Knowledge has emerged as most critical competence for any business to survive, compete and grow in the world of heightened competition in the 21st century. Knowledge based economy is the new economy with new rules and new ways of doing business (Steward, 2001).

The concept of knowledge is not new. The history of this word traces back to 1960 when Peter Drucker – the new age management guru coined the term “knowledge worker” and wrote extensively about it in his books (Myres, 1993). The concept of knowledge is generally confused with the term “information”, though all the information is not knowledge. As Drestle (1981) says, “Information is a commodity capable of yielding knowledge and what information a signal carries is what we can learn from it, whereas knowledge is identified with information produced belief”.

Knowledge to Business Organizations:

Knowledge basically is classified into two types: Explicit and tacit (Nonaka and Takeuchi, 1995). Explicit knowledge can be codified and expressed easily and can be stored in documents, files, computers etc. Tacit knowledge is personal knowledge embedded in
individual experience and cannot be expressed or codified. The best companies in the world have a strong knowledge base. These companies are especially good at bringing about innovation continuously. In this age of internet, which has provided us with vast pool of knowledge, fast changing concepts of customer service, new product development, expanding customer base across the globe and highly technology driven environment, the concept of doing business has entered into knowledge age. Creative solutions are required for business to adopt to a constantly changing environment. Much of the value added work in enterprises today is primarily knowledge based. For example in an organization the work in following departments is totally knowledge based:

1. Customer service

2. Information technology

3. Finance

4. Human Resources

5. Management

Similarly in an industry also some sectors are highly knowledge oriented e.g. IT sector where companies are facing the challenge of being multicultural across geographies, development of new software and BPO. This demands for highly effective knowledge management systems that build critical capabilities. Consultancy is another prestigious sector. Now the tendency of consulting firms is to strive for long term relationships with clients than to working on one project per client. The trend is shifting towards collaborative working of clients and consultants together making it easier for clients to outsource problem solving of core issues. This industry is expanding fast where knowledge is of critical importance in building and sustaining organizational memory and leveraging the intellectual capital resources for formulation of innovative and effective solutions.
Pharmaceuticals are the third major sector where R&D is the key to future survival and growth and therefore knowledge management has become functional necessity. Automobiles is an industry where newer technology is being developed day by day leading to improved products that cater to newer classes of customers. For survival in this sector good knowledge base is must.

According to A.T. Raman (2003), knowledge management is about connecting people to people and people to information to create competitive advantage. Organizations the world over and convinced that all other things being equal finally an organization will be about its people.

**Textile Industry**

The textile industry in India roughly employs 35 million people (2000-2001), making it the 2nd largest employer in the country after agriculture. The economic significance of the industry is further established by the fact that it contributes 18% of industrial production in the country and about 20% of its exports. The Indian Textile Industry – one of our oldest and most firmly established – is predominantly cotton based with 65% of the fibre production in country being accounted for by cotton India is leading exporter of cotton fabrics and apparel. The industry is extremely complex and varied with hand woven sector on one end and capital intensive sophisticated mill sector on the other, with decentralized powerlooms and knitting sectors coming in between. The industry uses a wide range of fibres from natural fibres like cotton, jute, silk and wool to synthetic fibres like polyester, viscose, nylon, acrylic and multiple blends of such fibres.
The Indian textile industry has inherent strengths in terms of rich legacy of textile production, strong multifibre raw material base, large and expanding production capacities, very low import intensity, vast pool of skilled workers and technical and managerial personnel, large and expanding domestic and international markets and vibrant entrepreneurship etc. however there are some severe disadvantages suffered by industry which affect its productivity of labour and machine, high cost of capital, redundant and outdated controls/regulations, restrictive labour/industrial laws, lack of aggressive marketing, perception of Indian products abroad etc.

Since 1995, the WTO’s Agreement on Textiles and Clothing (ATC) has taken over from the Multifibre Agreement. The basic aim of ATC was to integrate trade in textile and clothing sector into GATT. It lasted till 1 January 2005 since then the sector has been fully integrated into normal GATT rules. In particular, the quotas are coming to an end, and importing countries will no longer be able to discriminate between exporters.

India is now going to compete mainly with China (main rival), Korea, and Indonesia in the global market.
Objectives and scope of study:

The principal objectives of the study are as follows:

13) To study the imperatives and trends of knowledge management in the textile industry.

14) To identify the knowledge vision of the selected companies.

15) To study the tools and techniques of knowledge management in textile industry.

16) To study the penetration of knowledge management in the organizations.

17) To relate knowledge management with the performance of organization.

The study will be limited to 25 companies in Punjab.

Research Methodology

The proposed study, “Knowledge Management in Textile Industry of Punjab” will be conducted with a view to study the knowledge vision of companies, to know the tools and techniques used level of penetration of knowledge management in the organization and to relate the knowledge management with the performance of the organization. The proposed topic has been selected keeping in mind the increasing importance of knowledge in this industry especially after completion of multifibre Agreement in 1995 when it was replaced by WTO Agreement on Textile and Clothing (ATC) with a commitment to a 10 year transitional process for the ultimate removal of these quotas and fully integrating the sector into WTO rules on January 1, 2005 enabling India to compete at global basis.
1. **Sampling Procedure:** There are 79 textile units in Punjab (Compendium of textile statistics 2004). Out of these 25 will be selected. Sampling basis will be judgemental.

2. **Data:** To fulfill the objectives, the primary as well as secondary data will be collected. Secondary data will be collected from various resources like:

   - **Literature review**: Books, Periodicals, Press and Media Coverage
   - **Published reports**: In house journals, information brochures, publications from govt. agencies and international agencies etc.

   Primary data collection will be done through well structured questionnaires and in depth interviews to be conducted with the Knowledge Officers/ concerned authority in the organization. It will include the field visits to selected companies nad other related organizations.

3. **Analysis of Data:** After collection of data, appropriate statistical tools will be used to analyse results.

4. From results, the conclusions will be drawn and suggestions will be made.