



# A STUDY ON ASSESSING KNOWLEDGE MANAGEMENT IN CO-OPERATIVE BANK WITH SPECIAL REFERENCE TO CUSTOMER MANAGEMENT BENGALURU

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## ABSTRACT

*Knowledge management is essentially about facilitating the processes by which knowledge is created, shared, and used in organizations. It is not about setting up a new department or getting in a new computer system. It is about making small changes to the way everyone in the organization works. There are many ways of looking at knowledge management and different organizations will take different approaches. Creating a knowledge environment usually requires changing organizational values and culture, changing people's behaviours and work patterns, and providing people with easy access to each other and to relevant information resources. In terms of how that is done, the processes of knowledge management are many and varied. As knowledge management is a relatively new concept, organizations are still finding their way and so there is no single agreed way forward or best practice. This is a time of much trial and error. Similarly, to simply copy the practices of another organization would probably not work because each organization faces a different set of knowledge management problems and challenges. Knowledge management is essentially about people - how they create, share, and use knowledge, and so no knowledge management tool will work if it is not applied in a manner that is sensitive to the ways people think and behave.*

**KEY WORDS:** *Knowledge Management, Customer management, Knowledge mapping, Knowledge sharing, Co-operative Bank*

## INTRODUCTION

It does not matter in whichever industry you do business in but the knowledge employees are on which the company depends on to achieve success. So, every organization in the world should focus more on the knowledge and should treat it as an asset and should store, enhanced, and share that knowledge among their employees for doing the workforce activity.

Knowledge management explains about making right kind of knowledge available to the right people in a right place and this is about making an organization learn and also teach its employees by using the knowledge assets in necessary situations. The knowledge management is also not something which can be used globally, it differs from one company to another and also from one industry to another in terms of it knowledge and assets.

The new concept followed in marketing is concentration of an organization's relationship with its customers taste and preferences which impacts in customer's satisfaction level and their retention by the company. In present years the adaption of knowledge management in the organization by knowledge sharing among various departments, cost reduction, time reducing and organization efficiency are increasing and has also been proven as an advantage for the company. By adopting the knowledge management system, the organization tires to focus its attention on systematic exploitation and knowledge reuse in their operations.

Knowledge management in simply words is that it is a method of generating, sharing, managing and using of knowledge as well as information in an organization which helps the organization to improve its effectiveness and efficiency.



Different forms of Knowledge Management:

In knowledge management and in business, there are two types of knowledge which is explicit knowledge and tacit knowledge. Any organizations learning theory and Knowledge management which always takes in between the interface and connection with these two types of knowledge management. This concept was created and further developed by Nonaka in 1994 and knowledge is entirely a combination of both the explicit and tacit knowledge rather than being any one type of knowledge completely.

a) Explicit Knowledge:

This is readily expressed, codified, accessed, and stored knowledge which can be transmitted easily to others. Usually, explicit knowledge is mostly stored in media. In simple words, explicit knowledge is about documented work, policies, procedures etc. Some of the characteristics are that they are formal, context independent, easily transferred.

b) Tacit Knowledge:

This is different from explicit and is difficult to transfer knowledge from one person to another person in an organization by writing or verbal communication because experience matters here a lot. In simple words, this is all about know-how, know-who and know-why. Some of their characteristics are that they are personal, context specific, learning etc.

Importance of Knowledge Management:

- Knowledge management ensures all necessary information and resources can be accessed by employees of the organization when they need it.
- Crucial knowledge is stored within the business always even after employees move on from the business.
- This avoids duplicated efforts in the organization.
- It ensures that the organization effectively takes complete advantage of the existing expertise.
- It is a standardized processes and procedures for knowledge management in the organization.
- It leads to faster and more effective decision making and easier collaboration for the company.
- More importantly it stimulates innovation and growth in the organization.

Need of Knowledge Management:

1) Speed up access to information and knowledge:

Knowledge management helps to identify the information and the people who have it what the organization needs. This increases the organization's efficiency and the productivity which allows them to work well than before by making the business activities at ease.

2) Improve decision-making processes:

The employees of an organization can work better with easy access to the information which they want. This leads to quality improvement and quick decision making in the organization. By having enterprise collaboration, different perspective opinions and experiences will contribute a good decision making.

3) Promote innovation and cultural change:

Enabling and promoting sharing ideas, creation, collaboration and also access to new information in an organization. Knowledge management will enable individuals to encourage innovation and cultural changes to evolve in the organization to achieve the changing business necessary needs.

