CHAPTER – II
LITERATURE REVIEW

The overall goals of this chapter were firstly to establish the significance of Knowledge Management, and then identify the scope where the KM practice can be implemented. Majority of the chapter was on critically evaluating the current status of Knowledge Management practice in India and different methodologies that needs to be used for implementation and the pros and cons. Modern studies and few related theories concerning the topic of Knowledge Management as a practice and components of Knowledge management would be represented and would be the foundation for the dissertation.

Since the research topic is – A STUDY ON AWARENESS AND PROCESS OF KNOWLEDGE MANAGEMENT IN SELECT SERVICE AND MANUFACTURING SECTORS IN INDIA, the review of literature will revolve around the identified sectors and also where do these sectors stand with respect to implementation and usage of Knowledge Management as a process or few of the components of Knowledge Management and what are the pros and cons of the same.

2.1 Literature Review- Indian Perspective

The representations and studies showcased the Knowledge Managements (KM) existence and prevalence in Banking industries. It has been observed that most of the banks globally do not use a structured Knowledge Management Systems (KMS) where as other financial organizations seem to have an appropriate or structured Knowledge management system (KMS) in partial or full as mentioned by the author Jayasundara (2008). Several studies have stated that over the past two decades
banking industry in Nepal has grown more rapidly compared to other Asian regions. But it’s very evidently observed and coated in many articles that due to the absence of proper Knowledge Management (KM) practices and also due to reducing number of banking professionals a complex situation is observed and the gap of knowledge cannot be bridged as it is because of liberalization and reforming finance sectors. The bigger challenge is capturing Tacit knowledge as there is a huge gap between the resources retiring or moving out and lack of proper information documentation and storing process for re use which is part of Knowledge Management process. This helps understand that banks with a Knowledge Management capability may also use resources more efficiently as stated by Manoj (2012). This helps to a large extend to understand that Knowledge Management (KM) as a practice plays a very prominent role in banking industry and if used the right way can bring in a huge difference.

The importance of quality of information that can be used in decision making was highlighted by Youssef et al (2003). The authors have described a new method to identify important information to be used in knowledge processing. Their statements are - to provide better products and qualitative services to customers, companies have to use information for making fast and better decisions. Due to the large volumes of information that is available and the cost incurred to process it as resources (human or infra), it has become important to develop a methodology or process for the identification and segregation of critical information.
The next important factor is why collaboration is important and how it helps in Knowledge Management (KM) implementation and usage. One of the influencing factors that acts as a hindrance to successful knowledge management implementation is not doing knowledge sharing in the right way and also lack of trust (Samee Kumar, et. al (2005)). A precursor to organization decision-making includes --the creation of knowledge and the process adopted. It is found that KM is combination of sharing and using of information and collaboration is the key.

Health care sector is one of the fastest growing sectors and is mainly represented under service sector. The review is focussed on how Health care industry has been lagging in implementing Knowledge Management (KM) due to challenges because most of the Knowledge available is Tacit and it has been always a challenge to keep Tacit knowledge captured and create a seamless flow and proper use of available information like any other industry. The finding here is that health care industry in India has been growing by leaps and bounds and hence there is an enormous scope of implementing KM and they can take the existing matured industries as examples(Anita Kothari, et., al (2011)).

M.D. Singh et al (2003) have defined Knowledge Management (KM) as the “Management of an Organization’s knowledge through the processes of creating, sharing, renewing and applying of knowledge”. The Knowledge Management capability of an organization comprises of professional intellect, such as know-how, know why, and self-motivated teams. Many a times organization feels that only codified knowledge like, books, manuals, white papers, thesis, data bases are the key elements of Knowledge Management (KM). There has always been a debate between industrialist, analysts, mangers and academicians on it. It has been culled out very
clearly that it’s not just these but KM has various forms and shapes and TACIT knowledge is also equally or more important in the system as this helps understand the practical experiences of the individuals sharing it. It is observed that a proper focus and proper method should be adopted to capture TACT and EXPLICIT knowledge as both are very important when form a Knowledge Management System.

