REVIEW OF LITERATURE

In this field few studies were conducted in India. The researcher reviewed many researches conducted in India and abroad to find out the correct area to carry out the research work, which will fruitful for the professionals and country.


This paper attempts to explore KM practices in small firms through an empirical investigation carried out in a set of eighteen SMEs located in the eastern area of Naples. The main preliminary findings of the survey indicate significant KM needs of the surveyed companies. In addition, it has been found that ENS firms adopt predominantly internal KMSs using simple ICT tools. The surveyed firms also show the need for wider (external) KMSs enabling inter-firm collaboration in developing collaborative projects.


This paper deals with a field which gets little or no attention in the research done into knowledge management: small and medium-sized enterprises (SME). First a conceptual model for SMEs will be given, next this model will be used to analyze various companies. It is found that knowledge management appears in SMES to get its form especially at an operational level.

Mr. S. Manivannan, “Knowledge Management in Software Organization”,

Software organizations' main assets are not plants, buildings, or expensive machines. A software organization's main asset is its intellectual capital, as it is in sectors such as consulting, law, investment banking, and advertising. The major problem with intellectual capital is that it has legs and walks home every day. At the same rate, experience walks out the door, inexperience walks in the door. Whether or not many software organizations admit it, they face the challenge of sustaining the level of competence needed to win contracts and fulfill undertakings.

**Manish Kumar, Souren Paul and Suresh Tadisina (2005), “knowledge management practices in indian software development companies: findings from an exploratory study”,**

In this preliminary study, authors focused on eight leading Indian software companies and gather insight into their KM practices. They found that Indian software companies are aware of the capabilities of KMS and are using it to improve productivity, reduce defects, facilitate reuse of software components, and share lessons learnt in execution of projects. The primary focus of KM in these companies is on distribution of knowledge through Intranet websites. There is considerable room for enhancements in the current KMS and consequent tangible benefits from the advanced KMS. They have suggested a technical and social infrastructure that will help enhance KM capability of software development companies in India.

**R Senthilkumar,” knowledge management for small sized and medium enterprises”**

The implementation of KM with this pyramid and actual practice will be served best with the finding the right methodology for implementation and redesignation of the departments involved. It should also be borne in mind that it is a two way communication channel in each of the layers in effecting the real acquisition of knowledge.

**Cynthia ChinTian Lee, Charles Egbu1, David Boyd2, Hong Xiao, Ezekiel Chinyo (2005), “Knowledge Management for Small Medium Enterprise: Capturing and**
Communicating Learning and Experiences”,

When both tacit and explicit knowledge interact, new knowledge and innovation can often emerge (Ingirige et al., 2002). Knowledge is rapidly becoming the most important asset of virtually all organisations and organisations in the construction industry are no exception. The ability to manage and exploit knowledge will be the main source of competitive advantage for the construction industry of the future. Knowledge management may help SMEs develop for the future and have more sustainable business practices, making them less vulnerable to the economic cycles of the industry.

Ali A. Alawneh,” The Role of Knowledge Management in Enhancing the Competitiveness of Small and Medium-Sized Enterprises (SMEs)”,

The focus of this paper is on how SMEs can benefit from developments in KM. Knowledge is the most powerful and ubiquitous resource of any enterprise in general and SMEs in particular. Therefore, implementing the lifecycle of KM in SMEs is useful and necessary. This paper introduced a new approach to such implementation. The proposed framework is based on the five C’s KM model, which defines and relates five major KM processes. We believe that the new framework can have a positive impact on the SMEs in terms of the success rate of their projects.


In this paper, author has considered several complementary facets of knowledge management. They have outlined the general approaches and techniques used in large organizations. However, research indicates that many of these are unsuitable or need adaptation for small to medium-sized enterprises. Their understanding of KM within SMEs is still embryonic and further research and collation of knowledge is required to develop this understanding and to derive generally applicable good practice guidelines.

Kuan Yew Wong and Elaine Aspinwall, “An empirical study of the important factors for knowledge-management adoption in the SME sector”,
Benefits such as better decision making, faster response time, increased profit and improved productivity have been reported for firms that have adopted KM (KPMG, 1998). Recognising its merits as a foundation for improved performance and competitiveness, many large organisations have thus formally implemented it. With a focus on these early adopters, different sets of CSFs have been suggested in the literature. However, very little previously published research has either developed or empirically investigated a comprehensive list of CSFs for implementing KM in the SME sector. This paper has presented the results of a postal survey to determine the CSFs for KM adoption in UK SMEs.

