

## HUMAN RESOURCE MANAGEMENT – II SEMESTER – I B COM B2

### CHAPTER 04 – TRAINING AND DEVELOPMENT

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Need for training – Importance – Objectives

Methods of training

On-the-job training [job rotation, apprenticeship, coaching, mentoring, job instruction, committee assignment] – merits and demerits

Off-the-job training [role play, case studies, management games, in basket training, vestibule training, conference, seminars, workshops, planned instructions, lecture method, sensitivity analysis, transactional analysis – e-learning] – merits and demerits

Executive development – meaning – definition – objectives – need

Differences between training and executive development

Knowledge Management – meaning – definition – objectives - importance - process of knowledge management (8 stages)

#### **Meaning**

- ✓ Training and development are subsystems of an organisation which emphasize on the improvement of the performance of individual and groups.
- ✓ Training is concerned with increasing the knowledge and skills of employees for doing specific jobs and, development involves the growth of employees in all aspects.
- ✓ Training refers to the teaching and learning activities carried on for the primary purpose of helping members of an organisation acquire and apply the knowledge skills abilities and attitudes needed by a job and organisation.

#### **Definition**

- ✓ According to **Edwin B Flipppo**, training is, "the act of increasing the knowledge and skills of an employee for doing a particular job".
- ✓ According to **Dale S Beach**, training is, "the organised procedure by which people learn knowledge and or skill for a definite purpose".

#### **Need for training**

- Training is a need for both individuals and organisations to grow at a rapid pace.
- Technological change expects new knowledge ability and skills which in turn becomes a need for training.
- Staff training is essential for the company to fulfil its future personnel needs.
- Training is needed -
  - to improve the quality of a product.
  - to improve the productivity and increase the level of performance of employees.
  - to improve the health and safety of employees. Proper training may help in preventing industrial accidents. A safer work environment leads to more stable mental attitudes on the part of employees.
  - to meet challenges posed by the global competition.
  - to support the human potential and creativity.
  - to enable employees to move from one job to another.
  - to bridge the gap between what employee has in terms of knowledge and skill and what his or her job demands.

#### **Importance of training and development**

❖ **From the viewpoint of employee -**

1. **Personal growth** - improved skills and knowledge due to training lead to a better career of the individual.
2. **Better rewards** - increased performance by the individual helps him to earn more.

3. **Health and safety** - training makes the employee more efficient to handle machines. Thus, less prone to accidents.
4. **Less supervision** - training increases the discipline and independence of the employees thereby gives no opportunity for the supervisor to complain.
5. **Easy adaptability** - the trained worker can be more adaptable to the changing environment than an untrained employee.
6. **Promotion** - training improves the performance of the employees thereby help them increase their chances of promotions and making them capable to obtain higher positions in the organization

❖ **From the viewpoint of the employer or organisation -**

1. **Less wastage** - training is a systematic learning and is always better than hit and trial methods which lead to wastage of efforts and money.
2. **Increase productivity** - training enhances employee productivity both in terms of quantity and quality leading to higher profits.
3. **Employee development** - training equips the future manager who can take over in case of emergency.
4. **Higher employee morale** - training increases employee morale.
5. **Reduced absenteeism and employee turnover** - training helps in reducing labour absenteeism by increasing job satisfaction among them.
6. **Obsolescence prevention** - it helps in obtaining effective response to fast changing technological and economic environment.

**Objectives of training**

1. To provide basic knowledge and skill to the newly joined people to perform the tasks as designed by the organisation.
2. To improve the skills, efficiency and productivity of the organisation.
3. To create specialisation.
4. For maximum utilisation of available human resources.
5. To increase the morale of the employees.
6. To promote innovation.
7. To develop second- and third-line executives to strengthen the working links and levels so that they can occupy higher positions.
8. To attain the objectives of the organisation.
9. To avoid shortage of skilled workers.
10. To increase profits.
11. To motivate the workforce.
12. To meet the competition.
13. To mould the employee attitude with the purpose of achieving better co-operation with the company and to develop loyalty to the organisation.
14. To prevent obsolescence.
15. To polish employee's behaviour so that he or she can fit with internal and external environment.

