Formulating Knowledge Management Strategy to Provide Flawless Services (Case Study at PT Flawless' A&T Department)

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ARTICLE INFO	ABSTRACT
	PT Flawless is a leading provider of critical administrative services, focuses on assisting multi-national companies. The increasing number of foreign investors due to improved economic growth after Covid-19 pandemic, and the complexity of Indonesia's regulatory have benefited PT Flawless with the increasing demand of local assistances to keep the foreign investors in compliant with local regulations. During 2020 until 2022, PT Flawless recorded satisfactory financial performances. However, PT Flawless' A&T Department experiences anomaly since it achieves the highest revenue growth but, suffers from the decrease of clients' satisfaction. This research aims to formulate Knowledge Management (KM) strategy to make PT Flawless "famous for flawless services" by increasing clients' satisfaction and work productivity. This research uses APO KM Assessment Tool and interview with PT Flawless' personnel's to assess its KM maturity level. Currently, PT Flawless is at "Refinement" level that it continually assesses and evaluates the KM implementation and seeks for improvements. This research proposes PT Flawless to establish a KM Team, formalize KM policy, create staffs' competences map, set up regular knowledge sharing, and integrate company's technology to support KM implementation. All of them are to make PT Flawless "famous for flawless services" Keywords: Flawless Services, KM, APO KM Assessment Tool

INTRODUCTION

In the period after Covid-19 pandemic, Indonesia's economic condition improved as measured by the economic growth of 5.31% in 2022, higher than the achievement of 3.70% in 2021 (Statistics Indonesia, 2023). The improved economic growth is one of the reasons that makes Indonesia attractive to foreign investment. The value of foreign investment in 2022 reached IDR 654.4 trillion, skyrocketed 44.2% from 2021 (Indonesian Investment Coordinating Board, 2023). On the other hand, Indonesia's business climate is challenging as marked by the complexity of local laws and regulations. In 2022, Indonesia was ranked number 11 (eleven) out of 77 (seventy-seven) as the most complex jurisdictions to establish and operate business due to its regulatory complexity (TMF

Group, 2022). These conditions drive the foreign investors to have local assistances during the early presence in Indonesia to keep them compliant with the prevailing laws and regulations.

As a Business Consulting Firm, PT Flawless Indonesia (PT Flawless) is benefited from the increasing demand of Business Consulting Firms' assistances. PT Flawless provides 3 (three) key services to its clients: Accounting and Tax (A&T); Human Resource and Payroll (HRP); and Global Entity Management (GEM). During 2020 until 2022, PT Flawless recorded satisfactory financial performances as reflected by the increase of Gross Revenue, Gross Profit, and Net Income after Tax. It is aligned with the increase of foreign investments in 2022 along with the complexity of regulatory that escalate the demand of Business Consulting Firms' assistances. Among the 3 (three) Service Lines, A&T Department experiences the highest year-on-year revenue growth at 24% and 23% for 2022 and 2021, respectively. On annual basis, PT Flawless conducts Clients Satisfaction Survey to assess clients' satisfaction level on the services provided by PT Flawless. A&T Department experiences decrease of clients' satisfaction level from 33% in 2020 to 31% in 2022.

According to the survey's results, "communication" and "speed of action" are the main reasons of the clients being unhappy. The clients expect PT Flawless' staffs who dealt with them in certain projects to have the same level of knowledge so that they can discuss the progress of the project with any team member from PT Flawless. However, in certain occasion, PT Flawless' staffs are not aware with the recent updates and need to discuss internally first with other team members prior to discussion with the clients. This is the issue of "communication." When the clients raise queries related to specific matters out of the recurring projects, PT Flawless' staffs may not immediately respond to their queries since they need to check the prevailing regulations or consult with the government agencies first. It creates delay in responding clients' queries and is considered as the issue of "speed of action."
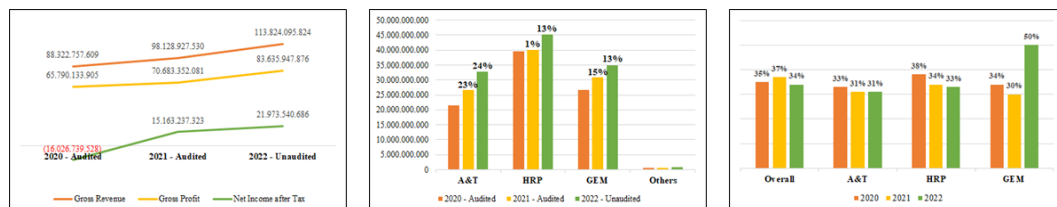

Figure 1. Financial Performance (in IDR), Revenue Growth per Service Line (in IDR), And Clients' Satisfaction Score (in %) during 2020 – 2022
Source: Company Data and Author Analysis (2023)

In September 2022, PT Flawless launched a campaign to make it "famous for flawless services" by increasing clients' satisfaction and work productivity. One important enabler of this campaign is to create accountability on service deliveries. However, the decrease in clients' satisfaction level might be the challenge to realize this campaign. A&T Department experiences anomaly since it achieves the highest year-on-year revenue growth, however, it suffers from the decrease of clients' satisfaction level. Thus, A&T Department become the subject of this research.

The existence of Knowledge Management (KM) is proven to have a positive relationship with employees' performance since it promotes job satisfaction, increase productivity, and improve the quality of work (Alyoubi, Hoque, Alharbi, Alyoubi, & Almazmomi, 2018). The implementation of KM is also proven as a tactical and strategic competitive tool to survive in a highly competitive market by improving company's competitive position, allowing risk reduction and better collaboration, driving innovation and profitability, accelerating problem solving, and increasing clients' satisfaction (Onyeagam, Nwaki, Obonadhuze, & Zakariyau, 2020). The implementation of KM is connected to PT Flawless' situation. The management of knowledge serves as an enabler for high performance, allowing PT Flawless to improve its service excellence and work productivity. Having said that, the implementation of KM in PT Flawless become a necessity.

