

THE ROLE OF KNOWLEDGE MANAGEMENT IN INDIAN BANKING SECTOR

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ABSTRACT

The banking sector plays a vital role in economic development of a country. Banks depend collecting, converting, evaluating and implementing information in order to meet the customers need. The aim of this paper how knowledge management applications can helps the success of banking industries. This study based on secondary data. This study also focuses various knowledge management practices in banks.

KEYWORDS: Banking Sector, Country, Knowledge Management, Customers

INTRODUCTION

Knowledge management is defined as the process of creating, storing, and transferring, applying organizational knowledge. In the present context every organization can create knowledge and use this acquired knowledge effectively and efficiently for achieving the competitive advantage. The banking sector changes their activities due to the modern information and technologies and their application. By adopting the knowledge management practices banks are achieving their objectives. Banks are always provides better services to their customers. In the technological edge IT and ICT made the banking business more challenging and provides various advantages to the customer such as e-banking, online banking, ATM, EFI, NEFT, RTGS, EDI. In Indian commercial banks divided into two types namely public sector and private sector. In both the sector knowledge management can be used. The success of every organization depends on the knowledge centric human resource management.

LITERATURE REVIEW

G. Chandana (2008) in this study entitled "Knowledge Management in India: A Case Study Of An Indian Bank" this paper focuses how km work at ICICI (India) and tries to identify the critical success factors of km. A small survey was done by the researcher among the ICICI employees and based on their responses a factor analysis was carried out. This resulted in identification of the critical success factors.

N. Abhishek (2013) in this study entitled "Report In Knowledge Management In Banking Sector" This study focuses knowledge management application in a bank are customer relationship management and performance measurement, risk management, marketing management. km system in banks better and more efficient results in decision making.

U. Y. Ozlem, K. Duygu (2013) in this study entitled "A Comparative Analysis of Knowledge Management in Banking Sector: An Empirical Research". The main aim of this study is to examine the basic components of km in banking sector with an empirical analysis and also to determine whether there is a difference between the private and State Bank in the context of km practices.

D. Sudha et. al (2014) in this study “Knowledge Management And Decennial Growth Of A Private Sector Bank- A Case Study Of ICICI Bank”. This paper focuses to understand the implementation strategy of km initiatives and its impact. The researchers study the performance of the largest private sector bank in India (ICICI) by analyzing the growth and trends of various performance parameters.

M. B. Suvarchala in this study entitled “Knowledge Management in Commercial Banks: A Case Study of the SBI of India”. This study focuses the role of knowledge management in banking sector in India. The researcher focuses the km practices with special reference of SBI. Both primary and secondary data was collected. Mean, averages, percentages and chi-square test was conducted.

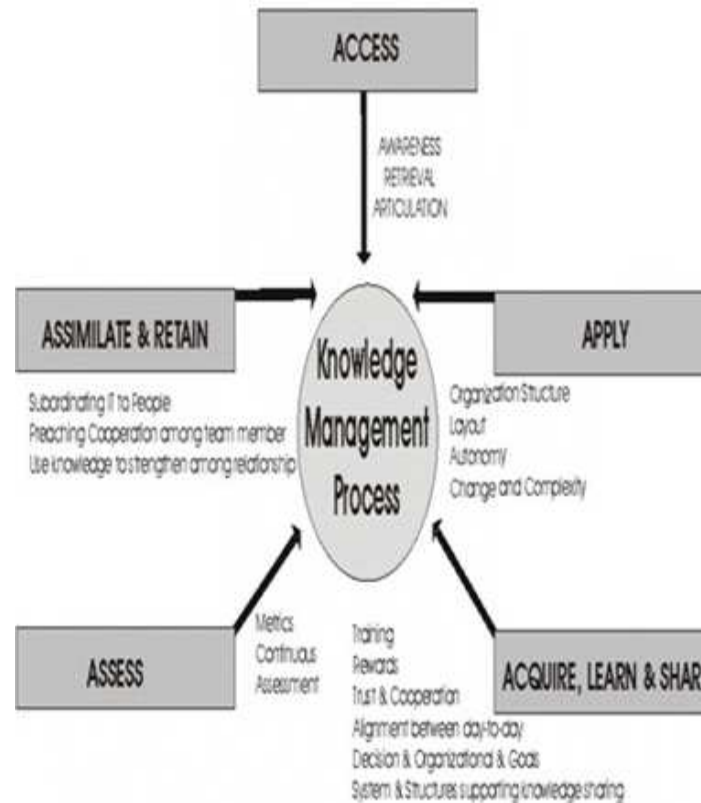
OBJECTIVES

- To study the trend of knowledge management in banking sector in India.
- To study the components of different knowledge management process frame works.
- To examine the performance of both public and private sector in the development of technology in knowledge management.

