



A STUDY ON KNOWLEDGE MANAGEMENT PRACTICES ADOPTED BY BANKS IN TIRUCHENDUR TALUK

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Abstract

The application of Knowledge management in the banking industry does not really differ from other industries, but the increasing complexity of bank's environment makes its implementation more difficult. Banks have realized the crucial role of Knowledge management in gaining an edge in this competitive field, but there have been laggards in the adoption of knowledge management.

Key words: *Knowledge management, Banks in Tiruchendur Taluk, Knowledge Management Practices in Banks.*

Introduction

Knowledge Management (KM) is an integrated systematic approach to identify, manage and share all the enterprise information assets, including database, documents, policies and procedures. KM concept is not new to the banks. It prevailed already in the form of manuals, circulars, which were issued from time to time, based upon the regulator requirements and experiences through internal control mechanism. The continuous change in the market expectation and the demand for new product have been gradually replacing the capital and labour intensive firms by Knowledge intensive firms. Now-a-days maximum information is shared through intranet, internet, circulars, training and development programmes, knowledge management software etc.

In a highly demanding business world today, the organizations must learn to manage their tangible assets to compete and become successful in their market, that is "knowledge" and this practice is generally known as "knowledge management" or known as "Business Intelligent". Knowledge management is a concept which an enterprise comprehensively gathers, organizes, shares and analyses its knowledge in terms of resource documents and people skills.

The rapid advancement in Information and Communication Technology (ICT) has had a profound impact on the banking industry and the wider financial sector over the last two decades and it has now become a tool that facilitates banks organizational structures, business strategies, customer services and other related functions.

The application of Knowledge management in the banking industry does not really differ from other industries, but the increasing complexity of bank's environment makes its implementation more difficult. Banks have realized the crucial role of Knowledge management in gaining an edge in this competitive field, but there have been laggards in the adoption of knowledge management.

Statement of The Problem

Knowledge will be the foundation of success in the twenty-first century. Knowledge is a puzzling concept which is tough to measure. Value is created when stocks of knowledge are employed and it degrades when they remain unused. Knowledge assets are not consumed when they are applied to solve organizations problems.

On the other hand Virtual Banking is an ongoing effort by the banking industry to automate banking services for its internal and external customers. The application of technology and knowledge is the major component of achieving this transaction. The bank customers are allowed to perform virtually every type of transaction available at their bank without visiting a physical banking structure each time. The current situation shows the banks have begun to recognize the relevance of knowledge management as a competitive differentiator and professional core competency.

Apart from large volumes of knowledge, the use of information technology (IT) in managing knowledge has given knowledge management a new dimension. Knowledge management is not a technology. In contrast, technology is fundamental to the knowledge management progress. Knowledge management is defined as a process that drives innovation by capitalizing an organizational intellect and experience.

In a Banking setting, benefits can occur at two levels, individual and organizational. At the individual level, knowledge management provides the employees opportunities to enhance skills and experience by working together and sharing other people's knowledge and learn from one another, thereby improving personal performance, thus leading to better career advancement. At the organizational level, knowledge management provides two major benefits for an organization:



Improving the organization's performance through increased efficiency, productivity, quality and innovation. Organizations that manage knowledge claim higher rates of productivity. By having greater access to their employees knowledge, organizations make better decisions, streamline processes, reduce re-work, increase innovation, have higher data integrity and greater collaboration.

Increasing the financial value of the organization by treating people's knowledge as an asset, similar to traditional assets like inventory and capital facilities. To allow knowledge sharing anytime and anywhere, several types of technological tools are available. Mobile technology, portable hardware and software, networks, email, teleconferencing and intranets are some of the commonly used technologies for knowledge creation and sharing. Knowledge repositories and data warehouse are some of the technologies used for data retention.

Review of Literature

The reviewing of the literature serve many varied interesting features, which forms the vital background for the study. The following are the reviews relating to present study.

(Davenport, 1998; ISIS, 2002). Knowledge is the main element that inspired the knowledge management initiatives in any sector. The knowledge-based era forced the banking institutions, to put knowledge as one of the main competitive advantages. The issues discussed in corporation are somehow relevant to banking institutions although "it gets tougher in financial landscape because it is such a knowledge-oriented environment".

There are researchers who define knowledge in the context of know-why, know-what, know-how, know-who, know-where and know-when, in order to relate it with managing knowledge concepts. For instance, Van den Bosch and Van Wijk (2001) present a conceptual framework of managerial knowledge integration. Know- what can be defined as something people carry around in their head and pass between each other but in contrast, know-how embraces the ability to put know-what into practice .

