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Challenges of Implementing Knowledge Management Practices in Nepalese Financial Institutions

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Abstract

Knowledge management (KM) is the research field that still faces some lack of cumulative theoretical development and empirical studies. Despite several opportunities, one faces many challenges to explore these concepts and their implementation at organizational level. The main objective of this study was to explore the challenges of implementing Knowledge Management practice in Nepalese financial institutions. A convergent-parallel mixed method research was designed to explore the prevailing challenges of KM implementation in banking and financial sector in Nepal. In this study, a sample of 385 respondents was selected randomly from four different types of financial institutions of Kathmandu, Nepal. Quantitative as well as Qualitative analysis was carried out to draw the conclusion. This study identified major challenges faced by Nepalese financial institutions and the ways to resolve them and concluded that knowledge management as a practice and behavior could be the most influential strategy in banking and financial sector if opportunities were exploited eradicating the challenges properly.

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Keywords:
Challenges, Financial Institutions, Implementation, Knowledge Management, Nepal

Introduction
Knowledge can be defined as the understanding that is obtained through the process of experience or appropriate study (Awad & Ghaziri, 2004). The term "Knowledge Management" is used to describe everything from the application of new technology to harnessing of the intellectual capital of an organization (Sallis & Jones,2002). As Rowley (2000) describes KM is concerned with the exploitation and development of the knowledge assets of an organization with a view to furthering the organization's objectives. The knowledge to be managed includes both explicit (documented knowledge) and tacit (subjective knowledge). Management entails all of those processes associated with the identification, sharing, and creation of knowledge. This requires systems for the creation and maintenance of knowledge repositories, and to cultivate and facilitate the sharing of knowledge and organizational learning. Organizations that succeed in knowledge management are likely to view knowledge as an asset and to develop organizational norms and values, which support the creation and sharing of knowledge (Rowley, 2000).

Knowledge Management defines a systematic, explicit and deliberated building processes required to manage knowledge, the purpose of which is to maximize an enterprise's knowledge-related effectiveness and create values (Bixler, 2005). The process incorporated in KM includes collecting, organizing, clarifying, disseminating and reusing the knowledge throughout an organization. Similarly, knowledge acquisition, knowledge dissemination, knowledge transformation and knowledge creation are the key strategic resources for knowledge-intensive organizations to achieve a competitive advantage (Wiig, 1997).

Knowledge management has become an important phenomenon to the planners, managers and strategists to remain enacted with the expansionary activity towards managing the knowledgeable resources. Therefore, managers should realize effective ways in which they can leverage knowledge that exists within their own organization (Swart & Harvey, 2011). Globalization has made an obligation on the organizations to use the information resources to develop a well-structured and substantiated framework of knowledge management (Wigg, 2007).

Proficiency of critical and state-of-the-art knowledge for continuous organizational improvement is major emphasis of KM. Successful KM has mainly three features; maturity, dynamic and self-growth. In the recent years a wide range of business techniques, such as performance management (PM), Quality Assurance and Total Quality Management have had a direct or indirect impact on business, education and management. It emphasized that, knowledge management becomes a prerequisite for public and private organizations for a gaining competitive advantage. Therefore,

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organizations need to adopt a knowledge management system so as to attain competitiveness among the fast-paced companies of the twenty-first century (Quinn, 1992).

In a developing country like Nepal, financial service sector is in infant stage but has lots of room for growth and development. The service industry in previous years has seen not only majority of employment and growth, but it is expected to grow further in the years to come. The competition in the industry will encourage development of incentives and services to attract customers to gain and maintain competitive advantage (Chaudhary, 2012). In Nepalese context, financial sector, especially banking and finance sector is very competitive. Knowledge is resource to gain competitive advantage in this sector. Obtaining comprehensive information on how knowledge is managed and utilized is very important in this sector. Even though, there is very little information on knowledge management in developing countries, like Nepal, it is quite necessary to examine the perceptions on the benefits, problems, challenges, responsibilities and technological aspects that are entailed in managing the knowledge in financial sectors (Khanal & Paudel, 2017).