**Designing training programs**

**1. Identification of training needs**

The main cause of identification of training needs is the technological changes that are taking place. For example, usage of computers in all the offices require training the employees. Except technological changes, poor performance of workers results in low

production which requires systematic training. Training needs can be identified through the following types of analysis:

- a) Organisational analysis - it is the systematic study of organisation, its objectives, resources, its utilisation, growth potential and climate. It involves following elements -
  - i. Analysis of objectives - all the objectives of the organisation whether long term or short term, should be analysed properly. It is the responsibility of the management to check which kind of training program is required to achieve these objectives.
  - ii. Climate analysis - organisational climate shows the attitude of organisational members. It helps in checking whether the environment in different departments is conducive or not and to find out the area which requires training program to improve the climate of organisation.
  - iii. Resource utilisation analysis - it should be checked that whether the physical and human resources have been utilised properly or not otherwise there is the need of training to utilise them properly.
- b) Task analysis - it is a systematic analysis of the job to identify the job contents, knowledge, skill, aptitude required to perform the job. In the task analysis focus is on the job. It basically studies the various types of skills and training required to perform the job.
- c) Manpower analysis - the quality or type of manpower the firm required should be checked properly. To achieve the proper quality standards specific training needs to be determined based on capability of present workers to learn the new skills.

## **2. Setting training objectives**

After identification of training needs the next step is setting the training objectives. The aim of any training program is to increase the organisational effectiveness. As each training program must have specific objectives like increase productivity, improve quality, higher the morale of employees, growth of employees, better human resource planning etc.,

## **3. Organisation of training program**

As every training program include the trainees, trainers, training period, training material so all these should be organised properly.

- a) Selection of the trainees - it is the first step of organisation of training program. The trainee should be selected properly. They should be trained for the kind of the job they like. Careful selection of the trainees helps in effectiveness of training program.
- b) Selection of instructor - instructor plays an important role in the training program. Qualified instructor may be obtained from inside the organization or from outside. He must have all the qualities of good trainer because he must give training to other people.
- c) Determination of training period - the time duration of training depends upon the type of skill required. For the training of clerk, training of a week is enough while for any other position it may require different training time.
- d) Training methods - the choice of training methods depends upon the objective of the training program.

## **4. Evaluation of training**

At the end it is very important to evaluate the effectiveness of the training program. As how much the employees have learnt from the training program. It will help in modifying the future training program.

## **Methods of training**

For a person who is a training manager, it is his responsibility to see that the employees in the workplace have the necessary skills and knowledge to work so that there can be an increase

in productivity. Knowing that, the employees are the most valuable assets, they should be trained well enough as eventually it will be benefiting the organisation. So, there are few training methods for employees. Some of them are -

**1) On-the-job training**

This is the traditional method of learning which allows the employee to perform his job under the supervision and guidance of a trained worker or instructor, providing him practical application and making principles and concepts of learning meaningful and realistic. Since the trainee learns by observing and handling the job, this method is also termed as 'observing and copying' or 'learning by doing'. The prominently used on-the-job training methods are as follows:

**a) Job rotation –**

- ✓ In this method, a trainee moves from one job to another and from one department or division to another.
- ✓ This type of training method is more appropriate for developing multiskilling, operational flexibility, providing satisfaction from routine jobs and broadening the overall perspective of the trainee.
- ✓ It will help the trainee to gain knowledge from the different job assignments. And this is essential because, during the absence or leave of their employees, work should not suffer.
- ✓ Bank and insurance companies follow this method of training.
- ✓ The drawback of this method is that, the employee will not be able to gain the complete knowledge of a job.

