

KNOWLEDGE MANAGEMENT IMPLEMENTATION CHALLENGES AND OPPORTUNITIES IN THE SELECTED IT COMPANIES WITH REFERENCE TO TAMILNADU

¹Dr.N.SUMATHI, ²R.RAGAVENTHAR

¹Research Advisor, Adaikalamatha Institute of Management and Research, Thanjavur

²Research Scholar, Adaikalamatha Institute of Management and Research, Thanjavur

Abstract: The growth of knowledge management practices in India has been limited mainly in the service industries like IT, Consultancy, and some of the electronics and communication industries where innovation and redesigning of business processes are frequently practiced to gain competitive advantage. The success of KM is also based on implicit culture of the organization, the philosophy and belief of trust, giving people the continuous learning opportunities. KM practices in IT organizations are the backbone for accessing corporate knowledge. The most important part for IT industries that the use of KM practices should be ROI driven. Under this scenario, it is of paramount significance to study the KM implementation, practices and acceptance of the employees of various IT industries in India. With the aforesaid scenario, the present study is conducted to analyze the KM practices in the IT industries, its awareness among the employees, Implementation challenges and opportunities in Indian context with reference to Tamil Nadu.

Keywords: Knowledge Management, KM Implementation, KM Challenges and Opportunities.

1. INTRODUCTION

The 21st century is going through several changes and transformations impacting the economy due to globalization of business, regulatory changes in international trade, increasing customers and unstoppable progress of information and communication technology (ICT). This century is termed as the HR Knowledge Economy. The economy is driven by the knowledge, the information, and the people the organizations have. Business model, strategy, systems and processes are now way different than earlier. The critical resource of the business organization is information and knowledge possessed for proactive customer management. The growth of knowledge management practices in India has been limited mainly in the service industries like IT, Consultancy, and some of the electronics and communication industries where innovation and redesigning of business processes are frequently practiced to gain competitive advantage. The success of KM is also based on implicit culture of the organization, the philosophy and belief of trust, giving people the continuous learning opportunities. Knowledge which is an intellectual capital is also assumed as value creator and knowledge management is seen as a competitive tool for value creation and addition. A Knowledge Management program leads to revenue development, cultivating competitive benefit and employee progress. The impending benefits on a long-term basis would be in context of increasing “revenue progress” and further improving competitive benefit. Another potential long-term profit identified was “employee progress” and “product improvement”, which are very serious parameters in calculating the accomplishment of a knowledge management implementation. Key short-term paybacks expected by respondents would be “dropping prices”, “cultivating marketing policies”, “expanding customer focus” and “enabling profit

development. KM practices in IT organizations are the backbone for accessing corporate knowledge. The most important part for IT industries that the use of KM practices should be ROI driven. Under this scenario, it is of paramount significance to study the KM implementation, practices and acceptance of the employees of various IT industries in India. With the aforesaid scenario, the present study is conducted to analyze the KM practices in the IT industries, its awareness among the employees, Implementation challenges and opportunities in Indian context with reference to Tamil Nadu.

1.1 SCOPE OF THE STUDY:

In knowledge economy, people in the business organization are arranged in hierarchical structure for administration, compensation and for recognition of position, not only for superiority but also for their contribution of the business. The shift from traditional organization is due to complex nature of the business today, requiring a radically different approach to operate and perform effectively. This gives a wider scope for the present study. Knowledge management is an inseparable part of continuous performance improvement. Due to the changing business environment today, organizations are dealing with the challenges of global competitiveness. In the face of such challenges, KM suggests a great potential to the organizations to be as effective as possible. KM refers to the optimization of organizational knowledge to achieve high performance, increased value, competitive advantage and return on investment, through the utilization of several tools, processes, methods and techniques. The companies without KM systems would not have the ability to maintain a competitive advantage and will lose market share to the firms applying KM. Many IT organizations are facing knowledge based competition, therefore they have started to re-examine and rearrange their culture and business process, restructuring and reviewing their technological infrastructure to compete with the trend. The research is undergone by considering the selected IT companies at Chennai referring the Tamil Nadu state as the geographical area.

1.2 IMPORTANCE OF THE STUDY:

The exponential growth of IT industry in India has entrusted the companies to remain in the pace of growth. To get along with the competition there must be unique strategy and practice adopted by IT industries in India. IT industries are most knowledge sensitive than any industry; therefore they must encourage best practice of knowledge management. By implementing KM initiative they expect to gain the capability of managing their knowledge. The result is that the contribution of knowledge becomes more evident that the organization's annual budget has increased many fold for investing to manage and evolving knowledge for their respective area. The purpose of the research effort is to identify whether KM practices are rightly been adopted by IT companies or not, equal emphasis been given to knowledge acquisition, knowledge-mapping, problems and prospects of implementing the Knowledge Management practices.

