

# Model for Knowledge Management Portal in Banks

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**Abstract:-** Present Knowledge era of global and competitive business environment constantly striving for innovation as the existing knowledge base is getting obsolete, continuously thriving for advancement in process improvement. The recent explosion of information technology has seen few but significant emerging trends, for example, mobile platform for doing business, cloud computing, technology to handle a large volume of data i.e. Knowledge repositories, etc. The primary thrust of this paper is to inspect the knowledge management (KM) practices of Banks and discuss the commonalities using a KM Portal in Banks. The objective of the study is mainly to generate a model for KM Portal in Banks operating in India.

**Keywords:** Knowledge Management, portal, Collaborative Workspaces, Knowledge servers, Repositories, User requests

## I. INTRODUCTION

Present Knowledge era of global and competitive business environment constantly striving for innovation as the existing knowledge base is getting obsolete, continuously thriving for advancement in process improvement. Due to the rapid shifts in the way businesses are getting conducted thrown out new reality of ever shortening product and service life cycle for all the operations. More and more companies are coming out with customized products and finding ways to differentiate from competition. Similarly the same is the thing almost occurring with the Banking Sector too. Globalization and opening up of markets has not only increased competition but also has allowed companies to operate in markets previously considered forbidden. Inclusion of information technology as integral part of business environment has ensured that companies are able to process, store and retrieve the huge amount of data at ever dwindling costs.

The recent explosion of information technology has seen few but significant emerging trends, for example, mobile platform for doing business, cloud computing, technology to handle a large volume of data .e. Knowledge repositories, etc. These fresh technologies and platforms are offering numerous opportunities for all kinds of businesses to drive strategic advantage and stay ahead of the competition. Even the Financial Institutions need to work on new plans as to maintain flexibility and deliver customer satisfying products and services. Organizations should strive for connection of people, processes, and technology hence the knowledge management focuses on leveraging corporate knowledge and operations.

## Concept of Portal:

A **Web portal** is most often a specially designed web site that brings information together from diverse sources in a uniform way. Usually, each information source gets its dedicated area on the page for displaying information (a portlet); often, the user can configure which ones to display. Variants of portals include mashups and intranet "dashboards" for executives and managers. The extent to which content is displayed in a "uniform way" may depend on the intended user and the intended purpose, as well as the diversity of the content. Very often design emphasis is on a certain "metaphor" for configuring and customizing the presentation of the content and the chosen implementation framework and/or code libraries. In addition, the role of the user in an organization may determine which content can be added to the portal or deleted from the portal configuration. (wikipedia.org)

## II. REVIEW OF LITERATURE

To compete and become successful in their own market, organizations must now learn to manage their intangible asset, that is "Knowledge" and this practice is generally known as Knowledge Management or sometimes referred to as business intelligence. They have come up with a model to describe knowledge management progress and presented the experiences of two commercial banks in Malaysia that have succeeded in applying knowledge management.( Hafizi Muhammad Ali and Nor Hayati Ahmad (2007) <sup>[1]</sup>). The present days banking has undergone a drastic change. 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) <sup>[2]</sup>). The classification of banking sector reforms are identified to be as promotion of competition, strengthening role of the market and supervision or supervisory controls, prudential measures, legal measures and measures related to technology. (Ammannaya K K, (2008) <sup>[3]</sup>)

Knowledge Management (KM) has been in existence in our society ever since the discovery of language. KM to thrive its factors i.e. Cooperation, Motivation Level, Top

Management Support and Work Culture have to play a prominent role.( Chandana Gowsami (2008)<sup>[4]</sup> ). Sudden developments leading to economic downturn have resulted in businesses confronting the issue of uncertainties in their environment. Banks have already invested large sums of money in technology to develop the alternative delivery channels which may help in replacing the traditional branch network. Another way of achieving the conflicting goals of customer satisfaction and reducing costs is to closely manage the customer experience by fine-tuning the service level and developing talented manpower. (Prashant Pradhan (2009) <sup>[5]</sup> ). Knowledge management is still in a formative stage, marked by differences in terminologies, emphases and boundaries. He maintains wide-ranging views on the relationship between knowledge management and computer based technology. (Sheenu Jain (2009) <sup>[6]</sup> ).