NEED FOR THE STUDY

The information technology plays a vital role in the banking sector. Now a day’s banking sector emphasis the satisfaction of customers’ needs. Knowledge management is necessary for banking sector for the improvement in the performance. In India both private and public sector banks can used the application of knowledge management. The ultimate objectives of knowledge management in banks should increasing the satisfaction of customers through provide the quality services.

A Conceptual Framework of Knowledge Management Process in Banks



(Source- www.iosrjournals.org)

Figure 1: 5 a Knowledge Management Process Framework

ACCESS

Accessing of knowledge in the organization depends upon the awareness, retrieval, right tools to search the information and capture information.

APPLY

Applying of knowledge in the organization depends upon the organization structure, layout, autonomy, change and complexity. Organization always importance on the customer satisfaction and how knowledge can be fully utilized in the organization.

ACQUIRE, LEARN, SHARE

This step involves the process of acquiring and learning the knowledge and proper utilization of that knowledge so that organization and people involved in the organization adding value. Learning through various training program and implementation them in the organization. Sharing the knowledge, experiences, and skills to the whole departments. To motivate the employee reward system can be adopted. Learning and sharing of knowledge based on the training, reward system, co-operation among employees, trusts, structure and structure supporting knowledge sharing.

ASSESS

This step involves assessing the knowledge for the future recruitments.

ASSIMILATE AND RETAIN

This step involves developing knowledge for use of organization.

KNOWLEDGE MANAGEMENT IN BANKS

In this study knowledge management uses in both private and public sector banks. For the private sector banks researcher takes the examples of ICICI bank and another SBI.

KNOWLEDGE MANAGEMENT IN ICICI

ICICI bank adopted the knowledge management strategy in 2000. ICICI bank is a leading bank in private sector banks in India. Through the knowledge management strategy was implemented in the bank gaining success in its development and growth. Knowledge management was started with professional management methodologies. The bank linking with the technology through corporate intranet, ICICI provides training to the employees for acquainted with the web based technology. It is also created interest among the employees they can participate in these activities and share the knowledge among them. In 2002 the ICICI bank had a reverse manager with its parent organization with ICICI. Then the knowledge management team has restructured the strategy. The starting points the knowledge management team in ICICI bank were interaction with employees, sharing of information, effective communication, addressing the problems of knowledge ploods, training and skill development of employees towards the knowledge management it creates interest among the employees for acquiring, sharing and dissemination of knowledge. Its create a management culture made the employees to think positively and professionally towards meet the challenges of the business. The bank has developed the wise guy in the knowledge management internet portal which is easily accessible. The portal Wise Guy was started because knowledge sharing was failure. Whenever an employee moves he cannot leave documented information about the job or client that he was associated with. Another reason for introduction the Wise Guy portal could act as a common bonding two different cultures enabling a smooth transition into a universal bank. ICICI bank has many branches spread all over the country. Employees are interacting only through the emails and have never seen each other. They are working in a virtual team. The Wise Guy portal began with that information which was explicit to only a few persons in the organization and tactic in general.

Thus the contents of the portal were discussions, queries, edited contributions, books, training calendar, vendors, external and internal reports, events, and captured offline lectures/presentations. With all these knowledge management initiatives the employees are able to create organizations intellectual capital. In ICICI bank knowledge management is adopted not just like a technique or practice for the organization development and growth. Every employee associated with the knowledge management in the bank felt that it is an opportunity for them to develop themselves to enhance their day to day activity. The bank having well structure knowledge management strategy and it reviewed and evaluate by top level management regularly. Privacy and security can be made for all sections were protected.

The structural document view for its content. The major contribution of knowledge management in ICICI. It creates a knowledge management store in the bank. Its create s a good work culture. It emphasis the belonging among employees. It's developed the decision making capacity and improved the employees' skills. Every employee comes forward to deposit the knowledge in the depository of bank. Every employee feels their workplace not a physical place. The satisfaction of knowledge users handling the behavior such as knowledge sharing, self help, and collaboration.

