A STUDY ON KNOWLEDGE MAANGEMENT PRACTICES IN MSMES IN TAMILNADU (SPECIAL REFERENCE TO INFRASTRUCTURE DIMENSION)

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Abstract

This study focused on KM practices in Micro Small and Medium Enterprises (MSMEs).A random sample used which consist of (120) Micro Small and Medium Enterprises in Thanjavur District of TamilNadu. The study has focused on the KM infrastructure on Knowledge Management Process. The study covered 12 factors which are significant for the practicing of KM in MSMEs. An instrument survey set was designed by researchers. The instrument was checked and evaluated. The study data were analyzed by using SPSS software on the base of practicing of KM in MSMEs. The study result shows that all involved factors are significant.

Keywords: Knowledge Management, Micro Small and Medium Enterprises Infrastructure dimension.

I. INTRODUCTION

Knowledge is the central element in the learning process, which consists of the acquisition, integration and exploitation of knowledge. Knowledge management is essentially the creation and application of knowledge as a resource, whilst learning is a process of acquisition, assimilation, and exploitation of this knowledge. In this sense, we can identify two intermediate stages between organizational learning capability and organizational Performance knowledge management processes and organizational learning as the output and dynamic capabilities. Our model analyses these dimensions in the context of exportsBhatt, G. D. (2001).

Knowledge management (KM) is now considered as one of the most important parts of any organization and a complement to the organization?s business activities. With new economy increasingly becoming a more knowledge-based economy, knowledge is becoming the most important asset for organizational success among other assets such as capital, materials, machineries, and propertieDavenport, T.H. and Prusak, L. (1998).

MSMEs

Micro, Small and Medium Enterprises have been recognized as one of the key sector for employment generation and overall economic development of our country. The Government of India has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 on June 16, 2006 which was notified on October 2, 2006. With the enactment of MSMED Act 2006, the paradigm shift that has taken place is the inclusion of the services sector in the definition of Micro, Small andMedium enterprises, apart from extending the scope to medium

enterprises. The MSMED Act, 2006 has modified the definition of micro, small and medium enterprises engaged in manufacturing or production and providing or rendering of services. The Micro, Small and Medium Enterprises Development Act, 2006, was enacted to expand our focus to the entire gamut of micro, small and medium enterprises (MSMEs) both in manufacturing and service enterprises of MSME sector.

II. REVIEW OF LITERATURE

Bordeaux (2009), has addressed key themes across the KM literature which is of interest which are the Value of Knowledge which is treating Knowledge as Asset, Improve Organizational Decision-Making and Improving Group Sense-Making. From an extensive study of literature, he laid down several key insights which serve as initial observations for the establishment of a successful knowledge management regime. These were common data abstraction, protocols and compatible business logic (essential for effective communication across information systems), ProcessOrganizations consisting of characteristics resembling organisms, continuous learning for knowledge workers, Information sharing among trust networks, a culture of sharing and teamwork, Knowledge location—the ability to locate a piece of information orexpertise—should be supported by the proper mechanisms.

Literature was reviewed by Michael Truong (2010) to contribute to a better understanding of the knowledge sharing between individuals and business units within an organization. Companies need to find ways to utilize tools within their environment to foster the extraction and storage of knowledge in multiple ways for future reference and use. Organizations should encourage employees to establish 50 relationships between individuals for its creation, sharing and social use ofknowledge. Knowledge is shared informally through formal channels, and much of the process is dependent on the culture of the organization's work environment. It concludes that companies that are investing in their employees and in the technology to harvest their knowledge will be ahead in terms of keeping that intellectual property in house. Further, companies should try to keep most of the knowledge that the employees have created in an area easily accessible to everyone, anywhere and anytime.

Chauvel and Despres (2000)According to Wenger knowledge is recognized as a key source of competitive advantage but little is known about how to create and leverage it in practice. Traditional knowledge management approaches attempt to capture knowledge in formal systems but Wenger argues we should "foster the communities that take responsibility for stewarding knowledge". comments on a common knowledge misunderstanding whereby the more a company's products or services have knowledge at their core, the more the organization is, by definition, knowledge led. believes this to be a dangerous assumption, both for industrial-age businesses that may believe they can't change and for the information-age businesses that complacently believe they don't need to change the way they operate.

