KNOWLEDGE MANAGEMENT PRACTICES IN MNC – A STUDY

PREMANAND.S* & **DR.S.KARUPPAIYAN****

*Ph.D Research Scholar, Dept. of Lifelong Learning, Bharathidasan University, Tiruchirappalli, TN
**Professor & Head, Research Advisor, Dept. of Lifelong Learning, Bharathidasan University, Tiruchirappalli, TN

ABSTRACT

Knowledge Management is about building organizational intelligence by enabling people to improve the way they work in capturing, sharing and using knowledge. It involves using the ideas and experience of employees, customers and suppliers to improve the organizations' performance. Building on what works well leads to better practice, strategy and policy. Data were collected from 50 IT employees Chennai. This study understood that the reason for introduction, the management, and practice of knowledge as a tool for organizational effectiveness. The management functions that encompass the creation of knowledge, management of the flow of knowledge within the organization, and usage of knowledge in an effective and efficient manner for the long-term benefit of the organization.

Key words: Knowledge Management, KM, MNC, KMS, IT

INTRODUCTION

More successful firms had a better understanding of knowledge management and the need of it to be considered holistically throughout the organization (Mc Kinsey,1996). Retention continues to remain serious problem in most IT companies in India. But the problem is not just retention but retaining the talented employee.

Some leave the organization for migrating abroad for higher studies or for the same reason in the country, and some leave for not being able to withstand the pressure. These cases are uncontrollable but others those who look for a similar post in different organization in the same industry, such cases are being minimized by both monetary and non monetary motivational ways. Monetary forms include salary increase, parks, benefits, equity options etc but the non- monetary ways are being considered more important by the organizations. It has been proven beyond doubt that for programmer's and software engineer's motivation comes from teams and how better one can work collectively, their growth opportunity, opportunity to go abroad, updating skills etc. Identifying self with an established company also motivates some of them. Other empirical evidence also suggests that motivating knowledge workers in the organizational knowledge process is possible but developing their loyalty to the organization so that they continue to work in the same company appears to be a problem (Hislop, 2003) .Thus the enriched person tries to get another job. Developing new and better services cost reduction, and improved image of the company are also other important reasons for launching the KM programme for the responding organizations. So this research "Knowledge management Practices in MNC – A study" with special reference to Chennai, Tamil Nadu.

REVIEWS OF LITERATURE

Quintas et al. (1997) define knowledge management as the process of continually managing knowledge of all kinds to meet existing and emerging needs, to identify and exploit existing and acquired knowledge assets and to develop new opportunities. Interestingly, the author pointed out that KM refers to the management of all kind of knowledge, but only for developing new opportunities.

Bhatt, (2001) defined KM identifying the different phases in which a KM project may be organised. In fact, the author defined KM as a process of knowledge creation, validation, presentation, distribution, and application. These five phases in knowledge management allow an organization to learn, reflect, and unlearn and relearn, usually considered essential for building, maintaining, and replenishing of core-competencies.

Darroch & McNaughton (2002) The learning process occurred to improve the stock of knowledge available to the organization and to amplify the value of its intellectual assets, such as innovation capital when knowledge is acquired and applied. If an organization demonstrates competence in knowledge management, it can be considered as having a knowledge management-orientation.

Salisbury (2003), knowledge management is defined as the deployment of a comprehensive system that enhances the growth of an organization's knowledge. In an effort to expand the knowledge management

discipline, knowledge management can be defined as the management functions that encompass the creation of knowledge, management of the flow of knowledge within the organization, and usage of knowledge in an effective and efficient manner for the long-term benefit of the organization.

Nielsen, Bo & Michailova, Snejina. (2007), Knowledge Management Systems (KMSs) are becoming part of the agenda in many of today's leading firms. Through in-depth case studies of seven multinational companies (MNCs), examined over a period of four years, we identify four distinctive types of KMS-Fragmented, Content-based, Process-based and Capability-based and their characteristics. These characteristics include the structure, dimension and flow of the knowledge itself, and the staffing, training and reward systems in place to support the KMS. Relevant organisational factors influencing KMS design and implementation include the level of resource commitment by the headquarters, the structure of the firm, and the distribution of roles between headquarters and subsidiaries. Key external influences include the degree of environmental change and pressures to follow industry norms in technology investment. Our empirical evidence suggests that while some MNCs adopt the same type of KMS for relatively long periods of time, others transit between different KMS types. Moreover, transitions between types may follow either an increased resource commitment and augmented KMS sophistication, or a decreased resource commitment and reduced KMS complexity. Insights from the strategy-structure-process and change management literatures are utilised to examine these transitions between KMS types. Key lessons for MNC managers are provided in relation to both the initial adoption of a KMS and the handling of transitions between different systems.

Objectives: To understand the basic reason for introduction, the management, and practice of knowledge as a tool for organizational effectiveness. Also the study focuses on the corporate culture and its importance on such introduction and maintenance.

Sample: The study has been conducted in IT industries based at Chennai. There are 67 software industries at Chennai. Data were collected from 6 IT companies which is 9.70%. Questionnaire was prepared for 50 IT Industries employees in which focus was given to receive data mainly on status, introduction, growth of KM and benefit accrued from such intervention also how the organization culture is congenial to such intervention to work successfully.

DATA ANALYSIS AND INTERPRETATION

T- test difference between Designation, marital status and working experience of the respondents and their overall KM practices

Overall KM practices	n	%	Mean	S.D	Calculated value of 't'	Statistical inference
Designation						
Executives	32	64	46.16	0.876	9.758	.001<0.05 Significant
Non-executives	18	36	38.25	1.245		
Marital status						
Married	16	32	39.47	1.162	11.758	.000<0.05 Significant
Unmarried	34	68	41.29	0.921		
Working experience						
Below 5yrs	38	36	29.73	0.994	13.641	.000<0.05 Significant
Above 5yrs	12	24	36.48	0.716		

Statistical test: Student 't' test was used the above table

Research hypothesis (H$_1$): There is a significance difference between designation, marital status and working experience of the respondents and their overall KM practices.

Null hypothesis (H$_0$): There is no significance difference between designation, marital status and working experience of the respondents and their overall KM practices.

FINDINGS:

The above table indicates that there is a significance difference between designation, marital status and working experience of the respondents and their overall KM practices. Hence, the calculated value less than table value ($p<0.05$). So the research hypothesis is accepted.

CONCLUSION AND SUGGESTIONS:

Today's leading MNCs leverage knowledge in a far more networked way since the sources of competitive advantages are often to be found outside the individual firm in the network of relationships in which the firm is embedded. It provides what an organization must do to improve and mature its people practices and to get appropriate results through surveys and other assessment methods. People also should have a shared understanding of what a knowledge driven company is all about and its impact. Thus knowledge management, if

initiated and cultivated with all strategic intent and supported by the top decision makers is going to bring positive change in the organization-its people, process and practices.

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