

A Study on Knowledge Management Practice in Banking Sector - With Reference to Mangalore Region

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Abstract: The Banking sector is the cornerstone of a country's economy. There is no debate in modern banking about the value of knowledge management as a business practice. Banks, insurance companies and all the other players in the competitive financial service sector have recognised that knowledge is power. Knowledge management is a key instrument for the bank in order to achieve its full possibility in the knowledge bank by mobilizing global knowledge all over the organisation in order to examine its impact on performance. This paper aims at measuring the level of knowledge management and awareness of the bank employees and also to find out the Knowledge management practice in the Banks as well as the knowledge management sharing (KMS) and to identify the challenges faced by the employees. The study is restricted to a random samples of public and private sector banks of Mangalore. The study includes primary data collection through visiting public and private sector Bank employees. And secondary data will be collected through different sources which provides relevant information. The research area taken for the study is Mangalore taluk. The study uses simple random sampling technique for the sample selection. Questioner will be prepared for the survey. The study gives suggestion based on the finding.

Keywords: Knowledge management, knowledge management practice, Bank employees, challenges.

1. INTRODUCTION

Knowledge management is an systematic approach of capturing, distributing and effectively using the knowledge is known as knowledge management. Banks have been a pillar for service sectors therefore this research paper mainly aims at various areas of practical application of knowledge management and its impact on performance in various banks. Knowledge management helps in building relationship with customers in order to know and understand their preference and thus increase the satisfaction to the customer. Knowledge management is one of the most important practices for any organisation to achieve a better performance. This study also includes ways for banks to manage knowledge which also includes knowledge management sharing and Although the study is about only one particular type of organisation it helps in understanding the importance of knowledge management in improving the performance of any organisation. From the application of knowledge management both bank and costumer can be benefited. Skill at knowledge management has become a critical proficiency for survival of banking sector in the 21st century.

Need for the study

Knowledge management is referred as the practice of managing the intangible asset that is nothing but the knowledge management in order to become fruitful in their own market. As knowledge Management is called as a key instrument for banks to achieve its goal effectively by organizing global knowledge from all corners of organization and its impact on

practical application. The advancement of information technology has shown a greater impact on banking industry and in all financial sectors. Presently information technology has become a tool that promotes / helps banks as well as other organisations or other related functions. Managing knowledge is more important for banking sector compared to any other organization. In a banking setting, benefits can occur at two levels, individual as well as organisation. Knowledge management also helps in improving the performance of the organisation by increase in productivity and quality.

Knowledge management in Banking Sector

As there is a saying “time and tide waits for none” from kids to adults everybody seems to be on a run. Everyone is up to achieve something extraordinary in life. Therefore knowledge management is becoming very important in almost all banks since it simplifies the delivery of time and gives effective information in order to achieve its full potential. Banking sector mainly targets on improving the customers satisfaction that will benefit the bank in increasing the revenue. The common fields of knowledge management in banking sector are risk management, customer relation management, knowledge management related to IT. Presently in banks we find computerized support systems these kinds of knowledge management helps in the decision making.

2. LITERATURE REVIEW

Davenport and Prusak (1998) determines that Knowledge is a fluid mix of framed experienced, values , contextual information and expert insight that provide a frame work for evaluating and incorporating the new experiences and information. INg.Vladimir Bures and Ing. Avel Eech (2001) determines that the global market environment influences the transaction value economics in all ways ,KM will be effective only if is implemented in a proper way so they have found the new methodology this , methodology pays a attention to critical some critical factors of KM implementation that need to monitored and managed. Siemieniuch and Sinclair (2004) obviously defined knowledge management as a pillar in the seven bases of organisational effectiveness; thus knowledge management can lead to many organizational benefits like better problem solving and decision making, improved customer services, increasing profits, better staff attraction, more innovation and greater creativity. K. Mohan ,Babu P George and Alexandru(2005) found that the Indian Banking is at the threshold of a paradigm shift .the application of technology and product innovation changes in strcture of the Banking system . Jayasundara (2008) these personnel should also be responsible for the creation and implementation of strategy that generates value from organizational knowlwdge.Prodromos D.Chatzoglou and Eftichia Vraimaki (2009)in their study found that intension of the sharing knowledge is mainly influence by the employees attitude towards knowledge sharing followed by the subjective norms .