Another initiative of knowledge management in the bank is creation of interest towards learning across the groups. The employees in the corporate offices are invited to bring a presentation on a particular subject along with their lunch to the web conferences and live web casts. The users of knowledge management can participate from any location and share their ideas, with these notable individuals. This has encouraged the staff to get self motivation towards knowledge creation and sharing. Another important initiative of knowledge management introduced in the bank is corporate learning. In this strategy the ability of the employee to learn from teammates across the groups is encouraged. This has created a learning environment in the bank through push mechanism and collaboration. This initiative is known as the daily does which present the summary of items which are new in the banking business and the portal. This daily does includes opinions, feature headlines, poles, customer appreciations, happenings, newsletters and other updates of the events. By delivering this information directly to the mail box the knowledge management team is able to disseminate and distribute knowledge to the bank employees in the morning itself. This became an important part of their work for all the employees associated with the ICICI.

KNOWLEDGE MANAGEMENT IN SBI

State Bank of India is the largest commercial bank in the country. Banks provides better service to the customers. By using technology the banking services can easier than the previous system. Customers can easily assess the facility 24x7. Banks provide the online banking, ATM, RTGS, NEFT, EFT, EDI and any other more services provides for the customer satisfactions. In todays era SBI manage he knowledge management through the technology.

The SBI with cutting edge technology and innovative practices and striving for achieving total customer experience. The bank is looking to grow nationally and internationally. The SBI has gone beyond the usual domains of technology. The Bank is involved not only in the business development but also with care for the community and supports a range of socio-economic, educational and health initiatives. Enhance the risk management capabilities of banks. The State Bank of India has adapted Information and Communication Technology (ICT) for achieving the growth of the banks. The bank services had become more useful after introduction of technology for knowledge management in banks. The most common fields of knowledge management applications in banks are risk management, customer relationship management, marketing management, performance measurement etc. Knowledge management helps create, acquire, share and utilization of knowledge in banks. Knowledge management motivates the employees for more contribution to the organization. By using the technology not only the banks benefits but also the customers are benefited.

FINDINGS

- In the today's era, the most powerful tool of any business organization is its knowledge from which the organization achieves its competitive advantage. Knowledge management plays a very important role for achieving the success of many organizations.
- Traditionally banks in India have connected the strength of their networks based on the number of branches. The technology is somewhat slow in public sector banks as compared to private sector banks and foreign banks. The ITC developments changed the behavior of consumers.
- As new technologies change the process of banking, bank faced many challenges in the implementations of IT in knowledge management.

- State Bank of India is the largest commercial bank in the country, is well positioned to growth in India's dynamic banking market technology and innovative practices and achieving total customer experience.
- KM contributes greatly to meet the competitive advantage for SBI. However, a knowledge approach requires not only the information technology, but also creates an environment knowledge creation and sharing.
- There is a gap between software and hardware used in public sector banks at international level.
- The bank linking with the technology through corporate intranet, ICICI provides training to the employees for acquainted with the web based technology. It is also created interest among the employees they can participate in these activities and share the knowledge among them.
- The ICICI bank has developed the wise guy in the knowledge management internet portal which is easily accessible.
- Another initiative of knowledge management in the ICICI bank is creation of interest towards learning across the groups

SUGGESTIONS

- Banks must be able to aware the benefits of reducing the costs from technology based services to their customers as the entire institution of banking has been based on customers trust.
- Proper arrangement of IT and banking operations, IR and HRM, IT and organization structure is important for the benefits of KM implementation in banking.
- The successfully implement of KM measures in SBI, the knowledge must be recognized by top management by improving internal process, customer services and products and by creating a better environment for employees.
- KM should be on adopting and understanding the knowledge about customers and their needs.
- The problems in effective KM process are mostly related to human behavior aspects. Hence to activate KM process bank has to focus knowledge wealth, effective communication, participative management, innovative attitude and professionalism.
- Available service to the users on software related problems bank may consider establishing many help centers for providing necessary guidance to branches.
- The majority of employees that technology and KM helps in increased productivity whereas certain factors like lack of coordination for work, delays in up-gradation etc. The management may consider these factors and made appropriate strategies.
- Feedback from the customers on regular basis on various services may help bank to make feasible modification.
- Training program can be conducted frequently. So the employees are updated and better services to the needs of the customers.

CONCLUSIONS

From the above study shows that effective Knowledge Management implementation depends upon the organizations ability to design and develop the systems and processes and to develop an environment that depends on learning, knowledge creation, knowledge sharing and the use and re-use of organizational and personal knowledge. Knowledge management takes vital role in the banking sector. By using the technology banking sectors attract the customers more and more. Proper training the employees of banks so that the knowledge management can helps the organization to achieve the goals.

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