Khong Sin Tan, “An Empirical Study of Internet-Based ICT Adoption Among Malaysian SMEs”

Small and Medium Enterprises (SMEs) are key economic sector in Malaysia and the Malaysian government have over the past decades promoted development and growth initiatives such as ICT implementation to advance their overall economic agenda. This paper, therefore, examines the factors and adoption patterns of Internet-based Information and Communication Technologies (ICTs) among SMEs in Malaysia. The Diffusion of Innovation underpins the conceptual framework in this paper.

Torgeir Dingsøyr, Knowledge Management in Medium-Sized Software Consulting Companies,

Software engineering as a particularly interesting domain to study the use of knowledge management systems, as the employees in software companies are skilled in using computer tools, usually are motivated to use computer tools, and also spend most of their workday in front of computers. In addition, the need for learning about new technology, and about new markets is large in the software domain. Researchers think that more and more companies will work in a computer-intensive way, and that the conclusions they draw on such tools here might be usable for such companies in the future.
O. K. Harsh (2008), “Reusable Data, Information, Knowledge and Management Techniques”,

A proposal to analyze the data, knowledge and information in three dimensions is suggested and it is concluded that they play a major role in managing knowledge. An extension of this work to analyse the role of knowledge reuse management in the technological environment has also been presented. Useful discussion on several issues such as reusable knowledge creation, reusable knowledge validation, and reusable knowledge application, reusable knowledge distribution and reuse knowledge presentation have been explored. Analysis of the knowledge component composition, reuse, tacit and explicit knowledge and metadata has also been presented. The present work has value for knowledge management and quality enhancement.

Haris Papoutsakis, “Entrepreneurial Businesses In The Past- And Post-Millennial Knowledge Management Eras”,

The paper is a comparative study of the entrepreneurial phenomenon in the eighties versus entrepreneurialism in the post-millennial knowledge management era. For this reason, it first concentrates on the historic evolution of the entrepreneurial phenomenon of the eighties and then, by shifting away to more practical issues on small business studies, the paper examines a number of personal, sociological, and environmental factors that have influenced small businesses. Ending the retrospective analysis of the eighties, the paper examines a number of questions that were then considered as the reference points in small business studies and juxtapose the influence they have had in the post-millennium era.

Julian Birkinshaw, “Why is Knowledge Management So Difficult?”,

Knowledge management promises much, but often delivers very little. There are no simple solutions to this challenge. This article starts by trying to define what knowledge
management is. It then identifies where the problems lie and suggests five steps to resolve those problems. The article is based on research in a dozen leading companies, including HP, Ericsson, ABB, Skandia and Xerox.

Rajesh K. Pillania, “Organisational issues for knowledge management in SMEs”,

Globally knowledge and knowledge workers are being increasingly recognised as a source of sustainable competitive advantage. Knowledge Management (KM) initiatives in the beginning had a big company orientation with a focus on hard issues like information technology. Later, importance of soft issues like organisational culture, knowledge workers, Communities of Practice (CoPs), etc was recognised. Now there is more balanced view, consisting of both soft and hard sides of KM. There are major challenges in KM from soft issues as compared to hard issues. This research work studies some of the organisational issues in KM among Small-and Medium-Sized Enterprises (SMEs) among automobile components manufacturers in India.

Ciara Heavin, Frederic Adam, “Characterising the Knowledge Approach of a Firm: An Investigation of Knowledge Activities in Five Software SMEs”,

The output from this study includes a classification of KAs which provides rich insight into how SMEs are motivated to deal with knowledge as a means of achieving their organisational objectives. From a practitioner viewpoint, this study seeks to offer an improved understanding of a software SMEs’ approach to KM.

Nazar Rasheed, “THE IMPACT OF KNOWLEDGE MANAGEMENT ON SME’s”,

The objective of this paper is to gain an understanding of knowledge management, and the way in which knowledge management impacts upon current organisations. After an introduction on the background of knowledge, a brief comparison will be given of data, information, and knowledge. What follows is an analysis of the impact of knowledge management on the three main corporate building blocks, which are corporate strategy,
corporate culture, and systems. The impact of knowledge management on the three corporate building blocks is important in that it paves the way to formulating an understanding of knowledge management and its role within organisations.

