



ORIGINAL RESEARCH PAPER

Management

KNOWLEDGE MANAGEMENT CHALLENGES FOR AN EFFECTIVE PRICING POLICY IN LOGISTICS INDUSTRY (FREIGHT FORWARDING)

KEY WORDS:

#Freightforwarding #Pricingpolicy #Logisticsindustry #commercialstrategy #knowledgemanagementchallenges #policyimpediment

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ABSTRACT

Challenges of having knowledge base for effective pricing technics in Logistics Industry (Freight Forwarding) has been conducted to examine the different combinations of organizational behaviour, combinative capabilities on the efficiency and flexibility of firm-level knowledge integration platform for effective pricing mechanism in logistic industry. The research is based on a Survey-study methodology employed to collect data from various firms of low, medium and high knowledge complexity environments via online. The findings suggest that technology growth and its implications over organisation transport management systems integration have higher impact over all, the category of experienced employees and combinative capabilities explain the effects of efficiency, cost, pricing policies, equipped manpower and flexibility on firm-level knowledge integration. Study provides a coherent and detailed understanding of challenges of having effective pricing technics at firm-level and explain the development of a firm's knowledge architecture through organizational structures and synthesize existing literature contributing to an emergent understanding of the ambiguities surrounding combinative capabilities, further research identifying the effects of and relationship with the deep knowledge in combinative capabilities and a firm's knowledge vision would be beneficial of practical relevance, the strategic and operational management implications detailing the specific organizational structures to achieve desired pricing technics in firm-level knowledge capacity and manage particular integration efficiency, scope and flexibility requirements to enhance the development of architectural knowledge and thus firm capabilities towards pricing policy.

INTRODUCTION

Knowledge Management means much more than application of IT and it is crucial to view them as mutually exclusive. This is because an organization does not have to employ IT to manage some of its knowledge assets, the people who are the functional expert and having interest to implement the Knowledge Management principles can able to deliver and meet the firm level of knowledge integration platform and contribute for company policy. The knowledge-based view of the firm is based on the notion that value is created primarily not from tangible resources but from intangible or knowledge-based assets (Sveiby, 1997) and knowledge is the most important source of competitive advantage and sustained superior performance (Drucker, 1995; Spender & Grant, 1996).

The focus of present research is specifically on measuring the impact of knowledge sharing on the performance of cross functional teams. The proposed research deals with the effect of knowledge management enablers on team performance. The predictors are organizational structure (centralization and formalization), and some environment variables such as learning culture, employee training, top management support, and job characteristics (autonomy, feedback, job identity, job variety and job significance). Before discussing the importance of knowledge management system implementation in logistics industry, the researchers is interested in identifying the major challenges and strategies of having knowledge base for effective pricing technics in logistics industry in the present scenario of knowledge era. Organisations policy is to implement knowledge management system and also aims to suggest the major strategies to be followed for an effective firm level knowledge integration platforms.

METHODOLOGY

The study objective of identifying the major impediments of logistics industry in building the knowledge based

organisation in a firm level were given to various department across the organisation who are part of tender management, spot quotes, management administrators and product. To identify the major challenges faced by the logistics industry which is given in 20 statements on five point scale to tap the responses of the respondents. Technology and infrastructure are considered as two major pillars in building the knowledge networks, in addition, administrative and technical support will enhance the quality of the knowledge networks, these criteria are grouped under three impediments category namely, policy impediment, obstacles related to infrastructure and administrative and technical support. Under policy impediments category three questions were given, followed by five questions related to infrastructure and innovation category, one question related to gender equality, three questions under technology, six questions related to administrative support, finally two knowledge management questions were included in the questionnaire.

Challenges In Logistics Industry Perceived Based On Experience

Knowledge workers at various levels of experience is critical for a firm level knowledge integrated platform, the stars of the team/ organisation, scoring points by contributing to the organization's intellectual capital. The role of management is often identifying and facing the competing needs. One need is to set the overall direction of organization through control of information, another is to foster the development of organization by encouraging contributions from individual knowledge workers. Thus, the knowledge management initiatives depends on the nature of management and control. Hence, the current research aims to evaluate the Logistics industry challenges and impediments based on the years of experience and aims to provide strategies based on their perception. For this purpose the years of experience are grouped under six categories as mentioned in the below Table 2

Table 2: Challenges In Logistics Industry Perceived Based On Experience

S.No	Challenges	Mean						F Value	Significance
		<10 Years	11-15 Years	16-20 Years	21-25 Years	26-30 Years	>31 Years		

