

**KNOWLEDGE MANAGEMENT AND HUMAN RESOURCE PRACTICES:
A DECENNIAL STUDY OF STATE BANK OF INDIA**

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Abstract

Knowledge Management (KM) is a strategy that involves various components, namely people, process and technology. In a banking environment, all stakeholders are related significantly with Knowledge Management System, which helps to bring up the value of the banks. Banks are currently satisfied with their current documentation system, management system, file system or any systems that assisting in their daily operations. Hence the researcher found a need to study how the State Bank of India's Human Resource Practices integrates with the technology used for managing knowledge in attaining the business value and sustainable competitive advantage. The major objective of the study is to identify the Human Resource Practices and Knowledge Management in State Bank of India during the last decade i.e. 2006-07 to 2015-16.

Keywords: Knowledge, Knowledge Management, Human Resource Practices, Knowledge help line, Talent Management, Learning and Development, training

Review of Literature:

Knowledge as the capacity to act on information and thereby make it valuable, therefore knowledge can be said to be ineffectual if not used. In organisations, knowledge becomes

embedded not only in documents or repositories, but also in organisational routines, processes, practices, norms and cultures, Sveiby (1997). Knowledge becomes meaningful when it is seen in the larger context of culture, which evolves out of beliefs and philosophy, Allee (1997). Knowledge as information combined with experience, context, interpretation, reflection, and perspective that add a new level of insight Davenport, De Long and Beers (1998). Workers (people) need to be able to seek out knowledge, experiment with it, learn from it, and even teach others as they innovate so as to promote new knowledge creation. Having a Knowledge Management program that enables the sense of the importance of people is a very important to organisational success, Drucker (1999). Innovation is a learning process in which valuable ideas are transformed into new forms of added value for the organization and its stakeholders. The innovation spiral comprises of individual and social learning at the workplace, knowledge creation and innovation. The organization structure, organization culture, technology and leadership skills are the four pillars which support knowledge management and organizational learning efforts of an organization, Meeta Das Gupta and R K Gupta (2009). Knowledge management is a multi-disciplinary in nature, weaving together elements from sociology, psychology, technology, philosophy, economics and management theory. Human resource practices reinforce knowledge management practices which offer many strategic benefits to a bank, Yogeswaran G and Selvaraj V.M. (2011).

II. Need for the Study:

Knowledge becomes more valuable, there is growing need to manage it efficiently to capture its full benefit. Ideas about leadership have changed considerably in recent years in the context of organizations. The nation is on the brink of a period of profound change in society. Selvaraj A (2003). There is also a need for organizations to learn how to survive, enhance their value, maintain competitive edge and grow in fast-changing operating environment. Knowledge Management (KM) is a strategy that involves various components, namely people, technology and process. In a banking environment, all stakeholders are related significantly with Knowledge Management System, which helps to bring up the value of the banks. Banks are currently satisfied with their current documentation system, management system, file system or any systems that assisting in their daily operations.

The past decade has been a period of intense economic and technological change brought about by diffusion of Information Technology and Globalization. The on-going revolution is unprecedented in scope, content and speed. Today the challenge before banks is how to develop and share the organizational knowledge on continuous basis for business development. Deepak Tandon (2007). Hence the researcher found a need to study how the State Bank of India's Human Resource Practices integrates with the technology used for managing knowledge in attaining the business value and sustainable competitive advantage.

III. Objectives of the Study:

The major objective of the study is:

- To identify the Human Resource Practices and Knowledge Management in State Bank of India during the last 10 years i.e. from 2006-07 to 2015-16.

The sub objectives include:

- To identify and understand the Human Resource Practices in SBI.

- To examine how far HR component is going in line with the knowledge management practices.
- To conclude that HR practices are essential for knowledge management
- To highlight that KM have much value for the organisation in building its competitive advantage.

IV. Methodology of the Study:

The present study is exploratory in nature as the research is based on the secondary data sourced mainly from the Annual Reports of the State Bank of India, articles published in journals and conference magazines, textbooks, newspapers, and web based search. Smart charts are used to represent the analyzed Human Resources data of SBI during the period.

V. Data Analysis and Interpretation:

The State Bank of India believes that Human Resources Management is an important facet of organisation's effectiveness. Aligned with the best practices of a caring and responsible employer, and befitting its status of 'first among the equals' in the banking industry, Bank has been making constant endeavour to improve the functioning of HR as a strategic business partner by nurturing its loyal and dedicated employees who have made significant and lasting contributions towards achieving the Bank's goals on an upward scale, on year to year basis. Towards this end, your Bank has taken some important measures to meet the business challenges, which include, recruiting young and highly qualified candidates in large numbers; improving the working / service conditions of the employees representing a wide diversity of group /interests; re-skilling them through training interventions, workshops, seminars, video-conferencing; assisting in the career development of the employees by providing a scientific and objective approach to measure their performance; incentivising the top performer; putting in place an organised structure for skill and capability building in critical positions and by implementing various measures for talent retention. Hence the HR activities during the last 10 years period are depicted in the charts as shown below:

A. Human Resource Practices during 2006-07:

Recruited Marketing & Recovery Officers

Chart1. Human Resource Practices during 2006-07

It was identified that during this year SBI has made an initiative for recruiting Marketing and Recovery Officers (Farm Sector) for special thrust on marketing of Agriculture and Allied Activities. So, it can be concluded that the Bank wants to share its Knowledge to employees for performing better in their operations of consecutive years.