Linking the field of knowledge management with the field of corporate activities, more empirical research on the organizational knowledge contest was needed in Nepalese financial organizations. In order to facilitate and advance the field of knowledge management with their corporate activities and the development of intellectual resource to perform better should be explored in Nepalese context. In Nepal, very few research had pursued in the field of Knowledge Management, there has not yet been conducted research on knowledge management strategy with relation to the business performance in the field of banking sectors. Therefore, this study is an attempt to fulfill this gap.

Materials & Methods

The study is based on the mixed method research design. The data was collected from the banking and financial institutions of Kathmandu, Nepal by using the structured questionnaire survey and in-depth interview. In total, 385 respondents were selected for questionnaire survey and 15 employees for interview from banking and financial institutions of Kathmandu valley by using the proportionate stratified random sampling technique. The questionnaire was developed in five-point Likert Scale as (1) Strongly disagree, (2) Disagree, (3) Neutral, (4) Agree and (5) Strongly agree. The research instrument was pre-tested to ensure the validity and reliability of data. The collected data was analyzed through the statistical models: frequency distribution, factor analysis, regression analysis and correlation. SPSS-20 was used in this study to analyze the collected data from the banking sector of Nepal. The data is presented in the tabular form. Similarly, for qualitative study the semi-structured face-to-face interview was adopted with a list of predetermined questions to be posed to the participants personally. The interviews were conducted in parallel with the survey. A total of 15 interviewees were selected, 3 from government banks, 6 from private commercial banks, 3 from development banks and remaining 3 participants from finance companies and cooperatives .

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The selected interviewees were the top management staff members including CEO, managing director, directors, department heads, human resource managers and branch managers employed by those sampled organizations.

Result & Discussion

Respondents of Nepalese banking and financial institutions participated in this study were categorized based on four sectors including Government Banks (20%), Private Commercial Banks (40%), Development Banks(20%), and Finance and Cooperatives (20%). 64.4% male and 35.6% of female of various designation/job title from Chief Executive Officer to Clerical Staff were selected using stratified sampling method. Among them 21 respondents are high school graduates, 103 respondents hold bachelor's degree, 255 respondents hold master's degree and remaining 6 respondents got MPhil/PhD. Respondents with experience of less than six months were discarded and minimum six months to maximum 46 years were taken for analysis being mean years of experience 10.324 with standard deviation 7.87 years.

There were several difficulties in implementing the full fledged Knowledge Management in Nepalese financial organizations. With the results of the analysis from the respondents 10 major challenges were identified and asked to rate those in 5-point Likert scale. It was found that "Insufficient KM expertise available" and "Lack of infrastructural facilities to implement KM" were the most prevailing challenges having highest mean of 3.53 with standard deviation 1.018 and .949 respectively. The other KM implementation challenges are shown in descriptive table below.

Table-1 (Descriptive Statistics of KM Challenges)

KM Challenges	N	Mean	Std. Deviation
Lack of understanding of KM and its benefits	385	3.46	1.043
KM system not integrated in business process	385	3.28	1.086
Lack of knowledge sharing culture	385	3.44	1.057
Insufficient KM expertise available	385	3.53	1.018
Lacking appropriate technical skill for implementing KM	385	3.52	.963
Difficulty in maintaining budget and cost recovery	385	3.36	.993
Reward systems do not emphasize knowledge sharing	385	3.39	.965
Lack of sufficient professional and management support	385	3.49	.960
Difficulty in unifying different KM approaches	385	3.51	.907
Inadequate infrastructural facilities to implement KM	385	3.53	.949
Valid N (listwise)	385		

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Factor Analysis

A challenge of implementing knowledge management practices in Nepalese financial institutions was modeled in both conceptualization of the research model as first order variable. Then one confirmatory factor analysis with varimax rotation was conducted to assess the underlying structure to measure the challenge of implementation of knowledge management practices in Nepalese financial institutions. Table-2 presents the loading factor for the banking knowledge applying. The results show that all the loading values are greater than the cut-off level (0.5), hence, this measurement is acceptable.

