



## A STUDY ON KNOWLEDGE MANAGEMENT STRATEGIES IN BANKING INDUSTRY IN THANJAVUR DISTRICT

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### ABSTRACT

Knowledge is recognized as valuable benefit in any organization which is highlighted by various practitioners. This study explores the idea of knowledge management system in banking industry. This research will assist the banking industry for understanding the necessity of knowledge management system. At the same time, this will be very much helpful to the banking industry to explore the role and importance of adopting knowledge management system. This research demonstrates the various tools in enhancing the technical skills of employees in banking sector with respect to Thanjavur. Further this research would provide various suggestions, strategies which support in creating knowledge management specific to Thanjavur district banking project. In addition to these, this research will be eye opener for banking industry gives valuable insights to the future researcher.

**KEYWORDS:** Knowledge management, banking sector, Organization benefit.

### INTRODUCTION:

Knowledge is recognized as the main source in development of economies, value creation and competitive advantage. Nowadays many organizations are implementing technical knowledge management (KM) systems with an idea of gaining focus in the effectiveness, productivity and efficiency of an organisation. This chapter gives a clear view about the meaning and definition knowledge management along with the need and importance. Further this chapter discusses about the benefits of the technical knowledge management in banking sector. Next section explains briefly about the tools for enhancing the technical skills of the employees in banking sector. Subsequently, the importance of the human strategy in knowledge management strategies and then importance of technology oriented strategy in KM strategies were investigated. In addition, the importance of the economic strategy and competitive strategy in KM strategy is explained. At last many role of design re-use of knowledge in various forms in the banking industry is clearly researched. This chapter provides wide range of better ideas and technical understanding in regard to the best practices about the KM in the banking industry. The ideas and technical understanding are highlighted for individuals, communities for practice and for organizations identified collaboratively in context of emerging KM roles, responsibilities demanded for ensuring a successful KM implementation.

### OBJECTIVES OF THE STUDY

- To analyze the perceptive aspects of the employees towards the Knowledge Management practices in the selected Banking industry in the study area.
- To evaluate the challenges and opportunities towards Knowledge Management practices in the Banking industry in the study area.
- To identify the Success factors influencing the employee's acceptance towards adoption of the Knowledge Management practices in the selected banking sector in the study area.

- To provide suitable suggestions to influence the employee's acceptance with the Knowledge Management practices in the Banking sector considered for the study

## REVIEW OF LITERATURE

**Carrillo et. al (2004)** mentioned that construction industry delivers expensive, large, custom-built facilities at the final process of construction. This is knowledge-based and strong field which depends highly on the input of the knowledge by different person in the project team. Survey was carried by **Carrillo et al (2003)** and found that most of the construction firms have adopted strategy of KM and some are planning to have a strategy. KM for planning construction projects by using dependency structure matrix is explained by **Charlesraj, et al (2004)**.

Technical knowledge management is defined as a group of information systems used for managing the knowledge of organizations. Knowledge management contains four significant processes including knowledge creation, knowledge retrieval or storage, knowledge application and knowledge transfer (**Assegaf and Hussin, 2012**). All these practices does not result to reduction of knowledge commodity from an individual hence demonstrating its volubility.

**Omotayo (2015)**, knowledge management (KM) is defined as obtaining correct information in front of right people at correct time. In other words, KM is defined as the process of capturing, increasing, sharing and efficiently using the organizational knowledge.

**Malhotra (1997)** describes "Knowledge Management caters to the critical issues of organizational adaptation, survival and competence in face of increasingly discontinuous environmental change. Essentially, it embodies organizational processes that seek synergistic combination of data and information processing capacity of information technologies, and the creative and innovative capacity of human beings."

**Sveiby (2001)** identifies two broad categories of knowledge management: the first is how to use information and technology, another one focuses on how to manage people. The first approach which is the management of information considers knowledge as objects that can be managed by information management systems. The main goal of this approach is to increase access of information through improved methods of access and reuse of resources such as database, hypertext linking. The key solutions are new developments in IT. This approach will work by using technology to control information. The second approach is the management of people which considers knowledge as a process - a complex set of dynamic skills and know-how that is constantly changing. This approach focuses on assessing, changing and improving human individual skills and/or behaviour. The goal of this approach is to make people share their knowledge.