On the other hand, Japanese researchers like Nonaka, Toyomo and Konno (2002) defines knowledge by emphasizing on the relative, dynamic and humanistic dimension rather than traditional Western epistemology (the theory of knowledge) that focus on absolute, static and non-human view of knowledge.

(Alavi, 2001) Knowledge management is managing the corporation's knowledge through a systematically and organizationally specified process for acquiring, organizing, sustaining, applying, sharing and renewing both tacit and explicit knowledge of employees to enhance organizational performance and create value.

(Bhatt, 2001) Knowledge management is a process of Knowledge creation, validation, presentation, distribution, and application.

(Quinta, 2002) discusses three different priorities that bring to different responses by firms in their knowledge management initiatives. Most of firms in the west give priorities to capturing employees' knowledge, exploitation of existing knowledge resources or assets, and improved access to expertise. Others mainly focus on "capturing and re-using past experience, after-action reviews to capture learning, and building and mining knowledge stores". .

Davenport (2008) concurs with this view of a more pragmatic KM to make a difference, with organization focusing on activities like knowledge creation, dissemination application.

Scope of The Study: The study is concerned with the object of identifying the demographic and work profile of the bank employees and to decipher whether the knowledge management activities are significantly related with each other or not. If related to what degree it is related with each other. Besides, the study is restricted to alone Tiruchendur Taluk.

Objectives of The Study

1. To study Knowledge management practices prevailing in the banking sector in the Tiruchendur Taluk.
2. To know the level of acceptance of the employees towards Knowledge acquisition, Knowledge organizing, Knowledge accessibility in the Tiruchendur Taluk banks.
3. To identify the benefits and difficulties in practicing KM at banks in the Tiruchendur Taluk .
4. To identify the technologies used by the Tiruchendur Taluk banks for knowledge sharing practices.
5. To identify the impact of KM practices adopted by the banking sector.
6. To measure the relationship existing between select socio-economic Characteristics of the employees working in banks with that of their level of acceptance towards knowledge acquisition, knowledge organizing, knowledge accessibility.

Hypotheses To Be Tested

In order to study the relationship between socio-economic variables of the sample respondents and their Knowledge management of the bank, the following hypotheses were framed.

1. There is no significant relationship between the gender of the respondents and their level of opinion towards knowledge management.
2. There is no significant relationship between the age of the respondents and their level of opinion towards knowledge management.
3. There is no significant relationship between the marital of the respondents and their level of opinion towards opinion towards knowledge management.
4. There is no significant relationship between the educational qualification of the respondents and their level of opinion towards knowledge management.
5. There is no significant relationship between the monthly income of the respondents and their level of opinion towards of knowledge management.

Area of Study: The present study has been carried out in Tiruchendur area which covers Tiruchendur Taluk.

Research Methodology : The researcher has collected data from both primary and secondary sources. Primary data were collected directly from the respondents through interview schedule. The secondary data were collected from books, website and journals.

Sample Design: The samples were selected by administering convenience sampling technique. The total number of samples was 120. The study was conducted among public sector banks in Tiruchendur Taluk of Tamilnadu.

Collection of Data: The researcher herself has structured the interview schedule for this study. The variable to be studied have been identified in the preliminary interview with some selected in and around Tiruchendur Taluk. The variable thus identified by the researcher have been converted into appropriate questions. The interview schedule was suitably revised in the light of the experience gained.

Analysis of Data: The information collected through the interview schedule was analysed and tabulated. To test the relationship between the level of opinion towards Knowledge management of the bank and socio-economic profile of customers, F –test, chi-square test is used.

Data Analysis And Interpretation Thought About Knowledge Management

S.No	Thoughts	No of Respondent	Percentage
1	Never heard of it	32	27
2	Something they are already doing but not under the same name	28	23
3	It is strategic part of their business something that could be	40	33
4	Beneficial for the organization	20	17
Total		120	100

Source: primary data

From the table it is clear that, out of 120 respondents, 32(27 percent) respondents are said that, they should thought about knowledge management 'Never heard of it', 28 (23 percent) respondents are said that, 'Something they are already doing but not under the same name', 40 (33 percent) respondents are said that, 'It is strategic part of their business something that could be', 20 (17 percent) respondents are said that, knowledge management is 'Beneficial for the organization'. Hence, majority of the respondents (33percent) are said that "it is strategic part of their business something that could be".