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LITERATURE REVIEW

Theoretical Foundation
Knowledge Creation
There are 2 (two) predominant views of knowledge: "western view" and "eastern view" (Cohen & Levinthal, 1998). The "western view" considers knowledge as formal, systematic, can be expressed with words and numbers, and easily transferred in the forms of data, formulas, or codified procedures while the "eastern view" recognizes knowledge as primarily tacit, not readily visible, and hard to formalize and thus, making it difficult to transfer to others (Shibata & Takeuchi, 2006).

Knowledge is created and expanded through interaction between tacit and explicit knowledge and thus, both provide complementary activities for each other (Nonaka & Takeuchi, 1995). The interaction between tacit and explicit knowledge is termed as "knowledge conversion" while the interaction between concerned individuals is term as "social conversion." Through these processes, quality and quantity of knowledge can be expanded (Nonaka & Takeuchi, 1995).

KM Definition
KM is the capability to manage knowledge such as gathering internal or external knowledge of an organization, converting them into new idea or strategy, and applying as well as protecting them (Gold, Malhotra, & Segars, 2011). KM can also be defined as a process of capturing, storing, sharing, and reusing knowledge (Alavi & Leidner, 2001). KM's concerns include developing, implementing, and maintaining the proper organizational and technical infrastructures to support knowledge sharing (Butler, 2000).

According to Asian Productivity Organization (APO), KM is the discipline of enabling individuals, teams, and entire organizations to create, share, and apply knowledge to better achieve their objectives collectively and systematically (Young, 2020). Knowledge can come from both internal and external sources. Internal source comes from organization's own operation that are easier to convey to knowledge repository while external source comes from trainings, seminars, or publications of which the knowledge are internalized by the member of organization to be disseminated and stored internally (Toyama, Konno, & Nonaka, 2000).

APO KM Framework
The starting point of APO KM Framework is by understanding the organization's vision, mission, business goals, and strategic directions since it helps the organization to identify and analyze its core competencies and capabilities and which areas it needs to develop (Young, 2020). It is continued by 4 (four) Accelerators (i.e., **Leadership**, **Process**, **People**, and **Technology**) to understand to what extent these drivers and enablers are prevalent in the organization so that a successful KM implementation can be launched. The framework is continued with the creation of knowledge through **Knowledge Process** to identify, create, store, share, and apply knowledge. Discovery of new insights, affirmation of current knowledge, and realization of the need to relearn and unlearn are the key elements of **Learning and Innovation** of which can help to build individual, team, and organizational capabilities that lead to improvement in societal capacity as the **Outcome** of KM.

KM Strategy
KM strategy provides the basic building blocks used to achieve organizational learning and continuous improvement to not waste time repeating mistakes and to make everyone aware of new and better ways of thinking and doing (Dalkir, 2023). KM strategy must be aligned with the overall organizational strategy (Bolisani & Bratianu, 2017). KM planning involves a systematic approach to identify and analyze an organization's knowledge needs, assess current knowledge assets and capabilities, and develop strategies to manage and utilize its knowledge assets effectively (Tjakraatmadja & Lantu, 2006)

There are 10 (ten) basic categories of KM strategy (Garfield, 2016): 1) **motivate** that includes modelling expected behaviours and recognizing those who demonstrate desired behaviours; 2) **network** by connecting to others to leverage individual knowledge; 3) **supply** that includes collecting information and storing them in knowledge repositories; 4) **analyse** to verify the validity of information; 5) **codify** to produce standard methodologies, reusable materials, and repeatable processes; 6) **disseminate** the knowledge widely to inform all potential users and narrowly to inform targeted users; 7) **demand** that involves searching for people and content, retrieving information, asking questions, and submitting queries; 8) **act** by incorporating knowledge into routine workflow; 9) **invent** by stimulating personal and organizational growth, and rethinking the existing rules; and 10) **augment** by performing cognitive computing to simulate human thought processes and mimic the way the human brain works.

Flawless Services

Flawless services are defined as services that are extremely good and there are no faults or problems with the services (Cambridge Dictionary, 2023). Flawless services reflect the highest level of satisfaction from the clients. PT Flawless focuses on the golden triangle to provide flawless services to the clients: **Process**, a well-established continuous improvement practice; **People**, the one who deliver the services; and **Tools**, the constant changes and improvements in technology that bring new challenges).

Conceptual Framework

To help the researcher in choosing the best KM strategy, this research was developed based on the research framework shown in Figure 2. As the first stage, this research assesses the KM maturity level of PT Flawless. Based on the result of KM maturity level assessment, this research identifies the existing KM strengths and opportunities for improvement, including identification of the existing KM practice. The last stage of this research is to formulate the best KM strategy for PT Flawless to realize the campaign to make PT Flawless "famous for flawless services" by increasing clients' satisfaction and work productivity.
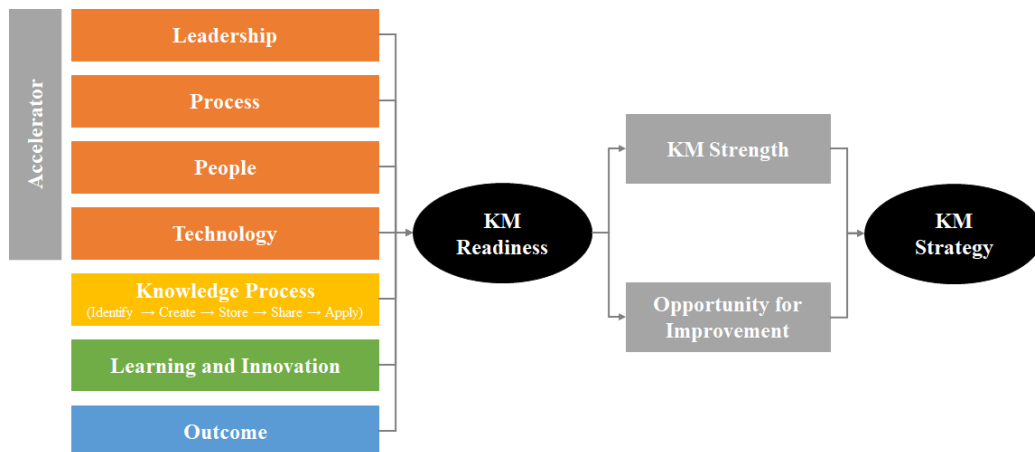