Education industry which is part of service sector has been practicing KM to some extent and has been treating Knowledge Management as creation, validation, presentation, distribution, and application of information as activities”. Many reviews by authors like Jayanthi et al (2007) have stated that in order to capitalize on initiative of knowledge management, an organization must be well strategized and balanced and requires a huge change management activity. This involves culture, technological & technique changes. Many Indian B Schools have implemented Knowledge Management module as part of their curriculum or part of their practical exposure to students as the industry outside is expecting the new generation to be more competitive in solving problems using the new methods and models using existing information / knowledge rather than reinventing the wheel. The Indian education system is also seen a huge paradigm shift towards usage of KM.

Sreedhar et al (2010) have articulated pretty well how sales management is based on available Knowledge Management and how these two are co related. The author focused on creating frame work for KM exclusively for sales and how it has an impact. Looking at the recent environmental changes and the new shapes and forms the sales organizations are feeling the need to have a proper knowledge base as this would reduce the cost of marketing and at the same time help and assess the potential of product or service in manufacturing sector. The authors have mentioned few facts
like how Knowledge management as a function plays a very important role in every part of organization and can be said that it’s a horizontal practice that cuts across departments.

2.2 Literature Review- Global Perspective

This part of the review has been focused on the thought process of many foreign authors in understanding the history of Knowledge Management and to an extent as to how it is to be the next step in a sequence of societal developments. It is understood from the articles reviewed that the evaluation of future Knowledge Management is based on the management practices, the use of technology, the organizational efforts that are put in and the development supply and adoption rate perspective of the organization. Though there have been studies happening about knowledge are as old as human history, it has only been recognized in the last few decades as a crucial element of the industrial development of firms. There has been always a debate on basic concepts of Knowledge and Knowledge Management, although Knowledge Management (KM) has established itself as a bonafide subject both in practice and in the academic world”. John Mingers stated that acceptance of reality for the existence of a subject and how connect between Knowledge management and Management of Knowledge needs to be understood when implementing KM in any organization. Richard Baskerville, et, al (2006) have highlighted on understanding how pre-existing theories have been used to build a developing field of Knowledge Management (KM) using these theories as field of science. This field is about “building on theoretical foundations using information economics, strategic management, culture of the organization, behavior and structure aspects, artificial intelligence, quality management, and organizational performance measurement”.

5
Wiig (1995) gave a perspective on how leaders of many organizations are trying for ways and means to improve business outcome and results. Managers have regular disappointments with previous management initiatives due to unstructured approach. They have now got inspired to gain new understandings into mechanisms such as knowledge which oversees the enterprise’s effectiveness using Knowledge Management. In the competitive world knowledge may provide many advantages for organizations. Having knowledge workers in an organization will always yield competent and knowledge-intensive firms. Knowledge in the organizational literature is identified as “embodied, embedded, embraided, encultured and encoded”. It is stated that people / Organizations should be focused on the (culturally located) systems and process through which new knowledge assets may be created. Most of the organization has to focus on innovation as part of their competitive edge and most of the times the leaders see innovation and KM as separate modules. Innovation is inevitable and innovation creates terabytes of information which turn has to be positioned properly for usage and this where Knowledge Management plays a very important role.

Many of the authors have indicate that organization / management should have leaders or should be supported by leaders who are willing to change, encourage and appreciate unrestricted communication and venturing ideas, tolerate mistakes, and create intrinsically motivated staff globally and how languages plays a role in Knowledge Management implementation. With many organization going global language dose have an impact on Knowledge Management and organizations are at risk if the language barrier is not taken into consideration and identifying as to what
methodology should be used to connect all types of knowledge harvesting sources and ensure that the employees in different parts of the globe in a particular organization should tend to be connected with various linguistic clusters. It can be stated that socialization plays a very important role for KM along with language for any industry as stated by Farhan Ahmad (2015). The other important question many of the organization have in mind is how Knowledge Management needs to be measured as every process is validated mostly on its ROI capability of its process improvement and delivery enhancement capability. While implementing KM is one challenge due to change management the other challenge is how the senior management looks at it as an investment.

