Knowledge Management - a Fostering Tool for Parallel Outlines among Public & Private Sector Banks

V. Kuppulakshmi, S. Manikandan, M. Kavitha

Abstract: In this global Scenario, Banking sector has gone throughdrastictechnological changes. Customer Knowledge plays a crucial role in the banking sector. To achieve the operational efficiency, customer knowledge management (CKM) techniques support the banks to move forward. Banks need a well-organized database to facilitate the availability of information to their customers. Hence focus should be made on CKM practices which include Knowledge Gathering, Storing, Transferring and Utilizing the Customer Knowledge, ideas, information and experiences. Knowledge Gathering includes the study of customers' priority and needs. Knowledge storing can be done by way of knowledge repository, updating and retrieval of information. Knowledge transferring comprises of providing data to clients regarding new schemes and services. It distributes the knowledge throughout the organization. Knowledge utilizing can be made by way of quick access of knowledge about the customers to meet out their priorities. Thus, the CKM process will enable the banks to maintain better relationship with their customers.

Keywords : Knowledge Management, Customer Knowledge Management (CKM), Knowledge Gathering, Knowledge storing, Knowledge transferring, Knowledge utilizing, Customer Relationship Management.

I. INTRODUCTION

Present day organizations, especially, the banks are undergoing intense competition as a result of the increasing globalization and the resultant market pressure. Knowledge management dominates all disciplines in most of the organization. Therefore, organizations must effectively manage their knowledge to attain competitive efficiency. The progression of managing knowledge is called Knowledge Management (KM) or sometimes known as Business Intelligence (BI). Knowledge Management enables organizations to discover, select, arrange, transfer and disseminate significant information and ability required for activities, for example, critical thinking, dynamic learning, decision – making and strategic planning.

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II. REVIEW OF LITERATURE

Customer learning ability helps in, creating and coordinating client data all through the organisation (Alexandra J. Campbell,2011). (Attafar Ali et al 2013) stated that Knowledge Management incorporates usage and support of the organisational and technical foundations or infrastructure. Organisation must appreciate both implicit and explicit information to control the data and they need to offer right information cycle of available knowledge. Customer Knowledge management allow the organization to take the best needed customer knowledge for proper decision. This decision process gaining more knowledge from customers and use it for their business processes. Many companies can directly make personal interaction with customers to know their preferences and needs (Narges Sharifi Tehrani et al 2015). Establishment of technological and informational infrastructure allow organizations to better understand the knowledge about customers (Graeme Shanks and Emily Tay 2001).

III. OBJECTIVES

The major objectives are
- Studying the Customer Knowledge Management Practices in the banking sector.
- Making a relative study about the Public and Private sector banks on CKM practices
- Measuring the Business Performance of the banks.

IV. AN OVERVIEW OF CKM IN BANKING SECTOR

Knowledge is considered as a fundamental key asset that empowers firms to continue an upper hand in a modern environment (Grand, 1996 & Spender, 1998). Knowledge management in business firms need to deal with the exercises of knowledge workers and cooperation of organizational static and dynamic knowledge about products, administration, services, process development, simultaneously, making new or existing organizational information.

The motivation behind knowledge management is to make a typical space for people to interact for trading and making learning. Customer Knowledge Management (CKM) is another methodology embraced by the organizations where all the details, data, experiences, information and knowledge are collected from the client and every one of these things are used by the organizations for the procedures of the business. A process that changes individual information to organizational information is termed as customer knowledge management. The procedure of knowledge gathering, storing, transferring and utilization ends up essential and banks monitor and deal with these basic procedures. The most well- known fields of knowledge management in a bank are risk administration, marketing management, customer relationship management and performance appraisal particularly to help its stakeholders. Customer knowledge management can cause many advantages like better decision – making, problem solving, improved customer management and expanding profit.

Gathering Customer Knowledge (GCK) process getting to know the customer needs and their preferences. Collection of customer information will help the employees to know their requirements and offer better products and services.

After gathering the customer knowledge, the customer details are stored by using proper database. We can store the information about transaction per customer for easy access and retrieval of each customer. This process is known as Storing Customer Knowledge (SCK).

Transferring Customer Knowledge (TCK) process would be done with the help of storage of customer information. This will aid to find the customer preferences and their immediate need. Knowledge repository facilitates sharing of knowledge about new products and services. This process will support the customer to make a right decision in their particular situation.

Utilizing Customer Knowledge (UKC) make better organization which identify customers better and eventually expressed using customer knowledge management. Utilization of customer knowledge give an opportunity before their competitors and at the same time attract new customers.

Business Performance (BP) is the process by which the company handles the best way to achieve its goals. Selection of goals, interference and integration activity work together to initiate effective process in the organization.

V. METHODOLOGY

The study was conducted through purposive sampling technique and constructed a questionnaire to collect data from 80 bank employees. Questions related to customer knowledge management and business performance were asked to meet the objectives of the study.

