



IMPACT OF KNOWLEDGE ACQUISITION AND KNOWLEDGE SHARING ON EMPLOYEE PERFORMANCE IN SELECT PRIVATE BANKS

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Abstract:

Knowledge exchange is a factor that organizations should thoroughly understand and adeptly implement, for employee job satisfaction, innovation, and it also influences employee performance. Encouraging the exchange of information and development of innovative ideas among employees in banks serves as a key factor for stimulating innovative behaviour. This exchange of knowledge not only fosters the development of new ideas but also encourages teamwork among individuals within the banking industry. This study observes different knowledge management practices followed in banks to ensure it helps employees to build their profile and improves the overall performance of employees. A sample of 300 banks employees from different private banks was considered for the study through questionnaire method. Stratified Random Sampling technique is considered for the study as it involves dividing the population into distinct sub-groups or strata (such as Branch Managers, Sales Managers, Executives etc.

Keywords: Knowledge Management, performance improvement, learning initiatives.

Introduction:

Knowledge management is a critical element for banks to augment the value of information within their organizations, thereby aiding in the pursuit of competitive advantage. Banks often implement various knowledge acquisition and sharing initiatives, involving areas such as customer relations, performance evaluation, and risk management, primarily through information management systems. However, there's typically a faster and more integrated adoption of these processes within private banks compared to public sector banks. A knowledge based organization is known for its proficiency in generating, acquiring, and disseminating knowledge while adapting its behaviour to incorporate new insights. Establishing a knowledge organization is vital for comprehensive performance measurement within banking, or any other industry for that matter. While knowledge management, particularly within private banks, isn't uniformly prioritized, focusing on its essential elements such as acquiring, sharing, and effectively applying knowledge can significantly enhance individual and team learning. This, in turn, positively contributes to organizational success and ultimately drives better customer satisfaction, a key goal in banking.

Objectives of the study:

1. To understand management's support to employees towards knowledge acquisition and knowledge sharing.
2. To study employees interest and motivation in learning new processes and technologies.
3. To examine the effect of various methods of learning practices on employee's performance.

Review of Literature

Qeisha Nurrachman, Bambang Hermanto, Arianis Chan (2019), 'The effect of knowledge sharing on employee performance', focused on analyzing knowledge sharing elements including donating and collecting knowledge, and their influence on various aspects of employee performance: quality, quantity, knowledge, cooperation, reliability, initiative, and personal quality. The research revealed that knowledge sharing significantly and positively affects employee performance.

Dr. Gagan Deep Marken (2016), 'Managing the knowledge data base in Banks', described that invaluable resource that holds intrinsic value in the organization is knowledge. Its significance has evolved over time. The realization emerged that knowledge, residing in the human mind, became equally critical in facilitating progress and success within modern economies. The significance of Knowledge Management in the banking sector, highlights the openness and willingness of employees to share knowledge amongst themselves. Leadership is portrayed as a crucial catalyst for facilitating knowledge flow within and between organizations. Additionally, the organizational culture is recognized as a key driver, promoting a sharing rather than a hoarding attitude among individuals, creating a supportive atmosphere for knowledge exchange. Furthermore, the efficient technological systems employed by banks seem to be enhancing the effectiveness of Knowledge Management practices.

Dr.B. Shiva Kumar (2018), 'Career development policies and practices in Banks with reference to Public and Private sector banks', explained the role of Career Development policies and Practices in enhancing the performance, particularly within the banking sector. Career Development policies and Practices in these banks are rated as average compared to other sectors. Differences in employees' perceptions regarding the policies based on age, but not significantly on gender, qualification, and designation. Providing valuable suggestions to management, aiming to improve operations within the banking sector would benefit the organizations to succeed.

Research Methodology

Primary Data is collected through a Structured Questionnaire. Secondary data is collected through Website, Magazines and Journals, Text books, Websites and Search engines. Stratified Random Sampling Technique is considered for the study by dividing the population into different strata. Correlation and Chi-Square test are used for analysis of the data.

