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A STUDY ON IMPACT OF KNOWLEDGE MANAGEMENT PRACTICES IN IT COMPANIES OF TAMILNADU

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Abstract: The present paper lays the foundations for the best practices in knowledge management and investigates the degree of awareness and implementation of KM principles and practices in Indian information technology (IT) companies. A purposive sample of 10 IT companies in Tamilnadu was chosen for study and a survey was conducted with the objective of investigating the degree of awareness and implementation strategies of knowledge management. The present research work is also based on secondary data obtained from 10 IT companies in Tamilnadu. The various phases of knowledge management (knowledge generation, knowledge codification, and knowledge transfer and knowledge application) were taken into account and data were interpreted on the basis of weighted scores for each parameter at each phase. Final conclusions were drawn on the basis of the Knowledge Management Index. The interpretation of data revealed that the Knowledge Management Index (KMI) for awareness and commitment is very high as per the pre-defined rating scale but the involvement of top management in allocating the necessary resource flow to initiate and sustain knowledge management practice is needed. The Knowledge Management Index for awareness of intellectual property in IT companies in Tamilnadu was found to be too low, which is an area of concern, but the same was high for information technology. It was also revealed that HR professionals have to realize that true competitive advantage lies in the people and the best HR practices should be aligned to strengthen knowledge management.

INTRODUCTION

In the present scenario of rapid change and technological advancement the focus has to be on knowledge management which is often explicitly oriented to matters of competitive advantage and commercial effectiveness. It has been suggested that knowledge management and learning should be integrated into one generic process (McLean, 2000) to enable further development of the underlying constructs. Rowley (2000) proposes a model in which information leads to learning which leads to knowledge, which affects decisions, actions and behaviour. Similarly, Dixon (1994) suggests that knowledge is the result of learning: learning is sense making and is the process that leads to knowledge.

The need for synergy of technological and human capabilities is based on the distinction between the 'old world of businesses and the 'new world of business. Within this view, the 'old world of business' is characterized by predictable environments in which the focus is on prediction and optimization-based efficiencies. Information and control systems are used in this world for achieving the alignment of the organizational actors with pre-defined 'best practices'. The assumption is that such 'best practices' retain their effectiveness over time. It includes the systematic process of finding, selecting, organizing, distilling and presenting information in a way that improves an employee's comprehension in a specific area of interest.

Managing knowledge and fostering a culture that enables knowledge management efforts to be implemented successfully are crucial for maintaining strategic advantage and meeting business objectives and

this was the primary concern of the researchers in the present study.

Objectives

The primary objectives in undertaking the present study were:

- To Analyse the knowledge management concepts and their working in the organization;
- To understand the role of culture in mediating knowledge distribution;
- To trace the obstacles in the generation of organizational knowledge;
- To examine the factors for managing the conversion from one form to another;
- To suggest best strategies for implementing KM practices in software companies.

Research methodology

The present paper is an analytical type of research which is based on first-hand information and secondary data obtained from IT companies. In view of the objectives of the study the data were collected from a purposive sample of 10 IT companies based in south India. Those companies that incorporate knowledge management in their mission statement and are willing to share the information on knowledge management practices were part of study.

This survey was conducted with the objective of investigating the degree of awareness and implementation strategies of knowledge management. The various phases of knowledge management (knowledge generation, knowledge codification, and knowledge transfer and knowledge application) were taken into account in designing the framework for the survey schedule, and responses were elicited on a pre-defined four-point rating scale. The data were interpreted on the basis of weighted scores for each parameter and sub-parameter. Final conclusions were drawn on the basis of a Knowledge Management Index, which can be calculated by the given formula,

$$KMI = \frac{\sum Wi \times 25}{(ni)} \quad or \quad \frac{\sum Wi \times 100}{niR}$$

Where w is weighted sum score, i is number of sub-parameters, n is number of respondents and R is maximum value of rating which is four in the present study.

Results and discussion

The present study was conducted with the broad objective of understanding how to manage and implement knowledge in organizations. Since the data are the basis of the knowledge foundation, the data were collected for the various phases of knowledge management. The data consist of facts but are of little relevance until they are transformed into information and further into knowledge. It has been realized that it is necessary to capture various forms of organizational knowledge – namely, explicit, tacit and cultural – in order to meet the needs of the future.