Choi et al (2002) focused on placing a practical connect between Knowledge Management (KM) strategy and its connect to knowledge creation. Knowledge is considered to be a value creator. Authors say that it’s essential that knowledge needs to be created constantly else the organization performance will be doomed. Human strategy and system strategy are needed in combination to create a good knowledge Management based entity. Knowledge is created through discourse in ba that is the physical, mental and/or virtual arena of knowledge creation. Ba is a Japanese word and in true translation it means “place” (Nonaka and Konno, 1998, p. 40). The three important aspects are to be kept in mind while evaluating the need of Knowledge Management System is the intangible assets, the ability to create knowledge more dynamically and how frequently these can be upgraded with respect to competition.

Brown (2013) in his study tried to explain how in most of the cases an organization KMS is bypassed while creating and sharing knowledge. Most of the times individual
prefer sharing knowledge on-on-one and this helps the growth of individual bot no beneficiary to the organizational growth. The emergence of social media has helped one–on-one knowledge sharing and the biggest influence factor here is the individuals connect in the social media as that gives him / her recognition more compared to a knowledge contribution in a coded KMS of an organization. While designing the frame work of knowledge connects their ward and recognition for employees who are knowledge workers should be considered as one of the key result areas. At times there are barriers that go un noticed in an organization while creating and sharing knowledge. Most of the times it is felt that a nonflexible organizational culture with no clear processes defined on who should share what kind of knowledge, who should control what kind of knowledge hampers the entire KM process.

It is observed that private sector has enriched the Knowledge Management (KM) concepts and practices and enhanced the performance and how the same if followed and implemented might contribute to growth public sector quality improvement initiatives in general The National Health Service (NHS) in England and Wales has taken up the initiate of change management. Intellectual capital (IC), Human Resource Management (HRM) and Strategic Human Resource Management (SHRM) are interconnected components for any KM implementation. KM is not an explicit activity but human thought process integration with system architecture should go hand in hand to have proper KM implementation in any organization. The methodology used should be a proper frame work with metrics and other measurements in place to recognize.

Aerospace industry has a very high need of sharing and collaborating information and converting that to Knowledge Base (Rodney et al (2008)). New Product Development
(NPD) in the commercial aerospace industry always focuses on building products, through a reduced operational cost, emissions and weights, with increase in performance. The author states that in a very specialized field it is essential that knowledge from multiple sources is effectively integrated within the NPD process using a designated knowledge portal which is nothing but building a Knowledge Management System. The approach is focused on improvements of knowledge-workers and assets with day-to-day tasks involving document and expert search from various sources of information. An important part of KM is retrieving of information and this is possible when you have the right mechanism such a Metadata structure, tagging and a very refined search engine. Energy sector is another specialized sector under the service category in which KM plays a very important role and this sector has to approach and build new methodologies to provide better quality of power with less cost for which reuse of best practices is very important. There are many examples of good practice in KM in this sector, predominantly the oil industries are seen as leaders in KM practice.

Integration of Knowledge Management (KM) system in Telecommunication is possible and has been done in one of the Saudi based firms. Since 2005, telecommunication market in Saudi Arabia is open for keen competition and Knowledge is rapidly becoming the most important activity of all organizations. The ability to leverage and manage knowledge will be the main competitive advantage for the industry growth (Khalid et al (2012)).

The purpose of this review was to understand the as is status of Knowledge Management within the past few years and see how implementation may help the organizations change towards better prospects and how some of them have an edge in
the industry who have implemented Knowledge Management system. This research review’s purpose is also to help the reader understand the current status of Knowledge Management practice in Manufacturing Sector and Service Sector in India. Also, to understand different challenges posed while trying to implement Knowledge Management and why it fails if not taken care in the beginning with an appropriate methodology and frame work. There have been research and discussions conducted on these opinions of why Knowledge Management has not been taken as a “Need to have practice” and if taken how the sectors can get benefitted.