

The knowledge management of financial institutions in Brazil. A preliminary analysis

Contreras- David†*, Camargo- Maria'' y Díaz- Elia'''

† *Universidad Tecnológica del Suroeste de Guanajuato*

'' *Universidad de Caxias do Sul*

''' *Universidad Autónoma de Querétaro*

Recibido 25 de Noviembre, 2013; Aceptado 17 de Octubre, 2014

Resumen

El propósito de este trabajo es conocer empíricamente las formas de gestión del conocimiento realizada por las instituciones financieras en Brasil; para esto, seis grandes instituciones de servicios financieros ubicados en el Estado de Rio Grande do Sul en Brasil fueron analizados a través de una metodología cualitativa. Los resultados muestran que se genera la gestión del conocimiento durante una etapa en el proceso de seguimiento de cliente. Estos hallazgos son útiles para los líderes y directivos de las organizaciones para promover el conocimiento y el desarrollo de las instituciones financieras.

Gestión del conocimiento, las instituciones financieras.

Abstract

The purpose of this paper is to empirically learn the ways of knowledge management undertaken by financial institutions in Brazil; for this, six major financial services institutions located in the State of Rio Grande do Sul in Brazil were analyzed through a qualitative methodology. The results show that knowledge management is generated during a stage in the client follow-up process. These findings are useful for leaders and managers of organizations to promote awareness and development of Financial Institutions.

Knowledge management, Financial institutions.

Citación: CONTRERAS- David, CAMARGO- María y DÍAZ- Elia. The knowledge management of financial institutions in Brazil. A preliminary analysis. *Revista de Desarrollo Económico* 2015, 2-2:183 - 190

† Investigador contribuyendo como primer autor.

Introducción

15 years into the new century, organizations continue in a competitive battle that seems never-ending. During this period some new paradigms of organizational life have been incorporated, however, their analysis and implementation remains a complex process that forces to continue searching another forms of easy application that support the competitiveness achievement.

Throughout this century, the term knowledge management is a paradigm that has progressed as an emerging concept used to increase public functions in an organization [40] contributing to the formulation of strategies, incrementing its importance in making decisions [15], however, analyzing it is one of the most difficult tasks to perform [7].

1 Literature review

The concept and application of knowledge management has found a place within organizations not only to lead it to success, but also for the development of society [1]. For a long time, it has had different meanings, one of which is referred to as the development of methods, tools, techniques and values through which organizations can acquire, develop, measure, distribute and provide the return of intellectual property [32]. Moreover, the concept was handled as activities and practices designed to ensure success [37] while in another way was utilized as the proceedings related to knowledge, in pursuit of a business [34]. In another contribution, was characterized it as a multidisciplinary approach [3]. Studies show various ways of analyzing knowledge management, as in the case of Hughes space / communications Co and the Ford motor company where they used knowledge management to minimize costs and cycles, while maintaining their ability to innovate [33].

In another study by the Ernst and Young center for business innovation and European Organizations reported that 87% of respondents described their companies as knowledge intensive, however indicating a manipulation of the study [5]. In another study conducted by the Journal of Knowledge Management, it was reported that over 90% of respondents perceive their organizations as intense in knowledge [5].

Although there are studies that address different topics of knowledge management - for example, a record managed from three perspectives: 1) identify, examine, and find what is most effective for generating, sharing and managing knowledge in organizations; 2) enact the collective capacity; 3) know how to get things [12]; project development teams as one of the modern ways of generating new knowledge [29] or exploring the concept for its exploitation [11] - it is not common to find papers analyzing knowledge management from qualitative techniques applied to financial institutions. The Role of Financial Institutions in countries is central to the growth of the economy [35]. Therefore, knowing its management methods is a priority in developing countries. Brazil, considered one of the most important emerging countries of the American continent, has rebounded with regard to its economy. This economic forefront has been largely supported by its Financial Institutions. Therefore, the objective of this work was to determine preliminarily, the forms of knowledge management within Financial Institutions in Brazil, considering qualitative techniques. Therefore, the research question is: what is the form of knowledge management used by financial institutions in Brazil? To answer this question a qualitative study of 6 Financial Institutions was held in the city of Caxias do Sul, Rio Grande do Sul, in Brazil and has presence at national and international level.

This research contributes to the body of literature on knowledge management to discuss ways of managing knowledge for Financial Institutions in a developing country.

The paper is structured as follows: first, it develops in theoretical framework reviewing different studies on the subject; then the methodology used is recorded; thirdly presents and discusses the results stating its conclusions and future research.

