

Knowledge Management on Banking Sector

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Abstract

Banks may gain a competitive edge with knowledge management as they deal with brand-new and developing difficulties such as digitization, the virtualization of the workplace, governmental requirements, and escalating security concerns. Bank managers and staff can collaborate and maintain alignment on short- and long-term goals thanks to knowledge management, which enables financial services businesses to store and organise knowledge more effectively. Banking companies can better understand their staff, clients, and even their own products and services by incorporating knowledge management. Here's a closer look at knowledge management's importance and how banks might benefit from it.

Keywords: Knowledge Management, Banking Sector, Data Source

A knowledge base or centralised knowledge management platform is used to democratise knowledge across divisions or a whole enterprise. A knowledge management platform, which is more advanced than a digital asset management system, may have strong search capabilities, the flexibility to modify how content is organised, permissioning options, and strong security measures. Knowledge management in the banking industry is not a nice to have in the present environment; it is a must. Banks must think carefully about how to successfully integrate knowledge management systems and strategies inside their organisations if they want to stand out from the competition and fulfil the changing needs of their clients. Financial services companies can serve their clients' demands both now and in the future if they have the correct solution in place.

Process of Knowledge Management

While some academics characterise the knowledge management process as encompassing knowledge collection, creation, refinement, storage, transfer, and utilisation (PDF, 156 KB) (link lies outside of IBM).

It is possible to further synthesise this procedure. The following are the main phases that an effective knowledge management system typically follows:

Discovery

Every organisation has a variety of knowledge sources, including personnel, data, and records. This could be the training and experience that employees bring to their jobs, the experience and specialised knowledge they gain while working, or hard drives with data that, with careful analysis, can have a positive impact on the company. Organization must identify every source of knowledge that is accessible throughout the discovery phase, placing a special emphasis on data that could be lost easily. A thorough awareness of the locations and patterns of knowledge transfer throughout the company helps to streamline this process.

Collection

The foundation for future procedures is laid by gathering all the information and data that are currently available. Decisions are made without having a thorough picture of the company and its capabilities due to careless or erroneous knowledge gathering. Companies must examine their current documentation, worker knowledge, and external knowledge sources. A variety of techniques, such as automated surveys, document scanning, and metadata, are available to assist. Many firms redesign internal procedures after deployment to include institutional knowledge capturing into routine operations. A more thorough off-boarding process or ongoing employee feedback tools may be used to accomplish this.

Assessment

The knowledge obtained in the previous two processes must be thoroughly analysed in this process. Data must be evaluated and arranged in a structured, searchable format that

is simple to use. To make sure the information is accurate, valuable, and current, it must be evaluated. Then, teams can decide how to best communicate information in order to boost business performance and equip employees with the necessary expertise. By enabling management to compile, evaluate, categorise, and maintain a comprehensive knowledge database, the use of the proper knowledge management system facilitates process simplification.

Sharing

Giving employees the knowledge and information they need to perform their jobs to the best of their abilities is the whole objective of knowledge management. It is necessary to outline how knowledge about the company will be communicated once a comprehensive and accurate body of knowledge has been developed. In this last level, procedures for knowledge sharing are widely disseminated throughout the organisation. Depending on the company culture, information dissemination rates will change. Businesses that promote and reward this behaviour will undoubtedly have an advantage over others within their group.

Application

Organizations start to benefit from knowledge management at this point. Finding and archiving institutional knowledge is only the first step. When people apply newly learned knowledge to their work, it increases productivity, accuracy, decision-making, and innovation.

Creation

Creating new information is the last step in the knowledge management process. It shouldn't ever be seen as a one-time process. The desired effects won't be achieved with a single audit and rollout. Organizations identify and record any new or existing knowledge

that they want to disseminate throughout the company at this step.

Knowledge Management and its Benefits to Financial Industry

The banking industry can benefit from knowledge management in a few distinct ways.

Ensure Bank Customers Receive Consistent Information at any Branch

No matter whatever branch a consumer visits or which person they deal with, they should receive the same information. No matter where they are located, staff may respond to clients uniformly by having access to the same information thanks to a centralised knowledge management system.

Enhance Overall Customer Satisfaction and the Customer Experience

Customers of banks expect prompt and accurate responses when they contact customer service or go to a branch with questions. With the use of a knowledge management system, staff members can easily find the data they require to offer thorough solutions to client problems, improving the entire customer experience.

