

# A Study on Knowledge Management Strategies And Its Impact on Employee's Performance In Insurance Sector at Trichy Dt

R.Sakthi Krishnan<sup>1</sup>, Dr.V.Nagajothi<sup>2</sup>

Department of Electrical Engineering

<sup>1</sup>M.B.A., M.Phil Ph.D (Management)Rajah Serfoji Govt CollegeThanjavur

<sup>2</sup>M.B.A.,Ph.D., SLETAsst.Prof & HODDept of Business AdministrationRajah Serfoji Govt CollegeThanjavur

**Abstract**-In the recent past, organizations and researchers have turned their attention to knowledge management and its impact on employees as well as organisational performance. The objectives of this study are to study the different types of Knowledge management strategies and its impact on employee's performance in Trichy District. The three types of KM strategies are: IT-centred KM strategy, capture-based KM strategy and learning-based KM strategy. The study linked with the integration of three KM strategies with employee's performance. The study has adopted a stratified random sampling to collect the primary data. Using a structured questionnaire, the primary data has been collected through comprehensive cross sectional survey method among 151 employees. The findings of this study suggest that there is a relationship between IT centred KM strategy, capture based KM strategy and learning based KM strategy with employee's performance, however the relationship between learning based KM strategy and employee's performance is stronger.

**Keywords**-Knowledge Management, Knowledge Management Strategies

## I. INTRODUCTION

Knowledge management includes managing the knowledge that already exists in the organization, as well as enhancing the ability to create new knowledge. It is providing the right information to the right people at the right time. Most companies that have knowledge management programs emphasize knowledge sharing and integration, which is referred to as first-generation knowledge management. Companies are just now beginning to put more effort in programs for knowledge creation and learning, which is referred to as second generation knowledge management (McElroy, 2003).

## II. DEFINITIONS OF KNOWLEDGE MANAGEMENT

KM. Hibbard (1997) defined KM as “the process of capturing a company's collective expertise wherever it resides – in databases, on paper, or in people's heads – and

distributing it to wherever it can help produce the biggest payoff.”

O'Dell and Grayson (1998) said that “KM applies systematic approaches to find, understand, and use knowledge to create value.”

Van de Spek (1997), described KM as “the explicit control of management knowledge within an organization aimed at achieving the company's objectives.” Macintosh (1996) said that “KM involves the identification and analysis of available and required knowledge, and the subsequent planning and control of actions to develop knowledge assets so as to fulfill organization objectives.”

Petrash (1996) believed that “KM is getting the right knowledge to the right people at the right time so they can make the best decision.”

## III. KNOWLEDGE MANAGEMENT

A set of practices and processes to acquire and apply knowledge to facilitate organizational operations

### Knowledge Management strategy

A theme that guides and defines a firm's knowledge management efforts. There are three different types of knowledge management strategies: information technology-centred strategy, capture-based strategy, and learning-based strategy. Information technology (IT)-centred strategies arise when firms view knowledge as an object to be managed with IT infrastructure such as intranet, databases and shareware. Capture-based strategies arise when firms consider knowledge to be a resource to be exploited through repetitive use. Learning-based strategies arise when firms believe that knowledge is a process and emphasize interactions between people to facilitate knowledge creation and sharing.

Research Questions

This study examined the broader question of knowledge management strategies and their effect on employee's performance. In particular, this study examined two different, but related, questions:

- i) What are the different strategies to manage knowledge in an organization?
- ii) What is the effect of different KM strategies on employee's performance?

Based on the research questions, this study drew upon the literature on Knowledge Management strategies and its impact on employee's performance. Based on research questions and literature review on knowledge management strategies, the following research objectives of this study are framed.

#### IV. RESEARCH OBJECTIVES

The purpose of the study is to investigate the relationship among different knowledge management strategies and employee's performance in insurance sector at Trichy Dt.

Therefore, objectives of the study were to:

- a) To identify whether there is a relationship between knowledge management strategies and employee's performance in insurance sector at Trichy Dt..
- b) To examine how different knowledge management strategies influence employee's performance.
- c) To examine the differences among respondent's demographic characteristics in terms of knowledge management strategies.

#### V. SCOPE OF THE RESEARCH

- a) The study will facilitate the organization to know what type of KM strategies will contribute more towards employee's performance.
- b) It will enable the organization in fostering an effective learning culture among the employees.
- c) It will help the organization in framing new strategies for knowledge management and in overcoming competitors.

#### VI. CONCEPTUAL FRAMEWORK

IT centred KM strategy does not focus on managing knowledge and therefore, does not yield any performance benefits. However, it acts as an enabler and strengthens the relationship between other two KM strategies and performance.

Capture-based KM strategy focuses exclusively on using existing knowledge and benefits in the short-term but discourages and stunts a firm's capacity to innovate and succeed in the long run.

Learning-based KM strategy focuses only on knowledge creation and benefits in the long-term but is unlikely to yield short-term performance given the costs and uncertainties associated with learning.

Knowledge is a complex and multi-dimensional construct. Each of the three KM strategies emphasize only a part of knowledge management. Therefore, together they yield better performance.

#### VII. RESEARCH DESIGN

Research design is descriptive in nature. It is a detailed plan of how the goals of research will be achieved. There are two types of data viz. primary and secondary data. The primary data has been collected by using survey method. The researcher believed that the survey method was the most suitable method for achieving the objectives of the study. Primary data related to IT centred KM, capture based KM, Learning based KM and employee's performance was collected using the structured questionnaire.

#### VIII. RELIABILITY

Reliability refers to the consistency of the measurement. Reliability analysis of the constructs is presented in the below table:

##### Reliability

KM Strategies	Number of items	Alpha value
IT centered KM	5	0.73
Captured based KM	5	0.65
Learning based KM	10	0.63
Employee's performance	10	0.88

#### Hypotheses

H1: There is a significant association between IT based KM and employee's performance.

H2: There is a significant association between Captured based KM and employee's performance

H3: There is a significant association between Learning based KM and employee's performance

This study raised the possibility that organizational learning processes could influence firm performance by generating employee satisfaction, shared vision and common goals. Future research could further explore this possibility and examine the various mechanisms through which organizational learning influences firm performance.

### Relationship between KM Strategies and Organizational Performance

Independent variables	Dependant Variable	R value	Sig. (1-tailed)	Results
IT centered KM	Employee's performance	0.437**	0.000	Significant
Captured based KM		0.424**	0.000	Significant
Learning based KM		0.786**	0.000	Significant

\*\* Correlation is significant at 0.01 levels (1-tailed)

In order to find the extent to which knowledge management strategies influence employee's performance, this study has employed bivariate correlations. The above table exhibits that relationship between IT centred KM and employee's performance ( $r=0.437$ ), Capture based KM and employee's performance ( $r=0.424$ ) are moderate and statistically significant at 0.01 level, and Learning based KM and employee's performance are positively significant ( $r=0.786$ ). Thus learning based KM is highly correlated to employee's performance.

### Findings

- Although the correlation coefficient between IT centred KM and employee's performance is positively significant, IT centred KM is weakly correlated to employee's performance.
- Although there is significant association between capture based KM and employee's performance, Capture based KM is also weakly correlated to employee's performance.
- Learning based KM is highly correlated to employee's performance.

## IX. CONCLUSION

To identify whether there is a relationship between three types of Knowledge management strategies and employee's performance or not, the study employed correlation analysis. The result of the analysis is that the relationship between IT centred KM and employee's performance, capture based KM and employee's performance were moderate and found to be significant and learning based KM was highly correlated towards employee's performance and found to be and significant.