



A STUDY ON THE IMPACT OF KNOWLEDGE MANAGEMENT ON EMPLOYEE PERFORMANCE IN PUBLIC SECTOR BANKS WITH REFERENCE TO TVPM DISTRICT

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ABSTRACT

Knowledge management has become immensely important in the continuous and fast changing world of competitiveness. Each piece of information is not necessarily important but if teamed with the skills and competencies of people, innovative ideas and creativity converts it in knowledge. All this is not possible without human resources, humans based on their experience and skills acquire it, organize, store, share and utilize it in such a manner that they create, share, and retain it. Banks apart from being lifeline of every nation also act as a backbone of business. It is therefore necessary for banks to manage the whole information properly and make it accessible to its manpower for smooth functioning. The present study has been initiated with the objective to assess how the banks acquires, shares and manage new knowledge for it staffs and identify the barriers that hinder knowledge management practices in the commercial banks in India, to study the effectiveness of tools and techniques of knowledge management used by banks, to understand employee's perception of bank employees regarding knowledge management practices adopted by banks and to understand employee's job satisfaction level with regard to knowledge management practices followed by the banks. To achieve research objectives 5 Public sector Banks been prepared. This study indicates that the statistical findings imply that knowledge management can increase return on investment, effective co-ordination and can lead to effectiveness in accomplishing work assignments.

Knowledge management is defined as the process of creating, storing, transferring, applying, and saving organizational knowledge. Especially, in an environment of intensive competition increased with

globalization; creating knowledge has been a vital factor for organizations, which want to gain advantage by innovative production. The development of information and communication technologies has accelerated this process. All these developments attracted attention to the concept of knowledge, and a new period, in which the organizations that can create knowledge and use this acquired knowledge effectively and efficiently, have competitive advantage started. In this process, technology, organizational culture, leadership, and measurement became important as basic components to provide effectiveness and efficiency in knowledge management. The main purpose of this study is to examine the basic components of knowledge management in public sector banks with an empirical analysis and to determine whether there is a difference between the private and state banks in the context of knowledge management practices.

INTRODUCTION

Knowledge Management essentially embodies an organizational process that seeks synergistic combination of data and information processing capacity of information technologies, and creative and innovative capacity of human beings. Knowledge and information are distinct entities. While information generated by computer system is not a very rich carrier of human interpretation for potential action, knowledge resides in user's subjective context of action on that information. Undoubtedly, knowledge management (KM) encompasses the whole spectrum of information available within the well of the corporate entity. Knowledge management ensures that all the information, data, know-how, insights, intuitions; experiences are systematically captured and transferred so that they can be systematically used by the organization. According to Thomas Baretts, "Knowledge management is the management of the organisation towards the continuous renewal of organisational knowledge-base- this means, e.g., creation of supportive organisational structures, facilitation of organisational members, putting IT instruments with emphasis on teamwork and diffusion of knowledge (an e.g., groupware) into place."

The major advantage of a knowledge management is that it leverages knowledge to improve organizational innovation, productivity responsiveness and competency. Knowledge management is an evolving working process that proactively manages all internal and external information to create a competitive advantage that is linked to core organization's objectives and goals. In today's competitive working environment, many organizations are struggling to meet or keep up with the demands put upon them by their clients, competitors, investors, and regulators. With the globalization, no organization is immune to this pressure. Organizations that excel at leveraging their knowledge assets in a systematic way will create and sustain a competitive advantage that will exceed the current and future demands placed upon them.

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. 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 on 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 organizations performance through increased efficiency, productivity, quality, and innovation. Knowledge repositories and data warehouse are some of the technologies used for data retention.

1. What is the impact of knowledge management on the performance of employees in commercial banks?
2. Does the impact of knowledge management on the performance of employees in commercial banks differ according to some of the personal variables?

OBJECTIVE OF THE STUDY

To find out the effect of knowledge management towards employee performance in public sector bank.