4) Improve the efficiency of an organization's operating units and business processes:

Through having a better and quick access to the information needed in an organization the knowledge workers can act and perform quickly with better efficiency. This improvement in the workers will lead to success of the organization which shows its result in less failure, more profit, cost and time reduction.

5) Increase customer satisfaction:

Knowledge sharing and the cross- collaboration will help the organization to enhance its offered value to their customers which creates loyal customers for them. Enterprise is also give quick answers and will reduce their time take to solve an issue will increase their customers and quality of product or services.

Introduction of Co-operative Banks:

In India the co-operative movement in banking started with the objective of facilitating the finance help for the agriculturists and for the people living in rural areas of the country. The main motive here was to help them to come out of the clutches of the money lenders and brokers who charged high interest rates for the lending money by them to the people who are in necessary of it.

Today, people in an organized sector can apply and acquire a loan in a commercial bank easily but for the people who work in an unorganized sector, it is difficult to acquire a loan and most of time they would not be eligible to acquire the loan because of being in an unorganized sector. So here co-operative banks come to picture which main objective is to provide loans and others banking facilities to the people under unorganized sector with low interest rates and flexible tenure period.



In other words, a co-operative bank is a small enterprise which gives the financial assistance for the people whose means is to protect themselves from the brokers and moneylenders. A co-operative bank is also a financial entity which completely belongs to the members of it, who are both the owners and customers of the bank. Co-operation refers to imagine, live and to work together with everyone for the purpose of achieving a common goal by following the co-operative principles.

Here people who belong to the same economic need group will voluntarily come forward and mutually accept to unite their human and the material resources which they will use as a mutual benefit for the formation of their organization.

Co-operative bank includes both the retail and commercial bank organized features on the co-operative basis. It takes the deposits from the public and lends this money to the people who are in necessary of it with a low interest rate and suitable tenure period. The commercial banking structure is about branch banking system but in co-operative banking institution, it is about three tier federal one and these are:

- A State Co-operative Bank works at the apex level (State level).
- The Central Co-operative Bank works at the Intermediate Level. (District Co-operative Banks Ltd. works at district level)
- Primary co-operative credit societies at base level (Village level)

History of Co-operative banking in India:

Co-operative banks in India are organized people groups with jointly managed and democratically monitored enterprises. The main purpose of this banking is to serve their members, customers and depositors by providing better benefits and services to them. Just like every other bank even co-operative banks does need current as well as the future development in the information technology sector for achieving the target for maximizing their profits and growth in the world. The co-operative banks have already completed 100 years of existence in India and have played a very crucial role in strengthening the financial system.

The history of co-operative banks started in 1904. The origin of co-operative banking in India was in 1904 when the co-operative credit society act was established to enhance the movement of co-operative in India. But from 1904 to 1951 the co-operative banking development did not achieve success and faced failure in its operation and banking activities. The co-operative bank system in India was inspired by the British and German co-operative movements.

The initial phase of the co-operative banks development is the establishment of formation and the regulations of co-operative society in India. Later after some years of working, they realized that urban banks will have an important role to play in the economic construction of the country. So co-operative banks like Indian Central Banking Enquiry Committee, Mehta-Bhansali

Committee etc. tried to function and promote their activities properly to attract people to invest and use the banks. The main development of co-operative banks happened only when they followed the suggestion given by the All India Rural Credit Survey Committee (AIRCSC), which made the growth of co-operative banks faster than before.

## LITERATURE REVIEW

Heeseok Lee and Byounggu Choi (2000), this research paper talks about the knowledge management variables such as knowledge management enablers, knowledge management processes and organizational performance. Here relationships among these variables are tested to know the result of it for enhancing the organization performance to achieve their objectives. A lot of hypotheses were tested based on the variables of which only few were accepted and remaining were rejected in the study. This study is an empirical tested model which investigated the connection between knowledge management processes in the organization performance. Since this study was conducted in Korea for their firms, the results can only be set to that country and also the others should carefully interpret the study results as per their country and organization nature.

Dipali P. Meher and Dr. Nilesh Mahajan (2016), here the researcher speaks about the framework of knowledge management in Indian organizations and the key factors of the study are knowledge, knowledge management and knowledge management frameworks. The increased knowledge will always improve the organization performance by managing the knowledge of the people and every organization will have its own framework for managing the knowledge of their management and workers. The key initiatives of these frameworks are people, process and the technology. This paper provides an idea knowledge management in different organizations and



also tells that in every organization knowledge management framework is crucial. Most of the organizations use web content to share the knowledge for the knowledge receivers.