Object of the Study

1) To study the infrastructure dimension of selected enterprises for practicing Knowledge Management in MSMEs.
2) To know theknowledge Management Practices in infrastructure among the employees.
3) KM practices of MSMEs in Tamilnadu

Although introducing knowledge management Practices systems into MSME is a particular challenge because of the limited resources of these kinds of companies (Herrmann et al, 2007), the literature review on KM Practices reveals that the most part of research in this field is focused on large companies. In fact, the understanding of the organizational theory and practice considerations of KM has mainly been derived from large company experiences. Consequently, the potential of KM seems not fully exploited by small firms and this is reflected in a literature void where little research contributions on this topic have been published. In addition, research on KM Practices in MSMEs highlights some relevant different features (Pillania, 2006 and 2008) According to the review carried out by Thorpe et al (2005), research on KM Practices in the MSMEs context may be broken down into three distinct fields:

1. The knowledgeable MSMEs manager or entrepreneur.

2. The knowledge systems and routines embedded within the context of the firm and their immediate networks.

3. The institutional and policy framework that is intended to support knowledge Management Practices production within MSMEs.

III. METHODOLOGY

This study was conducted in Thanjavur district of Tamilnadu. For the complete result. 120 MSMEs were approached. Simple random technique was used for selecting MSMEs.MSMEs which were contacted include garment companies, distributors, stationary, restaurants, and furniture and food manufacturers. Personally administered questionnaire method was used as survey instrument because data was collected from Thanjavur district of Tamilnadu. Questionnaire was intended for the top management of MSMEs.

IV. DATA ANALYSIS

The empirical investigation on which this paper is based has been conducted in the KM Practices of Micro Small and Medium Enterprises (MSMEs) Thanjavur District in Tamilnadu.The KM Practices mainly consists of MSMEs as shown in table 1. Impact of KM Infrastructure Dimension on KM Process of MSMEs.

Impact of KM Infrastructure Dimensions on KM Process

Table 1: Spearman correlation coefficient of KM infrastructure on KM process.

	Culture	Employee Participation	Leadership	Rewarding Incentives	Training and mentoring
Culture	1				
Employee Participation	.727	1			
Leadership	.556	.741	1		
RewardingIncentives	.496	.566	.689	1	
Training and mentoring	.495	.604	.767	.735	1
Knowledge acquisitions	.386	.494	.589	.525	.619
Knowledge storage and Perceptio	.512	.598	.527	.482	.500
Knowledge sharing	.538	.601	.674	.587	.619
Correlation is significant at 0.01 (2-tailed)					

The above table shows the overall correlation of the KM infrastructure dimensionswith KM process dimensions. The correlation analysis shows a positive and directrelationship among KM infrastructure with KM process dimensions.The regression statistics which was done on the independent variables (Predictors:culture, employee participation, leadership, rewarding with incentives and Training &mentoring) on the dependent variable of knowledge acquisition and capture. Itrevealed the overall goodness-of-fit measures.as below: R2 = 0.425 that is 42.5% variation in the dependent variable which is explained by theindependent variables. The Analysis of Variance (ANOVA) test depicted F=8.865 andsig value = 0.000.The regression statistics which was done on the independent variables (Predictors:culture, employee participation, leadership, rewarding with incentives and Training &mentoring) on the dependent variable of knowledge storage and preservation.

Conclusion

This paper attempts to explore KM practices in Micro Small and Medium Enterprises (MSMEs). Firms through an empirical investigation carried out inMSMEs located in the eastern area of Thanjavur district in Tamilnadu. Factors were as organization leadership support, organization Culture, organization Resources, Employee Participation, Regarding with incentives, Training and monitoring, Knowledge acquisition and capture, Knowledge storage and preservation and Knowledge sharing. The main preliminary findings of the survey indicate significant KM Practices needs of the surveyed companies. In addition, it has been found that MSMEs adopt predominantly internal KM Practices using simple ICT tools. The surveyed firms also show the need for wider (external) KM Practices enabling inter-firm collaboration in developing collaborative projects.

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