to this discussion when he identifies and explains the spaces of creation and dissemination of knowledge. For Scharf (2007) it is not the amount of information or knowledge that may be called knowledge management, but what is done with this knowledge, based on the creation of value, for the survival and growth in the market in which one operates.

2.1 Knowledge management: human capital and innovation as competitive advantage.

According to Porter (1990, p. 2), “competitive advantage arises primarily from the value a company can create for its buyers and that exceeds the company’s manufacturing cost”. For Drucker and Howard (2000) it is clear that companies have in their managing knowledge an inexhaustible source of competitive advantages. For these authors, at this moment, the only certainty is uncertainty and the reliable source of competitive advantage is knowledge. The authors argue that, in an era when markets move, technologies proliferate, competitors multiply and products become obsolete overnight, companies that develop on the market are the ones that consistently create knowledge, disseminate this knowledge within the organization and incorporate it to new technologies and their goods and services (Drucker; Howard, 2000). In addition to this observation, knowledge management acquires a special importance for a company that embraces innovation as a strategic guideline. The generated and disseminated knowledge allows the company to consolidate the process of innovation through continuous learning throughout the organization. Innovative companies have highly innovative learning systems. For Scharf (2007, p. 155-156) these companies are able to “learn how to continue improving current products at the same time when they aggressively prepare for the challenge of new products”. Angeloni and Fernandes (1999) defend that companies can be more active in learning if the internal communication is made by means of properly defined procedures. McElroy (2003), one of the pioneers of the so-called ‘Second Generation of Knowledge Management’, understands it as being a management discipline that seeks to have an impact on knowledge processing and that this action, in turn, is “a social process responsible for the production and integration of knowledge for and in the business process” (McElroy,
In the author’s view, one must capture the models present in people's minds that, almost certainly, do not represent the real world. For several authors (Chaui, 2000; Mcelroy, 2003; Antonello, 2007; Campos, 2007), at learning, however, it is not the reality that matters, but the model of reality in the mind of the team members that will change as their understanding of their universes is improving. Balestrin (2007) also understands it this way when he says that the authors who adopt the interpretative approach treat knowledge as something complex, tacit, and inseparable from the individual.

In this context, the term ‘human capital’ appeared for the first time in 1961 in an article written by Nobel Price Winner Theodore W. Schultz, Investment in Human Capital, in the American Economic Review (Davenport, 2001). It is a concept with a long past, but of recent history (George et al 2008, p. 47). As knowledge is created only by individuals (Nonaka; Takeuchi, 1997; Joshi, 2006) and the ability of acquisition, development and use of knowledge is inherent in the human being (Sveiby, 1998; Sabbag, 2007), organizations must ensure that individual learning happens, shaping the human capital. George et al (2008) view it as a central construct that has obtained an important space when it is no longer perceived as an attribute of an object (human value attached to a good or service), starting to be treated as a desirable criterion or as a type of business orientation. For Ichijo (2008), it is the release of people's capabilities to sustain and leverage organizational growth.

For Scharf (2009; 2012) human capital can be considered a value proposition to the market, in the process of building brand identity, a fundamental aspect for the continuing growth in the market of activity. Following this reasoning, and connecting it with the concept of innovation, Teixeira (2007) states that human capital seeks to make its importance in the process of innovation and organizational growth clear (and even of countries, as evidenced by the economies of South Korea and Taiwan, characterized by large investments in human capital).

Most of the literature on innovation management, according to Kusunoki (2008), is based on an organization of functional differentiation (the conventional idea of a department or system for innovations), with serious limitations in obtaining insights concentrated on innovation. For this moment, called the era of knowledge (Drucker; Howard, 2000; Taparanoff, 2006; Campos, 2007; Takeuchi; Nonaka, 2008), the author suggests the concept of value differentiation for innovations in the organization. In it, there are contained varieties of customers’ and employees’ value perspectives, increasing the capacity for innovation, minimizing the stratification of the number of conceptual contributions, and promoting the continuous learning directed to innovation (Kusunoki, 2008). Quintane et al. (2011) argues that innovation has results clearly based on knowledge perspective. For Kusunoki (2008) it promotes people to the category of ‘organizational unit’, raising the human capital to the condition of a main element in the innovation system and definitely differentiating it from the functional model.
3. PRIVATE SECURITY