**Newell et al (2002)** also divide the approaches to manage knowledge into two ways. One is the ICT (Information and Communications Technology) -based approach or the cognitive model and another one is the ICT-led approach or the community model.

**Alavi and Leidner (1999)** propose that Knowledge represents information possessed in the minds of individuals, specifically 'personalized information ( which may or may not be new, unique, useful, or accurate) related to facts, procedures, concepts , interpretations, ideas, observations and judgments'. Their review article suggests that alternative representations of Knowledge include Knowledge as representing a state of mind, object, process, access to information, or a capability. Additionally, Alvi and Leidner have developed a framework for analysis of the supporting role of an Information System with KM, specifically four sets of socially enacted, interdependent knowledge process namely; (a) Knowledge Creation, (b) Knowledge Sharing (to include storage and retrieval), (c) Knowledge Transfer and (d) Knowledge Application.

## RESEARCH METHODOLOGY

A qualitative research study is undergone in the natural settings, by making sense of or interpreting phenomena in terms of the meanings people bring to them. On this issue of sense-making, it is understood that the qualitative research has an interpretive characteristics which aims at discovering the meanings of the events for the individuals who experience them, and the interpretations of those meanings by the

researcher will be the outcomes or product of the research. An internally coherent research design demands that methodological choices that are made in accordance with the understanding of the research topic.

### RESEARCH DESIGN

The research design refers to the overall strategy used by the researcher to pursue the research study to integrate the different components of the study in a coherent and logical way, thereby, ensuring effective exposure of the research problem; it constitutes the blueprint for the collection, measurement, and analysis of data. This study uses Descriptive research design. The descriptive research attempts to describe, explain and interpret conditions of the present i.e. "what is". The purpose of a descriptive research is to examine a phenomenon that is occurring at a specific place(s) and time. A descriptive research is concerned with conditions, practices, structures, differences or relationships that exist, opinions held processes that are going on or trends that are evident. The purpose of this research design is to give an accurate picture of some aspect of the organization, employee and work environment, in other words, descriptive designs describe phenomena establishing the association between factors. Though it is frequently used for conclusive, preliminary and exploratory studies, the hypothesis framed will be tentative and speculative.

### METHOD OF DATA COLLECTION

Primary and Secondary data collection methods have been used in research study. Primary data is collected by researchers, especially to answer research question-for instance, when you observe certain production and managerial operations and measure their cost, or when mind writer surveys its complete care towards its employees to see what changes would improve knowledge management. The primary data collection method consists of a structural closed ended and open ended questionnaire. Secondary data is collected from journals, websites and magazines.

### AREA OF THE STUDY

The research study is performed in Thanjavur district of the Tamil Nadu state. The sample is restricted to employees of selected private and public sector banks.

### POPULATION AND SAMPLING PROCEDURE

The private and public sector banks considered for the study include ICICI, HDFC, AXIS, and KVB Banks. A total of 30 branches all over the district of Thanjavur were included for the study. The population of the employees from the selected branches accounts to 182, who were under service from 2014 to 2018. The sample is obtained with the help of Purposive sampling based on the conditions that the employees of the selected four private and public sector banks are considered purposively. Since the population is finite, sample size provides proportionately more information for a small population than for a large population. Therefore the sample size is corrected with the equation  $n = \frac{n_0}{1 + (n_0 - 1)/N}$ .

### MEASUREMENT SCALE

Nominal and Ordinal scaling has been used to find out the Socio demographic factors, Employee' attitude towards knowledge management strategies in the public and private sector banks such as, Strongly Disagree, Slightly Disagree, Disagree, Neither Agree nor Disagree, Slightly Agree, Agree and Strongly Agree.

### ANALYTICAL TOOLS USED

Analysis of data is a critical part in social science researches. Successful analysis of data mainly depends on the reliability of data as well as usage of appropriate statistical tools. These two aspects of statistical analysis result in logical interpretation and conclusion. The present research has paid its attention on these two aspects carefully. Choice of suitable analytical tools relies on the nature and objectives of the study. The present study takes the following statistical tools to process the data: mean and standard

deviation for employees' attitude towards knowledge management practices with respect to knowledge sharing in the banking industry and Friedman test.

