

*Full Length Research*

## **Empirical study of employee perception regarding knowledge management in India**

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Knowledge is a very important resource for solving problems and creating core competences for individuals and organizations to remain competitive. In this context Knowledge Management (KM) has become an important issue in the last few decades. Given the broad scope and interdisciplinary nature of KM, this interest spans traditional functional and professional boundaries ranging from IT professionals, to accountants, marketers, organizational development and change management professionals. A notable common feature of this widely divergent activity is an emphasis upon knowledge work, knowledge workers and the nature of knowledge within organizations. Successes of KM initiative depend on several factors which include leadership, organizational culture, IT infrastructure, positive attitudes of the employees to share expertise and so on. As successful KM initiatives implies a good combination of both human participation and IT collaboration tools, understanding and measuring people's perception on various KM issues is a pre-requisite. Knowledge worker are important aspects of any knowledge management system's success. As leadership, organizational learning, culture and environment of an organization involve higher level of employee participation, examining employees' perception towards knowledge management is important. This study explores what people in Indian companies perceive about knowledge management, especially in the area of organizational structure, culture, leadership, IT infrastructure and organizational learning. The study also focuses on employees' personal attitudes towards sharing expertise with peers. A survey was conducted among the employees and statistical analysis was done to determine participant's perception on KM.

**Key Words:** Knowledge management, Human Resource, Organization Environment, Perception, shared value.

### **INTRODUCTION**

#### **Knowledge is power- Francis Bacon**

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and organizations to remain competitive. In this context Knowledge Management (KM) has become an important issue in the last few decades. Given the broad scope and interdisciplinary nature of KM, this interest spans

traditional functional and professional boundaries ranging from IT professionals, to accountants, marketers, organizational development and change management professionals. A notable common feature of this widely divergent activity is an emphasis upon knowledge work, knowledge workers and the nature of knowledge within organizations. Successes of KM initiative depend on several factors which include leadership, organizational culture, IT infrastructure, positive attitudes of the employees to share expertise and so on. As successful KM initiatives implies a good combination of both human participation and IT collaboration tools, understanding and measuring people's perception on various KM issues, is a pre-requisite. Knowledge workers are important aspects of any knowledge management system's success. As leadership, organizational learning, culture and environment of an organization involve higher level of employee participation, examining employees' perception towards knowledge management is important.

This study explores what people in Indian companies perceive about knowledge management, especially in the area of organizational structure, culture, leadership, IT infrastructure and organizational learning. The study also focuses on employees' personal attitudes towards sharing expertise with peers. A survey was conducted among the employees and statistical analysis was done to determine participant's perception on KM.

## LITERATURE REVIEW

### Knowledge Sharing and Employee Participation

Knowledge sharing may be a power to encourage knowledge exchange and creation in the organizations in order to recognize their competitive advantages – the brainpower or intellectual capital (Liebowitz, 2001). People are considered as the major factor for successful implementation of KM in any organization. When people are motivated enough to share; a KM initiative will find its success (Connelly and Kelloway, 2001). As environment of an organization involve higher level of employee participation, examining employees' perception towards knowledge management is important. Martiny (1998) reports that leaders must encourage knowledge sharing in the organization. Employees should receive suggestions on what and how to share with their colleagues, but the final decision of sharing is up to them. If management spends a significant amount of resources on purchasing, developing and implementing knowledge sharing technology then employees could interpret this as a signal of management's support. An organization with a positive social interaction culture where management and employees socialize and interact frequently helps sharing of personal knowledge among the colleagues (Connelly and Kelloway, 2001). Vallas (1998) says that "employees will not share knowledge among all group members if the

groups are constrained by hierarchies or perceived imbalances – people are inhibited by their superiors".

It is also observed that various demographic variables have impact on knowledge sharing. According to Schermerhon (1977), employees with shorter tenure with an organization are more likely to share information. Organ and Ryan (1995) say gender might also influence the communication style of employees. Organization's size may also be related to its knowledge sharing culture like employees in smaller organization are more likely to rely on each other and interact often than employees in large organizations. Employees' career level is another factor to sharing like experienced employees may be more able to share knowledge than younger employees (Connelly and Kelloway, 2001). In knowledge management, a basic idea is that knowledge can be shared (Nonaka and Takeuchi, 1995). Greco (1999) said that for a successful KM in the company, employees should realize that knowledge is valuable and therefore worth sharing. Ulrich (1998) said that organizations should ensure the development and growth of intellectual capital to bring about employees' commitment and competence.