Table 2: Challenges of KM in Nepalese Financial Institutions

KMO and Bartlett's Test[a]			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			.861
Bartlett's Test of Sphericity	Approx. Chi-Square		1298.735
	Df		45
	Sig.		.000
a. Based on correlations			
Rotated Component Matrix[a]			
	1	**2**	**Loading**
Ch-1(Lack of understanding of KM and its benefits)		.747	.747
Ch-2(KM system not integrated in business process)		.781	.781
Ch-3(Lack of knowledge sharing culture)		.774	.774
Ch-4(Insufficient KM expertise available)		.705	.705
Ch-5(Lacking appropriate technical skill for implementing KM)	.601		.601
Ch-6(Difficulty in maintaining budget and cost recovery)	.785		.785
Ch-7(Reward systems do not emphasize knowledge sharing)	.521		.521
Ch-8(Lack of sufficient professional and management support)	.653		.653
Ch-9(Difficulty in unifying different KM approaches)	.630		.630
Ch-10(Inadequate infrastructural facilities to implement KM)	.726		.726

(Source: Field Survey, 2016)

This section presents the perceived challenges of the respondents in implementing KM in Nepalese financial institutions. KM challenges have been operationalized by 10 different constructs as illustrated below.

Lack of understanding KM and its benefits

Lack of understanding KM and its benefits could be a major challenge to the employee and the organization. Therefore, maximum respondents agreed followed by 6.5% and few respondents

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disagreed followed by 3.1% in government banks. However, in the Commercial bank, maximum respondents neither agreed nor disagreed followed by 14.8% and few of them disagreed followed by 4.9%.

Table 3: Lack of understanding KM and its benefits

			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Respondents	Government Bank	Count	3	12	17	25	20	77
		% of Total	0.8%	3.1%	4.4%	6.5%	5.2%	20.0%
	Commercial Bank	Count	7	19	57	53	18	154
		% of Total	1.8%	4.9%	14.8%	13.8%	4.7%	40.0%
	Development Bank	Count	0	20	20	27	10	77
		% of Total	0.0%	5.2%	5.2%	7.0%	2.6%	20.0%
	Finance & Cooperatives	Count	0	16	12	33	16	77
		% of Total	0.0%	4.2%	3.1%	8.6%	4.2%	20.0%
Total		Count	10	67	106	138	64	385
		% of Total	2.6%	17.4%	27.5%	35.8%	16.6%	100.0%

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	31.962[a]	12	.001

(Source: Field Survey, 2016)

Development bank respondents agreed followed by 7.0% and disagreed followed by 5.2%. Likewise, in the finance &cooperatives, maximum respondents agreed followed by 8.6% and minimum disagreed followed by 4.2%. Thus, maximum respondents agreed followed by 35.8% and minimum disagreed followed by 17.4% with this statement with 27.5% in neutral position.

The statistical analysis of Pearson Chi-Square test showed that there was significant association between Nepalese financial institutions regarding the challenge that there is lack of understanding because P=.001 which is less than .05 significant level.

KM system not integrated in business process

While applying KM system in organization, it is difficult to integrate in business process.As shown in table below, 6.8% respondents agreed and 3.9% disagreed in government banks. However, 14.3% respondents of commercial banksstood neutral, 13.0% agreed and 8.6% disagreed on it.