Current Status of Knowledge Management

S.No	Status	No.of Respondents	Percentage
1.	Not in existence at all	20	17
2.	Nascent stage	28	23
3.	Introduction stage	32	27
4.	Growth stage	40	33
Total		120	100

Source: primary data

Above Table showed that, out of 120 respondents, 40 (33 percent) respondents state that the knowledge management practices are in 'Growth stage', 32 (27 percent) of them state that the knowledge management practices are in 'Introduction stage', 28 (23 percent) of them state that the knowledge management practices are in 'nascent stage', 20 (17 percent) of them state that the knowledge management practices are 'not existed in banks'.

Opinion About Knowledge As An Asset

The opinions of bank employees on the recognition of knowledge as an asset in banks were summarized and presented in table 3.9

S.No	Opinion	No.of Respondents	Percentage
1.	Yes	88	73
2.	No	32	27
Total		120	100

Source: primary data

From the Table showed that, out of 120 respondents, 22 (73 percent) respondents accepted that knowledge was recognized by banks as an asset, and 8 (27 percent) respondents are not accept the same.

Hence, the majority of the respondents 88 (73percent) of them recognize their bank knowledge as a part of their asset base.

Problems Related To Knowledge Retention

S.No	Problems	Ranks Given By Respondents					Percentage
1.	Lack of information	32	28	20	16	24	II
2.	Information overload	12	36	32	28	12	III
3.	Reinventing the wheel	24	12	24	44	16	IV
4.	Loss of crucial knowledge due to key employee leaving the bank	16	24	20	24	36	V
5.	Poor sharing of knowledge in bank	44	20	20	16	20	I

Source: primary data

It is inferred from the table 3.10 that majority of the respondents said that "Poor sharing of knowledge in bank" is the first foremost problem in knowledge retention followed by "Lack of information", "information overload", "reinventing the wheel", "Loss of crucial knowledge due to key employee leaving the bank" are secured second, third, fourth and fifth place respectively. Hence, 'Poor sharing of knowledge in bank' was considered as the major problem of knowledge retention.

Major Findings

The major objective of the study is to know about the knowledge management of the bank employees in Tiruchendur Taluk. The primary data were is collected from 120 respondents selected by convenience sampling with the help of structured questionnaire. Secondary data were collected from journals, books, magazines and websites.

The major findings of the study are,

1. In gender wise classification 63 percent of the respondents were male.
2. 44 percent of the respondents were in the age group of between 30-45.
3. Regarding marital status, it was found that 72 percent of the respondents are married.
4. 34 percent of the respondents have studied post graduation.
5. 40 percent of the respondents were in the income group of 25,000- 50,000.
6. 37 percent of the respondents were officer.
7. 33 percent of the respondents are state that it is strategic part of their business.
8. 40 percent of the respondents are state that current status of the bank are in growth stage.
9. 73percent of respondents were recognizing their knowledge as a part of their asset base.
10. 33 percent was considered that major barriers in Knowledge management.
11. 27 percent of the respondents were lacking in identifying the proper IT tool.
12. 40 percent of the respondents state that knowledge management technique is the latest knowledge.
13. 27 percent of the respondents said that method used for implementing knowledge management as training methods.



Recommendations

1. The banks must realize the necessary of knowledge management to expand its gaining edge in this competitive field.
2. The banks often provide training programmes to the employees.
3. The banks will require a core and complementary set of knowledge oriented HR practices focused on attracting, developing, motivating and retaining knowledge workers.
4. The banks should improve their KM processes by managing both tacit and explicit knowledge through knowledge – enabling technologies that will facilitate knowledge creation, connect people with contents and connect people with people.
5. The training courses must completed by the bank employees to recognize the knowledge management concept, to better understand their role in knowledge management in all activities.
6. In order to successfully implement KM measures in banks, the value of knowledge must be recognized, especially by top management by improving internal process, customer services and products and by creating a good environment for employees.
7. KM should be on capturing and understanding the knowledge about customers and their needs.

Conclusion

Knowledge management is the conscious strategy of getting the right knowledge from the right people at the right time. It helps them by sharing and putting the information into action in ways. It helps to improve the organizational performance. It is a frame work, a management mindset that includes building upon past experiences and creating new vehicles for exchanging knowledge. Knowledge is the key resource of the post – industrial society. An organization that fails to develop frame work for utilizing what it knows will not have long – term competitive advantage. Knowledge has always been critical for corporate success. Hence, Knowledge management is one of the systems by which business strategy is executed and creates results.

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