LITERATURE REVIEW

- The study of **Albashabsheh & Alhamad (2017)**, the impact of knowledge management on increasing the effectiveness of managers in Jordanian ministries. The study aimed at analyzing and examining the impact of knowledge management on increasing the effectiveness of managers in the Jordanian ministries. A questionnaire was developed on a sample of (131) managers and directors and a (336) employees who were selected using a proportional stratified sample method. The most important results of the study were: availability of Knowledge management from managers' point of view was medium, effectiveness was moderately high, perception of managers' knowledge of knowledge management was high, while employees' knowledge of knowledge management was medium, there was a knowledge management impact on managers' effectiveness.
- The study of **Alfares (2017)**, the Role of Knowledge Management in Raising the Performance of Organizations: A Field Study on Manufacturing Industries in Damascus. The study aimed at identifying the role of knowledge management in improving and enhancing performance. It was applied to 10 modern companies established under the Investment Promotion Law (1999). The data was collected through the preparation of a questionnaire and interviews with the top and middle managers of the organizations.
- The study of **Hadia Fakhruddin (2016)**, Organizational Knowledge Management-Theoretical Approaches and Application Requirements in Egypt. This study seeks to consolidate the concept of organizational knowledge management and its various approaches to draw up an analytical

framework that integrates these approaches and can be applied in empirical studies in public organizations such as rooting organizational knowledge management and its relation to related concepts. Applied knowledge management models have been identified, the determinants of organizational knowledge management, the knowledge management study as a system that includes inputs, processes and outputs, the extraction of a model that can be applied in public organizations in Egypt, the study uses the concept of organizational knowledge management from its various dimensions with an explanation of the concepts that overlap with it. Hence, the analytical descriptive approach was used in the study, especially about the rooting of the concept and the different concepts that overlap with knowledge management.

- The study of **Abu Fara (2016)**, The reality of the use of the entrance of knowledge management in banks operating in Palestine. The aim of this study was to analyze and determine the reality of the use of the knowledge management portal in the banks operating in Palestine; the study focused on five functions of knowledge management. These functions are planning knowledge, updating, and developing knowledge, organizing, and storing knowledge, spreading knowledge culture, the study seeks to verify the effect of some variables (job status, gender, education level, experience, and training) on understanding the importance of knowledge management and adoption in banks operating in Palestine. The study has developed a questionnaire as a tool for collecting data related to the study.
- The study of **Boaisha (2012)**, Knowledge Management as a Modern Management Approach to Organizations in an Era of Globalization. The study talked about the world and its important changes and the secret and successive changes at all economic levels, technical, political, social, and cultural levels led to the emergence of serious concepts that were not previously known, such as globalization, which is a necessity and imperative necessitated by developments in the fields of transport and communication.

RESEARCH METHODOLOGY

The present study has been initiated with the basic objective to explore the effect of knowledge management towards employee performance and to see how knowledge management affects the satisfaction level of an employee.

A descriptive analytical research methodology will be used. This methodology placed its focus on facts and data collection, and classification, which were geared at unveiling informed conclusions, and consequently can be generalized to the banking sector in Thiruvananthapuram district. The research sample was composed of 186 employees in the public sector banks at Thiruvananthapuram district.

AREA OF RESEARCH

Knowledge management and employee performance in selected public sector Banks in Thiruvananthapuram district is the area of study.

SOURCE DATA COLLECTION

Source of data refers to the source or sources of relevant information to be tapped to fulfil the objectives of the research study (Ramachandran P, 1993). It may be classified as primary or secondary data. Primary data refers to data collected for the first time and are original in character (Kothari C.R, 2004). The data for this research study will be collected from primary sources. Secondary sources of data will be collected from books, journals, and web resources

POPULATION OF THE STUDY

The target population of study was 5 public sector banks operating in Thiruvananthapuram district. Total population of the study is 1100 employees of public sector banks in Thiruvananthapuram district.

SAMPLING DESIGN

For collecting primary data, proportionate stratified sampling technique will be employed in the study. The population for this study consists of Top level and middle level employees in public sector bank Thiruvananthapuram district. For this study each Employees of Public sector bank Thiruvananthapuram district in Thiruvananthapuram district become as sampling unit.

DETERMINATION OF SAMPLE SIZE

Total 5 public sector banks have been selected for the study. The selection of the banks has been based on their profitability and capital base ranking.

The 5 public sector banks selected for study are:

- ❖ State Bank of India
- ❖ Canara Bank
- ❖ IOB
- ❖ Indian bank
- ❖ Bank Of India

Sample size for this study was determined by using mean method [186]. The mean method defines as number of standard deviations point on a distribution is away from the mean.

Sample size: 186

SAMPLING TECHNIQUES

Random sampling method was used for this study.