2 Knowledge management variables

The increased interest in knowledge management has resulted in an exponential growth in their publications during the past decade on an average of fifty percent per year [2,30,40]. A variety of knowledge management models have been identified in the literature [24,25,20,13,26,27], however, these have different limitations as an excessive focus on information technology, lack of attention to cultural and human factors, division implementation approaches and development [19,6,9,21,36,3].

From variables such as acquisition, dissemination and accountability [8]; the production, refining, storage and transfer [22]; or the ability to locate, share, experience, create, culture and strategic value of knowledge and learning [41], organizations struggle to achieve organizational competitiveness that allows them to be placed in a prominent place in the market.

Different studies make contributions to research on knowledge management, analyzing many different application areas, among which may be mentioned the following: Theoretical principles of knowledge management focused on how to move the classical University to one that is more research-oriented [31].

The author believes that knowledge management is a strategy of the modern theory that supports the work of University oriented research and brings it to international standards.

A longitudinal study in an industry cluster through the transfer of knowledge, considering variables such as market orientation and competitive advantage, along with positive results of this relationship; although victims of their own success due to fast growth [4]. The analyzed of knowledge management through: leadership, strategic planning and customer / market focus.

The study analyzed originally 1,110 employees of which 178 correspond, several questions focused on e-government initiatives, concluding that, leadership, strategic planning and customer focus / market are factors that significantly affect knowledge management in e-government environment [28].

The knowledge management through a total quality system [16].

This study was performed at 1139 companies resulting in a positive relationship between total quality system and learning, innovation and organizational development.

The study in 500 high-tech enterprises in China through their CEOs.

Using variables as the reward system, process innovation, integration and integrated past projects, market intelligence and intra-organizational knowledge development for analysis, the results suggest that the reward system, process innovation and knowledge sharing improve the effectiveness of knowledge management in these businesses [37].

In other studies such as one conducted in New Zealand companies with 50 or more employees, found that the acquisition of knowledge dissemination and responsibility have different effects on innovation [8], or considering obtaining, refining, storage and transfer of knowledge, revealed that the capacity of knowledge has a very large and positive impact on the competitiveness of industry in Taiwan, developing strategies for new products in the high-tech industry [22,23].

As it can see, over time there have been various methodologies that support the analysis of this paradigm, however, at the moment; there has been a scarce amount of contributions using a methodology that allows for the extraction of the source of knowledge of financial institutions in a country developing.

3 Methodology

Although the concept of knowledge management is found in different ways and in many different methodologies, for the present work, the methodology was adopted in order to use a simple and less demanding method [17] adhering to the concept of focusing on knowledge management as the process of transforming information and intellectual property internally and then transforming them into value [18].

The study was conducted with a qualitative methodological approach performed in a certain time and space [39], with the purpose to investigate how to manage knowledge in financial institutions in Brazil.

The organizations under study are formally constituted institutions belonging to the financial services sector located in the city of Caxias do Sul and installed throughout Brazil.

The operationalization of the concept of knowledge management used was under the process of transforming information and intellectual property internally and then transforming them into value [18].

Concept	Dimension	Indicator	Operationalization
Knowledge Management	Process of transformation	Information	Society Development. Strategies

Table 1

Data collection was performed under a semi structured narrative way, enacted on employees of Financial Institutions, conducted in the workplace during the month of September 2011 and was analyzed under the scheme of repetitions of words and conclusion in their responses. This research was funded by the Teacher Improvement Program now known as PROMEP (Professional Development Program for Teachers) PRODEP under number UTSGTO-PTC-005.

4 Results

The results obtained under a qualitative diagram, are exceedingly interesting. The structure of the financial sector, with regard to its institutions, has a strong interest in supporting the development of their society, considering people as the main input for the development of their activities.

Various research carried out on knowledge management relate to this paradigm, social development. Therefore, with the intent to validate this relationship and under a qualitative scheme, all respondents felt that the organization contributes to the development of society through the improvement of social conditions and sustainable development of people.

The mechanisms used to measure their influence on society are implementing strategies and individual growth of its customers by giving support to export companies and implementation of various basic tasks.

Their ways to check the effectiveness of their strategies and thus manage new knowledge is a timely monitoring point which is punctually carried out its customers. Thus the institution generates new knowledge from the individual growth of its members.

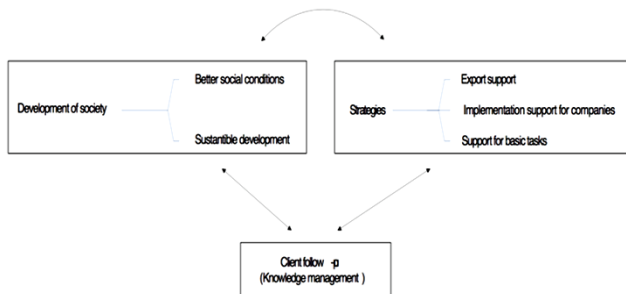


Figure 1

Knowledge management has been a mainstay of many investigations, on this occasion it was observed that it is the pillar of financial institutions in Brazil that were studied, as it is the support in the development of society and implementation of strategies, providing a comprehensive feedback process.