**b) Coaching –**

- ✓ In this method, the trainee is placed under a particular supervisor who functions as a coach in training the individual.
- ✓ The supervisor provides feedback to the trainee on his performance and gives some suggestions for improvement.
- ✓ Often the trainee shares some of the duties and responsibilities of the coach and relieves him of his burden.
- ✓ A limitation of this method is that the trainee would not have the freedom to express his ideas.

**c) Apprenticeship/Internship –**

- ✓ Apprenticeship training is the most commonly used method for a long training period ranging from 1 year to 4 years, especially designed for people who want to acquire higher level of skill.
- ✓ People seeking to enter skilled jobs, for example, plumbers, electricians, or ironworkers are often required to undergo apprenticeship training.
- ✓ A major part of training time is spent on-the-job productive work.
- ✓ Each apprentice is given a program of assignments according to a predetermined schedule, which provides for efficient training in trade skills.
- ✓ On the other hand, under internship training, instructions are provided to the trainees through theoretical and practical aspects.
- ✓ Usually students from the engineering and commerce colleges receive this type of training for a small stipend.
- ✓ This method helps in reducing the cost of labour and production cost.
- ✓ The drawback is that there is no guarantee that the trained worker will continue to work in the same organization after secure training.

**d) Job instruction –**

- ✓ This method requires skilled trainers, extensive job analysis, training schedules and prior assessment of the trainee's job knowledge.

- ✓ This method of training is appropriate for acquisition or improvement of motor skills, routine and repetitive operations.
- ✓ There are four steps involved in this form of training -
  - i. Preparation - trainee is prepared in terms of his existing skills, securing his interest and attention.
  - ii. Presentation - the trainee is presented job operations as a model to copy.
  - iii. Performance - the trainee is asked to try out the trainer's instructions.
  - iv. Follow up - the trainee does the job independently without supervision and gets feedback on the same.

e) **Committee assignment** –

- ✓ In this method, a group of trainees are given and asked to solve an actual organisational problem.
- ✓ The trainees solve the problem jointly.
- ✓ It develops team spirit amongst the employees.

f) **Mentoring** –

- ✓ It is a system of semi-structured guidance whereby one person shares their knowledge, skills and experience to assist others to progress in their own lives and careers.
- ✓ Mentors need to be readily accessible and prepared to offer help as the need arises - within agreed bounds.
- ✓ Three types of mentoring are as follows -
  - i. **Traditional one-on-one mentoring** -  
Here, a mentee and mentor are matched, either through a program or on their own. Mentee-mentor partners participate in a mentoring relationship with structure and timeframe of their making or as established by a formal mentoring program.
  - ii. **Distance Mentoring** -  
Here, a mentoring relationship in which the two parties (or group) are in different locations. Sometimes called “virtual” mentoring.
  - iii. **Group Mentoring** -  
Here, a single mentor is matched with a cohort (group or circle or set) of mentees. Initial program structure is provided while allowing mentor to direct progress, pace and activities.

**Advantages** -

- 1. Realistic** - the job is learnt by the workers in actual conditions and in a physical environment other than turning the job in artificial conditions. This helps the employees to bring motivation within them and learn their job well.
- 2. Overall skill development** - job rotation involves the movement of the trainee from one job to another. Thereby the trainee receives job knowledge and gains experience from his superior or trainer in each of the different job assignment which in turn results in overall development of skills in him.
- 3. Pervasive** - this training is generally suitable for all levels of operatives, supervisors and executives and the employee's contribution adds to the total output of the enterprise.
- 4. Inexpensive** - it is highly economical since no additional personnel or facilities are required for training.
- 5. Less time consuming** - it is most appropriate for teaching the knowledge and skills which can be acquired in a relatively short period, say, a few days or weeks.
- 6. Thorough knowledge** - the trainee learns the rules, regulations and procedures by observing their day-to-day applications. He can therefore be easily sized up by the management.

