

CHAPTER I INTRODUCTION

I.1 Background

Company are realizing that Knowledge Management (KM) is essential to remain agile and compete in a dynamic business environment and increasingly investing in KM initiative. Eventhough KM have been widely recognize by corporation only a few capable of leveraging and managing knowledge management (Wong & Aspinwall, 2004). Knowledge management involves people, process, and technology necessary to capture, manage, and find information.

XYZ Group is a group of companies that has been around for seven decades and is a collection of XYZ subsidiaries engaged in various fields, especially mining and infrastructure. PT XYZ was one of the subsidiary company that was established to manage data from the XYZ Group. Currently, PT XYZ is also a place to develop a knowledge management system that will be used by both PT XYZ itself and the XYZ Group.

In this new millennium, PT XYZ's business activities have expanded to include general trading, construction services, agribusiness, coal mining, oil & gas and telecommunications; while continuing to develop manufacturing fields that have been started since the 50s such as steel pipes, building materials and automotive components. The Company also participates in strategic infrastructure development efforts in the energy and transportation sectors. This business diversification has opened up opportunities for the Company to contribute to national development. To support PT XYZ's wide business field the company need employees with good competency in various fields.

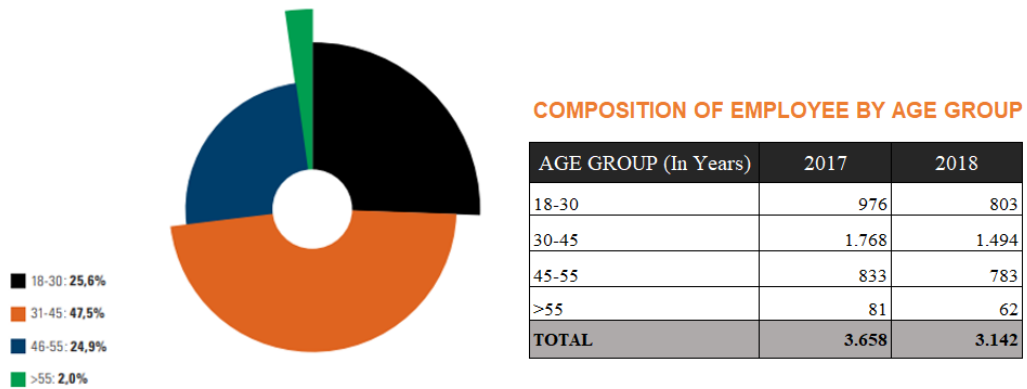


Figure I-1 Employee Composition

Figure I-1 and Figure I-2 explains that during 2018 a massive loss of employee with a total of 464 employees of PT XYZ and subsidiaries units resigned and as many as 238 people joined as new employees in 2018. PT XYZ have to ensures that the turnover rate cause by the loss of employees will not interfere with the company's operations and PT XYZ believes that the Company still has employees who have good competence and capability and are highly dedicated.

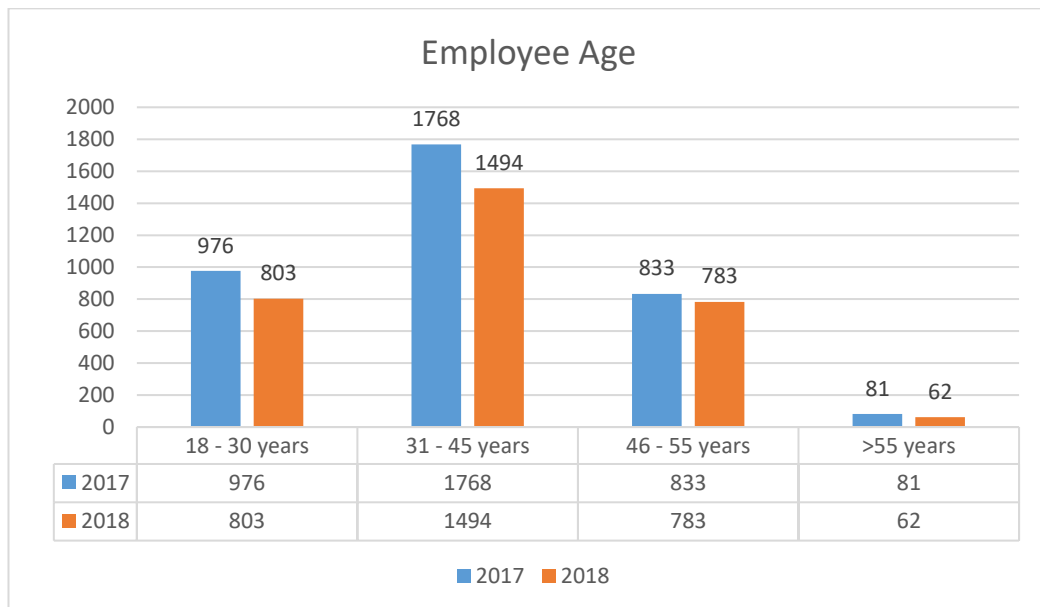


Figure I-2 Employee Age Comparison

PT XYZ employee competency is defined as the ability of employees to carry out certain skill that is in the form of tacit knowledge and processed into explicit knowledge to be maintained by the company using knowledge management. Knowledge management in PT XYZ's framework is a part of strategic management with a goal to achieve the corporate objective of 1 to 5 years ahead. Currently the PT XYZ have their own stages in term of knowledge management. The first stage is knowledge mapping, PT XYZ initiate researches to find what knowledge is needed and to be prioritized for the company. The second stage is knowledge identify, PT XYZ identify the gap between important knowledge that is needed and the current knowledge the company possesses. The third stage is knowledge clustering, PT XYZ collected the knowledge based on the group of the business for example knowledge for the manufacture of electric buses, pipes or the like are grouped according to the relevant business group knowledge. PT XYZ also had KM initiatives as shown in Table I-1 that is carried out regularly based on their own schedule.