5 Acknowledgments

We want to be grateful to Professional Development Program for Teachers PRODEP for research financing and to Universidad Tecnológica del Suroeste de Guanajuato UTSOE for their support and document translation.

6 Conclusions

The objective of this research was to determine, in a preliminary way, forms of knowledge management in Financial Institutions in Brazil, considering qualitative techniques. In this sense, the main contributions of this work are:

- The relationship of knowledge management with local social development is confirmed.
- The accomplishment of this relationship is stipulated by using specific strategies.
- The most important contribution on how to manage knowledge by Financial Institutions in Brazil is originated in monitoring, this is because, as the individual customer grows, he reinforces or changed the strategies used, generating the creation of new knowledge.

The Impact of Financial Institutions in Brazil over a period considered from 2003 to 2011 has resulted in increased the Gross Domestic Product GDP growth per capita from 15 to 19.60 real equivalents to 9.3 to \$ 12.25 US. Unemployment and interest rates have declined in the same period by 6 and 6.9% respectively, increasing the number of personal loans over 700% recording placed 218.4 billion [10].

The findings of this research have implications for employers and directors since it allows for another point for managing knowledge and applying it in their institutions. For public and academic institutions, it allows them to continue promoting the paradigm of knowledge management, between managers and students; it allows the use and development of new ways of managing new knowledge.

The research presents, among others, the following limitations: a higher percentage of Brazilian institutions were not included in the analysis; this was due to budgetary restraints. Among the future work that may result from this research is the approach to the analysis of the internal process that is involved in the discovery of new knowledge and about the application of strategies. You can also perform impact analysis with 2 or more countries in America or Europe and bring new forms of management support in obtaining the competitiveness and development of society. Another line of research is to analyze the impact of the strategies used by Financial Institutions on the growth of society and generate new forms of analysis of knowledge management.

7 References

- AF Ragab, M.; Arisha, A. Knowledge management and measurement: a critical review. *Journal of Knowledge Management* 2013, 17(6), 873-901.
- Bontis, N.; Serenko, A. A follow-up ranking of academic journals. *Journal of Knowledge Management* 2009, 13, 16-26.
- Castillo, L. A. M.; Cazarini, E. W. Integrated model for implementation and development of knowledge management. *Knowledge Management Research & Practice* 2014, 12(2), 145-160.
- Connell, J.; Voola, R. Knowledge integration and competitiveness: a longitudinal study of an industry cluster. *Journal of Knowledge Management* 2013, 17(2), 208-225.
- Chase, R. L. The knowledge-based organization: an international survey. *Journal of Knowledge Management* 1997, 1(1), 38-49.
- Chen, J.C.; Huang, W.J. How organizational climate and structure affect knowledge management – the social interaction perspective. *International Journal of Information Management* 2007, 27(2), 104–118.
- Chen, C. J.; Huang, J. W. Strategic human resource practices and innovation performance— The mediating role of knowledge management capacity. *Journal of Business Research* 2009, 62(1), 104-114.
- Darroch, J. Knowledge management, innovation and firm performance *Journal of Knowledge Management* 2005, 9(3), 101115.
- Dufour, Y.; Steane, P. Implementing knowledge management: a more robust model. *Journal of Knowledge Management*. 2007, 11(6), 68–80.
- Feltrim, L.E. Segunda Jornada Financiera. Inclusión Financiera y Desarrollo Económico. La experiencia de Brasil. Banco Central do Brasil. 2011. Available on line <http://www.bcb.gov.br/jfinanciera/sites/default/files/2jf/presentaciones/9.%20Feltrim%20Brasil.pdf> (accessed 10/october/2014).
- Filippini, R.; Güttel, W. H.; Nosella, A. Ambidexterity and the evolution of knowledge management initiatives. *Journal of Business Research*. 2012, 65(3), 317-324.
- Guo, Z.; Sheffield, J. A paradigmatic and methodological examination of knowledge management research: 2000 to 2004. *Decision Support Systems*. 2008, 44(3), 673-688.
- Handzic, M. An integrated framework of knowledge management. *Journal of Information and Knowledge Management*. 2003, 2(3), 245–252.

Holsapple, C. W.; Singh, M. The knowledge chain model. Third Annual Conference of the Southern Association for Information Systems (SAIS), 31 March-2 April, Atlanta Georgia, United States, 2000.

