

A Study on Status of Employee Awareness on Knowledge Management in Micro, Small and Medium Enterprises (MSME's) in Tamilnadu

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Abstract - Organizations are deeply dependent on the Knowledge to sustain and compete in the business. Technologies advancements, Innovations, Frameworks, and Methodologies are evolving Globally almost every day. Knowledge Management is critical and vital organizational resource that aids to achieve efficiency, effectiveness, and competitive advantage in the Global competitive business environment. The purpose of this study is to understand the status of Employee Awareness on Knowledge Management in Micro, Small and Medium Enterprises in Tamilnadu. We have used both primary and secondary data to carry out in IT and ITES Organizations within Micro, Small and Medium Enterprises. Structured Questionnaire was administered and data were collected from employees of 42 firms. This study explores the level of Employee awareness on Knowledge Management and the importance of Knowledge for the continual success of the Enterprises. Entrepreneurs creating knowledge culture in the organization, Knowledge Management awareness sessions to Employees and guidance to Micro, Small and Medium Enterprises may help them to overcome the awareness issues and enjoy the benefits.

Key Words: Knowledge Management, Micro, Small and Medium Enterprises, Organizations, Employees, Awareness

1. INTRODUCTION

The Micro, Small and Medium Enterprises Sector plays a vital role in the socio-economic development of the Country. Micro, Small and Medium Enterprises (MSME's) contributes around 8% of the Gross Domestic Product (GDP), which is a substantial contribution to national economy. This sector contributes about 45% of the industrial production, 40% of exports and it forms part of about 95% of the total Industrial units in the Country. Due to technological advancements, social developments and global reach, the business environment is becoming complex, very competitive, and challenging day by day. In today's complex and competitive business environment, Knowledge is believed to be the primary means and all other conventional factors are secondary resources, to sustain and have an edge over competition.

Literature surveys reveals that Knowledge Management is essential for continual success of Micro, Small and Medium

Enterprises across the developing Countries including India. Employees are core for Micro, Small and Medium Enterprises operation and hence their understanding on the importance of Knowledge Management and developing their skills on Knowledge Management practices are essential for success of business. Knowledge Management is a critical tool for effectively and efficiently managing the challenges occurred due to attrition of seasoned knowledgeable employees and experts. Knowledge Management helps and enable Small and Medium Enterprises in increasing productivity, effectiveness, and efficiency in operations. Overlooking Knowledge Management will impact innovation, sustenance, competitiveness, and profitability of the Enterprises.

2. OBJECTIVE

The objective of this study is to understand the status of Employee Awareness on Knowledge Management in IT and ITES Organizations within Micro, Small and Medium Enterprises in Tamilnadu.

3. METHODOLOGY

We have used both primary and secondary data for the study. Primary data has been collected using structured questionnaire from selected IT and ITES organizations. Secondary data has been collected from journals and internet websites, which are quoted in the references. There are 12.04 Lakh registered number of Micro, Small and Medium units in the State, providing an employment opportunities to about 80.81 Lakh persons. NASSCOM Database was used to identify total of 2342 registered organizations, out of which 1335 organizations are having its corporate headquarters in India. As a next step, revenue criteria (≤ 10 Crores) was applied to get Micro, Small and Medium Enterprises in Tamilnadu (82) and Chennai (64). Organizations incorporated before 2014 in Chennai (59) and having ≤ 200 employee head count (54) were considered for the study. The questionnaire was administered to the employees of the selected 54 organizations. A Structed questionnaire was prepared for conducting the awareness survey. 42 returned questionnaires from the employees of the respondent organizations were used for further analysis.

4. TABULATION AND ANALYSIS

The key characteristics of the questionnaire were employee’s awareness and training, participation in workshops, knowledge from partners, sharing of knowledge and their belief on Knowledge Management. The survey questionnaire had provision for the respondents to select five options - Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree. Inputs gathered from the survey questionnaire were tabulated and analysed to arrive at the score for each of the question.

4.1 Knowledge Awareness

Weighted Score (WS) and Weighted Average (WA) in table 1 were calculated based on the individual scoring to tabulate relative ranking position of each of the knowledge management awareness question. The survey analysis reveals that employees rely on their knowledge, skills, and experience to perform their work and they do share knowledge among co-workers. Training and awareness session to employees on importance of knowledge management needs further improvement and focus. Employees should be given opportunities to participate in the external knowledge forums, workshops and enable them to collaborate with the partners / vendors in the industry to get an Industry exposure to gain knowledge and best practices.