HYPOTHESIS OF THE STUDY

H0: There is no association between knowledge management and employee performance.

H1: There is association between knowledge management and employee performance.

H0: There is no significance difference between demographic variables and opinion about knowledge management practice.

H1: There is significance difference between demographic variables and opinion about knowledge management practice

H0: There is no association between knowledge management practice and factor affecting knowledge management.

H1: There is association between knowledge management practice and factor affecting knowledge management.

H0: There is no relation between knowledge management practice and employee performance.

H1: There is relation between knowledge management practice and employee performance

TOOLS USED FOR DATA ANALYSIS

The primary data collected by way of administering Questionnaire was analyzed and interpreted by using various statistical tools and techniques. Both simple as well as advanced statistical techniques were applied to analyses the collected data. Simple tools like frequencies, percentages, averages, standard deviation, Mean Difference, and advanced techniques such as chi-square test, and correlation and regression have been applied to analyses the data.

DATA ANALYSIS AND INTERPRETATION

H0: There is no association between knowledge management and employee performance.

H1: There is association between knowledge management and employee performance.

Table No.1

Correlations			
		Knowledge management	Performance
Knowledge management	Pearson Correlation	1	.852**
	Sig. (2-tailed)		.000
	N	120	120
**. Correlation is significant at the 0.01 level (2-tailed).			

Above Table clears the correlation between knowledge management and employee performance. There is a high positive correlation exists between knowledge management and employee performance as the value of Pearson's coefficient of correlation is .852. The Sig. (2- tailed) value is .000. As the Sig. (2- tailed) value is less than the alpha value (.05), we can reject the null hypothesis. It means that there is a significant positive correlation between knowledge management and employee performance.

H0: There is no significance difference between demographic variables and opinion about knowledge management practice.

H1: There is significance difference between demographic variables and opinion about knowledge management practice.

Chi – square Test
Table No.2

	N	Chi-value	P-value	Significant value
Gender * knowledge management practice	186	92.299	.501	0.05
Age * knowledge management practice	186	379.959	.377	0.05
Education* knowledge management practice	186	86.530	.669	0.05
Managerial level* knowledge management practice	186	94.084	.449	0.05
Experience* knowledge management practice	186	174.839	.711	0.05

Table 1 shows the chi square analysis of the demographic variables and opinion about knowledge management practice.

Chi square analysis of the gender and employee clears that the p (0.501) value is more than the alpha value ($P>0.05$). As the p value is more than the alpha value, the null hypothesis is accepted. It indicates that there is no significant difference between gender and opinion about knowledge management practice. The value of Pearson Chi-Square is 92.299.

Chi square analysis of the age and employee clears that the p (0.377) value is more than the alpha value ($P>0.05$). As the p value is more than the alpha value, the null hypothesis is accepted. It indicates that there is no significant difference between age and opinion about knowledge management practice. The value of Pearson Chi-Square is 379.959.

Chi square analysis of the education and employee clears that the p (0.669) value is more than the alpha value ($P>0.05$). As the p value is more than the alpha value, the null hypothesis is accepted. It indicates that there is no significant difference between education and opinion about knowledge management practice. The value of Pearson Chi-Square is 86.530.

Chi square analysis of the managerial level and employee clears that the p (0.449) value is more than the alpha value ($P>0.05$). As the p value is more than the alpha value, the null hypothesis is accepted. It indicates that there is no significant difference between managerial level and opinion about knowledge management practice. The value of Pearson Chi-Square is 94.084.

Chi square analysis of the experience level and employee clears that the p (0.711) value is more than the alpha value ($P>0.05$). As the p value is more than the alpha value, the null hypothesis is accepted. It

indicates that there is no significant difference between experience and opinion about knowledge management practice. The value of Pearson Chi-Square is 174.839.

It is clear from the chi square analysis that there is no significance difference between demographic variables and opinion about knowledge management practice

H0: There is no association between knowledge management practice and factor affecting knowledge management.

H1: There is association between knowledge management practice and factor affecting knowledge management.