### III. PURPOSE OF THE STUDY

Many of the banks in developed countries as well as developing countries applying the technologies to manage their knowledge. Domestic Banks as well as Foreign Banks in India are provided with a new dimension to understand and evaluate their performance and benchmark it with global standards. The goal of every organization is to manage their knowledge successfully. A firm's knowledge management strategy should reflect its internal competitive strategy. The strategy chosen should create value for the firm's customers, turn a profit for the firm and focus on how the firm's employees deliver on the value, differentiation, and speed. The primary thrust of this paper is to inspect the Knowledge Management (KM) practices of Banks and discuss the commonalities using a KM Portal in Banks.

### IV. OBJECTIVES OF THE STUDY

The objective of the study is:

- To identify the Commonalities of Knowledge Management Practices in Banks
- To develop the model for KM portal in Banks
- To examine the benefits of KM using the Portals
- To interpret the challenges for implementation of KM portals in Banks.

### V. KNOWLEDGE MANAGEMENT IN BANKS

Basic knowledge of banks lies with the boards and senior managers as directed and controlled by the Central Bank i.e. RBI, Ministry of Finance and the Govt. of India. The same is needed to be accessed or shared or distributed among the employees of the concerned Banks. The knowledge concerned with banks include: understanding of their operations i.e. savings, lending's, intermediation and risk management in an active market setting characterised by rapid economic changes. The banking culture, knowledge acquisition, learning and innovation are all important aspects of the knowledge Management Practices in Banks.

Banks should improve the security and privacy of the web sites, which will increase the trust of users i.e. employees as well as customers. Banks should also create features which are useful to users and make sure users are aware of these features. Lastly, government should also play a role to support banks in their efforts to increase KM portal adoption by Banks. Adoption of a structured IT governance framework would enable a bank to perform its business in an orderly and effective manner benefiting the stake holders and, in the process, aid in its own survival and growth.

Hence the KM processes are needed to critically review knowledge nominations and turn them into improved knowledge, automatically find and publish knowledge to users according to users' knowledge profiles and transfer knowledge effectively. The day is not far off when the banks would be viewed more as technology companies offering banking products and services. While bank branches would continue to function, they would reorient themselves as relationship centers rather than routine banking service providers. More technology spends are expected in the near future on areas such as implementation of data centre, expansion of Core Banking Solutions(CBS), Business Continuity Plan (BCP)/Disaster Recovery Plan (DRP) installations, IT Security, Electronic Data Interchange (EDI), Storage solutions such as Storage Area Network (SAN) / Network Access Storage (NAS) to take care of the hundreds of terabytes of electronic data being generated, cheque truncation solutions, compliance to regulatory standards like Basel II implementations, Customer Relationship Management (CRM) solutions, data ware house and data mining tools, channel integration, global treasury, performance monitoring tools etc. Another area of great interest concerns the mergers and acquisitions of banks wherein banks with techno-synergy can combine to benefit from the same. .

### VI. MODEL FOR KM PORTALS IN BANKS:

A Knowledge Portal is far more than an information portal as it includes the practices of Knowledge Management in Banks as mentioned in the above sections of this paper. Further more it should contain the artificial intelligent software to identify the exact person who is involved in the process of utilizing the services offered by the portal. So that right knowledge can be acquired from the right person and the right knowledge can be accessed by the right person at a right time. Many large companies have resources dedicated to KM, often as a part of 'Information Technology' or 'Human Resource Management' departments. KM is a multi-billion dollar world wide market.

