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Research Papers

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## STATE OF KNOWLEDGE MANAGEMENT IN INDIAN IT COMPANIES

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### Abstract

*Knowledge management is the need of corporate for excellence. Increasingly, ability of an organization to compete in the global village is defined by its ability to manage its knowledge and knowledge workers. It is most apparent in knowledge-intensive industries such as software, biotechnology, consultancy and pharmaceuticals. However, knowledge management has become an important issue in all type of organizations and industries. It is being said that only those organizations that are able to create a culture for knowledge management will survive and grow. An effort has been done by the authors in this paper to analyze various facets of knowledge management as well as to highlight the role played by the knowledge management system for the continuous growth of businesses in India with the help of exemplifying knowledge management practices conducted in selected IT corporate houses of India.*

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**Key words:** Knowledge Management, India, Business, system, enterprise, Wipro infotech

### INTRODUCTION

Knowledge management is the need of corporate for excellence. Increasingly, ability of an organization to compete in the global village is defined by its ability to manage its knowledge and knowledge workers. It is most apparent in knowledge-intensive industries such as software, biotechnology, consultancy and pharmaceuticals. However, knowledge management has become an important issue in all type of organizations and industries. It is being said that only those organizations that are able to create a culture for knowledge management will survive and grow. An effort has been done by the authors in this paper to analyze various facets of knowledge management as well as to highlight the role played by the knowledge management system for the continuous growth of businesses in India with the help of exemplifying knowledge management

practices conducted in selected corporate houses of India.

### WHAT IS KNOWLEDGE MANAGEMENT?

Knowledge Management has been in existence in our society ever since the discovery of language. Human beings learnt how to communicate and knowledge transfer took place from father to son, teacher to pupil, from educated to the uneducated through various means as written form, songs and dances or by folklore. As long as society was not widespread, these different tools and techniques served its purpose of facilitating the transfer of knowledge.

**Knowledge management (KM)** is the management of [knowledge](#) within [organizations](#). In today's fast – paced business environment – knowledge management is adding the core of every manager's agenda. The varied dimensions of this environment demands continuous and rapid change within the organization. So, Management must respond to change or face the inevitable.

"KM caters to the critical issues of organizational adoption competence in face of increasingly discontinuous environmental changes; essentially, it embodies organizational processes that seek synergistic combination of data and information processing capacity of information technologies and the creative and innovative capacity of human beings."

The objective of knowledge management is to capture tacit knowledge of different stakeholders of the organization as customers, shareholders, employees, suppliers etc. and make it explicit so that other employees can take advantage of it. Such sharing of information will enable improved and quicker decision making and benefit the organization.

The ultimate goal of Knowledge management is the systematic advancement of organizational learning so that core competencies grow stronger and wider spread throughout the organization.

KM helps in making a clear distinction between knowledge on the one hand, and information and data on the other.

**Data:** Data is the foundation of knowledge. If we imagine knowledge creation as a process (like making a cake, a car or a book), Data is the raw material extracted from business environment, components, facts. Data can be thought of as the observable facts of a situation or the separate in gradients that make up the event. In a business setting data enables company to measure their value and demonstrate net worth. A single piece of data or a mass of unstructured data in and of itself doesn't convey any particular meaning. Therefore data becomes useful when it is placed in some kind of context that turns it into information.

**Information** can be considered as a message. It typically has a sender and a receiver. : Information adds value to data. It surrounds the data with keys or clues to the data significance; thereby making its usability is one of the key distinctions between data and information. Information is data placed in specific context or structured to yield order and meaning.

**Knowledge** might be described as information that has a use or purpose. Whereas information can be placed onto a computer, knowledge exists in the heads of people. Knowledge is information to which intent has been attached.

## WHY WE NEED KNOWLEDGE MANAGEMENT?

Why do we need to manage knowledge? Ann Macintosh of the Artificial Intelligence Applications Institute (University of Edinburgh) has written a "[Position Paper on Knowledge Asset Management](#)" that identifies some of the specific business factors, including:

- o Marketplaces are increasingly competitive and the rate of innovation is rising.
- o Reductions in staffing create a need to replace informal knowledge with formal methods.
- o Competitive pressures reduce the size of the work force that holds valuable business knowledge.
- o The amount of time available to experience and acquire knowledge has diminished.
- o Early retirements and increasing mobility of the work force lead to loss of knowledge.
- o There is a need to manage increasing complexity as small operating companies are trans-national sourcing operations.
- o Changes in strategic direction may result in the loss of knowledge in a specific area.

### Some of the other benefits of KM include:

- Facilitates better, more informed decisions;
- Contributes to the intellectual capital of an organization;
- Encourages the free flow of ideas, which leads to insight and innovation;
- Improves customer service and efficiency; and
- Leads to greater productivity.

It's not just a Fortune 500 business problem. Small companies need formal approaches to knowledge management even more, because they don't have the market leverage, inertia, and resources that big companies do. They have to be much more flexible, more responsive, and more "right" (make better decisions) — because even small mistakes can be fatal to them.

### Myths about knowledge management in Indian Business:

1. Knowledge management is an end unto itself.
2. Knowledge management is just for professional services firms and other "intellectual" business.
3. Knowledge management just means hiring smart people.
4. Knowledge management means implementing expensive technology.
5. Knowledge management means creating huge, unwieldy, database.
6. Knowledge management is a "field of

Dreams”---- just build it, and they will come.