B. Human Resource Practices during 2007-08:

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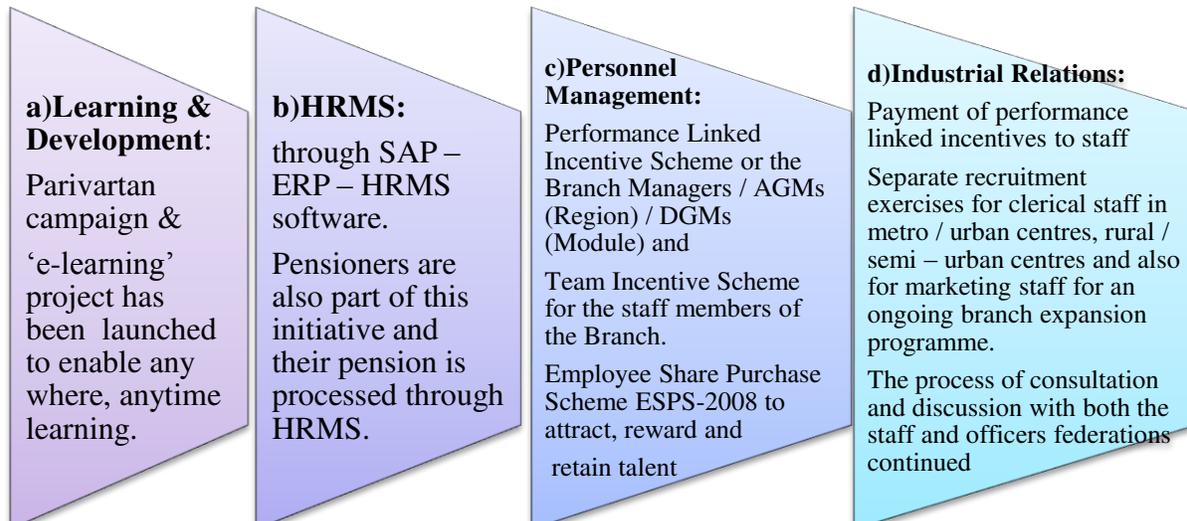


Chart 2. Human Resource Practices during 2007-08

From the above Chart 2 it is understood that SBI has involved in various activities like Parivartan campaign, e-learning, SAP-ERP-HRMS software, Performance Linked Incentive schemes, Team incentive scheme, Share purchase scheme-2008 to attract, reward and retain talent, separate recruitment exercises for clerical staff in metro/urban centres under branch expansion programmes were carried out during this period. The industrial relations are cordially maintained through consultation and discussion both with staff and officers federations is found to be continued. So, it can be concluded that Knowledge is maintained through various HR initiatives in SBI during this year.