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Table 4: KM system not integrated in business process

			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Respondents	Government Bank	Count	3	15	19	26	14	77
		% of Total	0.8%	3.9%	4.9%	6.8%	3.6%	20.0%
	Commercial Bank	Count	5	33	55	50	11	154
		% of Total	1.3%	8.6%	14.3%	13.0%	2.9%	40.0%
	Development Bank	Count	2	14	30	23	8	77
		% of Total	0.5%	3.6%	7.8%	6.0%	2.1%	20.0%
	Finance &Cooperatives	Count	8	18	14	16	21	77
		% of Total	2.1%	4.7%	3.6%	4.2%	5.5%	20.0%
Total		Count	18	80	118	115	54	385
		% of Total	4.7%	20.8%	30.6%	29.9%	14.0%	100.0%

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	34.660[a]	12	.001

(Source: Field Survey, 2016)

Likewise, in the development banks, maximum respondents agreed followed by 7.8% and minimum disagreed followed by 3.6%. Respondents of finance &cooperatives had majority respondents who strongly agreed followed by 5.5% and minimum strongly disagreed followed by 2.1%. In total, maximum respondents neither agreed nor disagreed followed by 30.6% in these four different banks.

The statistical analysis of Pearson Chi-Square test showed that there was significant association between Nepalese financial institutions regarding this issue since P=.001 which is less than .05 significant level.

Lack of knowledge sharing culture

Lack of knowledge sharing culture is one of the challenges while applying KM system in organizations. For this statement, maximum respondents reacted in agreement followed by 7.8% and minimum disagreed followed by 1.8% in government banks. Similarly, in commercial banks, many respondents agreed followed by 16.1% and fewer respondents disagreed followed by 7.5%.

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Table 5: Lack of knowledge sharing culture

			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Respondents	Government Bank	Count	3	7	21	30	16	77
		% of Total	0.8%	1.8%	5.5%	7.8%	4.2%	20.0%
	Commercial Bank	Count	6	29	45	62	12	154
		% of Total	1.6%	7.5%	11.7%	16.1%	3.1%	40.0%
	Development Bank	Count	2	20	16	31	8	77
		% of Total	0.5%	5.2%	4.2%	8.1%	2.1%	20.0%
	Finance & Cooperatives	Count	2	14	14	25	22	77
		% of Total	0.5%	3.6%	3.6%	6.5%	5.7%	20.0%
Total		Count	13	70	96	148	58	385
		% of Total	3.4%	18.2%	24.9%	38.4%	15.1%	100.0%
Chi-Square Tests								
			Value		df	Asymp. Sig. (2-sided)		
Pearson Chi-Square			28.250[a]		12	.005		

(Source: Field Survey, 2016)

In development banks, maximum respondents agreed followed by 8.1% and minimum neither agreed nor disagreed followed by 4.2%. And, in the finance &cooperatives, maximum respondents agreed followed by 6.5%. In total, 38.4% respondents agreed and 18.2% disagreed in this question. The statistical analysis of Pearson Chi-Square test showed that there was significant association between Nepalese financial institutions regarding this challenge since P=.005 which is less than .05 significant level.

Insufficient KM expertise available

Unavailability of sufficient KM expertise is the one of the major challenges. So, 7.0% respondents of government banks agreed with this challenge and 3.1% respondents disagreed on it. Maximum respondents of commercial banks too agreed followed by 17.7% and minimum disagreed followed by 5.5%.

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Table 6: Insufficient KM expertise available

			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Respondents	Government Bank	Count	6	12	12	27	20	77
		% of Total	1.6%	3.1%	3.1%	7.0%	5.2%	20.0%
	Commercial Bank	Count	1	21	44	68	20	154
		% of Total	0.3%	5.5%	11.4%	17.7%	5.2%	40.0%
	Development Bank	Count	2	11	31	23	10	77
		% of Total	0.5%	2.9%	8.1%	6.0%	2.6%	20.0%
	Finance & Cooperatives	Count	0	14	18	29	16	77
		% of Total	0.0%	3.6%	4.7%	7.5%	4.2%	20.0%
Total		Count	9	58	105	147	66	385
		% of Total	2.3%	15.1%	27.3%	38.2%	17.1%	100.0%

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	32.851[a]	12	.001

(Source: Field Survey, 2016)

In development banks, maximum respondents were neutral followed by 8.1% and very few of them disagreed followed by 2.9%. And, in the finance &cooperatives, maximum respondents agreed followed by 7.5% and minimum disagreed followed by 3.6%. In this way, maximum respondents agreed followed by 38.2% and minimum disagreed followed by 15.1% with this statement in these four different banks.