Objectives of the study

1. To study the knowledge management practices prevailing in the banking sector in the Mangalore district
2. To know the level of acceptance of the employees towards knowledge acquisition , knowledge organizing, knowledge accessibility in Mangalore district
3. To identify the impact of knowledge management practicing in the Mangalore district
4. To identify the benefits and challenges faced in practicing the knowledge management

Scope of the Study

Scope of this study was restricted to private and public sector Bank employees of Mangalore Taluk .The study highlight the appearing the success of / emerging trends of prevailing knowledge management practice among the bank employees and some of the major problems faced by the bank employees during knowledge sharing. The suggestions given in this study will help the banking sector in framing and executing the policy and measures in this sector which help in achieving excellent response by the customer by the application of knowledge management.

3. RESEARCH METHODOLOGY

This study is about evaluating the Knowledge Management Among the Bank employees of Mangalore Taluk. The details regarding sampling design, data collection methods , statistical tools, questioner method of the data used for information are

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• **Primary sources:**

Primary data was obtained from Banking employees of Mangalore Region Using the structured questioner most of the questions in the questioner are close ended giving options to the respondents ,few questions are open ended letting the Bank employees to explain their point of knowledge sharing. Out of 233 public sector banks and around 130 private banks we have taken 150 respondents(employees) who were randomly selected.

• **Secondary sources**

For the study Secondary sources was collected from reputed journals, Books, articles published and from various websites.

Sampling Design:

This study was conducted on a simple random sampling .The respondents are selected at random from the Mangalore Taluk . The sample size consider for this study was 150 respondents. All 150 respondents have responded to the questionnaire.

Statistical Tool:

For the study we have used percentage analysis and also we have used charts for the representation.

Limitations:

As far limitations concerned every research will be of its kinds of limitation .In this study are

1. The frame of this paper plays a major constraint because the population of our study is too high in Managlore Taluk but our sample is 100 public sector and 50 private sector it could be extended further .
2. There was a possibility were respondent felt that information is official, so they were not willing to disclose the actual details.
3. In view of the time and monetary constraints involved, it was not possible to contact more than the selected number of respondent.

Table analysis and interpretation

Table no 3.1.1 Sector wise Designation

Designation	Banking Sector					
	Nationalised bank		Priavte bank		Total	
	figure	%	figure	%	figure	%
Officer	38	25.33	21	14	59	39.33
Cleriecal staffs	62	41.34	29	19.33	91	60.67
Total	100	66.67	50	33.33	150	100

Interpretation

From the above we can know the designation of the bank employees where we can see there are more than 38 officers and 62 clerical staffs in nationalised banks which covers 67% of total employees and 21 officers and 29 clerical staffs in private banks which covers 33% of total employees of Mangalore region.

Table no 3.1.2 Sector wise Gender

Gender	Banking sector					
	Nationalised bank		Private banks		Total	
	figure	%	figure	%	figure	%
Male	33	22	29	19.33	62	41.33
Female	67	44.67	21	14	88	58.67
Total	100	66.67	50	33.33	150	100

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Interpretation

In this chart we can see the no of employees in banking sector on the basis of their gender there are around 33 male and 67 female in nationalised bank and around 29 male and 21 female when compared to the private banks we find more percentage i.e around 67% in nationalised bank.

Table no3.1.3Sector wise Age

Age(yrs)	Banking Sector					
	Nationalised bank		Private bank		Total	
	figure	%	figure	%	figure	%
20-30	52	34.67	26	17.33	78	52
31-40	21	14	11	7.34	32	21.34
41-50	18	12	8	5.33	26	17.33
Above 51	9	6	5	3.33	14	9.33
Total	100	66.67	50	33.33	150	100

Interpretation

From the above ratio analysis we can find the sector wise Age there are majority of youths in the banking sector where we find maximum employees of age between 20-30 years And very few employees of who is aged above 50 years

Table 3.1.4 Sector wise Education

Education	Banking Sectors					
	National Bank		Private Bank		Total	
	figure	%	figure	%	figure	%
UG	52	34.67	26	17.33	78	52
PG	21	14	11	7.34	32	21.34
Prof	18	12	8	5.33	26	17.33
Others	9	6	5	3.33	14	9.33
total	100	66.67	50	33.33	150	100

Interpretation

From the above we can know the education qualification of the banking sector where more than 52 UG degree holders, 21 PG degree holders and 18 professors in nationalised bank 26 UG degree holder, 11 PG holders and 8 professors in private bank. We find more no of UG degree holders than others.

Table no 3.1.5 Sector wise Working Experience

Experience	Banking sector					
	Nationalised bank		Private bank		Total	
	figure	%	figure	%	figure	%
Below 5	12	8	8	5.33	20	
5 to 10	13	8.67	11	7.33	24	
10 to 15	46	30.67	19	12.67	65	
Above 15	29	19.33	12	8	41	
Total	100	66.67	50	33.33	150	

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Interpretation

From the above we can know that there are maximum no of employees who have experience above 5 years and there are comparatively less employees who have experience below 5 years.