Figure 2. Conceptual Framework
Source: Author Analysis (2023)

METHODS

Research Design
This research adopts a combined approach of quantitative and qualitative methods in constructing the analysis. Figure 3 illustrates the design of this research.
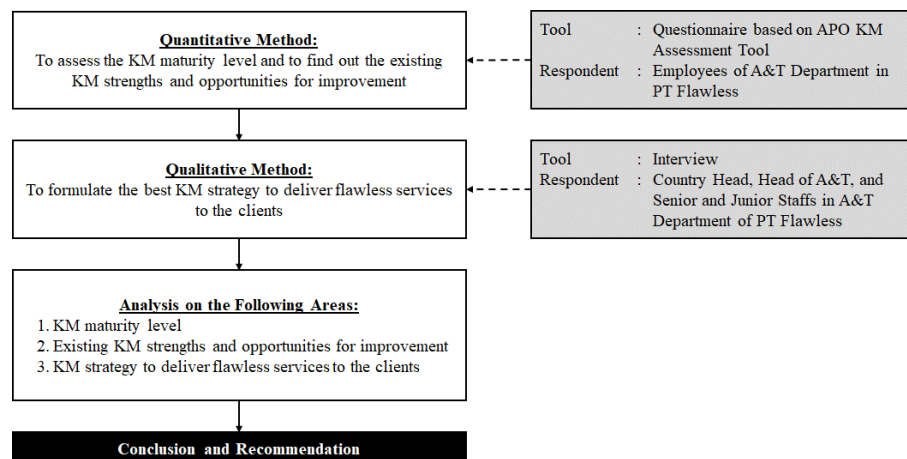

Figure 3. Research Design
Source: Author Analysis (2023)

Data Collection Method
Data Collection Method – Quantitative – Questionnaire
Quantitative method is used to assess the KM maturity level of PT Flawless' A&T Department by using questionnaire based on APO KM Assessment Tool (Young, 2020). The questionnaire is also used to find out the existing KM strengths and opportunities for improvement. The questionnaire consists of 7 (seven) categories that represents leadership, process, people, technology, knowledge process, learning and innovation, and outcome as aligned with APO KM Framework. The respondents are staff of PT Flawless' A&T Department. The questionnaire should be answered by minimum 80% of staffs as required by APO KM Tools and Techniques Manual of which the respondents should have been worked in PT Flawless for at least 6 (six) months to ensure that they are familiar enough with PT Flawless to be able to answer the questionnaire (Young, 2020).

Table 1. KM Maturity Level

KM Maturity Level	Score	Description
Maturity	189 - 210	Fully implementation of KM practice
Refinement	147 - 188	Continually assess and evaluate KM practice and continue to seek improvements
Expansion	126 - 146	Already deployed KM practice on multiple levels of the organization
Initiation	84 - 125	On the early stage of KM practice
Reaction	42 - 83	No awareness on the importance of KM in enhancing organization's productivity and competitiveness

Source: Young (2020)

Table 2. APO KM Assessment Tool

Category	Question	Code
Category 1.0 Leadership (LDR)	The organization has a shared knowledge vision and strategy strongly linked to its vision, mission, and goals.	LDR1
	Organizational arrangements have been undertaken to formalize KM initiatives (i.e., central coordinating unit for knowledge/information management, Chief Knowledge/Information Officer, ICT team, quality improvement teams/Communities of Practice, knowledge networks).	LDR2
	Financial resources are allocated for KM initiatives.	LDR3
	The organization has a policy for safeguarding knowledge (i.e., copyrights, patents, KM, and knowledge security policy).	LDR4
	Managers role-model the values of knowledge sharing and collaborative working. They spend more time disseminating information to their staff and facilitating the horizontal flow of information between their staff and with staff of other departments/divisions/units.	LDR5
	Management promotes, recognizes, and rewards performance improvement, organizational and employee learning, sharing of knowledge, and knowledge creation and innovation.	LDR6
Category 2.0 Process (PRO)	The organization determines its core competencies (strategically important capabilities that provide a competitive advantage) and aligns them with its mission and strategic goals.	PRO1
	The organization designs its work systems and key processes to create value to customers and achieve performance excellence.	PRO2
	New technology, knowledge shared in the organization, flexibility, efficiency, and effectiveness are factored into the design of processes.	PRO3
	The organization has an organized system for managing crisis situations or unforeseen events that ensures uninterrupted operations, prevention, and recovery.	PRO4
	The organization implements and manages its key work processes to ensure that customer requirements are met, and business results are sustained.	PRO5
	The organization continually evaluates and improves its work processes to achieve better performance, reduce variations, improve products and services, and keep updated on the latest in business trends, developments, and directions.	PRO6
Category 3.0 People (PPL)	The organization's education, training, and career development programs build employee knowledge, skills, and capabilities, support achievement of overall objectives, and contribute to high performance.	PPL1
	The organization has a systematic induction process for new staff that includes familiarizing them with KM and its benefits, the KM system, and tools.	PPL2
	The organization has formal mentoring, coaching, and tutoring processes.	PPL3
	The organization has a database of staff competencies.	PPL4
	Knowledge sharing and collaboration are actively encouraged and rewarded/corrected.	PPL5
	Employees are organized into small teams/groups (i.e., quality circles, work improvement teams, cross-functional teams, Communities of Practice) to respond to workplace problems or concerns.	PPL6
Category 4.0 Technology (TEC)	Management has established an IT infrastructure (i.e., Internet, intranet, and website) and has developed capabilities to facilitate effective KM.	TEC1
	The IT infrastructure is aligned with the organization's KM strategy.	TEC2
	Everyone has access to a computer.	TEC3