Create a Consistent Brand Experience Both Digitally and in Person

Customers of banks now also expect in-person encounters as well as digital service choices (such mobile banking and chat bots driven by AI). No matter how a consumer interacts with the institution, it may guarantee that it presents an uniform experience with the help of a thorough knowledge management system.

Provide all Bank Employees with up-to-date regulatory Updates

The policies of banking institutions may be significantly impacted by new laws and

regulations, and those changes may occur suddenly and quickly. It may make sure that all staff members are informed about regulatory changes and are aware of how they affect the bank and its clients by using a knowledge management system.

Provides a Holistic View of Market Research and Customer Insights

Leaders in the banking industry can better meet customer requirements and expectations by using consumer insights to influence decisions regarding product offerings, messaging, and delivery methods. But far too frequently, ideas that could help the whole company end up being isolated within particular divisions or business lines. By using a knowledge management platform to centralize all research (and make everything searchable), it give all stakeholders access to the insights they need to make informed decisions.

Keep Information Secure

Customers of banks want to feel assured in knowing that their data is safe and secure from online dangers. All customer information will be protected by a knowledge management system with strong security measures.

Available Knowledge Management Systems

Organizations can use a variety of tools to gain the advantages of knowledge management. A variety of knowledge management systems are available for banks to select from, including:

Document Management System

It serves as a central repository for digital documents such word processing files, pictures, and PDFs. These technologies improve worker operations by making it simple to retrieve documents like lessons learnt.

Content Management Systems (CMS)

Users can modify and publish information using CMS, which are programmes that manage web content. Although they are frequently confused with document management systems, CMAs can also support audio and video.

Data Warehouses

For the purposes of supporting data analysis, data mining, artificial intelligence (AI), and machine learning, data warehouses combine data from several sources into a single, centralised, consistent data storage. Companies can get insights by extracting data from these repositories, enabling staff to make data-driven decisions.

Digital Asset management System

Similar to a company intranet or SharePoint, this kind of system consolidates all company records in one place. A digital asset management system may be utilised by the entire organisation or by certain divisions or branches.

Decision Tree

Employees can navigate typical client inquiries using decision tree software to arrive at a solution. Based on the demands and reactions of the consumer, bank workers respond to a series of multiple-choice questions during a customer encounter. The system, which resembles a flowchart, eventually guides the worker to a solution.

AI Chatbots

While decision tree software functions similarly to chatbots, the latter are intended to interact with customers. Chatbots can direct clients to the information they need through AI-powered conversations.

Feedback Database

Customers, salesmen, designers, and anybody else associated in a product can all provide the banks with input. All parties involved have access to the input, allowing them to swiftly make important changes with superior knowledge.

Challenges of Knowledge Management - In Banking Sector

The banking industry is evolving, and this assessment has only gotten more rapid since the global epidemic. Increasing consumer expectations, new business strategies, and more competition are all current challenges facing banks. Lack of a strategic approach to knowledge management can result in serious corporate difficulties, such as:

Long Waiting Time

Customers on the phone are not just irritated when customer service agents can't find the information they require, but others waiting in the call queue also experience longer wait times.

Lack of Customer-Facing Information:

According to a consumer survey conducted by Nuance Enterprise, 67% of respondents preferred using a self-service option over contacting customer care. Customers' connections with banks that lack a self-service knowledge management alternative may be strained.

Security Breaches

There were more than 1,700 publicly disclosed data breaches in the first half of 2021. Given the sensitivity of bank account information, security risks are top of mind for many customers. The danger of a breach can be reduced by providing bank staff with a shared understanding of security procedures and best practises. The knowledge management

technology itself must have rigorous security safeguards in place, though.

Delay in Information Availability

Government policies and regulations are very strict when it comes to banking. Employees may spread false information and end up putting the bank at risk if they are unaware of regulatory developments, especially given the unpredictable and occasionally volatile environment of today.

Conclusion

The importance of knowledge management is examined in further detail in this essay. It is concluded that banks can overcome the aforementioned difficulties by implementing efficient knowledge management systems. Bank managers can enhance client relationships, streamline document management, and ultimately gain competitive advantages by putting in place a thorough knowledge management framework.

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