### **Disadvantages** -

- 1. Disorganized** - this kind of training is mainly disorganised in a big way and things are at times done in a very careless way.
- 2. Breakdown of existing job** - on the job training results in the breakdown of the existing job for the purpose of giving instructions to the new trainees.
- 3. Inefficient trainers** - there may be lack of experienced trainers to impart skills to the trainee.
- 4. Untimely availability of trainers** - sometimes certain experienced trainers may not be available at all times.
- 5. Lack of motivation** - at times when things are not happening in appropriate way it leads to the trainee getting a lack of motivation when they are receiving the training.
- 6. Low productivity** - there is a drawback of low productivity when employee is unable to fully develop his skills

### **2) Off-the-job training**

Under this method of training, the trainee is separated from the job position and he is made to focus on learning the material related to his future job performance. Since the trainee is not distracted by job requirements, he can place his entire concentration on learning the job rather than spending his time in performing it. There is an opportunity of freedom of expression for the trainees.

#### **a) Role play** –

- ✓ It is defined as a method of human interaction that involves realistic behavior in imaginary situations.
- ✓ This method of training involves action and practice.
- ✓ This is just like acting out a given role as in a stage play.
- ✓ In this method of training, the trainees are required to enact defined roles on the basis of oral or written description of a particular situation.
- ✓ This method is mostly used for developing interpersonal interactions and relations among the employees working in sales, marketing, purchasing and supervisors who deal with people.
- ✓ Role playing primarily involves employee-employer relationships, hiring, firing, discussing a grievance procedure, conducting a post-appraisal interview or disciplining a subordinate or a sales man making a presentation to a customer.
- ✓ The common characters played under this method are production manager, mechanical engineer, superintendents, maintenance engineer, quality control inspectors, foreman and workers etc.,

#### **b) Case studies** –

- ✓ The case is an actual event or situation on organizational problems which is a written description for discussion purpose.
- ✓ Trainees are asked to analyze the event or circumstances with an objective to identify the problem, trace out the causes for it and find out the solution to solve the problems.
- ✓ This method of training is based on the realization that, on many occasions in the real world, managers may not have all the relevant information with them before taking a decision.
- ✓ This is also called decision making under uncertainty.
- ✓ Therefore, this method is suitable for developing decision making skills among the top and senior level managers.

#### **c) Management games (Business games or Business simulators)** –

- ✓ The game is devised on the model of a business situation.
- ✓ Then, trainees are divided into groups who represent the management of competing companies.
- ✓ They make decisions just like these are made in real-life situations.
- ✓ Decisions made by the groups are evaluated and the likely implications of the decisions are fed back to the groups.
- ✓ The game goes on in several rounds to take the time dimension into account.
- ✓ This method gives an opportunity to the trainee to apply his knowledge to solve the real problem.
- ✓ It also helps him develop and improve both analytical and decision-making skills.
- ✓ Example : blind drawing, barter puzzle

**d) In basket training –**

- ✓ This method is used by the companies or governments in hiring and promoting employees.
- ✓ Here, trainees receive a number of mails, telephone calls, documents and memos which are presented with a pack of papers and files in a tray containing administrative problems and they then have a limited period of time to set priorities, organize their working schedule accordingly and respond to mail and phone calls.
- ✓ The decisions taken by the trainees are compared with one another.
- ✓ The trainees are provided feedback on their decisions.
- ✓ This forces them to reconsider their administrative actions and behavioral style.

**e) Vestibule training –**

- ✓ In this method, actual work conditions are recreated in a classroom.
- ✓ Material files and equipment used in actual job performance are used in training.
- ✓ This method relates theory with practice.
- ✓ A primary advantage of vestibule training is that it relieves the trainees from the pressure of having to produce while learning.
- ✓ This method is most suitable for clerical and semi-skilled jobs.
- ✓ The training ranges from a few days to a few weeks.

**f) Conferences –**

- ✓ In this method, the trainer delivers a lecture on the particular subject which is followed by queries and discussions.
- ✓ The conference leader must have the necessary skills to lead the discussion in a meaningful way without losing sight of the topic or theme.
- ✓ This method is used to help employees develop problem-solving skills.