Category	Question	Code
	Everyone has access to the Internet/intranet and has an email address.	TEC4
	Information delivered on the website/intranet is updated on a regular basis.	TEC5
	An intranet (or similar network) is used as a major source of organization-wide communication to support knowledge transfer or information sharing.	TEC6
Category 5.0 Knowledge Process (KPR)	The organization has systematic processes for identifying, creating, storing, sharing, and applying knowledge.	KPR1
	The organization maintains a knowledge inventory that identifies and locates knowledge assets or resources throughout the organization.	KPR2
	Knowledge accrued from completed tasks or projects is documented and shared.	KPR3
	Critical knowledge from employees leaving the organization is retained.	KPR4
	The organization shares best practices and lessons learned across the organization so that there is no constant reinventing of the wheel and work duplication.	KPR5
	Benchmarking activities are conducted inside and outside the organization, the results of which are used to improve organizational performance and create new knowledge.	KPR6
Category 6.0 Learning and Innovation (LEI)	The organization articulates and continually reinforces the values of learning and innovation.	LEI1
	The organization regards risk-taking or committing mistakes as learning opportunities so long as they do not occur repeatedly.	LEI2
	Cross-functional teams are organized to tackle problems/concerns that cut across the different units in the organization.	LEI3
	People feel empowered and feel that their ideas and contributions are generally valued by the organization.	LEI4
	Management is willing to try new tools and methods.	LEI5
	Individuals are given incentives to work together and share information.	LEI6
Category 7.0 Outcome (OTC)	The organization has a history of (and maintains measures for) successfully implementing KM and other change initiatives.	OTC1
	Measures are in place for assessing the impact of knowledge contributions and initiatives.	OTC2
	The organization has achieved higher productivity through reduced cycle time, bigger cost savings, enhanced effectiveness, more efficient use of resources (including knowledge), improved decision-making, and increased speed of innovation.	OTC3
	The organization has increased its profitability as a result of productivity, quality, and customer satisfaction improvements.	OTC4
	The organization has improved the quality of its products and/or services as a result of applying knowledge to improve business processes or customer relationships.	OTC5
	The organization has sustained growth as a result of higher productivity, increased profitability, and better-quality product and services.	OTC6

Source: Young (2020)

Data Collection Method – Qualitative – Semi Structured Interview
Qualitative method is conducted by interviewing the Country Head, Head of A&T Department as well as senior and Junior Staffs in A&T Department of PT Flawless. The interview is semi-structured whereby the questions are based on the result of KM maturity level assessment. Thematic analysis map of interview's result is used to understand the existing and expected conditions of KM practice in PT Flawless. Thematic analysis is a very effective method to examine in detail the qualitative data

to find related patterns in a phenomenon and explain the extent to which a phenomenon occurs (Fareday & Muir-Cochrane, 2006). The aim of the interview is to obtain information related to Management's commitment in implementing KM practice in PT Flawless as well as inputs to formulate the best KM strategy for PT Flawless to deliver flawless services to the clients.

RESULTS AND DISCUSSION

Analysis
Selection of Respondent
The questionnaire is filled in by 31 staff of A&T Department in PT Flawless. 3 (three) of 31 respondents have a working period of less than 6 (six) months and thus, those 3 (three) respondents are excluded. The percentage of final respondents at 90% meets the criteria of minimum percentage (i.e., 80%). Thus, the analysis of this research is constructed based on the questionnaire from 28 respondents. Figure 4 summarizes the respondent selection of this research.

Description	Total
Number of initial respondents	31
Respondents with working period less than 6 (six) months	3
Number of final respondents	**28**
Percentage of final respondents (i.e., minimum 80%)	**90%**

Figure 4. Selection of Respondent
Source: Author Analysis (2023)

Validity Test Result
The purpose of validity test is to ensure that the results of questionnaire are valid so that the analysis constructed based on such data are relevant and useful (Mann, 2016). This research uses Pearson Correlation to evaluate the validity of the results of the questionnaire. Pearson Correlation Coefficient is compared to the value of r Table. For a population of 28 respondents with 5% significance value, the value of r Table is 0.361. Based on the result of validity test, all questions are valid and thus, the results of the questionnaire can be used as the basis for further analysis of this research. Table 3 summarizes the result of validity test.