Data Analysis and Interpretation

Case Processing Summary

Valid		Cases Missing		Total	
N	Percent	N	Percent	N	Percent
300	96.2%	12	3.8%	312	100.0%

A 61	There is an impact on performance because of the changes in the processes of the organization
A 62	Appropriate methods are followed to evaluate Learning improvement among employees in the banks

Symmetric Measures

		Value	Asymptotic Standard Error ^a	Approximate T ^b	Approximate Significance
Interval by Interval	Pearson's R	-.015	.064	-.266	.791 ^c
Ordinal by Ordinal	Spearman Correlation	.000	.063	.007	.995 ^c
N of Valid Cases		300			

Interpretation: From the above analysis, the significant value is 0.791, which is greater than (<) 0.05. Hence, there is no correlation between different methods being adopted for learning practices on employee's performance. The performance of employees is not dependent upon the method adopted for learning but it is on the interest of the employees and encouragement and support from management.

Case Processing Summary

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
A28 *	300	96.2%	12	3.8%	312	100.0%
A59						

Null Hypothesis: Management giving freedom to employees in sharing and promoting their ideas has no influence on employees getting motivated in seeking new ideas from various sources.

Alternate Hypothesis: Management giving freedom to employees in sharing and promoting their ideas has an influence on employees getting motivated in seeking new ideas from various sources.

A 28	Management gives freedom to employees in sharing and promoting their ideas
A 59	Employees are encouraged to seek ideas from various sources

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	24.550 ^a	9	.004
Likelihood Ratio	24.143	9	.004
Linear-by-Linear Association	10.603	1	.001
N of Valid Cases	300		

a. 5 cells (31.3%) have expected count less than 5. The minimum expected count is .61.

Symmetric Measures

		Value	Asymptotic Standard Error ^a	Approximate T ^b	Approximate Significance
Interval by Interval	Pearson's R	.188	.058	3.310	.001 ^c
Ordinal by Ordinal	Spearman Correlation	.180	.059	3.154	.002 ^c
N of Valid Cases		300			

Interpretation: From the above analysis, the significant value is 0.001 which is less than (<) 0.05. Hence, we reject Null Hypothesis and accept Alternate hypothesis, which depicts that when the management of banks gives freedom to their employees in sharing and promoting their ideas, employees are motivated and trying to seek ideas from various sources.

Findings:

Skill upgradation has become the competitive factor for any business to survive. Irrespective of the sector, companies strategy is to quickly understand the market and to cope with the market changes. This makes the business to lead in their sector. And, this is applicable in banking sector as well as they also need to cope with not just market but they have to abide by RBI guidelines too. For which, knowledge acquisition is required both from internal and external sources. Banks should motivate their employees to learn new concepts. With the shift towards digital

transformation, learning should happen at a faster pace. Employees should be interested in learning and also sharing the acquired knowledge with their peer groups.

Conclusion:

The implementation and utilization of Knowledge Management in the banking sector indicate that the benefits of Knowledge Management solutions should not be limited solely to larger global banking institutions. Smaller banking organizations can equally benefit. A successful adoption of Knowledge Management could lead to enhanced return on investments, ultimately offering a new source of competitive advantage for all sectors within the banking industry.

Suggestions:

1. Innovative Knowledge Management: Banks should invest in advanced Knowledge Management systems and practices, ensuring that they support knowledge-sharing among their employees. Utilizing modern technologies and fostering a culture of open information exchange can significantly benefit the organization.
2. Embrace Technology: Embracing and integrating technology into banking operations is vital. This includes adopting digital banking solutions, improving online services, and enhancing cybersecurity measures to safeguard customer information.
3. Customer-Centric Approach: Enhance the customer experience by focusing on service delivery and making banking procedures more customer-friendly. This includes improving customer support, designing user-friendly digital interfaces, and making processes smoother and quicker.

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