Taking the work of Brasiliano (1999) and Brasiliano and Branco (2003) as a basis, one asserts, in summary, that private security services began in the Middle Ages. Ranger groups protected on foot and on horseback the castles, the crops in the fields, and accompanied the merchandise treks. At the beginning of the 16th century, there was no public authority that could control the avalanche of crimes and violence. Different types of police organizations emerged: merchants hired men to guard their properties, merchant associations created a mercantile police to guard shops and goods, night guards were paid to make rounds, agents were hired for the recovery of stolen goods, and parish police forces were organized by the citizens. In 1783, the New York Police Department was created. Later, several police departments in major cities such as Chicago, San Francisco, Los Angeles, and Dallas were founded. However, the police departments were rudimentary, unprepared, and corrupt, resulting in the setting up of the largest private security companies at that time. In 1855, Pinkerton's was founded by Allan Pinkerton, a Chicago police detective, with the purpose of protecting the railroads and investigating the crimes there committed. In 1852, Harry Wells and William Fargo set up Wells Fargo for the cargo traffic control along the Mississippi. In 1859, Brinks was founded, initially making deliveries of packets, later they would become the largest security and protection company in the world.

In Brazil, according to the same authors (1999; 2003), in 1940, the night guard of Santos was instituted as a private association. In 1951, the functioning of private guards was authorized. But what really initiated the process of private security in the country was the various bank robberies between 1965 and 1970 (Brasiliano; Branco, 2003). The rules at the time, however, were very superficial and there were no requirements for an effective standardization in the sector. So, fifteen years after the compulsory implementation of guards, the law 7,102, of 1983, was enacted, establishing the foundations of private security, its organization and the requirements to be met by those who wished to explore such a professional activity (Brasiliano, 1999). However, the most significant changes are recent, occurring from 1995, when the Federal Police Department took over the responsibility for the control and supervision of the sector, with the regulation becoming effective (Brasiliano; Branco, 2003).

The activities, denominated security, may be divided, according to Zanetic (2009), into the following segments: property vigilance (preservation of goods and properties, including the electronic security); organic safety (companies that provide their own security sector); personal security (monitoring and protection); armed escort (motorized armed monitoring); transportation of valuables. All services must be provided in accordance with the specific legislation (Zanetic, 2009). However, the legislation adopted in several countries prevents abuses on the part of unprepared or momentarily unbalanced people (Bayley; Shearing, 1996).

The data on the private security sector available in the study conducted by the National Federation of Security and Valuables Transport Companies (Fenavist) show that the turnover of the sector in the year 2011 was of approximately 20 billion Reais, employing about 440,000 people throughout Brazil (Fenavist, 2011). Until 2014, the year of the Soccer World Cup, an annual growth of close to 30% is expected.

The turnover of the private security companies of Santa Catarina in 2010 was of 950 million Reais, including surveillance activities, transport of valuables, personal
security, armed escort and surveillance training courses. The average time of activity of private security companies in Santa Catarina in the last decade was of about ten years.

Given this context, one notes that the private security sector in Brazil and, more specifically, in Santa Catarina, represents a considerable business, both in terms of revenues and in the contingent of human resources.

4. RESEARCH METHOD

This empirical research is characterized by the qualitative method with a descriptive approach. A preliminary survey was carried out to determine the organization with greater representation among the private security companies operating in the State of Santa Catarina. One company stood out from the others, both by respectability and by tradition. It is here called PRI COMPANY to protect its identity and that of the respondents, being part of a group of services called in the survey the PRIV Group, which is constituted by more than 950 permanent employees. Set up in 1993 in the Itajaí Valley, it originates from the private security outsourcing in one of the largest Brazilian textile companies, which is the determining factor to follow a path to the private venture.

The data-gathering instrument used was the semi-structured interview, based on a guide with open questions. The social subjects were the top director of the company, hereinafter referred to as Chairman, since the setting up of the company in this position; the person responsible for the strategic management activities of the organization, hereinafter called AdmDir, since the setting up of the company in this position; and the person responsible for the activities related to computer science and technology, hereinafter called TecnDir, since 1999 in this position. The interviews were recorded with their permissions. Once transcribed, the central ideas were extracted from the interviews in order to understand how the board of directors of the studied company comprehends the subject. Respondent Chairman is a notable person not only in the state of Santa Catarina, but also in leadership positions in national representative organs. Respondent AdmDir has leadership projection in Santa Catarina, including in major business entities. Respondent TecnDir is constantly invited to speak at national private security events. The interest in this study and the cooperative manner of the respondents deserve to be noted, having made available documents that endorse the statements made.