Table-1: Ranking of Knowledge Awareness Questionnaire Responses

Sl No	Statement	WS	WA	Rank
1	In our organization, employees are made aware of / trained on importance of knowledge management	140	28	5
2	In our organization, employees participate / obtain knowledge through the following avenues (forums, seminars, conferences, workshops, educational courses, journals)	122	24.4	9
3	In our organization, employees obtain knowledge from business partners like suppliers, vendors, clients through better collaboration	112	22.4	10
4	In our organization, employees exchange knowledge with their colleagues	149	29.8	2

5	In our organization, employees rely on experience, skills, and knowledge to perform their work	159	31.8	1
6	In our organization, employees rely on written sources (e.g. knowledge articles, documented process and procedure manuals, standard operating procedures, industry best practices, do’s, and don’ts documents) to perform their work	142	28.4	4
7	In our organization, employees share their knowledge during meetings, knowledge sharing sessions, informal gatherings (e.g. during tea break, lunch, in the corridors)	138	27.6	7
8	In our organization, employees share their knowledge through formal procedures (e.g. process and procedure manuals, reports, standard operating procedures, instructions, company newsletter)	128	25.6	8
9	In our organization, employees accept individual’s knowledge as an organizational asset and not individual’s strength	139	27.8	6
10	In our organization, employees strongly believe knowledge management helps ease of work	148	29.6	3

Micro, Small and Medium Enterprises are the backbone of the industrialization process of many developing countries including India and play a vital role in expanding a country’s economy. Every human being have plenty of knowledge in their respective Domain based on their culture, society, attitude, interest, experience, etc. Similar way there are lot of explicit Knowledge available globally both in public and private repositories, in addition to books, magazines, periodicals, papers etc. Harnessing the Knowledge and utilizing it effectively and efficiently at the right time improves management decision making and collaboration

amongst the teams involved. Transparency amongst the teams, mutual respect and trust, collaboration, helping tendency, attitudes of the individuals, learning spirit, innovative culture and team approach enables and eases Knowledge management in the organisation.

4.2 Age of Organization

Government of India encourages Entrepreneurship by announcing many attractive schemes and policies to start the Enterprises in Product and Service areas. Schemes like “Startup India” and “Make in India” encourages aspiring professionals to start the Enterprises and to become Entrepreneurs. Table 2 reveals that year on year Micro, Small and Medium Enterprises are growing in numbers and government initiatives are expected to further contribute to the development of the Country by creating additional employment opportunities. Hence knowledge is essential core component for the sustenance and growth of the individuals and the organizations.

Table-2: Age of Organizations

Criteria	No of Firms	Percentage
1 to 5 years	10	24
6 to 10 years	19	45
11 to 15 years	10	24
16 to 20 years	3	7
Total	42	100

4.3 Number of Employees

Micro, Small and Medium Enterprises on an average have head count in the range of 1 to 200. Table 3 reveals that the 48% of the organizations employed less than 50 employees and remaining 52% of the organizations employed >50 employees and <=200 employees.

Table-3: Number of Employees

Criteria	No of Firms	Percentage
1 to 50 employees	20	48
51 to 200 employees	22	52
Total	42	100

4.4 Scale of Operation (Marketing area)

Advancement in the technologies and globalization, enabled organizations to perform business Globally. Table 4 reveals that 33% of the Micro, Small and Medium Enterprises conduct only Domestic business and 7% of the Enterprises conduct only International (excluding India)

business. Whereas 50% of the Enterprises does business Globally.

Table-4: Scale of Operation

Criteria	No of Firms	Percentage
Domestic	14	33
International	7	17
Both	21	50
Total	42	100

4.5 Business Focus

Nearly 32% of the enterprises are engaged in manufacturing activities, while the remaining 68% are engaged in services based on Government of Tamilnadu, Policy Note. Table 5 reveals that 50% of the organizations are in IT Services business and 7% of the organizations are in Product business. Whereas 43% of the organizations are into both IT Services and Product business.

Table-5: Business Focus

Criteria	No of Firms	Percentage
IT Services	21	50
Product	3	7
Both	18	43
Total	42	100

5. CONCLUSIONS

Micro, Small and Medium Enterprises are running successfully and continues to contribute to the Global economy. Employees are the core assets of the organization. Employees knowledge and their awareness on Knowledge Management are key criteria for the success of the Organizations. Knowledge Management implementation and practice would help employees and organizations to grow further. Implementation of Knowledge Management in Micro, Small and Medium Enterprises have better outcome, but it has considerable issues, and limitations. These all exist due to poor awareness and understanding of Knowledge Management. It has associated opportunities, and benefits to the stakeholders. Knowledge Management awareness sessions, and guidance to Micro, Small and Medium Enterprises stakeholders may help them to overcome these challenges and enjoy the benefits. Entrepreneurs should create Knowledge culture in the organization, enable and encourage employees to participate in external forums / workshops, to gain Industry exposure, knowledge, and best practices. Proper planning and systematic execution will help to achieve successful implementation of Knowledge

Management System for long term efficiency, effectiveness, and competitiveness of the organizations.

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