The statistical analysis of Pearson Chi-Square test showed that there was significant association between Nepalese financial institutions regarding insufficient KM expertise available because P=.001 which is less than .05 significant level.

Lacking appropriate technical skill for implementing KM

Appropriate technical knowledge for implementing KM is another challenge, and maximum respondents agreed followed by 7.0% and minimum respondents disagreed with it followed by 2.3% in the government banks. Similarly, 13.5%respondents of commercial banks agreed, however, 13.0% respondents neither agreed nor disagreed and 7.8% of them disagreed on it.

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Table 7: Lacking appropriate technical skill for implementing KM

			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Respondents	Government Bank	Count	4	9	20	27	17	77
		% of Total	1.0%	2.3%	5.2%	7.0%	4.4%	20.0%
	Commercial Bank	Count	2	30	50	52	20	154
		% of Total	0.5%	7.8%	13.0%	13.5%	5.2%	40.0%
	Development Bank	Count	0	10	20	37	10	77
		% of Total	0.0%	2.6%	5.2%	9.6%	2.6%	20.0%
	Finance & Cooperatives	Count	0	6	22	39	10	77
		% of Total	0.0%	1.6%	5.7%	10.1%	2.6%	20.0%
Total		Count	6	55	112	155	57	385
		% of Total	1.6%	14.3%	29.1%	40.3%	14.8%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	24.555[a]	12	.017

(Source: Field Survey, 2016)

In development banks, maximum respondents agreed followed by 9.6% and minimum respondents disagreed followed by 2.6%. Likewise, in the finance & cooperatives, maximum respondents agreed followed by 10.1% and minimum respondents disagreed followed by 1.6%. In aggregate, 40.3% respondents of these four different types of banks agreed and14.3% of them disagreed on it. The statistical analysis of Pearson Chi-Square test showed that there was significant association between Nepalese financial institutions regarding this challenge implementing KM system because P=.017 which is less than .05 significant level.

Difficulty in maintaining budget and cost recovery

While using KM system in organization, it is difficult to maintain budget and cost recovery. In this question, maximum respondents were neutral followed by 6.2% and minimum respondents disagreed followed by 3.9% in government banks. Similarly, in commercial banks, maximum respondents agreed followed by 15.6% and minimum respondents disagreed followed by 4.4%.

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Table 7: Difficulty in maintaining budget and cost recovery

			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Respondents	Government Bank	Count	5	15	24	22	11	77
		% of Total	1.3%	3.9%	6.2%	5.7%	2.9%	20.0%
	Commercial Bank	Count	8	17	60	57	12	154
		% of Total	2.1%	4.4%	15.6%	14.8%	3.1%	40.0%
	Development Bank	Count	2	12	22	33	8	77
		% of Total	0.5%	3.1%	5.7%	8.6%	2.1%	20.0%
	Finance & Cooperatives	Count	0	14	22	30	11	77
		% of Total	0.0%	3.6%	5.7%	7.8%	2.9%	20.0%
Total		Count	15	58	128	142	42	385
		% of Total	3.9%	15.1%	33.2%	36.9%	10.9%	100.0%

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.400[a]	12	.174

(Source: Field Survey, 2016)

However, in development banks, maximum respondents agreed followed by 8.6% and minimum respondents disagreed followed by 3.1%. Likewise, in finance & cooperatives, maximum respondents agreed followed by 7.8% and minimum respondents disagreed followed by 3.6%. So, in this challenge of difficulty in maintaining budget and cost recovery, maximum respondent agreed followed by 36.9% and minimum disagreed followed by 3.6% in all four types of banks.

The statistical analysis of Pearson Chi-Square test showed that there was not significant association between Nepalese Finance institution regarding difficulty in maintaining budget and cost recovery in organization because P=.174 which is not less than .05 significant level.