With regard to the data processing, the categorization of verbal reports with the formation of clusters or analysis groups was carried out, based on the terms used by the respondents and on patterns that emerged from coincidences observed in reports, that is, a priori, on the basis of the specialized literature. Excerpts are used in the presentation of research results in order to better illustrate the speeches and the revelations of the interviewed managers. Therefore, the technique of the content analysis, according to Bardin (1977) was adopted, using various analytical communication techniques to obtain indicators (quantitative or not), by means of systematic procedures and objectives of content descriptions of the collected messages. It is a research technique that validates and makes data inferences of a context, which involves specialized procedures for scientific data processing, replicable (Freitas; Kmísi, 2000, p. 37).

In possession of this research corpus, a set of analytical procedures was started. The so-called "floating" reading was made in order to make contact with the
interviewees' experiences, understand possible contexts and existing scenarios, and to design the explanations with relation to the theories known by the researchers.

After that, the record units were defined, which, according to Vergara (2006), can be words, phrases, sentences or paragraphs. For this research, phrases were opted for, as these may indicate more appropriately the context of the respondents’ understanding in relation to the main theme, knowledge management.

Categories were defined for the classification of the constituent elements of this set of phrases. These are “... classes that incorporate a group of elements (record units) under a generic title, which grouping is made as a result of the common features of these elements” (Bardin, 1977, p. 117). The type of grid for analysis was defined as being the open one (Vergara, 2006).

To broaden the search techniques, documents were scanned that refer to the research subject, such as meeting records, projects, contracts, reports of information technology purchases, and others.

The conceptual basis of the work came from the understanding that knowledge management is a social process of knowledge production and integration for and in the process of the organizational business, as defends McElroy (2003). For the author, the procedure means the capture of the models present in the people's minds, even if they may not represent the real world. In this sense, the human capital and knowledge stand out.

5. DATA PRESENTATION AND ANALYSIS

The following issues comprise the set of data obtained in the research and which support this study. Some of the textual variables are repeated in sub-items, thus confirming the holistic understanding of the subject on the part of the respondents and valuing the analysis in function of the conceptual chaining. The data are presented and analyzed in four sections, the first being generic, for the broad understanding of the topic, and with the presentation of the categories evaluated in the adopted method. The other specific ones pointed out the three selected categories: knowledge, human capital and innovation.

5.1 Positioning, growth of the segment and company praxis

In the first question of the interview, the positioning of the corporation was approached, considering the current market and the environment in which it is inserted. According to the Chairman, in order to understand the current scenario one needs to understand how the company was created and its trajectory. PRI COMPANY resulted from the outsourcing process at a major company, aiming at reducing costs and the specialization of the security services. According to the respondent, many private security companies that began in the industrial sector, in course of time, migrated partially or completely to the public sector. This did not happen with this PRI COMPANY. It remained entirely in the private segment, aggregating only the demand of other businesses, such as commercial companies, which started hiring human security services. With this initial profile, the company was obliged to always be at the forefront of security solutions, in view of its contractors’ high level of demands, without, however, offering the guarantee of long term contracts, like those of the public area.

In the analysis of the PRI COMPANY’S turnover in recent years, the organization has managed to keep its growth higher than the market’s average, even
working with a higher price than the competitors’. This is a proof of leadership by
differentiation, which, according to Porter (1990), must be recognized by the client.

With respect to the growth of the security market, also in the Chairman’s words,
“growth is evident, accompanying the growth of criminality”. PRI COMPANY’s
growth, accumulated from 2002 to 2010, has exceeded that presented by the sector in
Brazil in the same period (73.7%), as shown by the FENAVIST (2011). The company’s
performance, even though it has one of the highest prices in the market, evolved due to
its relationship and differentiation strategy, the respondent adds. For Smoliar (2003),
knowledge, possibly more than any other action, generates business growth and
sedimentation of the market activities. According to Alvarenga Neto and Barbosa
(2007), knowledge is one of the main factors of differentiation for organizational
competitiveness. The creation of organizational knowledge produces conditions for an
organization to innovate and quickly adapt itself to the environmental complexity
(Moresi, 2001).