Table 3. Result of Validity Test

Question	Pearson Correlation Coefficient	r Table (28; 5%)	Validity Test Result	Question	Pearson Correlation Coefficient	r Table (28; 5%)	Validity Test Result
LDR1	0,823	0,361	Valid	KPR1	0,808	0,361	Valid
LDR2	0,830	0,361	Valid	KPR2	0,810	0,361	Valid
LDR3	0,790	0,361	Valid	KPR3	0,810	0,361	Valid
LDR4	0,570	0,361	Valid	KPR4	0,709	0,361	Valid
LDR5	0,670	0,361	Valid	KPR5	0,807	0,361	Valid
LDR6	0,690	0,361	Valid	KPR6	0,759	0,361	Valid
PRO1	0,846	0,361	Valid	LEI1	0,630	0,361	Valid
PRO2	0,716	0,361	Valid	LEI2	0,793	0,361	Valid
PRO3	0,828	0,361	Valid	LEI3	0,784	0,361	Valid
PRO4	0,799	0,361	Valid	LEI4	0,720	0,361	Valid
PRO5	0,846	0,361	Valid	LEI5	0,748	0,361	Valid
PRO6	0,860	0,361	Valid	LEI6	0,716	0,361	Valid
PPL1	0,531	0,361	Valid	OTC1	0,884	0,361	Valid
PPL2	0,737	0,361	Valid	OTC2	0,856	0,361	Valid
PPL3	0,781	0,361	Valid	OTC3	0,766	0,361	Valid
PPL4	0,890	0,361	Valid	OTC4	0,795	0,361	Valid
PPL5	0,615	0,361	Valid	OTC5	0,879	0,361	Valid
PPL6	0,609	0,361	Valid	OTC6	0,763	0,361	Valid
TEC1	0,793	0,361	Valid				
TEC2	0,747	0,361	Valid	*Legend:*			
TEC3	0,480	0,361	Valid	**LDR**	: Leadership **KPR**		: Knowledge Process
TEC4	0,487	0,361	Valid	**PRO**	: Process **LEI**		: Learning and Innovati
TEC5	0,677	0,361	Valid	**PPL**	: People **OTC**		: Outcome
TEC6	0,600	0,361	Valid	**TEC**	: Technology		

Source: Author Analysis (2023)

Reliability Test Result

The purpose of reliability test is to assess the quality of measurement procedure used to collect the data (Mann, 2016). The reliability test is essential since valid analysis can only be constructed if the measurement procedure is reliable. This research used Cronbach's Alpha Value to evaluate the reliability of the results of the questionnaire. The reliability test results for all categories are above 0.700 (i.e., as the threshold to be accepted), indicating this research is reliable. Table 4 summarizes the result of reliability test.

Table 4. Result of Reliability Test

Category	Number of Question	Cronbach's Alpha Value	Reliability Test Result
Leadership	6	0,820	Good
Process	6	0,893	Good
People	6	0,789	Acceptable
Technology	6	0,700	Acceptable
Knowledge Process	6	0,870	Good
Learning and Innovation	6	0,820	Good
Outcome	6	0,900	Excellent

Source: Author Analysis (2023)

KM Maturity Level of PT Flawless

The total score of the questionnaires is 162.63 with the average score of 23.23. At "Refinement" level, PT Flawless continually assesses and evaluates the KM implementation and continues to seek improvements. Technology has the highest score of 27.00 and is followed by Process of 24.47. The scores of Technology and Process are above the average score, indicating these categories as the KM strengths of PT Flawless. The scores of Learning and Innovation (23.00), Outcome (22.87), Leadership (22.10), Knowledge Process (22.05), and People (21.14) are below the average score. Thus, these categories should become the priority for improvement during the formulation of KM strategy. Figure 5 illustrates the KM maturity level of PT Flawless.

Figure 5. KM Maturity Level of PT Flawless
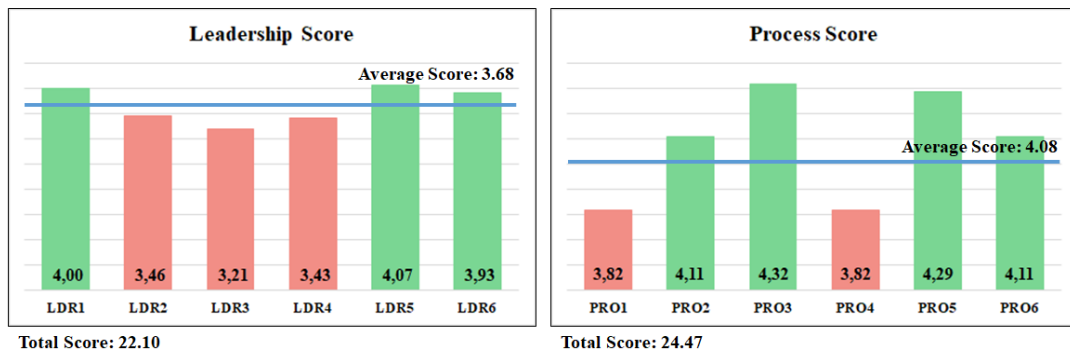Source: Author Analysis (2023)

Figure 6. Score for Leadership and Process Categories
Source: Author Analysis (2023)

Category 1: Leadership – Score and Analysis
This category evaluates KM leadership in terms of KM policies within the organization as well as leadership capacity in terms of organization's efforts to initiate, guide, and sustain KM practice in the organization. Leadership is one of the categories that needs improvements. In PT Flawless, Managers act as the role model of knowledge sharing and collaborative working by spending more time disseminating and facilitating the flow of information among the staffs through Management and Department Meetings. Furthermore, PT Flawless' strategy is linked to its goals and the new strategy is announced by the Country Head in the monthly Town Hall attended by all employees. Email and internal portal are used as the media to circulate regular reminder regarding the company's strategy. Lastly, the Management promotes, recognizes, and rewards the performance improvement, employee learning, knowledge sharing, and innovation through training sessions and reward on training participation. However, PT Flawless is expected to allocate more financial resources for KM initiative, formulate internal policy for safeguarding staffs' and company's knowledge, and formalize the KM initiative.