C. Human Resource Practices during 2008-09:

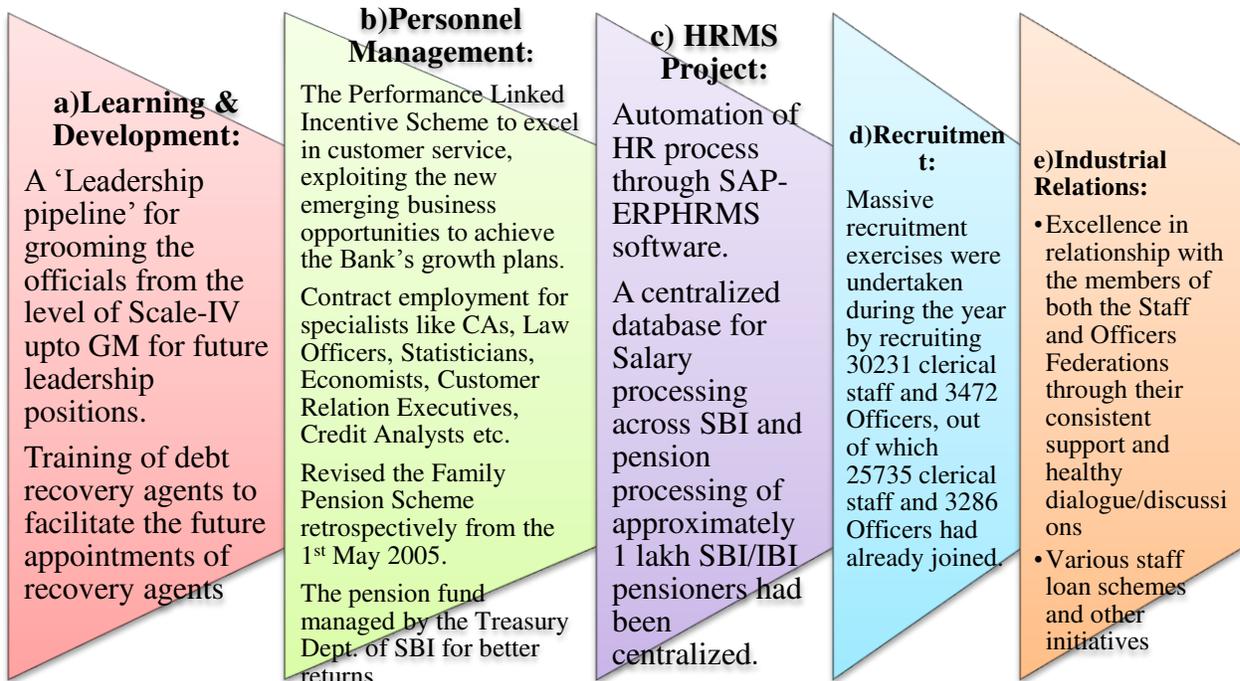


Chart 3. Human Resource Practices during 2008-09

From the above chart 3 it is understood that SBI has involved in various activities like Leadership Pipeline, training of debt recovery agents, SAP-ERP-HRMS centralised software for salary database and pension processing, Performance Linked Incentive schemes, Team incentive scheme, contract employment exercises for Auditing, massive recruitment exercises were carried out during this period. The industrial relations are cordially maintained not only through consultation and discussion both with staff and officers federations but also through various staff loan schemes and other initiatives to create better industrial relations environment were launched by SBI. So, it can be concluded that knowledge management practices are essential for attaining competitive advantage of the Bank.

Also from the charts below i.e. from Chart4 to Chart10 it is identified that during 2009-10 to 2015-16 there were wide ranges of HR activities carried out in the State Bank of India.

The Bank was identified to be continued with its learning & development, Personnel Management, HRMS, Recruitment and efficient Industrial Relations to withstand among its competitors where they are all part of managing the knowledge of the firm among its employees. SBI had taken several new initiatives like Cadre Management, Strategic Training Unit (STU) during 2010-11, Leadership development programmes during 2011-12. The Bank recognized the need for more advanced training and particularly in areas of strategic management, which may not be completely provided by the Bank's in-house training apparatus, the Bank deputed its senior executives for training in short duration Executive Development Programmes to reputed institutes both in India and overseas.

During 2012-13 Bank had a policy that every single employee in every grade must attend at least one training programme every year. Several articles have been published by Research officers/faculty members in internal and reputed external journals such as Bancon compendium, Indian Banker, Financial Planning Journal etc. The efforts to inculcate a self learning culture in the Bank through an e-Learning portal which has over 280 lessons currently, has yielded good results and more than 70000 employees are using the portal while 94% have registered. State Bank Training Management System (SBTMS), a comprehensive database system in place, enables viewing of training calendars of any ATI/SBLC, programme timetable, individual training history, trainee feedback and self nomination on line. **Knowledge Helpline**, has been established to answer, knowledge related queries.

During 2013-14 also the HR activities of the SBI were continued with same spirit additionally the Bank introduced Talent management, focused on the proportion of women employee composition among the total workforce and other initiatives like Review of Promotion policies, Succession planning, Improved productivity, and could able to maintain a healthy employer-employee relationship. The Training programmes of SBI were also found to be aligned with current corporate priorities of the Business Units, culture of self-learning is inculcated in every employee, Active promotion of online learning includes mandatory role based lessons supported by Rewards and Recognitions Scheme. So, it can be concluded that all the activities of Human Resources have become the crucial prerequisite elements during all above period for proper knowledge management of this Bank.

During 2014-15 the bank initiated Talent Management, Project Saksham – Career Development System, SBI Aspirations – a social media forum, Financial Literacy Centre,

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Inclusion of Visually Impaired (V) and Hearing Impaired (H) in STU and also won the Helen Keller award 2015.

During 2015-16 the Bank has made several initiatives by considering People are the Most Valuable Asset like learning digitally, ‘SBI Buddy’- ‘SAATHI’ has been started to allow Probationary Officers to clear their doubts related to technical and administrative activities in the initial days, a culture of self-learning, mass communication programmes, time management, stress management etc. as shown in the charts. So, it can be concluded that the knowledge management practices with the Bank were identified to be made strong with several HR practices from year to year and making the State Bank of India a highly performing bank and standing in the No.1 position.