Table I-1 Current KM Initiative

KM Initiative	Description
Brainstorming	Employee form a focus group discussion to do brainstorming by monthly basis.
After Action Review (AAR)	Employee who had returned from training will be tested to present what knowledge the employee had learn and what benefit will it bring to the company.
Collaborative Physical Workspace	Company workspace is open and employees could meet and share knowledge with eachother.
Community of Practice	Company formed a group to share and create common skills, knowledge, and expertise among employees. Community of practice only held when it is necessary.
Advanced Search Tool	The company had Advanced Search Tool subscription that is used to search references of speciality item like blueprint or other of the same degree.
Knowledge Bases	The company have developed portal to serve as knowledge base.

Table I-1 Current KM Initiative (Continuation)

Social Network Services	Company have used social network to used as a median to share knowledge mainly facebook, linkenid, and youtube.
Building Knowledge Cluster	The company build knowledge cluster based on the current business plan of the company.
Knowledge Café	Knowledge Café is held alongside brainstorming which is by monthly basis.
Knowledge Portal	Company have created an e-learning site where knowledge could be accessed by the employee.

Table I-1 shows the KM initiative that the company have implemented before. KM initiatives involves People, Process, and Technology in its creation. PT XYZ involves its employee or the people of the company to take part in knowledge management activities. PT XYZ have developed knowledge portal technology to assist employee could learn about knowledge stored in the e-learning site. PT XYZ also have a division that is tasked with the process of knowledge creation and application. Division X are responsible for planning, creating, and implementing the KM initiative in PT XYZ. KM initiatives that was developed in the company usually aligned with strategic initiatives of the company that will focus more on developing its business in the real sector, especially the manufacturing and infrastructure sectors.

In 2019 PT XYZ had an annual meeting convention with the other subsidiary company. During the convention PT XYZ announced the new problem currently XYZ group are facing. The era of disruptive economics based on the acceleration of scientific development marks the passing of the knowledge-based economy. This means that knowledge is the most important resource for creating competitive advantage (Brinkley, 2008).

With the entry of the disruptive era that has had a significant effect on the sales market and related activities, many long-established companies unable to adapt to the rapid development of technology are facing the verge of bankruptcy. For a

company to survive in the disruptive era of competition, the company must have the ability to adapt to the rapidly growing state of technology & society.

PT XYZ realize in order for the company to compete in the new market with the addition of the loss of employee at huge number in the previous years and possibility of knowledge lost from employee that retired in the following years the current knowledge management system inside the company must be improved.

I.2 Problem Formulation

Based on the background, the main problem PT XYZ facing are:

- a. What is the current condition of KM Maturity level at PT XYZ?
- b. What is the proposed program of KM initiative activity to improve KM Maturity level at PT XYZ?

I.3 Final Project Purposes

This final project is expected to provide benefits to the company as follows:

- a. Measure the current KM maturity level of PT XYZ
- b. Develop a proposed program for KM initiative to be carried out by PT XYZ

I.4 Final Project Limitations

The final project has the following limitations:

1. The research only conducted on to design of the proposed knowledge management program in the form of KM initiatives at PT XYZ without reaching the implementation stage.
2. The respondent are limited to only the employee who stationed at the PT XYZ Headquarter.

I.5 Final Project Benefits

This research is expected to provide benefits as follows:

1. PT XYZ could find out the maturity of the Knowledge Management System model and identify the maturity level of the model that will be the company's goal level.

2. For researcher and other researcher that studied on Industrial Engineering Knowledge Management field, it is hoped that this research would provide an insight knowledge about Knowledge Management System.

I.6 Writing Systematics

This final project is described by systematic writing as follows:

Chapter I Introduction

This chapter contains a description of the context of the problem, research background, problem formulation, research objectives, research limitations, research benefits, and writing systematics.

Chapter II Literature Review

This chapter contains literature that is relevant to the problems studied and the results of previous studies are also discussed. Literature basis discussed in this chapter are related or provide reference to Knowledge Management, Maturity Level, and APO-KM Assessment tools.

Chapter III Research Methods

This chapter describes the systematic problem solving used in this final project. Systematic problem solving divided into 4 stages. The first stages will be preliminary, second stage is data collection and processing, third stage is result analysis, and the fourth stages is conclusion and suggestion of the study.

Chapter IV Data Collection and Processing

This chapter contains the data that has been collected and processed using the APO-KM Assessment tools. The steps taken is described in the previous chapter. Analysis using the results of the APO-KM Assessment Tools maturity level assessment and KM program design derived from the basic theory of knowledge management activities in PT XYZ.

Chapter V Result and Evaluation

In this chapter, an analysis of the result of data collection and processing stage will be carried out which includes an analysis of the level of knowledge management in the company that have been measured in the previous chapter and become the basis reference for the future plan of knowledge management activities in the company using theory knowledge management maturity.

Chapter VI Conclusion and Suggestion

In this chapter, the conclusions of the research resulting an answer to the questions presented in the problem formulation section contained in chapter I. Suggestions given in this chapter is intended to improve future research that related to this research.