1	There is a consistency in the pricing policies of the Logistics industry towards dynamic market	3.770	3.660	3.410	3.790	3.570	3.790	1.028	0.401
2	The regulatory system of the logistics industry is mostly regulated to whom and what you can teach in the system	3.710	3.600	3.710	3.860	3.730	3.710	0.512	0.767
3	The variations of strategic pricing among different countries is considered as a challenge	3.980	3.880	4.000	4.210	3.930	4.210	0.794	0.555
4	The company are bringing innovative programs to meet the industry requirements	3.960	3.880	3.760	4.000	3.770	3.710	0.849	0.516
5	The innovative programs introduced are cost effective	3.670	3.660	3.410	3.640	3.600	3.640	0.373	0.867
6	The problem of recruiting right forces under Product & Pricing the company to introduce innovative value added programs	3.840	3.780	3.650	3.860	3.730	4.070	0.502	0.774
7	It is apparent change in the attitude of the company towards the Logistics Industry now	4.080	4.120	3.710	4.070	3.870	4.290	1.094	0.364
8	There is an emerging trend of linking education with the opportunities	4.050	3.910	3.880	4.000	3.830	4.140	0.881	0.494
9	The changing role of women contributed considerable growth in logistics industry	3.810	3.930	3.880	3.710	3.670	4.000	0.385	0.859
10	Fast changes in technology have tremendous challenge in logistics industry	4.310	4.190	4.120	4.360	4.270	4.360	0.435	0.824
11	The trends and developments in different sectors due to Technology growth is a challenge in logistics industry	3.930	3.810	3.880	3.860	3.970	4.500	1.070	0.377
12	The employees are well aware of global changes in logistics industry	3.800	3.740	3.590	3.860	3.670	3.710	0.624	0.682
13	Management extend support and participation in Pricing strategies	3.890	3.930	3.820	3.640	3.800	3.930	0.416	0.838

14	The framework of assessment and accreditation of countries strategies is also a common challenge.	3.990	3.780	3.940	4.000	4.030	4.140	1.096	0.363
15	Globalization and privatization have brought out significant challenge in Logistics Industry	3.980	3.970	3.760	4.140	3.930	4.360	0.731	0.601
16	Countries are well aware of their mission, vision and philosophy of the Management	3.750	3.720	3.710	3.570	3.800	3.430	0.547	0.740
17	The formal linkage among countries provide common consensus about the vision and mission of pricing strategies in the logistics Industry	3.960	3.980	3.880	3.860	3.830	3.930	0.217	0.955
18	The audit and self-assessment of Pricing clerk become normal routine in company	3.930	4.070	3.760	4.000	3.830	4.070	0.971	0.436
19	The informal linkage among pricing clerk among various countries provide the scope for sharing knowledge and understanding about objectives of Logistics Industry.	3.970	3.900	3.820	4.000	4.000	4.000	0.246	0.942
20	Providing infrastructure and creating a knowledge base is considered as a challenge	3.650	3.430	3.880	3.860	3.700	3.710	1.087	0.368

Results provided a quite interesting based on various type of management control, the perception of senior knowledge workers share higher mean values compared to other categories experienced group. But almost all the challenges the mean values are more than 3.41. It shows that they perceive the challenges in proper direction. The trends and developments in different sectors due to Technology growth is considered as a major challenge in logistics industry for the highest experience group with highest mean value of 4.50, whereas the others in the different experienced group or age generation is not considering as an equal challenging aspect over the developments as they are technologically skilled. Highest experience group felt that the fast changes in technology & Globalization and privatization have brought out significant challenge in Logistics Industry is the second most important challenge with a mean score of 4.36 with the significance of .824 & .601 shows there is a significance difference among the age group based on their experience. Other end Perception of providing infrastructure and creating a knowledge base under the category 11-15 years of experience considered as less challenging among the other group with the mean value of 3.43. Organisations streamlining supply chains and reducing warehousing capacity to save on costs, freight forwarders expected to deliver “just in time” in ever tightening time window, accepted as a challenge among all the group.

Trade volumes will shift towards emerging markets and least developed countries will take their first steps into the global marketplace, thus it is apparent change in the attitude of the company towards the Logistics Industry now to stay strong and connected with the customers and to capture the market opportunities with the mean of 4.29 among the most experienced group with the significance different among the experience value of 0.364. Pricing Managers today are very different to 10 years ago. While having the capability to ensure team delivers the right pricing strategy for ultimate profit maximisation, To remain conscious as a result, the audit and self-assessment also done by the pricing clerk become normal routine is a challenge across the group with the highest mean of 4.07 among two experienced group over a decade and the highest experienced. Informal linkage among pricing clerk among various countries provide the scope for sharing knowledge and understanding about objectives of Logistics Industry will be challenge since it's not structured resulting Mean 4.00 among three higher experienced, still a significance exist 0.942. Informal partnerships are especially valuable when ad hoc knowledge sharing is needed to address immediate challenges because their informal nature minimizes administrative delays.

ANOVA analysis was carried out to find out is there any significant difference exists in the perceptions about these

challenges among these six groups, given this result the management expect to hand pick and address the key issues with more employee participation to come up with a better pricing policy across the various customer segments. The results indicated all the statements the significant levels are higher than 0.05 which signifies that there is difference exists among different categories of workers based on the experience in their perception values. Further, post hoc analysis revealed that there is significant difference between the years of experience among the knowledge workers in their knowledge management challenges perception.

CONCLUSION:

Knowledge-based organisation, soundly formulated and effectively implemented strategies are still the main drivers of effective pricing policy. As analysis set path to concentrates on suggestive mechanism in building the pricing policy, we believe the management of freight forwarding companies will improve their functions in detailing all the challenges for improving the knowledge networks. Managing pricing techniques is the highest sophistication of services as it deals with long term effects like building customer loyalty and value over the lifetime of the customer. The resource based and the activity based view is more reliable foundation and builds a strategic management system in which core knowledge to be captured with the proactive management direction in addressing challenges expressed among the logisticians. As such, the move to this level of functional sophistication in implementing the technology, infrastructure, transparency in strategy, market updates will help to drive a better pricing policy at firm level with the knowledge integrated platform.

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