Ingi Runar Edvardsson, “Is knowledge management losing ground? Developments among Icelandic SMEs”,

This paper presents findings from a survey on knowledge management (KM) in small and medium-sized firms (SMEs) in Iceland conducted in 2007 and was a follow-up of a similar survey from 2004. The paper analyses whether the extent, strategy and effects of KM in SMEs in Iceland has changed in the period. The main conclusion is that KM is not losing ground among SMEs in Iceland. Identical numbers of firms used KM in 2004 and 2007, and slightly more firms were examining the need in 2007 than 3 years earlier. The surveys indicate that benefits of KM programmes are quite positive even in SMEs. Accordingly, the research findings indicate that KM could improve organisational and managerial as well as financial aspects of SMEs. This research was carried out in only one country, and is based on a questionnaire. Its results should therefore be interpreted with care.

Rodney McAdam, “SME and large organisation perceptions of knowledge management: comparisons and contrasts”,

Compares the perceptions of both large organisations and small- to medium-sized enterprises (SMEs) at a meta level in regard to knowledge management (KM) to improve overall understanding and synthesis of the philosophy and to develop sector-specific learning in the SME sector. First, identifies and describes the key dimensions of KM using a socially constructed KM model. Second, uses a survey of large (> 250 employees) and SME (< 250 employees) organisations to investigate the perceptions of the KM dimensions. Third, reviews a series of qualitative social constructionist workshops, involving both large and SME organisations which were run to gain a deeper insight into the sectoral comparisons. The results indicate that KM is understanding and
implementation is developing in the large organisation sector and knowledge is recognised as having both scientific and social elements. However, the SME sector was less advanced with a mechanistic approach to knowledge and a lack of investment in KM approaches and systems.

Mostafa Jafari, Mohammad Fathian, Peyman Akhavan, Reza Hosnavi, (2007) "Exploring KM features and learning in Iranian SMEs",

The main purpose of this study is to explore knowledge management and learning features in some Iranian small and medium-sized enterprises. This study is probably the first to provide an integrated perspective of exploring knowledge management through Iranian SMEs. It gives valuable information and guidelines that hopefully will help SME leaders in decision making in the KM area. Most SMEs in Iran are still traditional. Their school of thought belongs to the industrial age and their efforts are not aligned to the knowledge era's requirements. Today's changes dictate a new model of thinking as a basic requirement. SMEs in Iran have to restructure their way of thinking towards a knowledge-based paradigm for competitiveness and survival.

Emmanouil Ergazakis, Kostas Ergazakis, Alexandros Flamos, Yannis Charalabidis, “KM in SMEs: a research agenda”,

KM is an emerging area, which has gained interest by both enterprises and academics. The effective implementation of a KM strategy is considered as a 'must' and as a precondition of success for contemporary enterprises, as they enter the era of knowledge economy. Big enterprises seem to have fully realised the importance of KM for their operation and the advantages that can offer and in this way, the majority of proposed methodologies, systems and tools (from the part of the research community) is addressed/concerned with big enterprises. This is not the case however for SMEs, the majority of which seem to consider KM as a non-affordable luxury and consequently, the research regarding KM and SMEs has been slow in formulating respective frameworks, methodologies and tools and there are still many pending issues that have to be
addressed. However, KM has a lot to offer to SMEs. In this way, this paper attempts to propose a research agenda for the relation of KM and SMEs. The discussion presented in this paper should be of value to researchers and practitioners.

Davood Gharakhani, Morteza Mousakhani, (2012) "Knowledge management capabilities and SMEs' organizational performance",

The purpose of this paper is to examine the role of knowledge management (KM) capabilities on small to medium-sized enterprises' (SMEs') organizational performance. The results indicate that all three factors of KM capabilities (knowledge acquisition, knowledge sharing, and knowledge application) have positive and significant effects on SMEs' organizational performance. The main contribution of the paper is to provide empirical evidence about the impact of KM capabilities on SMEs' organizational performance. Also the findings of the study are important for both practitioners and academics.

Weifeng Chen, Tally Hatzakis, Knowledge management, absorptive capacity and organisational culture: a case study from Chinese SMEs

Based on the analysis of an innovative medium sized enterprise from mainland China, this paper investigated the Knowledge Management (KM) issues by focusing on its KM enablers and process. This paper attempts to investigate how Chinese enterprises absorb knowledge from external sources; how they developed culture to facilitate Knowledge Management Processes (KMPs) and what major challenges they raise for the future by looking at the case study of a Chinese Small and Medium-sized Enterprises (SMEs). The case study indicates that Chinese enterprises emphasised knowledge acquisition and the capacities of knowledge absorption, application, creation, sharing and integration as vital to sustaining competitive advantage for these firms. Corporative organisational culture also has significant impact on the KM in those enterprises.