Anil Kumar Pandey (2017), the author here explains the role of knowledge management in higher education and the important factors are knowledge management, e-learning, organization memory, information and communication technology, documents and university organization. The knowledge management is a vital concept which helps the organization to identify its problem very easily and also provides solution for those problem quickly which impacts is ease for the organization to achieve or reach its goal or objectives by making more profits or revenue. So this research paper states and also suggest the colleges to develop a knowledge management system for the improvement of the students knowledge and quality, who will later in future works in an organization or who becomes an entrepreneur will be able to work effectively and also efficiently in the work place by fulfilling their organization vision and mission.

Deepthi .S (2018), this paper explains knowledge management role in organization success and also as a competitive advantage powerful tool. In today's world knowledge management is that stream which gives a breakthrough for the organization which implements it properly in its business. In business knowledge primarily focuses on acquiring knowledge of the people or workers, which later is shared and used by the others to improve their knowledge and performance and its impacts the business operation in a positive manner which can be seen through the organization performance in the industry or market. The variables of the study are knowledge management practices, knowledge management, knowledge workers and the organization culture. In this paper it says that the company having a knowledge management is performing good but using it as a competitive advantage in the market. So insists other companies to use knowledge management for its success.

Marcio José Silva and Cláudia Herrero Martins Menegassi (2019), the present paper refers about the knowledge management in fashion and clothing industry. The elements of the study are fashion and cloth industry, the purchasing process, production cycle and knowledge management. Knowledge management is being used as an important strategic factor in many industries and it is also creating value of the resources which impacts on business sustainability and its performance in the industry. This study mainly aims at assessing the purchasing process of fashion and clothing industries by giving importance to the Knowledge management elements. In every industry knowledge is used as a way for generating value by doing innovation which helps the organization for holding a competitive advantage against others in the industry. The purchasing sector has different types of information from the suppliers, producers and other market related people.

Oscar O. Wambrauw (2013), the paper describes about the IT outsourcing strategies and the knowledge management on the organizational performance and its impact on Government provincial agencies. The important variables of this study are information technology and the organizational performances of the companies. The maximum value of the IT outsourcing strategy will impact in high value of organizational performance and knowledge management. Here the author has done factor analysis and path analysis in this research paper. In IT industries, the knowledge management is performed through circulating the knowledge to employees via internet and among the employees by sharing with each other. So, it is very important to apply the strategies of IT outsourcing for the organizations smooth performance which impact in an effective performance of government provincial agencies.

## RESEARCH GAP

This particular study focuses on assessing Knowledge management with regard to customer management as a result, relationship among the variables are tested to improvise the co-operative bank performance. Authors like Heeseok Lee, Byounggu Choi, Dipali P. Meher, Dr. Nilesh Mahajan, Anil Kumar Pandey, A. V. Murali, Dr. Alka Jain, Godfrey Omalla Nyang'ori, M. Sheik Mohammed have investigated the connection between knowledge management and organizational performance which will work efficiently and effectively for accomplishing mission statement of the organization. Many variables have been tested in this regard like knowledge workers contribution, organization structure, competitive advantage, strategies; knowledge-based marketing, social capital, organization culture, knowledge management implementation, working environment and management performance. Some of the literature reviews have given key drivers of knowledge management.

This study specially deals with co-operative banks customer relationship linkage to knowledge management. Very few studies are available in this area and hence the researcher has touched upon "A study on assessing knowledge management in Co- operative bank with special reference to customer management, Bengaluru".

**STATEMENT OF THE PROBLEM**

- To identify the knowledge workers in the Co-Operative Bank to see whether they are capable for the present working position in which they are posted.
- Check the level of knowledge management presence in the bank's performance and to correct the errors presents its functioning in customer management.
- Find key points to meet the goals of the bank by sharing, creating and using the knowledge management.

**OBJECTIVES OF THE STUDY**

- To analyse about the presence of knowledge management in the bank for customer data base management.
- To examine the knowledge of employees in the bank for better customer relationship management.

**HYPOTHESES**

H<sub>1</sub>: There is significant relationship between Knowledge management and Knowledge sharing.

H<sub>2</sub>: There is significant relationship between Knowledge management and Customer relationship management.

**DATA ANALYSIS AND INTERPRETATION**

Chi Square Test:

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	225.536 <sup>a</sup>	195	.016
Likelihood Ratio	175.467	195	.839
Linear-by-Linear Association	.076	1	.783
N of Valid Cases	109		

Interpretation: p-value 0.016 which means, there is significant relationship between Knowledge management and customer relationship management.