New technologies are rapidly emerging that act as intelligent agents and assistants to search, summarise, conceptualise and recognise patterns of information and knowledge. KM programs are typically tied to organisational objectives such as improved performance, competitive advantage innovation, lessons learnt transfer (for example

between projects) and the general development of collaborative practices. Knowledge Management is frequently linked to the idea of the learning organisation although neither practice encompasses the other. Knowledge Management may be distinguished from Organisational Learning by a greater focus on specific knowledge assets and the development and

cultivation of the channels through which knowledge flows. Based on the commonalities of the KM practices in banks the following is a 'Banks Knowledge Management Portal' including the key aspects placed and found to be implemented in the Banks among its stake holders, the same is presented in the below figure:



**Knowledge Management Portal:** A 'knowledge portal' should contain technologies to support the processes of virtual team communication and collaboration and software technologies to support the process of managing knowledge. Furthermore, it contains intelligent agent software to identify and automatically distribute information and knowledge effectively to knowledge workers based on knowledge profiling.

- i. **Knowledge Profiling:** Within the knowledge portal, the profile of each employee should be maintained and also should be updated and maintained under the aspect of personal 'knowledge profile' which identifies his/her specific knowledge needs, areas of interest and frequency of distribution. In the context of Bank the several profiles of employees include the branch manager, senior officer IT, HR, loan managers, recovery officers, clerical staff like cashiers etc.
- ii. **Knowledge Hub:** Within the KM Portal of a Bank there should be a centralised Knowledge Hub to manage the processes and knowledge services that generate and disseminate knowledge assets. The key components of a generic knowledge hub includes a knowledge portal interface designed around a knowledge asset schema as a gateway to user access, security and applications, a Knowledge bank, Advanced search capabilities, collaboration services, search and discovery services, publishing services based on user knowledge needs based on knowledge profiling and a knowledge map (taxonomy) highlighting the services of a Portal like text

iii.

summarising and conceptualizing, Intelligent agent ware, an Intranet infrastructure for integrated email, file servers, internet/intranet services.

**Collaborative workspaces:** Within the knowledge portal, shared work spaces can be set up for each new team or project. These will become knowledge repositories from which new knowledge will be distilled regularly and systematically and shared across other teams of the Banks. Within the shared and collaborative workspace, at least, the following communication and collaboration functions could be performed:

- ✓ Shared vision and mission
- ✓ Specific team objectives
- ✓ Knowledge Plan
- ✓ Team members roles and responsibilities
- ✓ Team contract
- ✓ Best Knowledge Bases or Banks
- ✓ Expert locator
- ✓ Task management
- ✓ Shared Calendar management
- ✓ Meeting management
- ✓ Document libraries
- ✓ Discussion forums
- ✓ Centralised email
- ✓ Capturing of new learning's and ideas
- ✓ Peer reviews, learning reviews, after action reviews
- ✓ New knowledge nominations

- iv. *User requests:* Within the knowledge portal, it is very useful to have a facility and underlying process to enter any 'Urgent Request' into the portal and receive back any responses from across the organisation. Rather than needing to know 'who might know' the request is entered blindly and responses will be made if it is known in the organisation and people are willing to support and respond to this activity. This is a very effective way of better leveraging the knowledge across the organisation.
- v. *Document Libraries (Data Repositories):* The document library is typically the location where all documents are stored. The library should be context relative and allow the ease of control over any document type. Many organisations now employ an Electronic Document and Records Management System (EDRMS) for this requirements but the integration of the EDRMS with all other relevant information and knowledge sources is imperative.
- vi. *Knowledge Bases (Knowledge Repositories):* For each key knowledge area identified, there needs to be a Knowledge Base. A Knowledge Base contains both structured and unstructured discussion forums, rich 'knowledge objects' that have been designed for the efficient and effective transfer of knowledge using multimedia, video, audio, embedded communications theory (eg storytelling).
- vii. *Knowledge Servers:* In order to foster knowledge networking across the entire organisation and support knowledge processes for creating, retaining, leveraging, reusing, measuring and optimising the use of the organisational knowledge assets, a centralised knowledge server is required that will:
  - ✓ manage the communications and collaboration between networks of people
  - ✓ enable the access, creation and sharing of knowledge between them

There is, however, no empirical evidence that information-technology acceptance models established in Banks of developed countries can apply equally well to less-developed countries without some modification to account for the different context. Same is the case with the Model for KM portals in one Bank can be applied equally well with other Banks without making modifications as per their relevance.