1.3 STATEMENT OF THE PROBLEM:

At present many companies have to face high competition. Some struggle to implement corporate strategies to response to existing markets. To gain high benefit, these companies use knowledge management to compete with other companies. Knowledge management is very important for all kinds of business because it can help the companies improve their service, increase quality of product, reduce cost and faster response to their customers. However, the major challenge of managing knowledge in the companies is capturing and integrating knowledge to share among all organizational members. Therefore it is necessary to understand the situation and how the service sector develops knowledge management strategy. This paper attempts to analyze and explain why knowledge management is essential for service companies especially IT services and show how the service companies use knowledge management to gain competitive advantage.

1.4 OBJECTIVES OF THE STUDY:

- To study the Knowledge Management practices adopted in the IT industry.
- To find out the employees awareness towards the Knowledge management practices of IT industry.
- To evaluate the challenges and opportunities towards Knowledge Management practices in the IT industry.

2. RESEARCH METHODOLOGY

A descriptive research study was done with questionnaire method of data collection. The objectives of the study are pre-determined. The methodology has been designed to fulfil the objectives for the study. The sampling frame of the population comprises of 15 major IT companies at Chennai including 1750 IT employees. Among them 500 employees

were selected at random from different designation cadre as sample respondents. The study used Likert Scale ordering numbers from 1 to 5 where 1 was representative for the lowest rate of importance and 5 was the greatest rate of importance. To determine the reliability of questionnaires, Cronbach's alpha method was used which was equal to 79.21 percent. The awareness of the employees towards the Knowledge Management practices and its challenges and opportunities are determined with the help of ANOVA that involves classifying and cross classifying of data and then testing if the mean of a specified classification differ significantly based on the hypothesis considered.

TABLE 1

Awareness of employees towards knowledge management in the IT Companies	F – Value	Significant Value
Aware of Knowledge Management	.407	.524
Understanding of Knowledge management	2.329	.128
Emerging information technology	.079	.779
Maintenance of Knowledge directories	.051	.822
Knowledge updating	.049	.825
Knowledge Management practices involves in decision making	1.015	.314

TABLE 2

Employees' opinion towards knowledge management challenges in the IT Companies	F – Value	Significant Value
Lack of IT Infrastructure	1.412	.235
Lack of time	3.192	.075
Lack of top management support	2.453	.118
Lack of a knowledge sharing	1.233	.267
Lack of training	3.091	.079
Lack of trust	2.549	.111
Insufficient financial resources	.117	.733
No personal benefits	1.511	.220
insufficient communication	.136	.713
Over-reliance on external sources	2.314	.129
Insufficient human resources	1.229	.268

TABLE 3

Knowledge management opportunities in the IT Companies	F – Value	Significant Value
Saves time and acquisition cost	1.529	.217
Initiates Knowledge sharing	2.151	.143
Reduce the burden on experts	.795	.373
Inventory for intellectual assets	.176	.675
Initiates research for designing a knowledge architecture	.004	.948
Provides baseline for KM projects	.055	.815
Raise the Quality of existing protocol	.379	.538

3. RESULTS AND DISCUSSIONS

Based on the result generated by SPSS 20, the significant values of all the variables related to the employee awareness towards knowledge management adopted by IT companies are greater than 0.05. The table shows the fact that the factors considered under employee awareness towards knowledge management adopted by IT companies had no implications on the performance of the employees. The factors considered under Employees' opinion towards knowledge management challenges in the IT Companies has its effect based on the socio demographic factor of the employees. The table determines the fact that the factor 'Initiates Knowledge sharing (.029<.05)' opinion towards knowledge management opportunities have implications on the age of the employees. The opinion statements of the employee towards knowledge management opportunities varied with the difference based on the age of the employees in the organization. Therefore we can conclude that there is a statistical significance of the hypothetical statement and it has 95% chance of being true.

4. SUGGESTIONS

This research has attempted to provide some suggestions on awareness, acceptance, challenges and opportunities of knowledge management practices among the employees of the selected IT companies. The companies need to fabricate its structured and unstructured information so as to use it for future problems/issues. It is important for the top level managers of the organizations to understand who has knowledge, and develop support systems for its creation and application. With the help of it, they can create knowledge maps that are used to identify where knowledge exists and which information has to be shared with whom, how, and why, with built in appraisal for knowledge creators. Effective knowledge sharing and learning require cultural change within the organization, new management practices, senior management commitment and technological support. Technologies that are being used successfully range from desktop video-conferencing to data warehousing and data mining tools. This helps the employees to access the information with authentication and reliability.

5. CONCLUSION

Knowledge Management practices in organizations are very important and beneficial to be implemented. It helps organizations in many ways such as information updating, innovations, creations and others. Therefore, by understanding the concepts and advantages could facilitate knowledge sharing and help managers, information and knowledge professionals to support knowledge management practices. It is observed that employees do participate in the successful knowledge management implementation. Many of the employees indicated that they received little to moderate training for using the available technology. It is important for organization to realize that making the latest technology available is not the solution to implement knowledge management. Furthermore, the success factor of KM implementation is most significant with the culture, structure and the ongoing technological developments which have made possible the transference and storage of knowledge convincing.

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