

# Relationship Between Knowledge Management Practices and Human Capital Performance in an IT Industry

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**Abstract - Knowledge is regarded as valuable commodity or intellectual asset. Knowledge Management is largely concerned with creating, capturing, sharing and leveraging of knowledge aiming at the success of any organization. Knowledge Management makes attempt to organize information in a way that organization can easily gain access and utilize it for utmost optimization in terms of quality and profitability. The present investigation is an attempt to find out whether there is any relationship between Knowledge Management practices and human capital performance in an IT industry. A completely validation research tool has been administrated on the sample to study the relationship between knowledge management practices and Human capital performance.**

**Index Terms - IT Industry, Knowledge Management, Human Capital Performance**

## INTRODUCTION

The major components of knowledge Management are its processes. Some of them are knowledge creation and capture, knowledge sharing and its dissemination and knowledge acquisition and its application. IT industry views knowledge as its intellectual asset. The profitability of the organization largely depends on how best it supports and makes use of knowledge management. There is always a relationship between knowledge management practices and human capital performance in any Industry. The study is aimed at exploring the relationship between knowledge management practices and human capital performance in an IT Industry.

## OBJECTIVES OF THE STUDY

1. To find out whether there is any significant difference in knowledge management practices

between male and female professionals of an IT Industry.

2. To find out whether there is any significant difference in knowledge management practices between professionals of Engineering and Non-engineering disciplines in an IT Industry.
3. To find out whether there is any significant difference in Human Capital performance between male and female professionals of an IT Industry.
4. To find out whether there is any significant difference in Human Capital performance between professionals of Engineering and Non-engineering disciplines of an IT Industry.
5. To find out whether there exists any significant relationship between knowledge management practices and Human Capital performance of an IT Industry.
6. Hypothesis of the study:
7. There is no significant difference in knowledge management practices between male and female professionals of an IT Industry.
8. There is no significant difference in knowledge management practices between professionals of Engineering and Non-engineering disciplines in an IT Industry.
9. There is no significant difference in Human Capital performance between male and female professionals of an IT Industry.
10. There is no significant difference in Human Capital performance between professionals of Engineering and Non-engineering disciplines of an IT Industry.
11. There exists any significant relationship between knowledge management practices and Human Capital performance of an IT Industry.

## METHODOLOGY

IT Industry has been selected at random in Delhi. There are more than one thousand software professionals working in the industry. The investigator has selected 15 male Engineering graduates at random among the 1000 IT Professionals. Similar techniques have been applied to select 15 female engineering graduates, 15 male non-engineering graduates and 15 female non-engineering graduates for the sample. The sample size is 60. A Questionnaire consisting of 25 items have been formulated to measure knowledge management practices and another questionnaire consisting of 25 items to measure human capital performance have been administrated among the subjects. Questionnaires have been validated before administration. Descriptive analysis such as mean and standard deviation has been computed to identify the parametric representation. Hypotheses have been tested using t-tests.

Table: 1 Difference between male and female IT professionals in knowledge management practices score

Gender	N	Mean	STD Deviation	t-value at 95% of CI
Male	30	18.3	2.654	-0.172
Female	30	18.43	3.329	

The mean of the IT Professionals in knowledge management score is 18.3 and the standard deviation is 0.2654. The mean of the Female IT Professionals is in the KM practices score is 18.43 and the standard deviation is 3.239. The degree of freedom is 58. Confidence interval of difference is 95%. The calculated t value is negative (-0.172) which is less than the table value (2.000). There is no significant difference between female and male IT Professionals in knowledge management practices.

Table: 2 Difference between male and female IT professionals in Human Capital Performance Score

Gender	N	Mean	STD Deviation	t-value at 95% of CI
Male	30	17.23	2.654	-0.180
Female	30	17.37	3.09	

The mean of the Male IT Professionals in Human Capital Performances score is 17.23 and the standard deviation is 0.2635. The mean of the Female IT Professionals is in the HC Performance score is 17.37 and the standard deviation is 3.08. The degree of freedom is 58. Confidence interval of difference is 95%. The calculated t value is negative (-0.180) which is less than the table value (2.000). There is no

significant difference between female and male IT Professionals in Human Capital Performances.