Reward systems do not emphasize knowledge sharing

Reward is given to every individual for their best work that is offered by organization; however, knowledge sharing is not supported by reward systems in many cases. So, maximum respondents agreed followed by 6.8% and minimum respondents disagreed followed by 3.1% in government banks. However, commercial bank respondents showed their response in neutral followed by 16.9% and few of them disagreed followed by 6.0%.

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Table 8: Reward systems do not emphasize knowledge sharing

			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Respondents	Government Bank	Count	3	12	18	26	18	77
		% of Total	0.8%	3.1%	4.7%	6.8%	4.7%	20.0%
	Commercial Bank	Count	7	23	65	49	10	154
		% of Total	1.8%	6.0%	16.9%	12.7%	2.6%	40.0%
	Development Bank	Count	2	9	27	35	4	77
		% of Total	0.5%	2.3%	7.0%	9.1%	1.0%	20.0%
	Finance & Cooperatives	Count	0	8	30	26	13	77
		% of Total	0.0%	2.1%	7.8%	6.8%	3.4%	20.0%
Total		Count	12	52	140	136	45	385
		% of Total	3.1%	13.5%	36.4%	35.3%	11.7%	100.0%

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	30.032[a]	12	.003

(Source: Field Survey, 2016)

Again, maximum respondents agreed followed by 9.1% and minimum of them disagreed followed by 2.1% in development banks. In finance &cooperatives, maximum respondents neither agreed nor disagreed followed by 7.8% and few respondents disagreed followed by 2.1%. Thus, maximum respondents neither agreed nor disagreed followed by 36.4%, however, 35.3% respondents agreed and minimum disagreed followed by 13.5% in these four different banks.

The statistical analysis of Pearson Chi-Square test showed that there was significant association between Nepalese financial institutions regarding thischallenge because P=.003 which is less than .05 significant level.

Lack of sufficient professional and management support

Insufficient professional and management support is also the major challenge for implementing knowledge management system, as shown in the table below, 8.3% respondents agreed, 2.3% of them were neutral: neither agreed nor disagreed and 3.6% respondents disagreed in government banks. Likewise, 14.5% respondents agreed, 12.7% respondents remained neutral, and 7.8% of them disagreed in commercial banks.

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Table 9: Lack of sufficient professional and management support

			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Respondents	Government Bank	Count	3	14	9	32	19	77
		% of Total	0.8%	3.6%	2.3%	8.3%	4.9%	20.0%
	Commercial Bank	Count	4	30	49	56	15	154
		% of Total	1.0%	7.8%	12.7%	14.5%	3.9%	40.0%
	Development Bank	Count	0	15	19	38	5	77
		% of Total	0.0%	3.9%	4.9%	9.9%	1.3%	20.0%
	Finance & Cooperatives	Count	0	4	16	51	6	77
		% of Total	0.0%	1.0%	4.2%	13.2%	1.6%	20.0%
Total		Count	7	63	93	177	45	385
		% of Total	1.8%	16.4%	24.2%	46.0%	11.7%	100.0%

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	46.484[a]	12	.000

(Source: Field Survey, 2016)

9.9% respondents of development banks had agreement and 3.9% respondents had disagreement on it. In case of finance and cooperatives, maximum respondents agreed followed by 13.2% and minimum respondents disagreed followed by 1.0%. So, maximum respondents agreed followed by 46.0% and minimum respondents disagreed followed by 16.4% in these four different banks with this challenge.

The statistical analysis of Pearson Chi-Square test showed that there was significant association between Nepalese financial institutions regarding insufficient professionals and management support for implementing the KM system since P=.000 which is less than .05 significant level.

Difficulty in unifying different KM approaches

Unifying different knowledge management approaches is a difficult job. So, maximum respondents agreed followed by 8.3% and minimum disagreed followed by 3.6% in government banks. Similarly, maximum respondents agreed followed by 17.7% and minimum disagreed followed by 4.4% in commercial banks.