As to the managerial profile of private security companies, at the moment this
shows to be one of those with low management professionalism, since few companies
in the State are concerned about business management, with the actual cost of services
and the quality offered to clients. In the respondent’s view this occurs mostly in smaller
or informal companies, but also large companies are included in this context.

Also according to the Chairman, the ideal profile is “a Manager focused on
results and with a more professional view of the sector”. He adds that associativism will
be very important as a tool for continuous improvement and representativeness. In this
regard, respondent AdmDir argues that only with very well informed people and the
ability to make quick decisions, it will be possible to grow adequately. For Angeloni
(2003), decision making will increasingly require the participation of people and a
common thought. This consists in considering the point of view of each participant. The
decision-making process, therefore, leaves the individual level and moves on to the
team level.

The importance of innovation and creativity in the security sector, according to
the Chairman, can be understood as the act of creating daily new and better ways of
fighting and preventing crime, being essential for the recognition of this sector. The
TecnDir respondent believes that the use of machines, although not assuming the man’s
place, is a strong ally, especially in extreme conditions as in the area of private security.

The forms that are being worked on for the stimulation of innovation and
creativity in the company and in the private security sector converge to the total quality,
producing a methodology of continuous improvement for the organization, and
providing greater interaction of the company with its challenges. Another current model
is the discussion of various topics and the preparation of joined work in various
associative activities. The quality committee, which meets periodically, is a source of
innovation within the organization. A relevant point to be discussed is communication,
constituting one of the daily problems faced by the sector. The Chairman tells that PRI
COMPANY has taken some actions to improve its performance in this item. He
exemplifies, citing events for the integration of new employees, coffee breaks when
employees are awarded for their time with the company, the restructuring of the human
resource department, and the implementation of career and salary plans. He continues
telling that there are events involving the entire company, as well. He points out that
these are increasingly important for the dissemination of ideas and knowledge
exchange, especially for employees who are on the front line, where the responsibility
for the alignment of strategies and projects of the enterprise is required. For the AdmDir, it is fundamental that the communication channel be free enough to allow everyone to express his/her experiences and questions. The TecnDir reports that new ways for communication arise daily, although people often insist on not incorporating them for a higher performance. Several authors (Ziman, 1981; Meadows, 1999; O’leary; Studer, 2001) state that there is a strong relationship between production of knowledge and its communication processes. For Angeloni (2003), the adequately performed communication process, as well as teamwork, plays an important role in solving typical difficulties of the decision-making process.

The organization of information and knowledge in the private security sector “represents a big challenge for the security organizations”, in the exact words of the TecnDir. As knowledge does not yet have a wide appeal in this market, there are few organizations that invest in the area. PRI COMPANY, as it can be seen in documents of the company, has made investments in the organization and retention of information, by means of information systems focused on customer service, but the transformation of this knowledge into a tangible return for the company has not yet occurred entirely. For several authors (Johannesen et al. 1999; Acemoglu et al. 2007), like most of the processes related to information technology, knowledge management, due to its nature, is also barely visible. For the authors, however, they are fundamental actions for the internal organization of the company, with respect to its growth in the sector. In this sense, Rivadávia, Barbosa and Parker (2007) defend the investment in informational assets as one way to increase business competitiveness.

The importance of the dissemination of knowledge in the private security sector, according to the Chairman’s understanding, consists in the fact that to grow in the security market it is necessary to invest more and more in knowledge, both in the creation and in retention and sharing. Today, however, the knowledge of the area is restricted to events, to courses, to MBA, and to formal education, says the respondent. There are only few informal knowledge networks, electronic ones or face-to-face. He argues that FENAVIST holds periodically an event for the interaction and knowledge production called National Meeting of Private Security Companies (ENESP). The International Security Industry Association (ASIS) grants an international certification for professionals with a certain level of knowledge, called the Certified Protection Professional (CPP), accepted in various countries. He also asserts that the Association of Private Security Companies in Santa Catarina (SINDESP-SC) has held events, courses and meetings with employers and employees to discuss, resolve and work on issues inherent in the sector. The same Union maintains a technical chamber where the department of justice, the labor court, the regional labor office, the labor unions and the employers’ union are present for the discussion of important issues in the sector. The AdmDir argues that these meetings, in addition to the relationship, allow the wide dissemination of information on market practices. The TecnDir, on the other hand, sees the verifiability of new ideas before putting them into practice, of testing out possibilities, and of the anticipation of implementation problems, starting with the experiences of each participant.