Table: 3 Difference between Engineering and Non - Engineering IT professionals in knowledge Management practices Score

Gender	N	Mean	STD Deviation	t-value at 95% of CI
Engineering	30	20.9	1.936	12.592
Non-Engineering	30	15.83	1.053	

The mean of the Engineering IT Professionals in knowledge management score is 20.9 and the standard deviation is 1.963. The mean of the Non-Engineering IT Professionals is in the KM practices score is 15.83 and the standard deviation is 1.053. The degree of freedom is 58. Confidence interval of difference is 95%. The calculated t value is negative (12.592) which is more than the table value (2.000). There is significant difference between Engineering and Non-Engineering IT Professionals in knowledge management practices.

Table: 4 Difference between Engineering and Non - Engineering IT professionals in Human Capital Performance Score

Gender	N	Mean	STD Deviation	t-value at 95% of CI
Engineering	30	19.7	2.002	12.402
Non-Engineering	30	14.9	0.858	

The mean of the Engineering IT Professionals in Human Capital Performances score is 19.7 and the standard deviation is 2.002. The mean of the Non-Engineering IT Professionals is in the HC Performance score is 14.9 and the standard deviation is 0.853. The degree of freedom is 58. Confidence interval of difference is 95%. The calculated t value is negative (12.402) which is more than the table value (2.000). There is significant difference between female and male IT Professionals in Human Capital Performances.

Table: 5 Pearson Correlation (R) between Knowledge management practices and management practices of IT Professionals

Score	N	Mean	Std. deviation	Pearson r value	Sig(2-tailed)
KM Practices	60	18.37	2.985	0.973	0.000
HC Performances	60	17.30	2.848		

The mean of KM practices score is 18.37 and standard deviation is 2.985 whereas the mean of HC

performance score is 17.30 and standard deviation is 20848. The Pearson rank correlation value ( $r$ ) is 0.973. Pearson Correlation  $r$  value is 0.973 which is nearly 1 which shows that there is a perfect strong positive correlation between KM practices and HC performances scores. Significance 2 tailed value is 0 which is lower than 0.01. Therefore, there is a significant relationship between knowledge management practices and Human Capital Performances.

#### FINDINGS

1. There is no significant difference between male and female professionals of IT professionals in knowledge management practices.
2. There is significant difference between Engineering and Non-engineering disciplines in IT professionals in knowledge management practices.
3. There is no significant difference in Human Capital performance between male and female professionals of IT professionals in Human Capital performance.
4. There is no significant difference between Engineering and Non-engineering disciplines of IT professionals in Human Capital performance.
5. There is a significant relationship between knowledge management practices and Human Capital performance of IT professionals.

#### INDUSTRIAL IMPLICATIONS

Knowledge management practices play a vital role in developing human capital in all industries. Therefore, IT Industry may focus on establishing knowledge management division to enhance human capital of the organization. Engineering graduates practice knowledge management better than non-engineering graduates. The mean Human Capital performance score of engineering graduates is more than the HC Performance score of non-engineering graduates. Therefore, IT industries may focus on recruiting more numbers of engineering graduates than non-engineering graduates.

#### CONCLUSION

Use of knowledge really means that it is not consumed and, in the meantime, transferrable of knowledge

results in no loss of it. Knowledge is abundant and unfortunately the ability to use it scarce. The findings have clearly suggested that there is a strong positive relationship between knowledge management practices and human capital performance in an IT industry. It is really high time for all IT Industries to actualize the importance of knowledge management practices and go for establishing a separate knowledge management wing and recruit core knowledge management professionals to enhance industrial productivity.

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