1. Reports and published documents are examples of explicit knowledge as are policies, procedures and databases. To meet the needs of the future, it will be necessary to capture explicit knowledge to be used as input for decision systems and decision-based systems for unmanned weapon platforms.
2. The tacit, or implicit, knowledge was much more difficult to capture than explicit knowledge; however, it is worth the effort. This knowledge was difficult to recognize or articulate as one acquires it mainly through personal experience and action, such as leadership, rather than through formal training and doctrine and it was realised by all organisations.
3. The secondary data from 10 IT companies in Tamilnadu had revealed that implications of knowledge management for an individual and an organisation are different. In an individual it means awareness, training and lifelong learning.
4. Knowledge management must be tailored to the needs of an organisation and integrated with the systems to be fully effective. Determining who needs access to what information, and when and how the information flow will be managed is part of knowledge management.

5. The secondary data also reveal that the process of managing knowledge starts with a brain-storming session to assess the knowledge gap (if any) and then it works on acquiring knowledge. The principal sources of knowledge acquisition were the Internet, training programmes, technology transfer and interaction with customers.
6. With regard to knowledge codification, the knowledge was also stored in the form of experience of personnel, departmental procedure manuals, drawing office manuals where guidelines are given, technical reports, process sheets, databases of different projects, sequential operations of the job, mode of inspection and tools to be used.
7. The knowledge sharing and dissemination was through encouraging the software designers to share knowledge on various national and international platforms through paper presentation on various design-related aspects. Moreover, sharing of knowledge also takes place through quality circles, review meetings (e.g. design review, production review, etc.), shop level meetings, through problem solving, informal discussions, on-the-job training through various assignments, face-to-face interaction and work instructions given in the job card. The main advantage of this procedure is that there will be no communication gap.
8. Flow charts and training programmes give exposure in the use of specific software along with updating of current level of skills and knowledge. When it comes to knowledge application, the Knowledge acquired from various sources was applied in the day-to-day issues related to different projects.
9. The most frequently used modes of problem solving were cross-functional task teams/study teams formed to get multidimensional insight into any problem, engaging experts from both within and outside the organisation, contacting academic institutions, formation of a committee consisting of members from design, shop, quality, and government agency.

Challenges in Implementing KM Practices

The four major challenges were identified on the basis of primary and secondary data in generating organisational knowledge out of individual knowledge.

1. The first challenge was to unload the burden of past experience out of organisational history. This past experience interferes with the receiving and processing of new knowledge as people continue referring to precedents and past events (stories) in order to defend current practices and eliminating the need for new knowledge. It blinds people from critically analysing and confronting new data or information. Therefore, unlearning of these past experiences does not happen.
2. The next challenge was to break organisational defensive routines. Defensive routines are written or unwritten norms of behaviours in organisations, which people perceive as given, or the most 'rational thing to do'. Defensives routines prevent people from receiving new ideas, knowledge, processes, demands, etc., that do not fit with organisational norms. Change becomes difficult, as people do not want to confront reality.
3. The third challenge in generating organisational knowledge was to overcome people's tunnel vision. People tend to view the context from their own perspective rather than adopting a systems point of view. Another challenge that impedes the generation of organisational knowledge was bounded rationality as people look for satisfying solutions, rather than optimising ones.

Finally, it can be concluded that for organisations to remain competitive and at the forefront, workers must sort knowledge from the information overload that continues to grow at an alarming rate. In addition to linking knowledge with business strategies, it is crucial to remove cultural barriers and create a supportive climate for knowledge management to flourish. Ideally, management fosters a collaborative climate for creating and sharing knowledge, provides recognition and rewards to those who significantly con-tribute to the knowledge effort, and provides technological resources to facilitate the access, use and sharing of the knowledge. HR professionals have to realize that true competitive advantage lies in the people and the best HR practices should be aligned to strengthen knowledge management and if only this can be done by the HR professionals on the basis of a Knowledge Management Index, this will be the best practice in managing knowledge.

Conclusion

The Knowledge Management Index for recognition in IT companies in Tamilnadu comes out at 2.75%. This is average as per the pre-defined rating scale. It was clearly evident that individuals are not visibly

rewarded for knowledge sharing. Knowledge management is to be given due importance in the performance appraisal system so that benefits of KM can be felt throughout the organization.

The present paper also suggests that the sharing of knowledge should be recognized and rewarded by a combination of traditional and innovative mechanisms. Authors, reviewers and users of knowledge assets can earn Knowledge Currency Units (KCUs), which can get translated into suitable rewards on reaching pre-determined threshold values and at specified calendar milestones. Individual KCU accruals can be showcased in some scoreboards. So it was further suggested that these companies provide incentives for knowledge sharing. It is important that the value of knowledge sharing should be reflected in the ongoing evaluation of performance and periodic merit reviews conducted in the company, so that managers and staff can see that knowledge sharing is one of the principal behaviors that the organization encourages and rewards.

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