Category 2: Process – Score and Analysis
This category assesses how knowledge is used in managing, implementing, and improving organization's key work processes as well as how an organization continually evaluates and improves its work processes to achieve better performance. Process is one of the KM Strengths in PT Flawless. PT Flawless considers the technology, flexibility, efficiency, and effectiveness in designing the work process through the establishment of Enate (i.e., an application to streamline the flow of information within PT Flawless). PT Flawless implements and manages the key work processes to ensure that clients' requirements are met, and business results are sustained by setting up onboarding call at the initial stage of engagement to explore clients' expectations and determine the agreed work processes. PT Flawless designs the work systems and key processes to create value to the clients and achieve the performance excellence by offering adjustable scope of services based on clients' needs. Furthermore, PT Flawless creates standardized procedure, working paper, and template report for each type of services to maintain consistency and reduce variations in completing the projects of which continually updated and improved to follow the recent clients' needs and requirements as well as business trends and developments. However, PT Flawless is expected to determine its core competences and align them with its goals as well as organize a system for managing crisis situations or unforeseen events that ensures uninterrupted operations, prevention, and recovery.
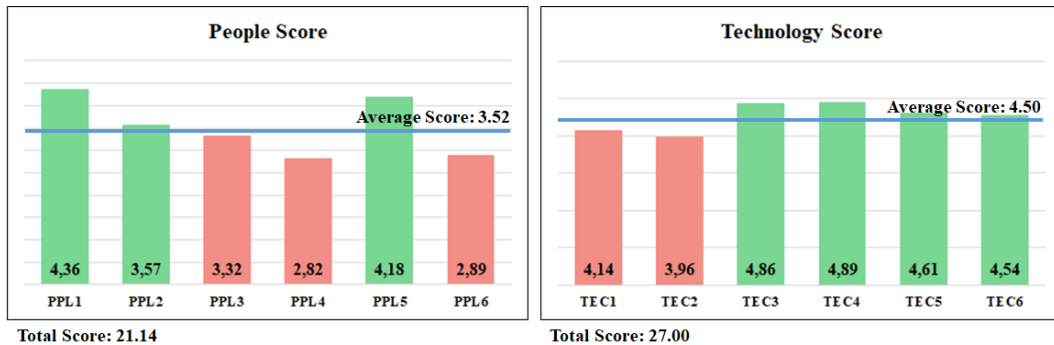
Figure 7. Score for People and Technology Categories
Source: Author Analysis (2023)

Category 3: People – Score and Analysis

This category assesses an organization's ability to create and sustain an organizational knowledge-driven and learning culture, organization's efforts to encourage knowledge sharing and collaboration as well as the development of knowledge workers. People is the category that mostly needs improvements since it has the lowest score among the other categories. PT Flawless sets up learning curriculum and mandatory trainings for each level of staffs as well as immediate promotion for best performer. They are the evidence that PT Flawless establishes the education, training as well as career development programs to build staffs' knowledge, skills, and capabilities to support the achievement of overall objectives and contribute to high performance. The Managers in PT Flawless encourages knowledge sharing and collaboration by conducting monthly sharing sessions that are open for staffs from all departments whereby the staffs are scheduled to be the speakers. Furthermore, PT Flawless organizes a systematic induction process for new staffs to familiarize them with the company's goals, cultures, and policies of which is held in the first week of new staffs' join date before they are being assigned to the clients. However, PT Flawless is expected to have database of staff competences, a resolute team that is responsible in responding to workplace problems or concerns, and formal mentoring, coaching, or tutoring programs.

Category 4: Technology – Score and Analysis

This category assesses an organization's ability to develop and deliver knowledge-based solutions as well as the reliability and accessibility of these tools. Technology is one of the KM Strengths in PT Flawless. In PT Flawless, all staffs have official email address, access to the internet and intranet as well as access to laptop provided by the company. Information delivered on the company's website and intranet is updated on a regular basis and circulated by email to all employees so that they are aware of the recent news within the company. Furthermore, the intranet is used as a major source of company communication to support knowledge transfer or information sharing, including performance appraisal and learning. However, the IT infrastructure is not aligned with the company's KM strategy yet and the internal portal is not fully functioned to facilitate the KM implementation.
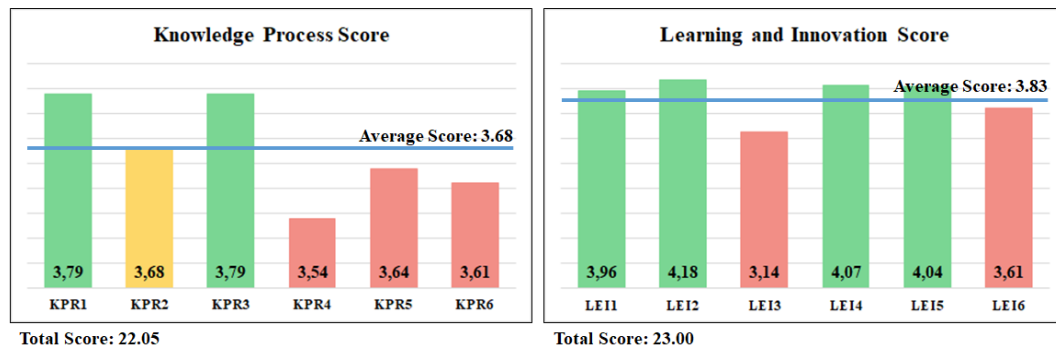
Figure 8. Score for Knowledge Process and Learning and Innovation Categories
Source: Author Analysis (2023)

Category 5: Knowledge Process – Score and Analysis
This category assesses an organization's ability to identify, create, store, share, and apply knowledge systematically as well as sharing best practices and lessons learned to minimize work duplication. Knowledge Process is one of the categories that needs improvements. PT Flawless has a process for identifying, creating, storing, sharing, and applying knowledge through documentation of final deliverables and sharing sessions related to success story and lessons learned from each project. Knowledge accrued from the completed tasks or projects is documented and shared through dedicated share folders that can be accessed by all staffs. However, there are several limitations in the existing mechanism for identifying and locating knowledge assets or resources within the company. In certain occasions, the availability of information is limited only to the team who manage the respective clients due to confidentiality issue. Furthermore, the documentation is classified based on clients' names instead of project types and there is no content indexation regarding such information, making it difficult to search for the required information for reuse purposes. On the other hand, PT Flawless is expected to have a standardized exit procedure for resigned employees, more benchmarking inside and outside the company to improve company's performance and create new knowledge, and more sharing sessions related to best practices and lessons learned across the company so that there is no constant reinventing of the wheel and work duplication.