#### VII. BENEFITS OF MANAGING KNOWLEDGE USING KM PORTALS IN BANKS

The benefits of KM using technology in banks can be categories into four areas like customer experience management, opportunity management, internal operations management and risk management. The details of how it is benefiting are as given below:

- Enables Banks to offer 24 X 7 X 365 service with much lesser manpower.
- Removes drudgery of employees and massively deploys customer interfacing and interaction.
- Allows different branches to share information or knowledge with impressive networks.
- Helps in developing a philosophy to provide new range of financial products and services at minimal costs.
- Centralized automations with improved services and lowered costs of service providers
- Assists multi-delivery channels like ATMs, Net-Banking, mobile-banking, and telephone banking thus driving down cost per transaction
- Enables central control point which provides good coordination among employees
- Helps the banks not only to differentiate their products or services from others but acts as a business success factor.

#### VIII. CHALLENGES TO THE BANKS:

- In Sourcing Vs Outsourcing: Technology and innovation is a collective responsibility of the management team and most definitely that of the CEO of the bank. The institutional agility and growth parameters are largely driven by alternatives of in sourcing versus outsourcing infrastructure-managed services, which are not so critical to day-to-day management.
- Costs and Benefits of Investment on Technology: The banks' need to articulate clear vision as the life cycle of the technological products is becoming shorter, banks have to consider the costs of huge investments made in the hardware and software vis-à-vis their expected benefits.
- Fool-Proof mechanism for Migrating to new system: The technological up-gradation necessitated by obsolescence in due course would call for fool-proof mechanism for migration to the new system to ensure complete data integrity.
- Outsourcing Risks and Service level Agreements: The risks arising out of outsourcing need to be suitably mitigated through proper selection of vendors, comprehensive agreement etc., Dependency on
- Security: Security is a major issue in a technology-based, networked environment. As per a study conducted by the Research International, 81% of the surveyed business units agreed that information/data is a key business asset and 86% perceived impact of crisis caused by failure of systems etc. as drastic. An insecure system can expose a bank to serious operational, regulatory and reputational risks.

#### IX. CONCLUSION



The key aspects in the portal are included for the communication and collaboration technologies that are web based for internet and intranet usage, mobile technologies such as PDA's, PC's, telephone and videoconferencing for an effective KM initiative across the Banks. There are several factors that drive companies to follow technologies viz. Internet and intranet effectively. The drivers are willingness to cannibalize, entrepreneurial drivers, management support, and market pressure. Technology has enabled the banks to conceive deliver, manage and integrate their products in line with the customers' need. For which a Bank should incorporate Knowledge Management Portal specifically among its information and communication technologies to enhance its business value and attain the competitive edge.

To meet the challenge of integrating data and transactional and/or operational information the bank has to present one view to the employees and perform the operations well. So, firstly employees are required to become knowledgeable about products or services to support changing business needs. Secondly, the rapidly changing market requires more sharing and analysis of information from multiple sources. Finally, growing regulatory demands require more dissemination and comprehension of controls.

#### X. LIMITATIONS OF THE STUDY AND SCOPE FOR FURTHER RESEARCH

The present study is completely based on secondary data. Hence a study can be conducted which can generate primary data from various banks of the Indian Banking Sector to get a picture of actual status of initiatives that have been undertaken. Besides, this study can be extended by future researchers by conducting a comparative analysis about the sectors that are better performers in implementing the Knowledge Portals. Furthermore an empirical study can be undertaken to understand the factors behind the adoption of Knowledge Management Portals with the application of specific tools and techniques by the Indian Banks and stakeholders respectively.

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