### NEED FOR THE STUDY

In order to compete and become successful in their own sector, the Banking industry must learn to manage their intangible asset, that is knowledge and this practice is referred as Knowledge Management. KM is the concept of gathering, organizing, sharing and analyzing its knowledge in term of resources, documents etc. KM is a key instrument for the corporate to achieve its full potential, by mobilizing global knowledge from inside and outside the organization and applying it to solve local development problems in a timely fashion. The rapid advancement in Information Technology has had a profound impact on the HR aspect of the Banking industry and it has now become a tool that facilitates organizational structures, downsizing, merging, acquiring, reengineering and outsourcing. The change in the global business environment has led the organizations to put their products and services under competitive advantage. The discussion surfaces the key assumptions about information strategy and how they need to be considered afresh, given the changing assumptions about business strategy and competitive business environment. In every few years, a new technological development or management philosophy captures the attention of many strategic thinkers in the organizations. First there was the Total Quality movement and then Business Process Re-engineering. There is no doubt, that the last couple of years have seen a surge of interest in knowledge management and also the Internet. Yet, as someone who has followed and participated in leading edge management practice for years, neither of these is really new, and neither are real surprises, if the trends are properly analyzed.

### IMPORTANCE OF THE STUDY

Knowledge management is far reaching. Knowledge management is applied today across the world, in all industry sectors, public and private organizations and humanitarian institutions and international charities. Most importantly, effective knowledge management is now recognized to be the key driver of new knowledge and new ideas to the innovation process, to new innovative products, services and solutions. Banking industries are most knowledge sensitive than any industry; therefore they must encourage best practice of knowledge management. The purpose of the research effort is to identify whether KM practices are rightly been adopted by Banking Sector or not, equal emphasis been given to knowledge acquisition, knowledge-mapping, problems and prospects of implementing the Knowledge Management practices.

### ANALYSIS AND INTERPRETATION OF DATA

#### MEAN AND STANDARD DEVIATION FOR EMPLOYEES' ATTITUDE TOWARDS KNOWLEDGE MANAGEMENT PRACTICES WITH RESPECT TO KNOWLEDGE SHARING IN THE BANKING INDUSTRY

**Table - 1**  
**Mean and standard deviation for Employees' attitude towards knowledge management practices with respect to knowledge sharing in the Banking industry**

Employees' attitude towards knowledge management practices with respect to knowledge sharing in the banking Industry	Mean	Std. Deviation
Tools & techniques are acceptable to share knowledge	3.66	.946
Willingness to share the Knowledge	3.78	.917
Workstation is equipped	3.53	1.124
Ultimate utilization of knowledge	3.76	1.157
Facilitates transfer of knowledge	3.83	.804
Implementing emerging technologies	3.75	.807
System encourages Knowledge Sharing	3.78	.784

Authenticated and secured information sharing	3.71	.832
Educates employee on the use of knowledge	3.95	.836

Source: Output generated from SPSS 20

The summarised mean for all the attributes of the Employees' attitude towards knowledge management practices with respect to knowledge sharing in the banks given in the table is inferred that the factors, "Tools & techniques are acceptable to share knowledge, Willingness to share the Knowledge, Workstation is equipped, Ultimate utilization of knowledge, Facilitates transfer of knowledge, Implementing emerging technologies, System encourages Knowledge Sharing, Authenticated and secured information sharing and Educates employee on the use of knowledge' falls on the scale 'Neither agree nor Disagree' as the mean is equal to and greater than 3.

The standard deviation of the respective attributes shows that the attributes of the Employees' attitude towards knowledge management practices with respect to knowledge accessing such as 'Workstation is equipped and Ultimate utilization of knowledge' from the scale 'Neither agree nor Disagree' to 'Agree'. However, the standard deviation alone is not particularly useful without a context within which one can determine a meaningful result. The above result explores the fact that the attributes of the Employees' attitude towards knowledge management practices with respect to knowledge sharing by the selected Banks considered for the analysis are suitable.