Continuing the example, the AdmDir points the Security Exposition (EXPOSEC), with parallel events such as the Brazilian Congress of Business Security (COBRASE) with panels, discussion forums and lectures relating to the sector as fundamental. Similarly, the Brazilian Association of Security Professionals (ABSEG) maintains a permanent electronic forum with Information Exchange among the participants, reports the AdmDir.
With reference to the information management systems in the private security sector, the interviewees note that there is some software of information recording and management. The ERP and the SIGMA are being used by some companies. But, according to the Chairman, the evolution is in the operational management software (GESOPER), which makes it possible to study the behavior of the staff and the response to this behavior by the consumer. It also allows recording the performance in various situations that may occur, serving as a basis for decision making. It is, in the view of the respondent, the tangibility of knowledge directed at the marketing possibilities of the private security sector. The TecnDir confirms the software as being an indispensable tool in the daily lives of private security companies and that there is still room for improvement in the processes due to the possibilities the software allows. Organizations operating in competitive markets are no longer interested in informational tools that do not allow the generation of knowledge or the effective measurement of results (Acemoglu et al., 2007).

The existence of communities of practice is confirmed by means of trade unions, associations and networks on the internet, promoting the interaction of people who exchange experiences and information. But still there are few real opportunities for communities and, in the opinion of the Chairman, this is due to the fact that few companies are professionalized, what makes meetings and exchanges of experience between managers impossible, because they do not trust each other, and “do not know whom they're dealing with”. The AdmDir has been an emphatic proponent of professionalization in the organizations, having caused this class of professionals to become professionally qualified by means of dealings with universities for the development of graduate courses.

Knowledge management aiming at innovation and value creation in private security company is still an isolated fact, according to the Chairman. For him, the participation in the above mentioned events and information management are the step already taken by the sector, specifically by better structured companies. Knowledge management is a small effort, admits the Chairman, an opinion corroborated by other respondents (“there's still a lot to be done ...” and “we are removing the first stones from the way ...”, respectively, the AdmDir and the TecnDir).

Investments in knowledge management and organizational learning are not easy to be measured in this sector. The main reason is that there is neither a definite concept nor a proper methodology. The sector is unaware of these costs, although it already pays some of them, as seen in the course of the interviews. Information, which is essential for the success of the organization, is not always in possession of the company it seems to be found only with its employees. If the company loses its top executives, it may not operate normally, without losing customers to its competition. Emphatically, the Chairman says: “When we talk about the organizational structure, not at the managerial level, a loss becomes simpler and less traumatic. But when it comes to the managerial level, it becomes much more complicated, because its members already dominate strategic information”. Continuing, he asserts: “Inserted into the GESOPER and SIGMA monitoring software, adopted by the better structured enterprises of the sector, there much information and various management reports for decision making exist”. These managerial decisions depend on the experience and personal knowledge of the manager, being characterized as tacit knowledge.

What is made to optimize the tacit and explicit knowledge and to channel the growth cycle of organizational knowledge was revealed by the words of the Chairman
and the TecnDir. The latter explained that in the ISO 9001 processes there are formalized quality groups, with the mission of a continuous improvement of the processes, but there groups devoted exclusively to the production, development, and exploration of the organizational knowledge do not formally exist. For the TecnDir, “... [technology] is relatively well developed; it is the behavioral part that makes the full growth of knowledge management difficult”.

After the reading and having defined the categories according to Bardin (1977) and Freitas and Janissek (2000), the final results of the qualitative data processing (table 1) produced the following categories for analysis:

Table 1 – List of the research categories and textual variables

<table>
<thead>
<tr>
<th>CATEGORIES</th>
<th>Textual variables that justify the categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>HUMAN CAPITAL</td>
<td>The ideal profile is that of a result-orientated manager.</td>
</tr>
<tr>
<td>KNOWLEDGE</td>
<td>... increasingly important for [...] knowledge exchange...</td>
</tr>
<tr>
<td>INNOVATION</td>
<td>We adopt innovation as a main strategy...</td>
</tr>
</tbody>
</table>

5.2 Human capital

One of the issues has addressed the current and desired profile of the managers in the private security sector. At the moment, the Chairman’s understands: “The managers present poor professionalism, with few companies in the State worrying about business management and about the actual cost of services and the quality offered to clients”. Although correcting his statement when he says that this occurs, mainly “... in smaller or clandestine companies...”, the interviewee reiterates that there are large companies included in this context.