Table no 3.1.6 Sector wise Marital Status

Marital status	Banking sector					
	Nationalised bank		Private bank		Total	
	figure	%	figure	%	figure	%
Married	61	40.67	33	22	94	62.67
Unmarried	39	26	17	11.33	56	37.33
Total	100	66.67	50	33.33	150	100

Interpretation

From the above we can know the Marital status of the bank employees where we can see there are 61 married and 39 unmarried employees in the nationalised banks and 33 married and 17 unmarried employees in private bank this shows that there are comparatively more no of married employees i.e around 63% out of total employees.

Table no 3.1.7 Sector wise salary.

Salary	Banking sector					
	Nationalised bank		Private bank		Total	
	figure	%	figure	%	figure	%
5 to 20	16	10.67	14	9.33	30	20
20 to 30	31	20.67	20	13.33	51	34
30 to 50	21	14	9	6	30	220
50 Above	32	21.33	7	4.67	39	26
Total	100	66.67	50	33.33	150	100

Interpretation

From the above we can know the sector wise salary of bank employees. We find employees drawing more salary in nationalised bank when compared to private banks. Maximum no of Employees in the banking sector draw more salary.

Table no 3.1.8 Sector wise Awareness of Knowledge Management

Awareness	Banking Sector					
	Nationalised bank		Private bank		Total	
	figure	%	figure	%	figure	%
Aware	93	62	46	30.67	139	92.67
unaware	7	4.67	4	2.6	11	7.33
Total	100	66.67	50	33.33	150	100

Interpretation

From the above chart we can know the awareness of Knowledge Management among the banking sector almost 93 employees are aware and 7 employees are not aware in the nationalised bank and 46 employees are aware and 4 employees are unaware in the private sector this shows that more than 92% are aware and only 7% are unaware.

Table no 3.1.9 Sector wise Extent of Understanding Knowledge Management

understnd level	Banking sector				Total	
	Nationalised bank		Private bank		figure	
	figure	%	figure	%		
Introdcetory	39	28.06	18	12.94	57	
Intermideate	51	36.69	24	17.27	75	
Advanced	3	2.16	4	2.88	7	
Total	93	66.91	46	33.09	139	

Interpretation

From the above chart we can know the extent of understanding Knowledge Management of the bank employees here we find maximum no of employees who have medium knowledge about the knowledge management i.e around 54% and 41% of employees are still introductory level where only 5% are advanced out of total employees.

Table no 3.1.10 Sector wise Period of Practices of Knowledge Management in Banking Sector

practice (years)	Banking sector				Total	
	Nationalised bank		Private bank		figure	
	figure	%	figure	%		
0 to 1	36	25.9	21	15.11	57	41.013
1 to 3	38	27.34	18	12.95	56	40.29
Above 3	19	13.67	7	5.03	26	18.7
Total	93	66.91	46	33.09	139	100

Interpretation

From the above chart we can see the practice of Knowledge of Management in the banking Sector around 41% employees say that they are practicing since 1 year and 40% employees says from 3 yrs and around 19% of employees says that they are practicing since more than 3yrs.

Table no 3.1.11 Sector wise opinion about updating information and knowledge by the banking sector.

Opinion	Banking sector				Total	
	Nationalised bank		Private bank		figure	
	figure	%	figure	%		
Daily	44	31.62	21	15.11	65	46.76
Every wee	39	28.06	19	13.67	58	41.73
15dys onc	10	7.2	6	4.32	16	11.52
Total	93	66.91	46	33.09	139	100

Interpretation

The above chart shows the opinion about updating the information and knowledge by the banking sector here we can see that the maximum no of employees i.e, 47% update daily where 42% of employees say that they update every week and only few say that they update once in 15 days.

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Table no 3.1.12 Sector wise Opinion about Knowledge Management sharing considering significant credit when performance is evaluated

Significant credit	Banking sector					
	Nationalised bank		Private bank		Total	
	figure	%	figure	%	figure	%
Yes	76	54.68	33	23.74	109	78.42
No	17	12.23	13	9.35	30	21.58
Total	93	66.91	46	33.09	139	100

Interpretation

The above table shows the opinion about knowledge management sharing considering significant credit when performance is evaluated here we can see almost 79% of employees agree and only 22% of employees says no.

Table no 3.1.13 Sector wise opinion about Knowledge Management to deliver the right Knowledge to the right members at the right time.