Nepal Journal of Multidisciplinary Research (NJMR)
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Table 10: Difficulty in unifying different KM approaches

			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Respondents	Government Bank	Count	0	14	18	32	13	77
		% of Total	0.0%	3.6%	4.7%	8.3%	3.4%	20.0%
	Commercial Bank	Count	3	17	59	68	7	154
		% of Total	0.8%	4.4%	15.3%	17.7%	1.8%	40.0%
	Development Bank	Count	0	14	24	31	8	77
		% of Total	0.0%	3.6%	6.2%	8.1%	2.1%	20.0%
	Finance & Cooperatives	Count	0	10	16	33	18	77
		% of Total	0.0%	2.6%	4.2%	8.6%	4.7%	20.0%
Total		Count	3	55	117	164	46	385
		% of Total	0.8%	14.3%	30.4%	42.6%	11.9%	100.0%

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	31.560[a]	12	.002

(Source: Field Survey, 2016)

Likewise, maximum respondents of development banks agreed followed by 8.1% and minimum of them disagreed followed by 3.6%. And, in the finance &cooperatives, maximum respondents agreed followed by 8.6% and minimum disagreed followed by 2.6%. Therefore, in the question of unifying different KM approaches in the organization, maximum respondents agreed followed by 42.6% and minimum respondents disagreed followed by 14.3% in these four different banks.

The statistical analysis of Pearson Chi-Square test showed that there was significant association between Nepalese financial institutions regarding the challenge to unify different KM approaches since P=.002 which is less than .05 significant level.

Inadequate infrastructural facilities to implement KM

An inadequate infrastructural facility to implement KM is another big challenge for those who are planning to implement KM system. So, 8.1% respondents agreed and 3.6% respondents disagreed in government banks. However, in the commercial bank, there was equal number of respondents who agreed and remained neutral in this statement by 15.8%.Only4.4%respondents disagreed on it.

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Table 11: Inadequate infrastructural facilities to implement KM

			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Respondents	Government Bank	Count	1	14	17	31	14	77
		% of Total	0.3%	3.6%	4.4%	8.1%	3.6%	20.0%
	Commercial Bank	Count	2	17	61	61	13	154
		% of Total	0.5%	4.4%	15.8%	15.8%	3.4%	40.0%
	Development Bank	Count	3	13	18	29	14	77
		% of Total	0.8%	3.4%	4.7%	7.5%	3.6%	20.0%
	Finance & Cooperatives	Count	2	6	12	47	10	77
		% of Total	0.5%	1.6%	3.1%	12.2%	2.6%	20.0%
Total		Count	8	50	108	168	51	385
		% of Total	2.1%	13.0%	28.1%	43.6%	13.2%	100.0%

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	31.997[a]	12	.001

(Source: Field Survey, 2016)

In case of development banks, 7.5% respondents agreed and 3.4% respondents disagreed. Again, in the finance &cooperatives, 12.2% respondents agreed and1.6% respondents disagreed on it. In total,43.6% respondents agreed, 28.1% respondents stood neutral, 13.2% respondents strongly agreed, 13% respondentsdisagreed and remaining 2.1% respondentsstrongly disagreed on this challenge of knowledge management.

The statistical analysis of Pearson's Chi-Square test showed that there was significant association between Nepalese financial institutionsonthis challenge since P=.001 which is less than .05 significant level.

Findings from Qualitative Study

One reason why many organizations are still struggling with knowledge management (KM) and failing in their endeavor to realize its full potential is that they lack the support of a strong theoretical foundation to guide them in its implementation. A sound KM implementation framework helps to fulfill this need by providing important guiding principles and directions (Khanal, 2017). However, developing such a framework can be a challenging task for managers and practitioners as they may lack the knowledge of what characteristics, elements and constructs should be included in it. Implementation frameworks that do not have the necessary elements in

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place can paint an incomplete picture of KM and its implementation process, thus providing a suboptimal guidance for conducting KM.