Table No.3

Correlations		
		Performance
Knowledge Creation	Pearson Correlation	.690**
	Sig. (2-tailed)	.000
	N	186
Knowledge Storage /Reuse	Pearson Correlation	.627**
	Sig. (2-tailed)	.000
	N	186
Knowledge sharing/exchange /distribution	Pearson Correlation	.681**
	Sig. (2-tailed)	.000
	N	186
Knowledge enriches when it shared/applied	Pearson Correlation	.759**
	Sig. (2-tailed)	.000
	N	186
**. Correlation is significant at the 0.01 level (2-tailed).		

Table 3 deals with the correlation between knowledge management practice and factors affecting knowledge management. The factors affecting knowledge management are Knowledge Creation, Knowledge Storage /Reuse, Knowledge sharing/exchange /distribution and Knowledge enriches when it shared/applied. The table shows that there is a high positive correlation between knowledge management practice and factors affecting knowledge management. Among the factors, Knowledge enriches when it shared/applied has the highest value of correlation with knowledge management (.759). The above table also clears that the Sig. (2-tailed) value is .000. Because the p value is less than the alpha numeric value, we reject the null hypothesis and interpret that there is a significant positive association between knowledge management practice and factor affecting knowledge management.

H0: There is no relation between knowledge management practice and employee performance.

H1: There is relation between knowledge management practice and employee performance.

Table No.4

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.852 ^a	.726	.723	.61573
a. Predictors: (Constant), knowledge management practice				

The Multiple R for the relationship between the set of independent variables (knowledge management practice) and the dependent (employee performance) variable is 0.852, which would be characterized as very strong. The R coefficient indicates that the predictors of the model (knowledge management practice) which has a correlation of 85.2% with the dependent variable of employee performance. It means there is a strong relationship between knowledge management practice and employee performance.

Table No.5

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	118.373	1	118.373	312.223	.000 ^b
	Residual	44.737	118	.379		
	Total	163.110	119			
a. Dependent Variable: performance						
b. Predictors: (Constant), knowledge management practice						

The table of ANOVA shows that variations in the employee performance can be explained by the model to the extent of (72.57%) 118.373 out of 163.110. The F value of the model produces a p-value of 0.000. A p-value of 0.000 is lower than the set level of significance of 0.05 for a normally distributed data. This means that the model is significant in explaining employee performance.

Table No.6

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.296	.178		1.661	.099
	knowledge management practice	.930	.053	.852	17.670	.000

a. Dependent Variable: performance

The result shows that for the independent variable knowledge management practice, the probability of the t statistic (0.000) which is lower than the level of significance of 0.05. We reject the null hypothesis and summarize that there is significant relationship between knowledge management practice and employee performance.

FINDINGS

The major findings of the study are

1. The correlation analysis reveals that there is a significant positive correlation between knowledge management and employee performance.
2. The correlation analysis reveals that there is a significant positive association between knowledge management practice and factor affecting knowledge management.
3. Chi square analysis shows that there is no significance difference between demographic variables and opinion about knowledge management practice
4. Multiple regression analysis shows that there is a strong and significant relationship between knowledge management practice and employee performance.

SUGGESTIONS

The following suggestions are made to improve the knowledge management practices and employee performance in the commercial banks:

- ❖ It is observed that knowledge management is being used by the banks in private as well as private sector, but employees working at non managerial level want the repositories to be more simplified and elaborated so that everyone can understand that what is to be recorded.
- ❖ The redundancy of knowledge should be avoided.
- ❖ The regular trainings and more effective trainings should be timely imparted to the employees working at managerial level and non-managerial level.
- ❖ Knowledge management should not be viewed as a tool for increasing decision making, minimizing risk, retention of knowledge, tool for enhancing teamwork and employees must facilitate as a

decision-making tool and not as the tool for creating internal competition among the employees working at the same level and in senior – subordinate relationship of employment.

CONCLUSIONS

Knowledge management and performance can increase times better opportunities to present their problems to management. Increase in one unit in performance can increase job satisfaction in term of information provided by superior to subordinate about all policies and procedures. Increase in one unit in performance can increase job satisfaction in context to experience and ability to work for it. Employees will show more skills in performance measures due to knowledge management. Increase in one unit in performance can lead to job satisfaction in terms of information clarity among the employees and co-ordination among the co-workers to make colleagues aware of all situations during their absence. Increase in performance can increase of team spirit, interaction between coworkers and the free and open communication among the employees. All the Hypothesis test results showed that there can be high significant difference if the parameters of knowledge management, performance are strongly dealt in the public sector commercial banks.

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