Category 6: Learning and Innovation – Score and Analysis
This category determines an organization's ability to encourage, support, and strengthen learning and innovation via systematic knowledge processes as well as management's efforts to value learning and innovation. Learning and Innovation is one of the categories that needs improvements. PT Flawless recognizes risk-taking or committing mistakes as learning opportunities. Should there be mistakes, the team members are required to identify the root cause and consequences of the mistakes as well as the preventive plans to avoid similar mistakes occurring in the future. The lessons learned are shared to other staffs during Department Meeting. Staffs feel empowered and feel that their ideas and contributions are valued by the company by encouraging the junior staffs to speak up their ideas and opinions first during a discussion. At the year end, PT Flawless gives an award to the employees who best reflect PT Flawless' values related to "we create insight". The Management is willing to try new tools and methods by forming the Automation Team to identify work processes to be automated. Furthermore, PT Flawless articulates and continually reinforces the values of learning and innovation. The purpose of the Automation Team is to establish automated processes to minimize or eliminate the manual work and to reduce the processing time. However, PT Flawless is expected to have cross-functional team to tackle problems or concerns that involve different Departments. Staffs' willingness to work together and share information should also be better motivated.

Category 7: Outcome – Score and Analysis

This category measures organization's ability to enhance value to clients through new or improved products or services and organization's ability to increase productivity, quality, profitability, and sustainable growth through the effective use of resources as well as learning and innovation. Outcome is one of the categories that needs improvements. PT Flawless has increased its profitability because of productivity, quality, and customer satisfaction improvements as proven by the increase of Net Income after Tax within 2020 until 2022. From the staffs' perspectives, PT Flawless has improved the quality of services because of applying knowledge to improve business processes or customer relationships. Furthermore, PT Flawless has sustained growth because of higher productivity, increased profitability, and better-quality product and services as proven by the revenue growth from 2020 until 2022. However, PT Flawless is expected to have more measurements for assessing the impact of knowledge contributions and initiatives so that PT Flawless can further assess the reduced cycle time, cost saving, efficiency as well as effectiveness of the utilization of resources, decision-making, and speed of innovation. In addition, PT Flawless is expected to have a history of successfully KM implementation and other change initiatives.
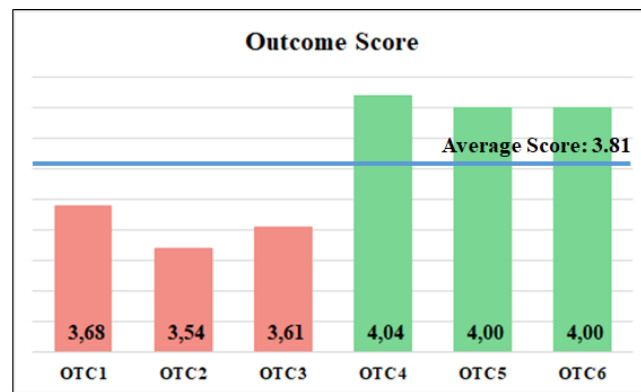
Figure 9. Score for Outcome Category
Source: Author Analysis (2023)

Thematic Analysis of Interview
According to the result of thematic analysis of interview, the areas that are already good in PT Flawless include Management's commitment to develop the accelerators of KM practice (i.e., Process, People, and Technology), implementation of informal KM practice, existence of knowledge, experience as well as information sharing, and open communication among the staffs. On the other hand, the areas that need improvements are formalization of company policy, availability of resolute team to manage KM practice, documentation of knowledge (i.e., including its related policy), and standardization of procedure for resigned employee, content sharing by staff attending external training, and the use of internal portal to support KM practice. Figure 10 illustrates the result of thematic analysis of interview.
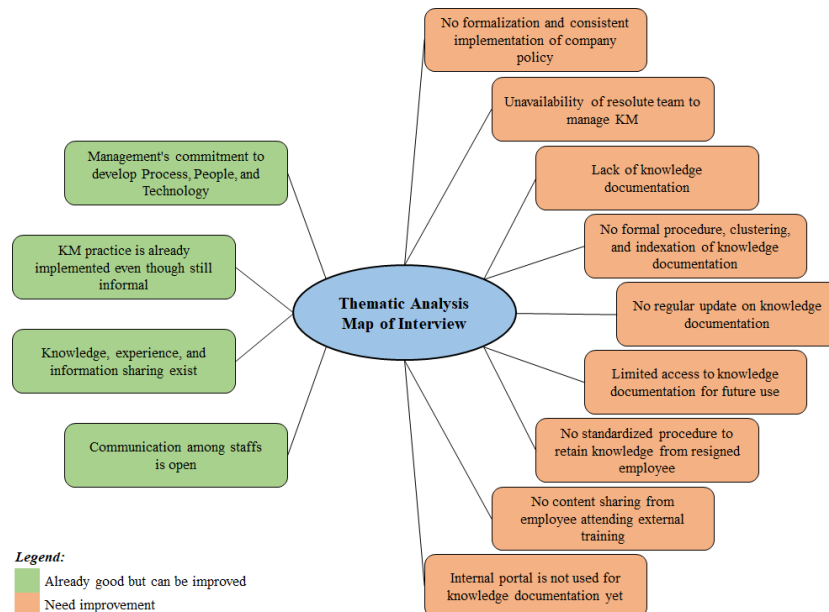
Figure 10. Thematic Analysis Map of Interview
Source: Author Analysis (2023)

Business Solution

The existing KM strengths in each category reflects the foundation on which PT Flawless has excelled. Thus, the existing KM strengths should be maintained during the formulation of KM strategy. On the other hand, opportunities for improvement in each category are also essential to create the new KM strategy as well as set up the priority of actions needed for improvement. Thus, both elements are considered during the formulation of KM strategy for PT Flawless. As the first step, this research identifies the right capability, existing capability, and capability gap to determine the critical knowledge that should be possessed by PT Flawless as illustrated by Table 5.