Holsapple, C.W.; Singh, M. The Knowledge Chain model: activities for competitiveness. *Expert Systems with Applications*. 2001, 20(1), 77 – 98.

Hung, R. Y. Y.; Lien, B. Y. H.; Yang, B.; Wu, C. M.; Kuo, Y. M. Impact of TQM and organizational learning on innovation performance in the high-tech industry. *International Business Review*, 2011. 20(2), 213-225.

Kozená, M.; Chládek, T. Company competitiveness measurement depending on its size and field of activities. *Procedia – Social Behavioral Sciences*. 2012, 58 (12), 1085 – 1090.

Laal, M. Knowledge management in higher education. *Procedia Computer Science*. 2011, 3 (2011), 544-549.

Lam, W. Successful knowledge management requires a knowledge culture: a case study. *Knowledge Management Research & Practice*. 2005, 3(5), 206–217.

Lee, J.H.; Kim, Y.G. A Stage model of organizational knowledge management: a latent content analysis. *Expert Systems with Applications*. 2001, 20(4), 299–311.

Liebowitz, J. Think of others in knowledge management: making culture work for you. *Knowledge Management Research & Practice*. 2008, 6(1), 47–51.

Liu, P. L.; Chen, W. C.; Tsai, C. H. An empirical study on the correlation between knowledge management capability and competitiveness in Taiwan's industries. *Technovation*. 2004, 24(12), 971-977.

Liu, P. L.; Chen, W. C.; Tsai, C. H. An empirical study on the correlation between the knowledge management method and new product development strategy on product performance in Taiwan's industries. *Technovation*. 2005, 25(6), 637-644.

Nonaka, I.; Takeuchi, H. *The Knowledge-Creating Company: How Japanese Companies Create the Dynamics of Innovation*. Oxford University Press, New York, 1995.

Nonaka, I.; Toyama, R.; Konno, N. SECI, ba and leadership: a unified model of dynamic knowledge creation. *Long Range Planning*. 2000, 33(1), 5–34.

Orzano, A.J.; McInerney, C.R.; Scharf, D.; Tallia, AF.; Crabtree, BF. A knowledge management model: implications for enhancing quality in health care. *Journal of the American Society for Information Science & Technology*. 2008, 59(3), 489–505.

Pee, LG.; Kankanhalli, A. A model of organizational knowledge management maturity based on people, process, and technology. *Journal of Information & Knowledge Management*, 2009, 8(2), 1–21.

Ryan, S. D.; Zhang, X.; Prybutok, V. R.; Sharp, J. H. Leadership and knowledge management in an e-government environment. *Administrative Sciences*, 2012, 2(1), 63-81.

Sense, A.J. The project workplace for organizational learning development. *International Journal of Project Management*, 2011, 29(8), 986-993, Doi: 10.1016/j.ijproman.2011.01.012 (accesed 13/November/2013)

Serenko, A.; Bontis, N. Meta-review of knowledge management and intellectual capital literature: citation impact and research productivity rankings. *Knowledge and process management*, 2004, 11(3), 185-198.

Smokotin, V. M.; Petrova, G. I.; Gural, S. K. Theoretical Principles for Knowledge Management in the Research University. *Procedia-Social and Behavioral Sciences*, 2014, 154, 229-232.

Snowden, D. *Liberating Knowledge*. Caspian publishing, London, 1999.

Wu, LI.; Lin, CH. A strategy-based process for implementing knowledge management: an integrative view and empirical study. *Journal of the American Society for Information Science and Technology*, 2009, 60(4), 789–802.

Valhondo, D. *Gestión del conocimiento. Del mito a la realidad*. Díaz de Santos, España, 2003.

Strategic leadership forum. Lessons learned on the knowledge highways and byways. *Strategic and Leadership*, 1996, 24(2), 17-20.

Valhondo, D. *Gestión del conocimiento. Del mito a la realidad*. Díaz de Santos, España, 2003.

Wu, J. L.; Hou, H.; Cheng, S. Y. The dynamic impacts of financial institutions on economic growth: Evidence from the European Union. *Journal of Macroeconomics*. 2010, 32(3), 879-891.

Yang, J. The knowledge management strategy and its effect on firm performance: A contingency analysis. *International Journal of Production Economics*. 2010, 125(2), 215-223.

Yew Wong, K. Critical success factors for implementing knowledge management in small and medium enterprises. *Industrial Management & Data Systems*, 2005, 105(3), 261-279.

Yin, R. *Case study research. Desing and methods*. (4^a ed.); Sage, United States of America, 2009.

Zack, M. Managing codified knowledge. *Sloan Management Review*. 1999, 40(4), 45-58.