Delivery of KM	Banking sector					
	Nationalised bank		Private bank		Total	
	figure	%	figure	%	figure	%
Delivery	81	58.27	37	26.62	118	84.89
Not deliver	12	8.64	9	6.47	21	15.11
Total	93	66.91	46	33.09	139	100

Interpretation

The above table shows the delivery of Knowledge Management at the right time to right person here we can see maximum of employees i.e,85% of employees says they deliver knowledge management to right person at right time.

Table no 3.1.14 Sector wise Satisfaction level Regarding Knowledge Management practice in support to decision making

Satisfactic level	Banking sector					
	Nationalised bank		Private bank		Total	
	figure	%	figure	%	figure	%
Highly satisfied	23	16.55	11	7.91	34	
Satisfied	64	46.04	24	17.27	88	
Neutral	6	4.32	9	6.47	15	
dissatisfaction	0	0	2	1.44	2	
	93	66.91	46	33.09	139	

Interpretation

From the above we can know the satisfaction level Regarding Knowledge Management practice in support to decision making where 63% of respondents said that they are satisfied, 25% of respondents were neutral and 11% of them said they were highly satisfied.

Table no 3.1.16 Sector wise Knowledge base is Reducing Repetition of work

Satisfaction level	Banking sector				Total	
	Nationalised bank figure	%	Private bank figure	%	figure	%
Strongly agree.	20	14.39	12	8.63	32	23.02
Agree	47	33.81	21	15.11	68	48.92
Neutral	26	18.71	11	7.91	37	26.62
Disagree	0	0	2	1.44	2	1.44
Total	93	66.91	46	33.09	139	100

Interpretation

From the above chart we know the knowledge base is reducing the repetition of work here almost 49% of respondent agree, 26% of them say they are Neutral and 23% of respondent say they strongly agree.

Table no 3.1.17 Sector wise level of Agreement regarding implementation of knowledge very difficult without information technology

Satisfaction level	Banking sector				Total	
	Nationalised bank figure	%	Private bank figure	%	figure	%
Strongly agree.	29	20.86	12	8.63	41	29.49
Agree	51	36.69	23	16.55	74	53.24
Neutral	13	9.35	9	6.47	22	15.82
Disagree	0	0	2	1.44	2	1.44
Total	93	66.91	46	33.09	139	100

Interpretation

From the above chart we know the level of agreement regarding implementation of knowledge whether it is difficult without information technology here 53% say that they agree, where 29% say that they strongly agree and 16% say that they are neutral.

4. FINDINGS

1. Most of the respondents have awareness about the knowledge management Practice.
2. Most of the respondents are having decent knowledge in understanding knowledge management and there are few who are advanced in understanding the knowledge management.
3. Most of the respondent are practicing the knowledge management from more than 1 year there also respondents who are practicing knowledge management for more than 3 years.

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4. Most of the respondent update information and knowledge on Daily basis which helps them in knowing new things and keep them updated.
5. Most of the respondents are getting right information at the right time very few are not able to get information in proper time.
6. Most of the respondents are Highly satisfied regarding the knowledge management practice in favour of decision making.
7. Most of the respondents are Satisfied in improving the service to customers and also few customers are highly satisfied.
8. Maximum of respondents strongly agree that knowledge management is very difficult without IT (Information Technology)

Suggestions for Better Knowledge Management Practice

Based on the findings from the analysis of the data and the questionnaires and from the interaction with the employees the following suggestions are given in order to practice the knowledge management.

- The employees to develop the experience in knowledge management practice , especially to improve the efficiency of knowledge management concept .It is advised that the banks should conduct variety of training programs for the employees.
- It is suggested to the banks to provide proper working environment and financial aid (monetary and non monetary) to employees to upgrade their knowledge .
- It is suggested that the banks can offer both the monetary and non monetary perks to their employees in order to improve their performance.
- It is advised to the banks to provide latest technology facilities ie speed internet facility and provide training and development programmers' to enable to use effective and efficiency way of computer technology .

5. CONCLUSION

The Banking sector is the cornerstone of a country's economy. There is no debate in modern banking about the value of knowledge management as a business practice. Banks, insurance companies and all the other players in the competitive financial service sector have recognised that knowledge is power. Knowledge management is a key instrument for the bank in order to achieve its full possibility in the knowledge bank by mobilizing global knowledge all over the organisation in order to examine its impact on performance Banking Sector has witnessed radical transformation in the way it operates. Maximum of the Respondent are Aware about Knowledge Management in the Mangalore Region. Further, it has been revealed that internet is the best way of sharing knowledge and it also increases involvement of workers. The Finding suggest that barriers among the employees in the banking sector can be eradicated by the adoption of modern banking technologies such as the internet facilities, monetary and non monetary facilities to the bank employees.

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