Correlation:



## Correlations

		Knowledge management	Knowledge utilization	Capturing knowledge repository	Customer relationship management	Knowledge mapping	Knowledge sharing
Knowledge management	Pearson Correlation	1	-0.037	-0.056	0.026	0.04	-0.075
	Sig. (2-tailed)		0.706	0.566	0.785	0.681	0.441
	N	109	109	109	109	109	109
Knowledge utilization	Pearson Correlation	-0.037	1	.270**	0.068	0.053	-0.137
	Sig. (2-tailed)	0.706		0.004	0.48	0.587	0.155
	N	109	109	109	109	109	109
Capturing knowledge repository	Pearson Correlation	-0.056	.270**	1	-0.047	-0.125	-0.079**
	Sig. (2-tailed)	0.566	0.004		0.63	0.196	0.416
	N	109	109	109	109	109	109
Customer relationship management	Pearson Correlation	0.026	0.068	-0.047	1	0.069	-0.073
	Sig. (2-tailed)	0.785	0.48	0.63		0.475	0.45
	N	109	109	109	109	109	109
Knowledge mapping	Pearson Correlation	0.04	0.053	-0.125	0.069	1	-0.065
	Sig. (2-tailed)	0.681	0.587	0.196	0.475		0.504
	N	109	109	109	109	109	109
Knowledge sharing	Pearson Correlation	-0.075	-0.137	-0.079	-0.073	-0.065	1
	Sig. (2-tailed)	0.441	0.155	0.416	0.45	0.504	
	N	109	109	109	109	109	109

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

## Interpretation:

- As per the above table the correlations factors which is analysed with all dimensions found to be negatively as well as positively not significant at (two tailed).
- It also shows that the null hypothesis is accepted with two dimensions like customer relationship management and knowledge mapping having positive significance.
- There is negative correlation between knowledge sharing, capturing knowledge repository, knowledge utilization and knowledge management.

## Regression:

ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.351	5	3.070	.243	.943 <sup>b</sup>
	Residual	1302.612	103	12.647		
	Total	1317.963	108			

Inference: The p value from the ANOVA table is 0.943 which is greater than the significance value of 0.05 and this leads us to reject the null hypothesis, in other words we accept the alternate hypothesis and say that there is a significant impact Knowledge utilization, Capturing knowledge repository, Knowledge sharing, Knowledge mapping, Customer relationship management on Knowledge management.

Model Summary

Mode l	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	df1
1	.108 <sup>a</sup>	.012	-.036	3.55622	.012	.243	5

Inference: -.036 is the adjusted R square. This means that the regression analysis can explain -3.6% of the data. Such as variables like knowledge utilization, capturing knowledge repository, knowledge sharing, knowledge mapping, customer relationship management on knowledge management.

## FINDINGS FOR ORGANIZATION

- The most important finding of this study is that the employees of the co-operative bank is very happy with the knowledge management provided by the organization to them and with the top management co-operation the functional activities are also being done effectively and efficiently.
- Knowledge sharing in the organization is more and all the employees, there are satisfied and are motivated positively because of a good working environment provided by the co- operative bank
- The Co-operative bank should improve their knowledge mapping process in the organization as it is very important for the employees to know where and when to access the information which they want in the necessary situation.
- Information technology present the organization is not the latest technologies. As a result of this banking activities are done slowly when compared with the public banks which are giving huge competition the bank. So, they have to implement latest technology for the smooth function the fast operation process.
- They have maintained a good customer relationship management team in the co- operative bank and the customers are handled with most care whenever they have any queries to be answered.



- The facilities provided by the management to its employees are sufficient for the employees to work better. Since the facilities management has pleased the employees, their working contribution for the bank success has enhanced to meet the goal.
- Employees are not convinced with the shared database system as the organization does not hold the latest technology to work. They lack in technology which is impacting the working force in a negative way by diminishing the workers performance.

## CONCLUSION

Knowledge is a very huge and important asset with each individual, especially with the big businesses as well as the small and medium enterprises. With the strong and clearly knowledge management system, it also helps the firm to minimize the unnecessary faults as well as make lead to the better performance.

Knowledge management allows for consistency when responding to issues or making changes. By having a process of storing vital information, documentation or even checklists, appropriate action can be taken to resolve issues. Knowledge management provides the tools for team members to acquire a thorough understanding of any intricacies in your systems.

Manager is the one who have the importance task in the company. Based on the existing data of knowledge, he/she have to use his/her skills to analysing, understanding and leading the others to the best way. Furthermore, the manager should have the influence with the employees and staffs in the company.

On the other hand, the manager has to make the friendly and comfortable environment to help them work in the good condition. Moreover, the company must have the suitable compensation policies that commensurate with their contributions in company. When doing so, it will boost the motivation of employees in the firm to update their knowledge and learn the new things every day to have the better contribution in the future.

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