This paper aims to make a contribution by examining the relationship between sustainable sales growth and knowledge management activities in 108 Finnish small and medium-sized enterprises (SMEs). The results from this study also suggest that SMEs might be able to shift into higher growth by applying a comprehensive KM-approach incorporating all intangible assets equally. This study provides new information concerning the relationship between knowledge management and small business performance.

Kevin C. Desouza and Yukika Awazu, “Knowledge management at SMEs: five peculiarities”,

In this paper researchers have elaborated on five key peculiarities in knowledge management practices found at SMEs. While researchers have painted a rosy picture of how SMEs manage knowledge, researchers must acknowledge that SMEs have their fair share of problems. Compared to research on larger organizations, investigations into the intricacies of managing knowledge at smaller enterprises remain largely unexplored. It would be wrong to assume that SMEs practice knowledge management in similar ways as larger organizations with the only difference being in magnitude or scale.

Rajesh K Pillania, “Strategic issues in knowledge management in small and medium enterprises”,

A well-developed and aligned knowledge management (KM) strategy and active top management participation are two of the key strategic issues in KM. The studies on KM strategy and the role of top management have mainly focused on big firms. The basic requirements and resources of small and medium enterprises (SMEs) are different from big firms. Consequently, KM practices are different in SMEs as compared to big firms, and a thorough study of various aspects of KM for SMEs is needed. This research work is
an attempt to study strategic issues in KM in SMEs in India, with particular reference to the automotive component sector. Customer-focused knowledge is the most common KM strategy among Indian automotive component manufacturers. Top management is more active and supportive in KM initiatives in international auto component manufacturers. Indian SMEs need to focus more on the strategic issues in KM for reaping the benefits of KM for sustainable competitiveness.

Varintorn Supyuenyong, Nazrul Islam, Uday Kulkarni, (2009) "Influence of SME characteristics on knowledge management processes: The case study of enterprise resource planning service providers",

Much of the literature on knowledge management (KM) has focused on KM practices in large organisations where KM seems to encompass every KM process from capture of knowledge to its eventual reuse. Small and medium-sized enterprises (SMEs) practise KM processes to a lesser degree or differently owing to their special characteristics and limitations. The purpose of this study is to understand how the special characteristics of SMEs influence their KM processes. The analysis demonstrates that, in general, ownership and management structure as well as culture and behaviour characteristics of SMEs seem to have a more positive effect than other SME characteristics on KM processes. System, process and procedure, and customer and market characteristics have a more moderate effect. Human capital management seems to hinder somewhat rather than facilitate KM processes.

Dr. Meliha Handzic, “Knowledge Management in SMEs Practical guidelines",

Knowledge management is a practical tool in any organization. This paper addresses two issues - why managers of small to medium-sized enterprises (SMEs) need to know about knowledge management (KM) in their organizations and how they can conduct it. Critical steps, key factors and possible alternative paths are also discussed, so that knowledge management does not remain just theory but can be put into practical use in their organizations.
David P. Stevens,” Managing Tacit Knowledge for a Software Development Process: A Case Study”,

The acquisition and management of knowledge is increasingly more important in today's economy because of the large proportion of the workforce eligible for retirement in the next 10 years. Companies have long understood that reusing explicit knowledge in the form of policies, documentation and procedures produces tremendous savings, reduces variability, decreases costs, and improves overall quality. Unfortunately, a considerable portion of corporate knowledge is tacit or known at a non-verbal level, and does not lend itself to reuse. This research examines "how" and "why" questions regarding a specific process used for managing and sharing tacit knowledge related to the software development life cycle. The issues related to acquiring, preserving and disseminating the tacit knowledge are discussed in detail, and the advantages and managerial implications of the results of the method are described, together with implications for knowledge workers and managers in other industries.


This paper aims to clarify the misunderstanding of high expenditure on knowledge management systems adoption, and provides a novel approach for the most emergent knowledge management components to catch up to the pace of their rivals for the late adopters of knowledge management systems. This paper adopts MCDM (Multiple Criteria Decision Making) approaches to solve this KM adoption problem, and ranks the gaps of the KM aspects in control items to achieve the aspired level of performance. The findings demonstrate that the knowledge management gaps within the service industry are higher than the gaps within the IC (Integrated Circuit) and banking industries.