7. A good chief knowledge officer drives good knowledge management.

8. Knowledge management is just for Americans.

9. Knowledge management is not like other good management practices and processes.

10. Knowledge management is a fashion.

#### **KNOWLEDGE MANAGEMENT IN INDIA: EXAMPLES OF IT COMPANIES**

India has witnessed Knowledge Management (KM) in practice by some companies. Goodlass Nerolac, paint-maker, embraced Knowledge Management in March 2003 because a need was felt to capture knowledge from purchase patterns of customers and dealer insights. Along with money paid for the product, customers also provide a lot of information as their perception of the product and similar substitute products. The strategic challenge lies in designing an interface which will permit easy trapping of customer information. Know Net – the knowledge management portal of Larson & Toubro (a construction company) was setup to solve problems occurring at project sites. It uses KM to roll out real world construction projects at lower costs. Following cases discuss the importance of KM in IT companies of India.

##### **KM at Wipro InfoTech**

Since its inception, Wipro Infotech, with its open culture, has believed in cultivating knowledge and with its business expanding, it has become all the more critical to get knowledge intensive, and implement an enterprise wide KM system. Since there is no accepted standard framework for KM, Wipro Infotech has evolved a framework in accordance with its needs, to achieve its business vision. It has been designed to build on the existing efforts in the organization and enhance the culture of knowledge sharing and utilisation. To build and sustain a KM system, a cultural change in the propensity to share knowledge is fundamental, which is the most difficult part of knowledge management. An organization should be able to induce the requisite behavioural change among people who are the contributors and users of knowledge. It requires strong leadership to bring in cultural changes, set the right direction, and continuously monitor progress. Using appropriate rewards and recognition programmes is also necessary. This framework encourages both bottom-up and top-down approaches to accelerate the culture change. Knowledge Management in Wipro Infotech has

three objectives:

- Mature the organization to a competency based and knowledge driven organization.

- Enable new technology/practices adoption for diversification and growth.

- Develop competency extension framework to create new business opportunities.

The Wipro Infotech KM framework has three main frameworks.

- LEARNING,

- KEEP (Knowledge Enhancement, Extraction and Practice)

- CARE (Competency Augmentation with Research Excellence).

##### **LEARNING**

Learning ensures that people build their competency using a mix of tools and processes like E-learning, competency assessment and competency development through specialized training and personalized instruction. Learning is based on the competency model which consists of followings (1) Competency definition (2) Evaluation of current competency for existing technology (3) Evaluation after developing the competency on newer technology. Competency definitions based on proficiency and criticality exists for technical roles. Online evaluation and assessment is used to identify current competency levels. E-learning and Instructor Lead Training (ILT) are extensively used to bridge the gaps. E-learning includes workshops, online mentoring and contact sessions to ensure complete learning.

##### **KEEP**

Through the KEEP (Knowledge Extraction, Enhancement and Practice) initiative, they ensure collection of disparate knowledge and expertise within the organization into a central repository. The knowledge is supplemented by gathering additional information from various external resources. The four pillars of KEEP are taxonomy (a uniform structure through which knowledge can be stored and accessed) IT enablers, practice based offering and knowledge channels.

##### **CARE**

Through CARE (Competency Augmentation through Research and Excellence), they leverage on the expertise and knowledge built up in the organization to come up with innovative products and services. They inculcate creative thinking within Wipro Infotech that capitalizes on people competency and expertise, supplementing it with a technology tracking activity, resulting in

higher intellectual property. This is done by facilitating a technology roadmap creation for various business divisions, using external research resources and internal intelligence. This is supplemented by a well-defined process for innovation that taps organisational creativity, and funnels it into a rigorous engine that brings virtual teams together under an exclusive sponsor, to take the idea forward. The organization provides a Centre of Excellence, Terra Nova, to try these new technologies, services and products for customer effective solutions.

#### **KM at Patni Computers**

Patni Computer Systems, India's sixth largest software services exporter is one of the few organisations that makes extensive use of KM. The company has created a knowledge centre, which allows its employees to learn about new technologies, have discussions, get technical queries answered and even draft quick sales proposals.

For Patni, this system has led to a reduction in training time and a boost in productivity due to better sharing of knowledge among its employees. Here are some of the features of the knowledge centre:

- The knowledge centre contains information about the quality management system, information related to different projects, related best practices and lessons learned, technology related white papers and tutorials.
- A searchable repository of reusable software components
- As it is based upon a Web based model, information is accessible from all Patni offices
- Classification of content according to industry verticals and technologies
- A discussion forum for exchange of ideas and solutions
- A helpdesk for facilitating process consulting to projects
- A marketing centre which holds frequently asked questions by customers (the same is used by employees in sales and marketing). Additionally, case studies and templates for proposals and newsletters are also captured in the knowledge centre.
- A role based access privilege model that ensures that every user has access only to information pertaining to his department.

#### **Implementation of KM**

- Implementation of KM varies from company to company, country to country. It has to be localized to suit one's requirement.

· Planning is important and the organization must be willing to take the risk. KM practitioners should have management support and not over - promise. They should take things at a small scale and monitor the progress of the KM initiative. If any problems arise during this stage, they are easier to solve . Once it is stabilized, we should be able to move to the next stage, where KM can be implemented organization wide. However, the plan will need to be revised continuously. Most importantly, knowledge management requires determination and perseverance

· KM practitioners should not expect immediate returns on KM investment. It may take several iterations of real input and measurable output and subsequent updates before a good KM system is in place.