For the adequate management of the security companies, as well as for all others, the Chairman believes that the professionalization of managers is essential for the growth of the sector: “The ideal profile is a result-oriented manager with a more professional view of the sector. Associativism is very important as a tool for the continuous improvement and representativeness of the sector”. For the AdmDir “... efforts in that direction are being made and even directors of small businesses are already making decisions based on information obtained in a systematic manner”.

When he was asked if the organization holds the essential information for its success (explicit knowledge) or if they are only retained with people who work in it (tacit knowledge), the Chairman showed to understand the separation of responsibilities, because he believes that the loss of people with lower management levels is less traumatic, “... but when it comes to the managerial level, it is much more complicated since there strategic information circulates”, says the interviewee. Such arguments demonstrate the concern about business subjects of its top executives, as well as the loss of customers to competitors. The AdmDir admits that the retention of human talents has to be taken care of by the entire board of the company, not only by human resources (“... it is one of the main concerns of my daily work: how to handle the talents that are with me?”). Content and context are fundamental approaches for the understanding of
the relevance of the communication-people relation in the organization and mutual responsibilities (see McElroy, 2003).

The importance with respect to the support of an Information and Communication Technology structure (ICT) in the company and of knowledge management as a manner of managing intangible assets linked to human capital, is explicit in the statement by the Chairman: “Inserted into the GESOPER and SIGMA monitoring software, adopted by the more structured companies of the sector, there are information and various managerial reports to support the decision-making process”. The TecnDir, in turn, understands that the electronic systems, although limited, are essential for quick and appropriate decisions. Specifically, he asserts that “… the faster occurrences are addressed the greater is the possibility to solve the situation”.

5.3 Knowledge

When asked about the communication that takes place in his segment, the Chairman was straightforward: “... it is one of the problems faced daily by our sector”. The respondent understands the importance of actions at that level and underlines their importance for the success of the company. Organizations can no longer spare investments in knowledge, although this is intangible (Cooper, 1999; Earl, 2001; O'leary; Studer, 2001; Smoliar, 2003).

The interviewee argues that the organization of information and knowledge in the private security sector is a major challenge for companies in the sector. For Nonaka and Takeuchi (1997), knowledge is preceded by extensive formal and informal communication. The Chairman asserts that “as knowledge still does not have a large market appeal, few organizations invest in the area. And the return is not always easily measurable”. He continues, saying that PRI COMPANY makes investments in the organization of information, but that the transformation of this knowledge into a tangible return for the company does not yet occur entirely because “… knowledge of the area is restricted to events and courses, of a more formal nature, with few informal knowledge networks, whether electronic or face-to-face”. The respondent exemplified citing the events in the area. The TecnDir, in turn, argues about the future possibilities: “As people become acquainted with technology and systems for mobile devices, such as Android or iPad, they will be increasingly free to use and rely on social networks for knowledge sharing”. Here McElroy’s (2007) is cited to understand the context of knowledge situations: when people share common goals and the atmosphere is reliable, the obtaining of knowledge requires less effort.

With respect to information management systems, ERP and human resources management systems are being used by some companies in the sector. But the great evolution, in his understanding, lies in the operational management software (GESOPER), which makes it possible to study services offered by the staff and the behavioral response by the consumer. It also allows recording the performance in various situations that may occur, later serving as a basis for decision making. In the view of the Chairman “… it is the tangibility of knowledge directed at needs and marketing actions”. The TecnDir adds asserting that the precise control of the occurrences is the key for customers to recognize the company with its required seriousness, “… valuing the brand”. For Acemoglu et al. (2007), information management tools focused on knowledge dissemination are indispensable to any organization, having the growth in the sector and the development of new markets as their goals.
About the existence of communities of practice, the respondent says that the unions, associations and networks on the internet promote the interaction of people exchanging experiences and information, “...but still there are few real opportunities of communities”. In the opinion of the Chairman, the reason is that few companies are professionalized, what makes meetings and exchange of experiences impossible: “...for not knowing whom they are dealing with”. The TecnDir believes that “... [the use of social networks] is, without any doubt, the revolution in our sector, allowing multiple and simultaneous quickness in communication”. Iaquinto et al. (2011) defend that the help to create and sustain competitive advantage through knowledge is facilitated by the communities of practice. Basically it’s the understanding of several authors (Choo, 2003; Donate; Guadamillas, 2011) for whom knowledge management is a technological vision, but basically a human vision of groups of people.