**g) Seminars –**

- ✓ In this method, the trainees are made to write papers regarding the topics focused.
- ✓ Once the papers are prepared, they are read at a time and a discussion takes place where all the people or trainees present, participate in it.
- ✓ The necessary information and the materials regarding the topic will be provided in advance.
- ✓ There would be group discussions, exchange of ideas and opinions among the participants which thereby develop communication skills, decision making skills and leadership qualities of the trainees.
- ✓ This method is more suitable for training clerks, operators and supervisors.

**h) Workshops –**

- ✓ It refers to an assembled group of 10-25 people who share a common interest or problem.
- ✓ They meet together to improve their individual skill of a subject through intensive study, research, practice and discussion.
- ✓ The participants are expected to do some practical work.
- ✓ This method helps to develop an understanding regarding the use of a theme and problem.

**i) Planned or programmed instruction –**

- ✓ This technique is developed by B.F. Skinner.
- ✓ This technique is used to teach behavioral skills.
- ✓ The subject matter to be learnt is prepared and summarized into logical sequence from simple to complex.
- ✓ The trainer monitors trainee's independent progress through the programme.
- ✓ The trainee gets instant feedback on his learning.
- ✓ This method is time consuming and expensive.

**j) Lecture method –**

- ✓ It is the most commonly used direct method of training.
- ✓ Here, the trainer provides knowledge to the trainees usually from prepared notes.
- ✓ Notes are also given to the trainees.
- ✓ It is a low-cost method and is suitable where the audience is large and does not require participation from the audience.
- ✓ It may not provide for active involvement of the trainees.

**k) Sensitivity analysis –**

- ✓ It is also known as T-Groups, laboratory training and encounter groups (T means Training).
- ✓ This method was founded by a German-American psychologist Kurt Lewin in 1946.
- ✓ T-Group (usually fewer than 12 in a group) meets continually for periods as long as 1 or 2 weeks.
- ✓ This method aims at increasing interpersonal openness, greater concern for others, increased trust and support.

**l) Transitional analysis –**

- ✓ This is developed by Eric Berne through his book 'Games People Play' and Thomas Harris through his book 'I'm OK, You're OK'.
- ✓ It is a tool of improving human relations and interactions thereby promoting mature behavior.
- ✓ It is helpful for trainees for analyzing and understanding the behavior of others.
- ✓ It is believed that people have three basic states of being-parent, adult and child.
- ✓ Parent state reflects dominance, the adult state is rational and deals with reality and his behavior and interactions are expected from executives and managers



who are decision makers, person influenced by the child trait tend to feel inferior and dominated.

**m) E-learning –**

- ✓ Also called as ‘online courses’ or ‘web-based training’ or ‘web-based instruction’.
- ✓ E-learning is the use of technological processes to access learning material outside a traditional classroom or an office.
- ✓ Material is available in internet by using web-technologies. It has text and graphics, animation, audio and video and needs additional bandwidth and software to apply.
- ✓ It increases flexibility. Learn at employee’s own place. Here trainee become independent with less dependence on formal training.
- ✓ Trainees may learn wrong things or learn incompletely, waste time accessing and finding material.

**Advantages**

1. **Professionalism** - In this method, training is imparted by the professional trainers who are well-versed with training techniques and skills. Employees get better exposure in these training programmes given by these experts in learning the skill and knowledge required for doing the job.
2. **No damage of machines** - This method is considered most suitable in cases where on-the job training is likely to cause serious damage to costly and sophisticated machines and injury to the employees.
3. **Relief to supervisors** - This method is useful when it is considered not to overburden the superior with the task of giving training to his subordinates. Therefore, supervisors are relieved of giving training to their subordinates.
4. **No inconveniences** - There will not be any disturbances/distraction for the employees while getting trained since the training programme is organised in a separate room specially meant for the training programme. Utmost concentration could be given by the employees at the time of attending the training programme.
5. **Boosts confidence** - Trained employees will not have initial nervousness before going in to their workplace for work since they have been already trained by expert trainers
6. **More coverage** - A large number of employees belonging to the same category can be involved at a time under this method of training.

