

## **ABSTRACT**

*Innovation in the public services area is one of the efforts in improving public services quality to actualize one of the goals of Bureaucratic Reform in Indonesia. The Centre of Research and Education and Training for Government Apparatus (PKP2A) The National Institute of Public Administration (LAN) held an apparatus training which one of its aim is to create an apparatus figure that could provide a good public services quality and could demonstrate his/her performance in leading the change/innovation in his/her institution. Thus, PKP2A LAN should reflect itself as a highly innovative institution. Previous researchs proved that one of the driving factors in achieving high innovation performance is Knowledge Management Practices (KMPc).*

*The objective of this research was to measure the KMPc variables consisting of Leadership, Strategic KM, Knowledge-based Recruiting, Knowledge-based Training and Development, Knowledge-based Compensation, Learning Mechanisms, IT Practices, Work Organizations and the innovation performance of PKP2A LAN in Indonesia with location and age of employees as control variables. PKP2A LAN consists of PKP2A I LAN Jatinangor, PKP2A II LAN Makassar, PKP2A III LAN Samarinda and PKP2A IV LAN Banda Aceh*

*Methods of data collection is done through the distribution of questionnaires fly by the service delivery package to 243 employees PKP2A LAN in Indonesia. From the distributed questionnaires, 226 questionnaires were obtained. Data processing is done using Smart PLS 2.0 software.*

*Based on the results of data processing, the results show that KMPc and Innovation Performance in PKP2A LAN are in good category. With 95% confidence level (1-alpha), there are two supported hypotheses: IT Practices and Work Organization have positive and significant effect on innovation performance with work location and age as control variable. Seven other hypotheses are not supported.*

*Based on the results of this research, to improve the Innovation Performance, PKP2A LAN should consider to prioritize the organizational design and practice of information and technology, among them is the establishment of innovation units and /or parties that are specifically responsible for knowledge management and use the information and technology as its best to stimulate the KMPc within organizations.*

**Keywords:** *Knowledge Management, Knowledge Management Practices, Innovation, Innovation Performance, Public Sector*