VI. ANALYSIS & INTERPRETATION

The demographic details reveal that majority of 55% of employees are male in public sector bank and 57.5% in private sector banks as against 45% female employees in public and 42.5% in private sector. 37.5% of the employees are falling in the age of 20 years -30 years in public sector and 35% of them are in private sector. Under educational background 50% of the respondents hold PG in public sector and 55% of them in private sector banks. 47.5% of the respondents hold senior level in public and 52.5% holds in private sector. A major portion of 35% of the respondents getting up to 55000 income in public sector and 32.5% of them getting above 70000 income private sector banks.

Table – 1: Descriptive Statistics

DESCRIPTIVE STATISTICS					
ELEMENTS	**CATEGORY**	**PUBLIC SECTOR**		**PRIVATE SECTOR**	
		Frequency	Percentage	Frequency	Percentage
GENDER	Male	22	55%	23	57.5%
	Female	18	45%	17	42.5%
TOTAL		40	100%	40	100%
AGE	21–30 Years	15	37.5%	14	35%
	31–40 Years	13	32.5%	10	25%
	41–50 Years	8	20.0%	9	22.5%
	50 above	4	10.0%	7	17.5%
TOTAL		40	100%	40	100%
EDUCATIONAL	UG	12	30%	11	27.5%
BACKGROUND	PG	20	50%	22	55%
	PROFESSIONAL	8	20%	7	17.5%
TOTAL		40	100%	40	100%
DESIGNATION	Senior level	19	47.5%	21	52.5%
	Middle level	21	52.5%	19	47.5%
TOTAL		40	100%	40	100%
INCOME	25000-40000	7	17.5%	10	25%
	40000-55000	14	35%	9	22.5%
	55000-70000	6	15%	8	20%
	70000 above	13	32.5%	13	32.5%
TOTAL		40	100%	40	100%

VII. ANALYSIS ON CKM PRACTICES

Table – 2

Variable	NOB	Agree	Strongly Agree	Asymptotic Significance Value
GCK				
H1: There is a significant association between NOB and GCK	Public	10	30	.000**
	Private	13	27	Null Hypothesis Is rejected
SCK				
H2: There is a significant association between NOB and SCK	Public	10	30	.000**
	Private	11	29	Null Hypothesis Is rejected
TCK				
H3: There is a Significant association between NOB and TCK	Public	13	27	.000**
	Private	15	25	Null Hypothesis Is rejected
UCK				
H4: There is a significant association between NOB and UCK	Public	20	20	.000**
	Private	14	26	Null Hypothesis Is rejected
Note: **$p < 0.01$ sig. @ 1% level. NOB = Nature of Banks				

By applying Chi-square test it is seen that the p value is 0.000, null hypothesis is rejected. It can be concluded that the customer knowledge management practices (GCK, SCK, TCK, UCK) has significant influence on nature of banks.

VIII. ANALYSIS OF BUSINESS PERFORMANCE

Table – 3: Analysis of Variance

		Sum of Squares	df	Mean Square	F	Sig.
GCK	Between Groups	1.016	1	.016	5.842	.000
	Within Groups	15.372	78	.210		
	Total	16.387	79			
SCK	Between Groups	1.190	1	.190	5.341	.000
	Within Groups	14.298	78	.196		
	Total	15.488	79			
TCK	Between Groups	1.251	1	.251	6.707	.000
	Within Groups	16.949	78	.230		
	Total	18.200	79			
UCK	Between Groups	9.556	1	9.556	3.520	.008
	Within Groups	9.994	78	.128		
	Total	19.550	79			

At 95% confident interval it describes that, there is significant influence of GCK by one-way ANOVA (F (1,78) = 5.484, p = .000) for Business performance.

At 95% confident interval it describes that, there is significant influence of SCK by one-way ANOVA (F (1,78) = 5.484, p = .000) for Business performance.

At 95% confident interval it describes that, there is significant influence of TCK by one-way ANOVA (F (1,78) = 5.484, p = .000) for Business performance.

At 95% confident interval it describes that, there is significant influence of UCK by one-way ANOVA (F (1,78) = 5.484, p = .000) for Business performance.

IX. SUGGESTIONS AND RECOMMENDATIONS

Customer knowledge management is essential in the banking sector and provides valuable information to retain the existing and maintaining new customers. Gaining knowledge from the customers revive the variety of products and services and rise the customer loyalty. Appropriate utilization of knowledge promotes new products within the short period of time. Capturing of customer interaction by the front-end's units such as customer care, knowledge repository and capturing customer segmentation are requisite to store the customer knowledge will be sure for future use.

X. CONCLUSION

Customer knowledge management practices are followed by many sectors like banking, insurance, transportation and hospitality. Customer knowledge management is an indispensable part of the banking sector. Customer data greatly facilitate sharing of new policies and activities with the banking sector. So, it is concluded that managing the knowledge of customers is a fostering tool for the sustainable growth and development of the banking sector.

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