**Disadvantages**

1. **Time consuming** - The training for trainees is given for a period of time, which is time consuming.
2. **Adjustment problem** - The artificial training atmosphere in which the employees are trained may create the adjustment problem for them when they are sent to their real workplace as the real workplace is different from the vestibule.
3. **High cost/ expensive** - This method is expensive since it involves the appointment of professional people to impart necessary training for the skill development of employees. Hence, only large organizations with sound financial position can adopt this method

4. **No productivity** - During the training period, the trainees are focused on training and no work is given to them. This makes the organization no productivity or less productivity

### **Executive development**

#### **Meaning**

Executive or management development is a systematic process of growth and development which the managers develop their abilities to manage. It is concerned with increasing the effectiveness of managers in their present jobs and preparing them for higher position in the future.

#### **Definition**

According to Michael J Jucius, "Executive development is the programme by which executive capabilities to achieve desired objectives are increased

#### **Objectives**

1. To improve the performance of managers at all levels in their present jobs.
2. To provide opportunities to executives to fulfil their career aspirations.
3. To ensure that the managerial resources of the organization are utilised optimally.
4. To promote high degree of morale and good organizational culture among individuals working in the organization.
5. To ensure a steady and continuous source of competent people at all levels to meet organizational needs at all times.
6. To stimulate creative thinking.
7. To improve thought process and analytical ability

#### **Need for executive development**

1. **Increased competition** - There is a tough competition in the market and consumers have become conscious of their rights and they cannot be now easily misguided. The executive development is of great help in properly understanding and meeting the needs of the consumers.
2. **Technological changes** - There is a rapid pace of changes in the field of science and technology. Many advanced and automated machines have been introduced in the organization. The managers should have the working knowledge of the modern machines.
3. **Social changes** - The rapid change also occurs in the socio-cultural environment and for understanding the behaviour of the people in the proper perspective, there is great need to develop the managers. And also changes in socio-economic such as public policy, concept of social justice, industrial democracy should be understood by executives.
4. **Social responsibility** – Social responsibility is an obligation on the part of the business to protect and promote society's welfare. The activities of the business should be organized in such a way that the society is benefited and not affected. They need to contribute towards the development of the society in which they operate. Executive development can be great help to the organizations in formulating proper policy to discharge their corporate social responsibility (CSR)
5. **Impact knowledge/ necessity to up-gradation of knowledge** - Managerial personnel cannot perform well unless they are aware of the latest management concepts, principles, techniques and practices to meet the new challenges. The executive development can be used as a tool to impart the latest knowledge and skills needed by the people in the organization to bridge the gap.

6. **Reduce conflicts** - Frequent employee-management conflicts need trained managers to bring the harmony among the employer and employees a trained manager can solve the issues of the organization and help in improving the productivity.

### **Difference between Training and Executive development**

<b>Basis of difference</b>	<b>Training</b>	<b>Development</b>
Meaning	It is a learning process in which employees get an opportunity to develop skill, competency and knowledge as per the job requirements	It is an educational process which is concerned with the overall growth of the employees
Term	Short-term with concrete goal	Long-term activity, with goals that are open ended and ongoing
Target party	Training is learning process for new employees	It is for existing employees
Focus	It focuses on developing skill and knowledge for the current job	It focuses on future challenges
Scope	Limited scope (with tangible objectives)	Wider scope (intangible objectives)
Process	It is reactive process	It is proactive process
Who leads/ initiative	By trainer/ line manager/ management	Self
Nature	It is job centred in nature	It is career centred in nature
Purpose	To improve work performance	To prepare individuals for future challenges
Number of people involved	Large number	Single person
Motivation	The trainer is tasked with the role of offering motivation to the trainee	Individual is required to have self-motivation because external parties are not involved

### **Knowledge management (KM)**

#### **Meaning**

It is the process of creating, sharing, using and managing the knowledge and information of an organization.