D. Human Resource Practices during 2009-10:

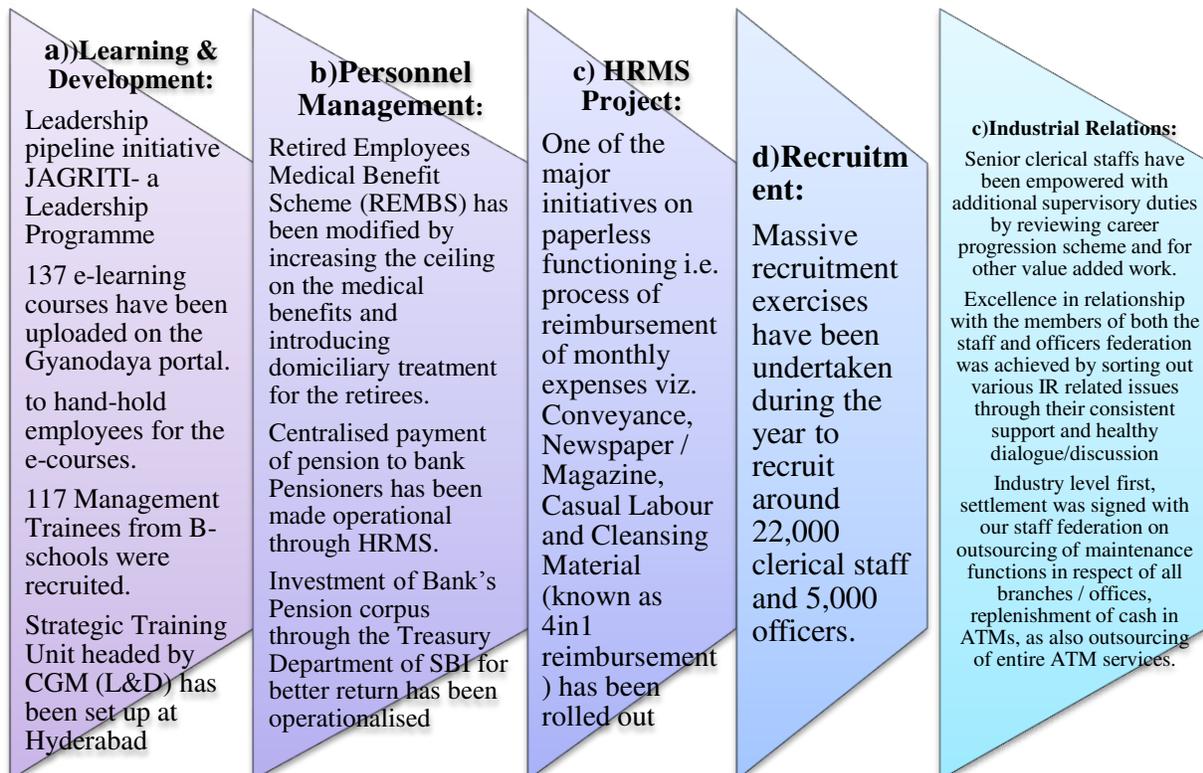


Chart 4. Human Resource Practices during 2009-10

E. Human Resource Practices during 2010–11:

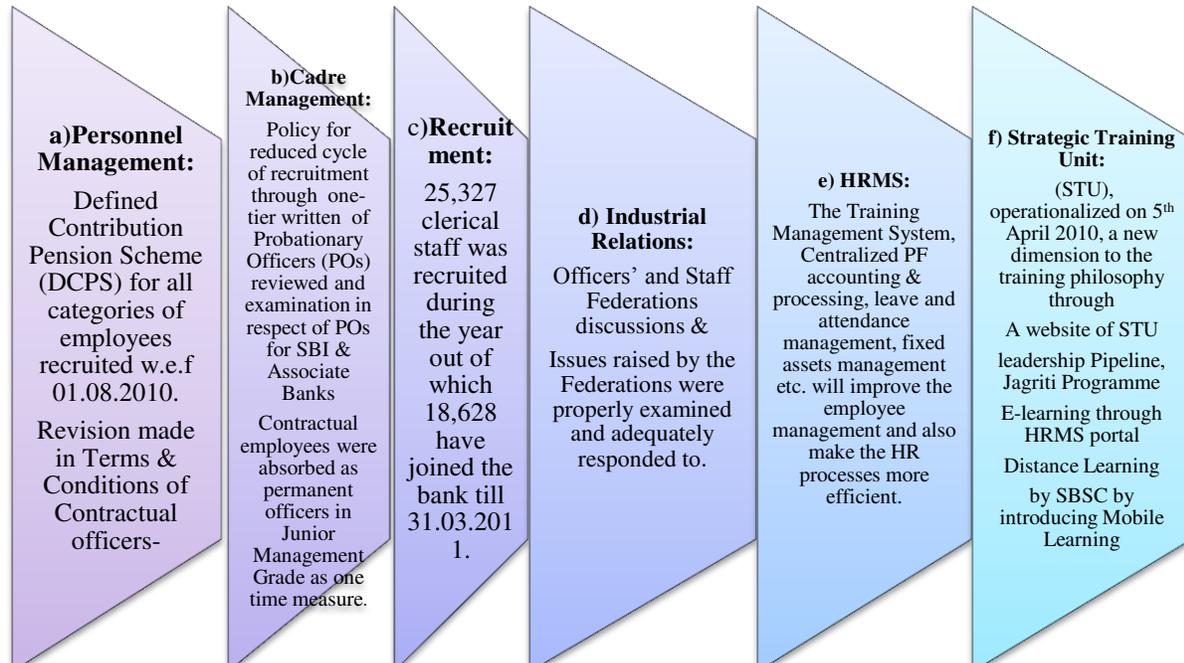


Chart 5. Human Resource Practices during 2010-11

F. Human Resource Practices during 2011-12:

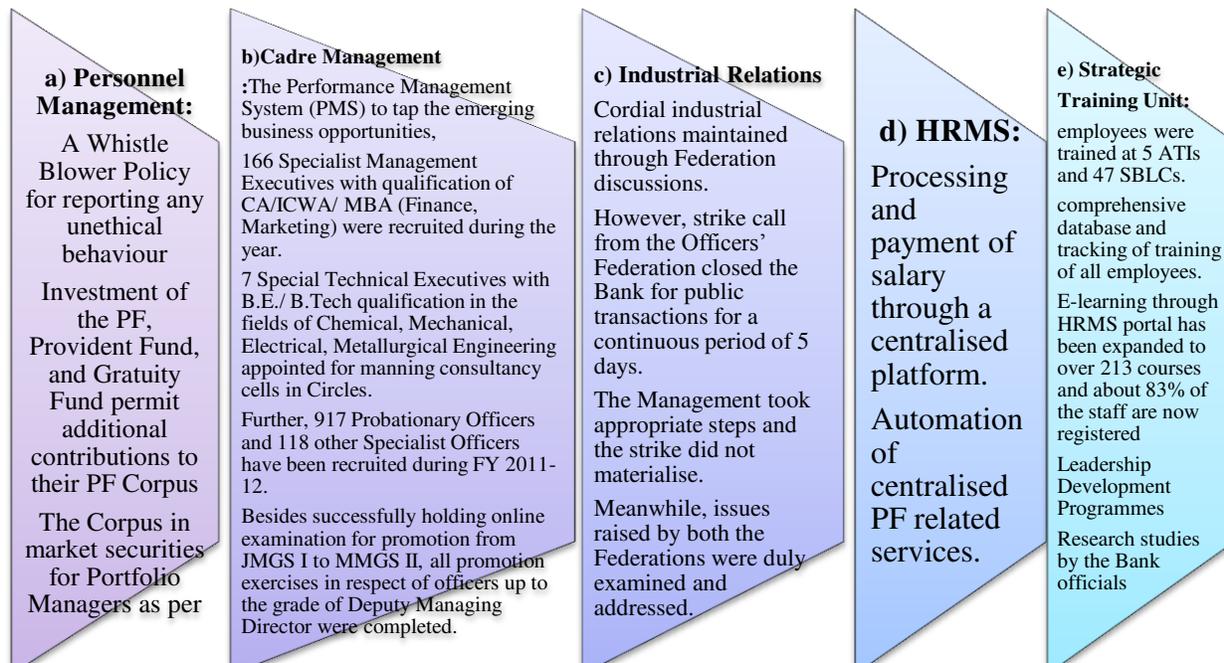


Chart 6. Human Resource Practices during 2011-12

G. Human Resource Practices during 2012-13:

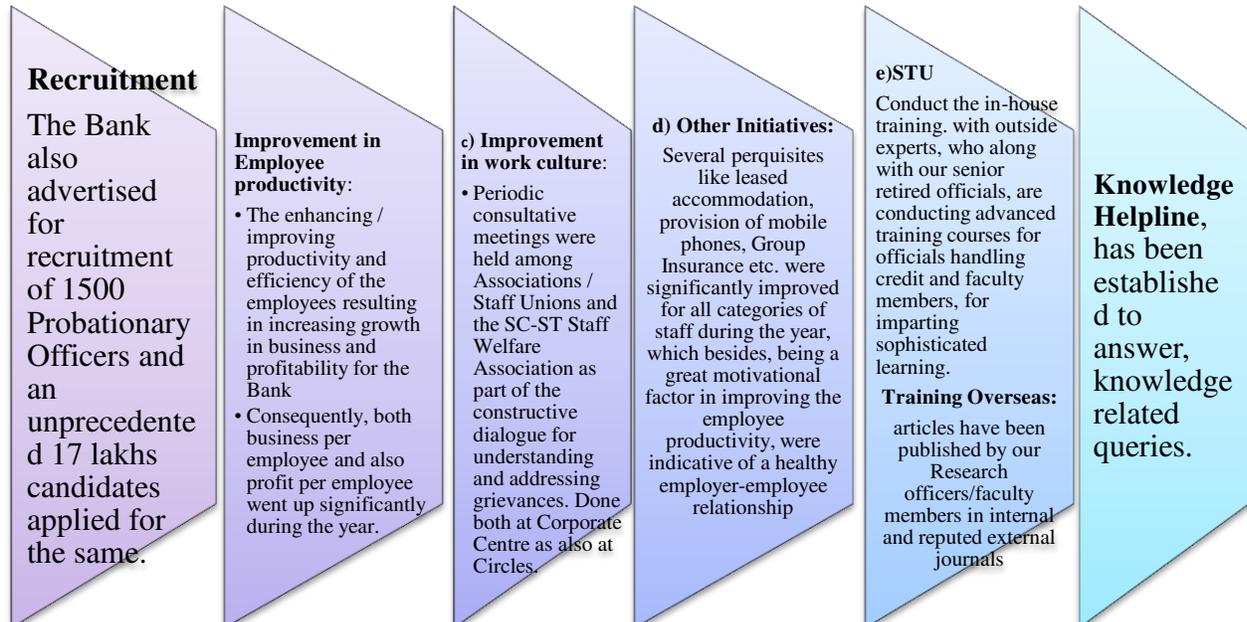


Chart 7. Human Resource Practices during 2012-13

H. Human Resource Practices during 2013-14:

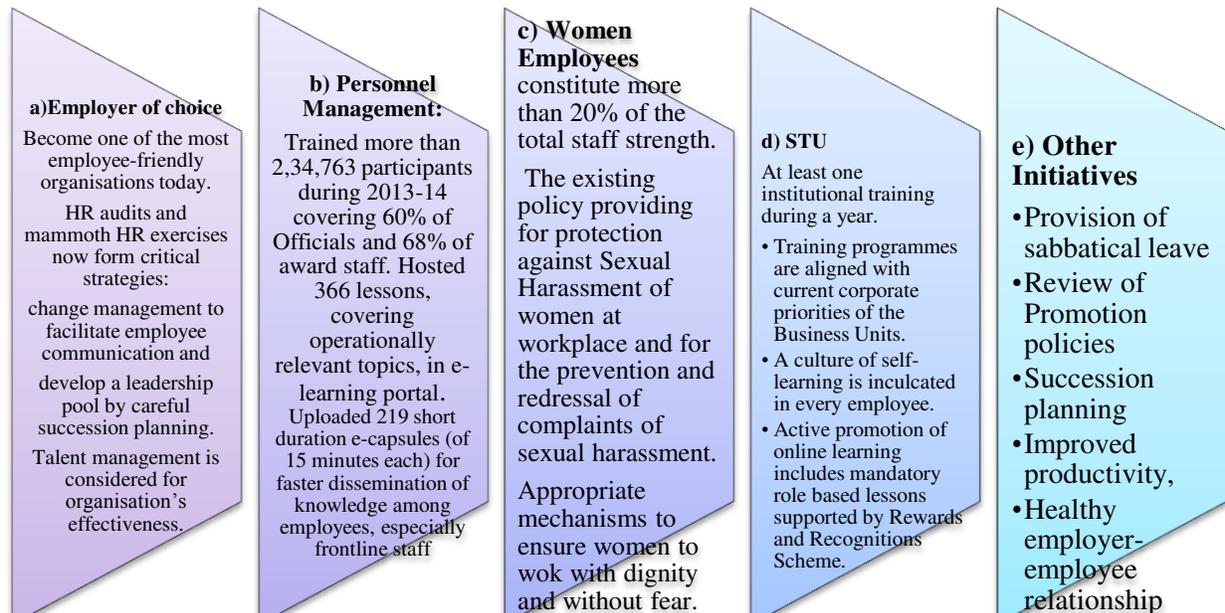


Chart 8. Human Resource Practices during 2013-14

I. Human Resource Practices during 2014-15:

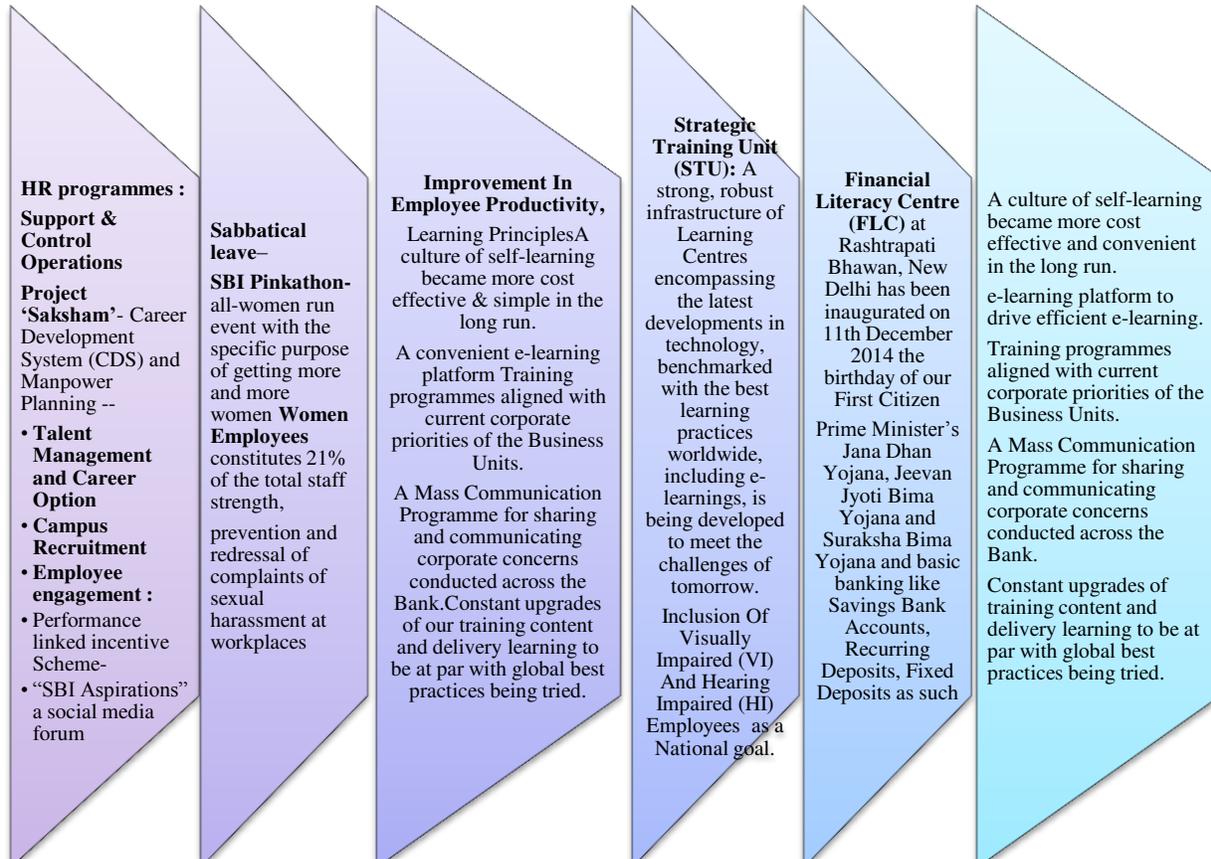


Chart 9. Human Resource Practices during 2014-15

J. Human Resource Practices during 2015-16:

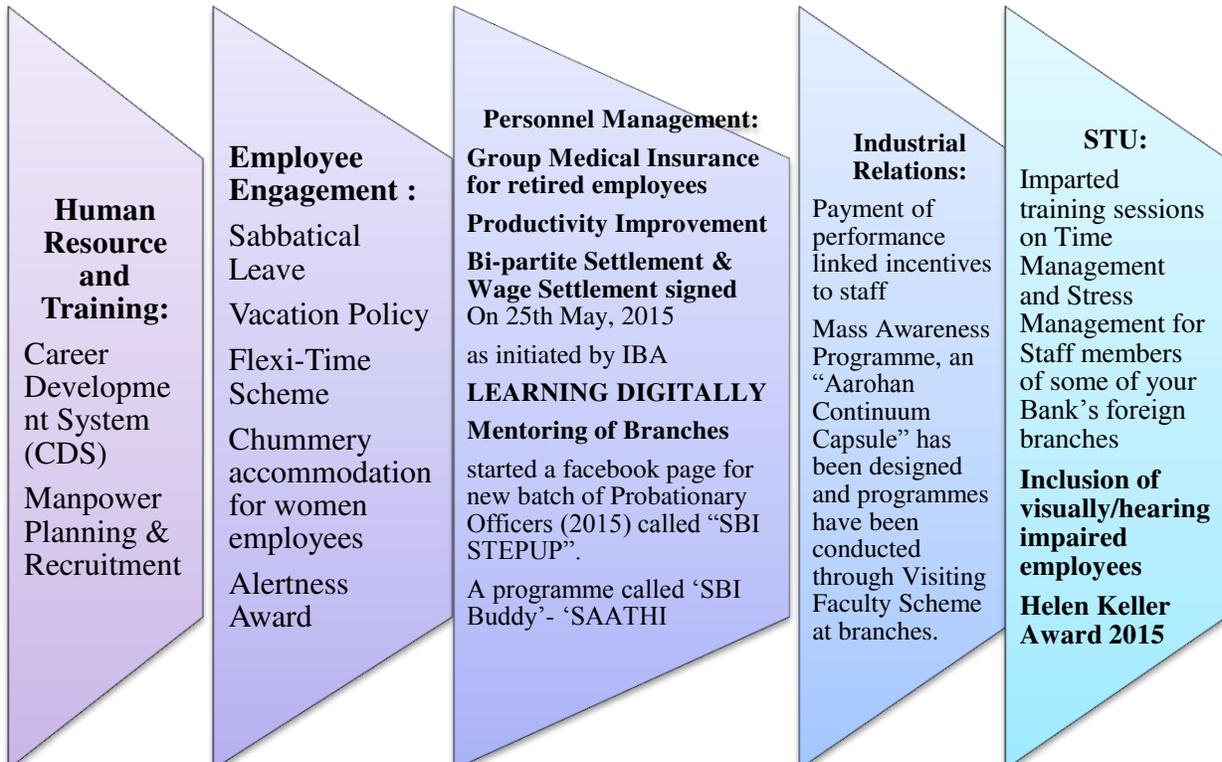


Chart 10.Human Resource Practices during 2015-16

VI. Findings:

The researcher remarked that during the last ten years various efforts are made by SBI towards HRM usually involve Recruitment, Learning & Development programmes, Strategic Training Units (STUs) operationalised from 5th April 2010, e-Learning portals, culture of self – learning, learning digitally, SBI aspirations, SBI Buddy, HRMS, Industrial Relations for Improvement in Employee productivity and Work Culture, Knowledge Helpline, Career Development System, Talent management and so on. Beside these there are various initiatives considered for Human Resources Management. There is no fixed list of generally agreed principles adopted as the Bank is dynamic in its operations. However from the above study it is analyzed that HRM continued with the following activities:

- Training system to function under the overall supervision and guidance of STU and the training apparatus consists of 6 Apex Training Institutes (ATI) and 47 Learning Centres.
- Training programmes were aligned with current corporate priorities of the Business Units which enhances the People knowledge.
- A culture of self-learning inculcated in every employee would ultimately develop him.
- Active promotion of online learning includes mandatory role based lessons supported by Rewards and Recognitions encourage sharing more knowledge among the employees.
- As Reward and Recognition Scheme actively encourages its employees to pursue various study courses offered by external institutes helps them to acquire new knowledge.

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- Improved and increased Official Language Implementation at various levels in the Bank. The service desk queries asked in Hindi are being replied in Hindi only.
- After providing for the facility to work in Hindi on the Core Banking Solution (CBS) Standard Encoding Unicode facility was uploaded on all the computers of branches and offices of the Bank.
- Training on the usage of Hindi in Unicode has been given to majority of staff members and thus the usage of Hindi on computers has now become much easier for staff members in the Bank.