Hence, the understanding of KM concept and its importance for the organization is vital for the success of KM's implementation. This increases the willingness of employees to participate in knowledge management undertakings. Performance in various parts of the organization can be enhanced when people communicate information, effective practices, insights, experiences, tastes, lessons learned, as well as common and uncommon sense. Given the emerging construct of knowledge, knowledge sharing implies that individuals should mutually adjust their beliefs and actions through more or less intense interaction (Krogh and Hippel, 2002).

However, for individuals in a highly competitive environment, knowledge sharing means that an individual's knowledge is disseminated to others who might be his/her competitors now or in the future. Thus, a giver would like to give his/her knowledge with explicit or tacit representation and inference. This is a dilemma between individual benefits and organizational benefits. Therefore, a knowledge sharing culture needs to be created to include an incentive /reward system to motivate others to share their knowledge (Liebowitz, 2001). The role of rewards is considered important to motivate employees to share knowledge. Pearson (1999) insisted that effective knowledge delivery could be achieved by finding the right system of measurement.

Savary (1999) said that an effective information systems infrastructure is necessary for an organization to implement the KM process. King (1999) pointed out, successful development of KM requires an organization to think in terms of applications and how people use applications, not only system and software. Popular IT

tools for knowledge sharing are relational databases, intelligent search engines, groupware, data warehouses, data mining tools etc (Davis and Riggs, 1999).

An attempt at knowledge sharing is only valuable if one's views differ from those of the other parties in the exchange, since one learns nothing from homogeneity of view. In organizations, 'communities of communities' are the source of homogeneity of view not only on intra-organizational communities, but also inter-organizational communities. Therefore, knowledge sharing in an organization is a work of community-of practice. Information and communication technology can be of benefit in knowledge sharing activities, but only if we are careful to use such systems to support the development and communication of human meaning in organizations (Walsham, 2001). However, the success of knowledge sharing in organizations is not only dependent on technological means, but is also related to behavioral factors (Calantone et al, 2002; Hertzum, 2002; 2002; Liao et al., 2011; Walsham, 2001). From the above literature review, we derive two findings. The first is that the success of knowledge sharing in business is not only technological but also related to behavioral factors. Businesses need to create open environments and incentive/reward systems to motivate members to share their knowledge positively and voluntarily. The second finding is that employee relationships are an index in order to examine the satisfaction, respect, confidence, justice, and trust relationships between employee–employer and employee–business. This index may be the standard where the environment of business is essentially a matter of establishing to what extent employees are willing to share knowledge with others. For example, Siemieniuch and Sinclair (1999) identify trust as the real glue that ties a business together. Thus, trust is a fundamental aspect of cooperative work and is at play whenever people exchange information. Therefore, systems for managing knowledge and sharing expertise must recognize the perceived value of forming a perception of the credibility of individual pieces of knowledge (Hertzum, 2002).

### **Human Resources Management (HRM) and the links to KM**

Much of the literature of KM continues to reflect a technocentric focus, similar to that of information management, which in essence regards knowledge as an entity that can be captured, manipulated and leveraged. This is a limited and ultimately hazardous perception. Critical to any realistic understanding of knowledge and its incorporation into the management of organizations, is awareness of a range of views on the concept, which includes perceptions of knowledge as an entity (akin to information), as a resource, as a capacity and as a

process. In terms of the HRM function, the rise of the so-called knowledge economy has had a major impact, with a considerable shift from HRM as a bureaucratic 'personnel management' operation to the development of discrete HRM functions over the past few decades. This has been accompanied by the integration of these functions to support competitive advantage and a more strategic thrust.

As the discipline, knowledge management promotes an integrated approach to identifying, capturing, retrieving, sharing, and evaluating an enterprise's information assets. These information assets may include databases, documents, policies, and procedures as well as tacit expertise and experience resident in individual workers. The resource based view of the firm suggests that organizations will need to be able combine distinctive, sustainable and superior assets, including sources of knowledge and information, with complementary competencies in leadership and human resource management and development to fully realize the value of their knowledge. Issues for HRM include how organizations should be structured to promote knowledge creation and mobilization, and how to develop a culture and set of HRM policies and practices that harness knowledge and leverage it to meet strategic objectives. There are several roles that can be played by HR in developing knowledge management system. Lengnick-Hall and Lengnick-Hall (2003) take the view that in the knowledge economy, organizations will need HRM that is characterized by a new set of roles that can assist in generating and sustaining organizational capabilities. These new HRM roles are those of human capital steward, knowledge facilitator, relationship builder, and rapid deployment specialist. KM has the capacity to significantly broaden the role of the HRM professional:

### **HRM helps in knowledge sharing**

HRM must integrate effective knowledge sharing and usage into daily life. That is, knowledge sharing must be expected, recognized, and rewarded. For many individuals and organizations, this reverses the conventional relationship between knowledge and power. Often, the common pattern was to hoard knowledge because it made the individual more valuable and more difficult to replace. Effective knowledge management requires this trend to be overturned and requires those with information to become teachers and mentors who ensure that others in the firm know what they know. Teaching must become part of everyone's job. Clearly, for such a cultural shift to take place, HRM must overhaul selection, appraisal, and compensation practices. Human resource management has the capabilities for creating, measuring, and reinforcing a knowledge-sharing expectation.

Knowledge itself is not of any value to an organization unless these contextual aspects are clearly understood. Much of the knowledge, both tacit and explicit remains largely untapped in most organizations; without a thorough understanding of context, it will not be possible for HRM or KM to support the development of management and leadership capabilities to support innovation and creativity. Much work in HRM has focused on identifying facilitators and inhibitors of innovation, such as people (e.g. effective leadership behaviors associated with particular innovation phases), structure (e.g. the impact of centralization, formalization, complexity, stratification, lateral communications, matrix structures, requisite variety, double-loop learning) and organizational size or resource availability. Other approaches have found that strategic type, organizational climate and culture, and organizational environment are also important facilitators or inhibitors of innovation. For example, Taylor et al (2000) using a large-scale survey have shown that the significance of inter-firm networking for innovation differs markedly between industry sectors, and that high innovating organizations often seek long-term, secure relationships with employees. Organizations also seem to adopt very different strategies towards staff directly involved in innovation as compared with staff in general, with less use of flexible employment policies for this group. An alternative is to see innovation as more dynamic and fluid, allowing for groups, individuals and collaborative partners to differ in their perceptions and interpretations of events.

### **Knowledge management and organization environment**

Chen, Huang, Hsiao (2010) have investigated the effects of organizational climate and structure on knowledge management and firm innovativeness from the social capital and social network perspectives. It emphasize that when the organizational structure is less formalized, more decentralized and integrated, knowledge management is more enhanced. Bowen and Ostroff (2004) argued that the causal chain between a firm's HRM system and its corporate performance is mediated by strong and unambiguous employee perceptions of a shared organizational climate. A shared organizational climate can be a significant driver of knowledge exchange (Bock, Zmud and Kim, 2005).

## **METHODOLOGY**

### **Sample**

The sample is drawn from Indian professionals of different sectors. The sample size is 52. The respondents

are between the age group of 26 and 43.

### **Data Collection**

The data has been collected through questionnaire. The data has been statistically analyzed with the help of SPSS. The research variables are perception and attitude of employees towards Knowledge sharing and impact of organizational environment on the perception of employees. The following perception towards Knowledge Sharing has been studied:

- a. Knowledge sharing is good.
- b. KM will not make any positive changes in the company
- c. Sharing knowledge reduces competitiveness among the peers.
- d. Knowledge sharing is time consuming.
- e. Knowledge sharing seems to be an additional responsibility.
- f. Knowledge sharing must be compensated.

The organizational environment has been studied as it:

- a. Facilitates knowledge creation
- b. Facilitates knowledge storage/retrieval
- c. Facilitates knowledge transfer
- d. Enables to accomplish tasks more quickly
- e. Improves job performance
- f. Is useful in job overall
- g. Enables the organization to react more quickly to changes in the marketplace
- h. Speeds decision making
- i. Has favorable reporting structure
- j. Has supportive corporate culture
- k. Has inspiring HR
- l. Has knowledge sharing as shared value

## **RESULTS**

The research proves employee in Indian companies have favorable perception regarding knowledge management. (Table 1).

Table 2 shows that the favourable perception towards knowledge sharing is strongly correlated with the organizational environment factors. All variables are positively correlated. The environment that facilitates knowledge transfer ( $p=0.328$ ) and decision making ( $p=0.541$ ) strongly impact the perception of employee.

The research proves the role of Human Resource department in favourable perception of employees. Table 3 shows the Independent T-test, which exhibits that the HR need to inspire the employees for Knowledge sharing.