#### **Definition**

According to Tom Davenport, "Knowledge Management is the process of capturing, distributing and effectively using knowledge."

#### **Objectives**

1. To build knowledge sharing culture for employees.
2. To bring outside innovation and knowledge resources into the organization.
3. To make information flow properly and be accessible to all with help of technology.
4. To facilitate organizational learning.
5. To collect and share information and knowledge on best practise.
6. To create an attractive work environment.

#### **Importance of Knowledge management**

1. **Improving the decision-making process** - Knowledge management makes it easier for the employees to make faster and better decisions. Employees are able to access the pool of knowledge available in the entire organization whenever they need it.
2. **Increases customers satisfaction** - Knowledge management allows support systems to resolve requests of employees and customers quickly and accurately. The organization is perfectly able to give faster answers to the customers and shorten the time to bring improvements in a product or service. This makes employees stay satisfied and productive and customers more loyal to products or services supplied to them.
3. **Building and sharpening competitive edge** - Knowledge management enables a corporation to build and sharpen its competitive edge, for survival and growth in the competitive globalised economy. In fact, knowledge management aided by tools enables a corporation to design and implement most appropriate corporate strategies.
4. **Enhancement of enterprise goodwill** - Initiation and practices of knowledge management help an enterprise enhance its goodwill in the global market enabling it to acquire more success and prosperity.
5. **Betterment of human relations** - Knowledge management is basically built on the knowledge generated, shared and utilised through a learning organization. there is no doubt that learning organization provides the foundation on which the building of knowledge management could be built. At learning organization through facilitating interaction among people of the organization, leads to betterment of human relations; which is a very big permanent asset an organization.
6. **Faster access to information and knowledge** - Knowledge management makes it easier to find the information one needs to know and the people who hold such information. It gives a boost to the efficiency and productivity and allows to work in a better way.
7. **Enhancement of human capital capabilities** - Knowledge management its concepts and practices motivate people to enhance their intellectual capabilities, resulting in new skills, improvement of existing skills etc. Thus, not only does knowledge management enhance the intellectual elements people; but also, indirectly prevents depreciation of human capital.
8. **Improves overall efficiency** - Knowledge management facilitates the faster access to the information and resources across the organization and this leads the managers to work quickly.

### **Process of Knowledge Management**

**Step 1- Identification of knowledge needs** - The first in knowledge management is an identification of what type of knowledge is required for the successful designing and implementation of corporate planning.

**Step 2- Determination of knowledge assets** - The management must identify what are the knowledge assets of the organization; which basically are competitors, suppliers, government agencies products, technology etc. Management must plan to get maximum returns out of knowledge assets.

**Step 3- Generation of knowledge** - Generation of knowledge requires two sources • Acquisition of knowledge through knowledge assets e.g. knowledge about new products (from competitors), new technologies, social, economic, political changes. It also requires transformation of raw information into knowledge, useful to solve business problems. • Generation of knowledge, by creating conditions for the emergence of a learning organization. This is the most internal source of knowledge generation which makes tacit knowledge of individuals available for organizational purposes.

**Step 4- Knowledge storage** - It includes preserving existing and acquired knowledge in knowledge repositories (A knowledge repository is an on line computer based storehouse of organised information about a particular domain of knowledge).

**Step 5- Knowledge distribution** - It is a process which allows members of the organization to have an access to the collective knowledge of the organization.

**Step 6- Knowledge utilization** - It requires inserting knowledge in products, processes, procedures etc. of the organization. Best utilization of knowledge takes place when managers utilize knowledge in organizational decision making. A learning organization creates conditions for sharing and utilizing knowledge in organizational contents.

**Step 7- Feedback on knowledge management** - Feedback on knowledge management implies evaluating the significance of knowledge assets. It also impacts of knowledge management on organizational performance; and devising (meaning-planning) techniques for betterment of knowledge management in future.

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