KM is subjected to a number of challenges. In KM one can never mandate anything. This actually has been one of the major issues with the failure of many complex KM systems over time. One can create the best KM tool available and then mandate to knowledge workers to make extensive use of it, but if they feel it is not part of their job, and the whole system will crash. Most knowledge workers share their knowledge because they are willing and not because they have been told to do so. Knowledge sharing cannot be forced; it should only be encouraged by motivation. The major challenges faced by the the interviewees were as follows:

- **Intellectual Capital**: - managing of tacit knowledge is not easy. Because, one does not know what is in the human mind. It is also not possible to document tacit knowledge.
- **Culture**: - Because of narrow mindedness or insecurity majority of people do not want to share their knowledge; some people do not want to interfere they want only to stay neutral and they are away from knowledge sharing.
- **Obsolescence**: - There are types of information which gets obsolete as soon as they are generated for ex: Stock market information. Because of these types of ever changing information, it is difficult to pass this information quickly to capable users.
- **Overloading**: - Knowledge gets accumulated. If obsolete information is not removed it leads to overloading. And it becomes difficult to identify the useful information.
- **Technology & Structure**: - Due to rapid changes in technology, it is difficult to communicate the knowledge to the user because technology helps knowledge management to a large extent. Technology is a tool for knowledge management. Structure of knowledge management should show the overall economy as whether to follow centralized or decentralized system.

The interviewees also pointed out the similar challenges as mentioned in the questionnaire. Among them most prevailing challenges were: Inadequate infrastructural facilities to implement KM, Insufficient KM expertise available, Lacking appropriate technical skill for implementing KM, Difficulty in unifying different KM approaches, Lack of sufficient professional and management support and so on.

The interviewees also mentioned about some recent issues of KM practices in their organizations. The major issues identified by the respondents were:

- How to use KM to provide strategic advantage.
- How to obtain management support for KM.
- How to motivate individuals to contribute their knowledge to a KM system.
- How to assess the monetary value of KM cost and benefit.
- How to design and develop a better KM system.
- How to identify organizational knowledge that should be captured.

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- How to verify the efficacy, legitimacy and relevance of knowledge contribution into a KM system.

This study investigates the Challenges of KM implementation in Nepalese financial institutions. The major obstacles in KM adoption have been identified as "Insufficient KM expertise available", "Inadequate infrastructural facilities to implement KM", "Lack of appropriate technical skill", "Difficulty in unifying different KM approaches", "Lack of sufficient professional and management support", "Lack of understanding of KM & its benefits" and "Lack of knowledge sharing culture". Apart from these the qualitative study explored other challenges as managing Intellectual Capital, traditional organizational Culture, Obsolescence of information, rapid changes in Technology and information Overloading,

Based on the findings in the study, there is still lacking of knowledge management implementation and a lack of clear understanding of knowledge management itself.

Conclusion & Recommendations

In conclusion, the findings of the qualitative study supported the key findings of quantitative study and provided the details of implementation challenges faced in real work setting of Nepalese financial institutions. The findings suggest that the challenges in the banking sector can be eradicated by the adoption of modern banking technologies such as intranet, internet, mobile banking, e-banking; awareness programs, adequate training facilities, monetary and non-monetary rewards, fostering teamwork and by the provision of knowledge repository for storing and distributing the information to the right person. Organizations should leverage on lessons learned from past decisions and experiences, learning to repeat only what works best and only making the mistake once and reduce cost associated with the duplication of efforts–recreating what already exists. Organizations should consider officially allocating time to learn and imbibe a culture that supports sharing knowledge such as through the use of informal discussions

The researcher believes that the academic contributions made by this study have provided insights and challenges to pursue the quest for knowledge and deeper understanding of this important discipline. Obviously, it is recognized that limited study like this on specific field may not result in a universally comprehensive model. The implications of this study in terms of KM practices hopefully will be to conduct more academic research on similar groups in other industries, countries and region. Further studies may focus on other sectors, e.g. tourism, education, manufacturing and so on in different geographical, cultural and economic settings.

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