## **DISCUSSION**

Knowledge sharing is becoming competitive advantage

**Table 1. :** Means of the variables.

Variables	Mean (Scale of 1( Strongly disagree)-5 (Strongly Agree))
Knowledge sharing is good.	4.85
KM will not make any positive changes in the company.	3.71
Sharing knowledge reduces competitiveness among the peers.	2.46
Knowledge sharing is time consuming.	2.38
Knowledge sharing seems to be an additional responsibility.	2.15
Knowledge sharing must be compensated.	2.00
Facilitates knowledge creation	3.69
Facilitates knowledge storage/retrieval	3.77
Facilitates knowledge transfer	4.92
Enables to accomplish tasks more quickly	4.31
Improves job performance	4.38
Is useful in job overall	4.38
Enables the organization to react more quickly to changes in the marketplace	4.00
Speeds decision making	4.23

**Table 3:** T-Test for favourable Perception and Inspiring HR

**Group Statistics**

	HR-inspires	N	Mean	Std. Deviation	Std. Error Mean
Good	0	12	4.67	.492	.142
	1	40	4.90	.304	.048

**Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Good	Equal variances assumed	12.412	.001	-2.002	50	.051	-.233	.117	-.467	.001
	Equal variances not assumed			-1.555	13.607	.143	-.233	.150	-.556	.089

**Table 2.** Correlations between the perception of Knowledge sharing and Organizational Environment Correlations

		Correlations								
		Good	Creation	storage	transfer	accomplish	job performance	useful in job	reaction	decision mkg.
Good	Pearson Correlation	1	.246	.097	.328*	.217	.262	.262	.243	.541**
	Sig. (2-tailed)		.079	.495	.017	.123	.060	.060	.082	.000
	N	52	52	52	52	52	52	52	52	52
Creation	Pearson Correlation	.246	1	.490**	.197	.341*	.260	.158	.365**	.103
	Sig. (2-tailed)	.079		.000	.161	.013	.063	.264	.008	.469
	N	52	52	52	52	52	52	52	52	52
storage	Pearson Correlation	.097	.490**	1	.091	.634**	.638**	.535**	.739**	.416**
	Sig. (2-tailed)	.495	.000		.522	.000	.000	.000	.000	.002
	N	52	52	52	52	52	52	52	52	52
transfer	Pearson Correlation	.328*	.197	.091	1	.071	.086	.086	.160	.299*
	Sig. (2-tailed)	.017	.161	.522		.616	.544	.544	.258	.031
	N	52	52	52	52	52	52	52	52	52
accomplish	Pearson Correlation	.217	.341*	.634**	.071	1	.907**	.703**	.579**	.458**
	Sig. (2-tailed)	.123	.013	.000	.616		.000	.000	.000	.001
	N	52	52	52	52	52	52	52	52	52
job performance	Pearson Correlation	.262	.260	.638**	.086	.907**	1	.803**	.421**	.609**
	Sig. (2-tailed)	.060	.063	.000	.544	.000		.000	.002	.000
	N	52	52	52	52	52	52	52	52	52
useful in job	Pearson Correlation	.262	.158	.535**	.086	.703**	.803**	1	.281*	.609**
	Sig. (2-tailed)	.060	.264	.000	.544	.000	.000		.044	.000
	N	52	52	52	52	52	52	52	52	52
reaction	Pearson Correlation	.243	.365**	.739**	.160	.579**	.421**	.281*	1	.457**
	Sig. (2-tailed)	.082	.008	.000	.258	.000	.002	.044		.001
	N	52	52	52	52	52	52	52	52	52
decision mkg.	Pearson Correlation	.541**	.103	.416**	.299*	.458**	.609**	.609**	.457**	1
	Sig. (2-tailed)	.000	.469	.002	.031	.001	.000	.000	.001	
	N	52	52	52	52	52	52	52	52	52

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\*. Correlation is significant at the 0.01 level (2-tailed).

for the organizations. But only strengthening Information system to share knowledge is not going to implement knowledge management practices in the organization. The study has proved that organization environment is key to framing the perception of employee towards knowledge sharing. If the employees do not have favourable environment to facilitate knowledge sharing, it would not be possible to implement knowledge management systems. The employees of Indian organizations, across the sectors, have favourable perception towards Knowledge sharing, which connotes that, the organizations have favourable environment to support knowledge sharing.

## CONCLUSION

The survey and facts about Indian Organizations' knowledge management implementation shows that employees have positive attitude towards KM. Although, KM is still in its infancy but from the survey, it is seen that employees are willing to share their expertise, provided there is a proper platform and recognition system existent

in the process. It is interesting to see that people don't consider knowledge sharing as an additional responsibility and time consuming activity which is a sign of acceptance of KM.

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