A STUDY ON IMPACT OF KNOWLEDGE MANAGEMENT STRATEGIES ON EMPLOYEE'S PERFORMANCE OF MULTI NATIONAL CORPORATIONS WITH SPECIAL REFERENCE TO CHENNAI DISTRICT

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INTRODUCTION

Knowledge as an important concept has been doing the rounds of academia for a long while now. Lot of discussions and attempts have been made to classify knowledge over the years. Knowledge is not only a management concept but has importance across different fields of study and has been defined with various dimensions. Thus, Knowledge has numerous classifications and distinctions depending on the field of study. As per Merriam -Webster dictionary, Knowledge is defined as the condition of knowing facts because of either experience or association. It can also be described as the thing that a person is aware of or have an understanding of. It is an understanding of a particular science, art, or some technique of doing things. In philosophy, the study of Knowledge is called Epistemology. Scholars such as Davenport and Prusak (1998) argued that Knowledge in itself is not new, but recognizing it as a corporate asset. Thereafter, knowledge started being acknowledged as an intangible asset which needed to be managed more systematically.

Another author Theirauf (1999) presented differences between Data, Information and Knowledge by using a pyramid. According to him, data is the lowest point of the triangular pyramid; is unstructured and can be described as a collection of various facts and figures without any particular pattern or context. On the second level is the information, which is more structured and specific to needs. The final level at the top is knowledge which is defined as something making sense or rather "information about information". According to Nonaka & Takeuchi (1994), Knowledge Management is the capability of a company to create new knowledge, disseminate it throughout the organisation and apply it in products, services and systems.

STATEMENT OF THE PROBLEM

Due to liberalization and globalization of Indian economy brought many companies from other parts of a world. The arrival of these companies and the organizational culture within the companies creates extensive competition between foreign and indigenous companies. These competitions force the companies to revamp their organizational culture, organizational climate and productive work force. The development of the multinational companies is drastically influenced by the vital factor Knowledge management, as the availability of skilled and trained talent pool is imperative.

RESEARCH QUESTIONS OF THE STUDY

Based on literature survey, the following research questions are raised;

1. What are the factors affecting knowledge management strategies in multinational companies (MNCs)?
2. Is there any difference between employee perception towards kowledge management strategies and their demographic characteristics?
3. Is there any difference between employee performance and their demographic characteristics?

OBJECTIVES OF THE STUDY

The objectives of the study are presented below;

1. To identify and analyze factors affecting knowledge management strategies in multinational companies (MNCs)

2. To analyze the difference in perception of employees towards knowledge management strategies in respect of demographic and work characteristics.

3. To measure performance of employees in multinational companies and to analyze the difference in performance of employees in respect of demographic and work characteristics.

REVIEW OF LITERATURE

Rajender, K. and Pavan Kumar KVLN (2012) investigated the knowledge management practices in the SME sector in India. The study focused on assessing the role of various levels of management in implementation of KMP and also the role of organizational culture in building a knowledge environment. It was found that the KM process undergoes the introduction and growth stages in the Indian SME sector. The study disclosed the responsibility of managing staff in implementing the KMP. Lack of inbuilt mechanism, lack of communication and lack of top management support were found to be the major hurdles in implementing the KM effectively

Ali Sharvazi et al. (2011) investigated the factors influencing employees" readiness towards the KM initiatives by the application of correlation and hierarchical regression analysis. It was found that the employees" perception that the organization cares for the employees" development positively impact them towards the KM activities. Top management support, supply of quality information on KM, convincing the employees, conveying the importance of KM, creation of positive attitudes and provision of ample IT infrastructure influence the employees greatly towards the implementation of KM

Jelinarasula et al. (2012) studied the impact of KM on organizational performance by applying structural equation modeling. Information technology, organization and knowledge were found to be the three major components of KM. The study identified, a healthy culture based on transparency, mutual trust, and information technologies positively influence the adoption and performance of knowledge management practices.

RESEARCH METHOLOGY:

The procedures by which researchers go about their work of describing, explaining and predicting phenomena are called research methodology. It is also defined as the study of methods by which knowledge is gained. This study is proposed to test and verify the conceptual model that was developed with the support of the literature and the experts. The researcher does not have any control over the variable and can only report what has happened or what is happening. This is termed as a descriptive research. The major purpose of the descriptive research is the description of state of affairs, as they exist at present. Descriptive study attempts to describe or define a subject often creating a profile of a group of problem, people or events, through collection of data. The method of research utilized in a descriptive study is usually the survey method. Snowball sampling has been adopted considering the availability and approachability of employees of MNCs for the purpose of data collection effort. However, due consideration is exercised for the proportionate representation of the sample population.

HYPOTHESIS OF THE STUDY

1. **H0:** There are no significant differences between demographic characteristics of respondents and their perceptions towards knowledge management practices.

   H1: There are significant differences between demographic characteristics of respondents and their perceptions towards knowledge management practices.

2. **H0:** There are no significant differences between demographic characteristics of respondents and their performance

   H1: There are significant differences between demographic characteristics of respondents and their performance.

The data collected through the questionnaires have been analyzed by using the following statistical tools.

- Mean scores, median, percentages and standard deviations were calculated for overall analysis of knowledge management perceptions and performance of employees working in MNCs in relation with their demographic and work related variables.

- One way ANOVA (F test) and students "t" test were used to identify the significant differences in knowledge management perceptions and employee performance in relation with demographic and work related variables of the MNC employees in Chennai, India

- The Pearson correlation used to know relationship between knowledge management strategies and employee performance statistically.

Table 1.1

GENDER AND PERCEPTIONS ON KNOWLEDGE MANAGEMENT STRATEGIES

Gender	Mean Value	F value	T value	P value	Result
Male	2.2989	3.738	0.974	0.054*	Not Significant
Female	2.2138				

Source: Primary data. *At 5% level of significance **At 1% level of significance

The above table shows that there is no significant difference between gender and perceptions on knowledge management strategies (p=0.054). It means that perceptions of MNC employees on knowledge management strategies don't differ on the basis of gender. In other words, male and female MNC employees have same level of perceptions on knowledge management strategies.

TABLE 1.2
PEARSON'S CORRELATION MATRIX SHOWING INTER RELATIONSHIP AMONG CORE VARIABLES OF THE STUDY

Correlations	Knowledge Management Strategies	Employee Performance
Knowledge Management Strategies	1	.980**
Employee Performance	.980**	1

**. Correlation is significant at the 0.01 level (2 - tailed)

The above table exhibits that there is a strong and positive relationship between knowledge management strategies and employee performance (r=.980)

CONCLUSION

This study empirically analyzed the role of perceptions on knowledge management strategies on employee performance in MNCs operating in Chennai district and concluded that there is a strong and positive relationship between knowledge management strategies and employee performance.

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