Table 5. Identification of Critical Knowledge

Business Objective	Right Capability		Existing Capability	Capability Gap	Critical Knowledge
1. Improving service excellence to increase clients' satisfaction. 2. Improving work productivity to	Leadership	Availability of KM governance and KM policy that are regularly updated with the recent clients' needs and business trends.	KM governance and KM policy are not available yet.	Unavailability of KM governance and KM policy.	Establishment of KM governance and formalization of KM policy, including regular updates to stay relevant with the recent clients' needs and business trends.

Business Objective	Right Capability		Existing Capability	Capability Gap	Critical Knowledge
reduce cost and/or working time in delivering service to the clients.	Process	Regular session of knowledge sharing among the staffs, including sharing of best practice and lesson learned and its documentation.	Knowledge sharing among the staffs are based on personal relationship and informal, and not documented well.	Formal knowledge sharing among the staffs are limited with incomplete documentation.	Formalization and documentation of knowledge sharing among the staffs, including more frequent sharing session regarding best practices and lessons learned to improve company's knowledge.
	People	Staffs' competences are mapped, and all staffs have the same competences so that they can provide the same quality of services to clients.	Staffs' competences are not mapped yet. Staffs do not have the same level of competences since their knowledge are mostly from their past experiences.	Unavailability of staffs' competences map leads to lack of staffs' awareness to improve their competences.	Creation of staffs' competences map to build staffs' awareness of the competences expected from their level.
	Technology	Integration of KM practice with the existing company's technology.	No integration of KM practice with the company's technology.	Lack of integration leads to inconsistent implementation of KM practice.	Integration between KM practice and company's existing technology to ensure KM practice is implemented consistently by all staffs across the company.

Source: Author Analysis (2023)

Based on the identification of critical knowledge, this research continues to formulate the proposed KM strategy and the required KM initiatives for PT Flawless as illustrated by Table 6.

Table 6. Proposed KM Strategy and KM Initiatives

Critical Knowledge		Proposed KM Strategy	Proposed KM Initiative
Establishment of KM governance and formalization of KM policy, including regular updates to stay relevant with the recent clients' needs and business trends.	Leadership	1. Establish a resolute team to manage KM practice across the company.	a. Collaborate with external KM expert to provide inputs on how to organize KM governance. b. Establish KM Team. c. Allocate budget for KM practice.
		2. Formalization of company policy regarding KM practice.	d. Formulate company policy related to KM practice, including regular updates to stay relevant with the recent clients' needs and business trends.
Formalization and documentation of knowledge sharing among the staffs, including more frequent sharing session regarding best practices and lessons learned to improve company's knowledge.	Process	3. Set up regular sharing session for each department as well as across departments.	e. Schedule sharing session at department-wide and company-wide levels. f. Formulate topic for sharing session based on staffs' competences map.
Creation of staffs' competences map to build staffs' awareness of the competences expected from their level.	People	4. Create staffs' competences map and database.	g. Create staffs' competences map and database. h. Formulate learning curriculum for each level of staffs. i. Establish a resolute team to respond to workplace problems or concerns. j. Organize formal mentoring, coaching, or tutoring program.
Integration between KM practice and company's existing technology to ensure KM practice is implemented consistently by all staffs across the company.	Technology	5. Develop the existing company's technology to support the implementation of KM practice.	k. Create dedicated share folder for knowledge documentation. l. Utilization of email and internal portal for circulation of new KM initiative or reminder of on-going KM project.

Source: Author Analysis (2023)

The proposed KM strategy and KM initiatives are designed to achieve business objectives of improving PT Flawless' service excellence and work productivity, and at the end, make PT Flawless famous for flawless services.

CONCLUSION

PT Flawless is at *"Refinement"* level, indicating that it continually assesses and evaluates the KM implementation and continues to seek improvements. This research identifies Technology and Process as the healthy KM categories while Learning and Innovation, Outcome, Leadership, Knowledge Process, and People are the KM categories that should become the priority for improvement. This research also identifies PT Flawless' critical knowledge to formulate the KM strategy. The best KM strategy for PT Flawless are to establish a resolute KM Team, formalize policy regarding KM practice, create staffs' competences map and database, set up regular knowledge sharing, and develop company's technology to support KM practice. All of them are aimed to improve the service excellence and work productivity and at the end, make PT Flawless famous for flawless services.

Despite the satisfactory result of KM maturity level assessment, this research revealed that Leadership and People are the categories that needs improvements. Leadership and People are the accelerators of KM implementation that are essential for the success implementation of KM practice. Thus, improvements in Leadership and People categories should be maintained and monitored. In addition, with the fact that it is the first time for PT Flawless to implement KM practice, formulation and monitoring of KM strategy related to Leadership, People, Process, and Technology should be performed thoroughly. Any challenges occurred during the implementation should be responded by immediate but careful actions to ensure the alignment of KM strategy with its business objectives.

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