When asked about whether the private security sector companies are investing in knowledge management, focusing on innovation and value creation, the Chairman says that participation in the mentioned events and the information management are the steps taken by the sector, more specifically by the structured companies, “...but it’s a little effort”. For the Chairman, the decision in a situation adverse to procedures and manuals of the organization depends more on experience and personal knowledge of the manager. The AdmDir adds, saying that efforts “... are being made, but there is some mistrust”.

Also, it was sought to determine whether investments in knowledge management and organizational learning are easily measurable in this sector. According to the Chairman, “since there is no definite concept and a proper methodology developed, the sector is unaware of these costs, although some of them are already paid”. The AdmDir asserts that, due to the intangibility of the results, already obtained or to be obtained in the future, “... to complete this calculation is still a great challenge”.

5.4 Innovation

At addressing the corporate positioning, considering the current market and the environment in which it is inserted, the Chairman presented the rise and the progress of the company. Then, he pointed out that many organizations that began serving the industrial sector, migrated entirely or partially to the public sector over time. This did not happen with his company, remaining totally in the private sector, aggregating the demand of other businesses, like commercial companies, which started hiring human security services. With this initial profile, the company had always to be at the forefront of security solutions, due to the degree of requirement of its contractors. Therefore, he said, “...several times we take innovation as the main strategy, even in a conservative branch...”. The TecnDir believes that time will show everyone how innovation is a differential to be worked on: “...it is with [innovation] we show customers how much better we are than our competitors, especially the clandestine ones”. From the understanding of the respondents, one infers that innovation is part of the daily lives of competitive companies. This understanding of the Chairman comes close to what Scharf asserts (2007, p. 155) when he says that “considering the voluptuousness of the consumer market and the intensity with which competition takes place, few actions are as constructive for the image of a company as innovation”. For several authors (Cooper, 1999; Earl, 2001; Reich, 2007), for innovation, the elements should be considered, which can facilitate the knowledge dissemination process, such as the ways of communication, like ICT and information management.
At analyzing the company’s turnover, in recent years, it has been able to maintain growth above the market average, even working with higher prices than the competitors. For the Chairman, “without doubt, a part of this growth is due to constant innovations made by upper management or by the commanded...”. The AdmDir adds: “...organizations realize when a brand has the search for the newness in its DNA, the idea of offering the best solutions for each case”.

The search for innovation should be treated as a process, therefore, with a constant and periodical feedback. In this way, “...there is an informal team focused on the search for innovative solutions in security processes, tested in the form of regional prototyping and, later on, applied to the whole team”. The TecnDir details: “I try to have in my team people who can identify and select the most innovative and creative solutions that exist”. And he complements saying that he avoids the easy solution: “...the fad, having its use already expired in less than a year for not meeting the necessary technical requirements”. For Hitt et al. (1998), the organizations, even the best structured ones, must maintain and assist the informal groups focused towards innovation in products or processes. The association of knowledge, learning, and innovation is based on the “innovative logic”, as proposed by Callon (2007). Here, the competitiveness of organizations originates from relationships established between them and their stakeholders with the goal of generating or adopting technologies, skills, and structured knowledge that result in innovations recognized in the market.

A later issue has revealed the manners that are being worked on for the stimulation of innovation and creativity in the company, such as the varied implemented management processes. Citing one of them, total quality, the Chairman believes that “...it brought a methodology of continuous improvement that encourages greater interaction of the organization with its challenges”. He adds the panorama of innovation, saying that this is not the sole adopted model. On the contrary, the organization benefits from a series of tools and participants in order to find innovation. He stresses this saying that “... the other model is the discussion of various topics and the development of joint work in various associative activities. The quality committee, which meets periodically, is a source of innovation within the organization”, says the respondent, emphasizing the importance of the involvement of the team.

6. CONCLUSION

The results have allowed evidencing the relevance and feasibility of knowledge management in enterprises of the private security sector, specifically as a value to be reported and a real possibility of growth through innovation.