#### **FRIEDMAN TEST FOR SIGNIFICANT DIFFERENCE BETWEEN MEAN RANKS OF EMPLOYEES' ATTITUDE TOWARDS KNOWLEDGE MANAGEMENT PRACTICES WITH RESPECT TO KNOWLEDGE SHARING IN THE BANKING INDUSTRY**

**Null Hypothesis:** There is no significant difference between mean ranks towards the Employees' attitude towards knowledge management practices with respect to knowledge sharing in the Banking Industry.

**Alternative Hypothesis:** There is a significant difference between mean ranks towards the Employees' attitude towards knowledge management practices with respect to knowledge sharing in the Banking Industry.

Table – 2

#### **Friedman test for significant difference between mean ranks towards Employees' attitude towards knowledge management practices with respect to knowledge sharing in the Banking Industry**

Employees' attitude towards knowledge management practices with respect to knowledge sharing in the Banking Industry	Mean Rank	Chi-Square value	Degrees of freedom	Asymp. Significant
Tools & techniques are acceptable to share knowledge	4.83	61.483	8	0.000**
Willingness to share the Knowledge	5.04			
Workstation is equipped	4.52			
Ultimate utilization of knowledge	5.18			
Facilitates transfer of knowledge	5.14			
Implementing emerging technologies	4.97			
System encourages Knowledge Sharing	5.01			
Authenticated and secured information sharing	4.80			
Educates employee on the use of knowledge	5.51			

Source: Output generated from SPSS 20

From the above table, it is found out that all the variables related to the Employees' attitude towards knowledge management practices with respect to knowledge sharing in the Banking Industry had significance value less than 0.05 at 1 Per cent significance, thus the null hypothesis is rejected. Thus, it is concluded that there is significant difference between mean ranks towards Employees' attitude towards knowledge management practices with respect to knowledge sharing in the Banking Industry. Out of the nine Employees' attitude towards knowledge management practices with respect to knowledge sharing in the Banking Industry variables, the "Educates employee on the use of knowledge" has the highest rank (5.51). So, that Employees' attitude towards knowledge management practices with respect to knowledge sharing in the Banking Industry is influenced by Educates employee on the use of knowledge. The result determines the fact that almost all the attributes under Employees' attitude towards knowledge management practices with respect to knowledge sharing in the Banking Industry considered for the study are important and the most influencing factor is identified as 'Educates employee on the use of knowledge' of the respondents. The employees attitude towards knowledge management and the organization helps the employees to utilize the knowledge extracted is perceived as more significant among their all other statements of attitude. Hence among all other attributes under knowledge management practices with respect to knowledge sharing the above said statements are statistically significant and thus identified as the most influencing variable.

## FINDINGS, SUGGESTIONS AND CONCLUSION

### FINDINGS

- The standard deviation of the respective attributes shows that the attributes of the Employees' attitude towards knowledge management practices with respect to knowledge accessing such as 'Workstation is equipped and Ultimate utilization of knowledge' from the scale 'Neither agree nor Disagree' to 'Agree'. However, the standard deviation alone is not particularly useful without a context within which one can determine a meaningful result. The above result explores the fact that the attributes of the Employees' attitude towards knowledge management practices with respect to knowledge sharing by the selected Banks considered for the analysis are suitable.
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## SUGGESTIONS

Technical project managers could be interviewed with regard to challenges encountered in using technical KM systems for design reuse. Second, the research was carried out only in the Middle East. This was necessary in order to ensure a narrower but more comprehensive scope. In future, the scope could be extended to other regions in order to compare technical KM and design reuse practices. The comparison could be instrumental in identifying best practices as well as providing a platform for industry benchmarking. Lastly, the study only focused on technical knowledge management systems of the construction industry. Technical aspects are usually discipline specific and hence their consideration in the present study. It should however understand that effective technical KM systems also need to take into account generic aspects of knowledge management that cut across all disciplines. Therefore, future research should seek expand the focus beyond technical aspects in order to ensure employees in the construction sector are exposed to all relevant skills.

## CONCLUSION

The researcher has empirically analyzed the importance of Knowledge management practices with the dimensions such as Knowledge Acquisition, organizing , accessing and sharing and its impact over the change that have proliferated in the organization. This was evaluated based on the hypothetical statements and statistical tools considered for the study. The study reveals that a part of the conceptualized research model was empirically proved. These findings are interpreted in the final chapter for future research and policy formulation.

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