- Different information and procedural manuals in HRMS related to staff members have been provided in bilingual, i.e. in Hindi and English and thus the use of HRMS has become much easier for all the employees especially for the subordinate staff members.

Thus these were the practices adopted for Human Resources at SBI for managing the knowledge of its operations. Hence it is observed that Knowledge has much value for building competitive advantage of the State Bank of India with its HR activities using technology by large.

VII. Conclusion:

Indian banking industry is going through a paradigm shift and adoption of concepts like knowledge management, which has become a strategic imperative rather than a choice. There has also been interdependency of three factors of Knowledge Management viz. People, Process and Technology; but the crucial factor for successful knowledge management resides in the people and organizational culture. The Human Resources Practices identified in the State Bank of India during the last decade are also aligned with knowledge management that has become a critical input in the growth and development of the banks. Based on the above critical review, it is concluded that a well-developed infrastructure (ICT-Information and Communications Technology) supports collaborative work of the SBI.

There were also various software tools like Knowledge Helpline, e-gyanodaya portal, aligned with corporate business units etc., to support individuals/knowledge workers in the Bank. Today, the success and worth of State Bank of India depended more on its intellectual capital along with its physical assets. Thus Human Resource practices are going in line with managing knowledge leading to the process of increasing SBI current intelligence through the bank's involvement and participation of its knowledge capital, for creating business value and generating competitive edge. Therefore, it is concluded that SBI has not only realized that Knowledge gives power but also the cheering knowledge with its Human Resource practices increases the self esteem of the Bank which lead to the development of the team spirit and organization culture.

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