Through a study with a leading company of Santa Catarina in the private security sector, it was demonstrated that security organizations depend on their level of reliability. The relationship with the client is essential to strengthen this position. In this sense, a constant innovative performance of the contracted company is required. Starting from this premise, firstly one concludes that knowledge management applied by adequately delineated processes can lead the organization to achieve significant improvements in its innovation, marketing, and relationship, and marketing processes, with the creation, sharing and use of knowledge.

It was verified that the knowledge management process is not yet formalized in private security organizations, but many items needed for the implementation of this process are being worked out. Among them, the beginning of the participation in
communities of practice, the organization and retention of company-wide information in a strategic manner, and the concern about the communication between its employees. For Choo (2003), knowledge in organizations as an asset demands time for the production and rigorous control of the processes.

With the increase of criminality and the growing need for security of the population, new products are among the opportunities that innovation can provide. Market practices should also be improved in the coming years.

This shows that the sector already works with knowledge in the form of an asset, but does not yet completely master the practices of knowledge management (see Arling; Chun, 2011) and does not apply them to its marketing actions, which becomes a challenge for the managers. The forms of knowledge conversion are little explored, confirming the lack of knowledge management practices. For Cooper (1999), systems that involve knowledge, especially those related to innovation, cannot exist without companies that practice their knowledge, regardless of their origin.

Even without complete mastery, the surveyed organization achieved to identify the items needed for the effective implementation of knowledge management. At the same time, investments in human capital are perceived as one of the most urgent needs, being fundamental for effective actions in companies inserted in highly competitive markets. This is professional reasoning that addresses the academic findings of various authors (Gouveia et al. 2008; Scharf, 2009; 2012; Donate; Guadamillas, 2011).

Despite the presence of some companies of the sector in the media, it should be noted that in the region focused on the study, the planning and the development of marketing, through communication actions, are not formalized. Knowledge management does not appear as a catalyst of business strategies, either. In this way, the importance of knowledge and information management was verified.

6.1 Academic and managerial implications

The main theoretical implications of this article may be the furthering of the discussion about knowledge management, primarily on the use of knowledge as a strategic asset for the construction of competitive advantages for the organizational growth. Studied by several authors (Cooper, 1999; Choo, 2003; Kusunoki, 2008), business growth through knowledge requires deepening, especially in establishing the attributes that can be used in its production and dissemination (Mcelroy, 2003; Ichijo, 2008). In addition, the article contributes to the discussion about the need of human capital adequately prepared for the new market reality, which imposes itself on the age of knowledge (see Hitt et al. 1998; Sveiby, 1998; Johanessen et al. 1999; Choo, 2003).

They also facilitate the opening of other research lines in knowledge management, such as the relevance of the context and content in business competitiveness (see Mcelroy, 2003), of the learning environments (see Angeloni; Fernandes, 2000), and of knowledge creation environments (see Balestrin, 2007). And, in light of the findings, opportunities also arise in relation to the study involving human capital and, in this case, its relation with innovation and with tacit knowledge.

Managerial implications reinforce the aspects associated with knowledge as a strategic process for business growth. The addressed constructs (human capital, knowledge and innovation) allow marketing activities totally directed toward growth, expanding the possibilities of success including facilitation conditions for the use of the innovative capabilities of the in-house team. Although difficult to measure the models that proceed in this way already begin to be exposed in the literature, allowing
organizations to apply and measure of actions directed by knowledge (see Teece et al, 1997; Cooper, 1999; Morgan et al, 2003; Acemoglu et al, 2007; Arling; Chun, 2011).

Organizations can take advantage of the results found in conducting an adequate process of knowledge management, specifically in relation to behavioral aspects, but also in relation to the mapped processes. On the other hand, executives can understand knowledge as a sustainable competitive advantage to be adopted and, in this sense, undertake efforts regarding the implementation of some of the possibilities that emerged from this research.

6.2 Limitations

Without the intention of generalizing results, the study was not applied in other units of the Federation, as a means of comparison between different realities existing in the field of private security. In the same way, the categories “knowledge”, “human capital” and “innovation” could be extrapolated to meet more adherence to the total concept of knowledge management, especially if other categories are identified in the course of works to come. Finally, the use of a quantitative method would determine the total of organizations of the studied segment that use certain tools of knowledge management and other managerial information.

REFERENCES


