DEFINING KNOWLEDGE MANAGEMENT STRATEGY IN INDONESIAN GOVERNMENT: CASE STUDY HEAD OFFICE OF BADAN KEPEGAWAIAN NEGARA

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Abstract

Knowledge Management (KM) became a new concept of organizational development. Many organization starts to implement knowledge management including government. First step for implementing KM in organization is defining KM strategy. This research aims to define KM strategy by KM assessment from organization vision, mission and goals using balanced scorecard (BSC) methods to find KM performance indicator in each aspect of balanced scorecard variable. This study constructs SPSS (Statistical Package for the Social Sciences) for processing and data analysis. The authors spread questionnaire at Head Office of Badan Kepegawaian Negara, Jakarta. The result of this research are KM strategies for implementing KM in Indonesian Government case study at Badan Kepegawaian Negara are monitoring program performance in order to create a working relationship and good personnel management as a learning activity for increasing organizational performance, raise up a teamwork culture within organization in to support business process in order to reach organizational performance and competitive advantage, increasing timeliness of service target achievement and standard time of customer service in order to increase organizational performance, and increasing the coordination effectiveness of program planning and budget as to increase the accountability of the organization, performance achievement and organizational performance.

Keywords: Knowledge Management Strategy, Knowledge Management Assessment, Balanced Scorecard.

1. Introduction

Menteri Pendayagunaan Aparatur Negara dan Reformasi Birokrasi (MENPAN & RB) was announced ed PERMENPAN No. 14 Tahun 2011 about KM Implementation for each ministry in Indonesia. Therefore each ministry tried to change their management into knowledge management based in or-
order to implement KM. Change management contribute to KM it’s begin with change their organization vision and mission, organization goal strategy which is align with KM to build KM strategy.

This research will be explaining about the KM strategy in government. All steps to build and find KM strategy within government organization. In order to reach research objective, the literature review about knowledge management assessment, knowledge management strategy, and balanced scorecard will be define clearly. All indicators of balanced scorecard assessment were constructed as KM performance measurement indicators which used for build KM strategy in organization. These indicators were constructed and measured using SPSS to defined the main KM strategy.

The questionnaires were spread to Pegawai Negeri Sipil (PNS) of Badan Kepegawaian Negara (BKN) Jakarta. There are 67 PNS filled the research instrument. The author choose this government ministry because Badan Kepegawaian Negara has already start to implement KM by change their vision, mission and organization goal strategy into knowledge management based.

### Knowledge Management Assessment

Assessment of knowledge assets also can be defined as a process of collecting, analysis and communication of qualitative and quantitative information about the organization’s knowledge assets [1]. There are some reason to conduct KM assessment, such as identify and map intangible asset, identify flow of knowledge in organization, prioritize critical knowledge issue, accelerate organization learning process, identify and spread best practice, understand how knowledge creates interrelationship, understand organization social networks and identify change agent, increase innovation, increase collaborative activity and knowledge sharing culture as result awareness of benefit KM, increase motivation and create performance based culture [2].

Beccera explain that why we need to assess knowledge management because it would not be possible to determine where improvements are needed, helps establishing a baseline for implementing KM solutions, helps understand whether costs of KM efforts are justified, helps identify the gap in KM efforts and help make a case for more investment into KM [3].

### Knowledge Management Strategy

Strategies are steps to achieving long-term goals in the future. Organization strategy can define as a plan that ensures the development of organizational initiative. Knowledge management strategies express alignment of organization vision, mission and strategy within organization knowledge resources and capabilities to reached organization goal achievement [4]. Knowledge management strategy is a plan that describes how to manage knowledge better for the benefit of the organization based on organization vision and mission [5].

#### Balanced Scorecard

The balanced scorecard is the study result done by Kaplan and Norton in the year 1990 for an evaluation program to the future enterprise performance results. Because the information age requires a new evaluation indicator to measure intangible assets and knowledge assets, however, the traditional accounting and financial indicators still have reference value, which cannot be ignored. Therefore, the best option is to integrate the financial indicators and non-financial indicator.

Kaplan and Norton explain that balanced scorecard aims to connect KM measurement strategy and organizational business goals [6]. Balanced scorecard have four perspectives, there are:

<table>
<thead>
<tr>
<th>Balanced Scorecard Variable Indicator for Knowledge Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial (F)</td>
</tr>
<tr>
<td>Internal Business Process (I)</td>
</tr>
<tr>
<td>Learning &amp; Growth (LG)</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Financial (F)</th>
<th>Internal Business Process (I)</th>
<th>Learning &amp; Growth (LG)</th>
<th>Customer (C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>F1 : Performance achievement</td>
<td>I1 : Information share</td>
<td>LG1 : Human Resource Development</td>
<td>C1 : Completeness of service</td>
</tr>
<tr>
<td>F2 : Commitment</td>
<td>I2 : Discussion</td>
<td>LG2 : Program team work</td>
<td>C2 : Customer loyalty</td>
</tr>
<tr>
<td>F3 : Time</td>
<td>I3 : Infrastructure</td>
<td>LG3 : Adapability</td>
<td>C3 : Service reliability</td>
</tr>
<tr>
<td>F4 : SOP</td>
<td>I4 : Data resource</td>
<td>LG4 : Ability to follow change</td>
<td>C4 : Infrastructure utilization</td>
</tr>
<tr>
<td>F5 : Program Plan</td>
<td>I5 : Direction</td>
<td>LG5 : Monitoring program</td>
<td>C5 : Infrastructure reliability</td>
</tr>
<tr>
<td>F7 : Commitment</td>
<td>I7 : Socialization</td>
<td>LG7 : Learning infrastructure</td>
<td>C7 : Team work and service responsibility</td>
</tr>
<tr>
<td>F8 : Innovation</td>
<td>I8 : Changes in business process</td>
<td>LG8 : Employee satisfaction</td>
<td>C8 : Timeliness of service</td>
</tr>
<tr>
<td>F9 : Team work in business process</td>
<td>I9 : Innovation</td>
<td>LG9 : Reward</td>
<td></td>
</tr>
<tr>
<td>F10 : Business process performance</td>
<td>I10 : Execution time</td>
<td>LG10 : Employee competition</td>
<td></td>
</tr>
</tbody>
</table>
Financial
Centered on profitability, include measures such as operating income, return on capital employed and economic value added.

Customer
Identify of expected results of the business strategies, include customer satisfaction, retention and market share.

Internal business process
Include process innovation, operation and after sales service.

Learning and growth
Include employee capability and organizational alignment.

Balanced scorecard also claim as a tool for measure KM performance and help manager to built KM strategy [7][8]. Balanced scorecard strategic map is a framework that view a relationship between each component of an organization’s strategy from four BSC perspective (financial, customer, internal business process and learning and growth) [9]. Table 1 outlined the result of literature study for balanced scorecard variable instrument for knowledge management:

2. Methodology

Based on previous studies, the author defines the executive steps of research as seen in figure 2 below:

These executive steps are writing the previous study related to the theoretic and literature of knowledge management strategy, knowledge management assessment and balanced scorecard. Next steps are find the vision, mission and organization goals of Badan Kepegawaian Negara, which are show below:


Mision of Badan Kepegawaian Negara: 1) mengembangkan sistem manajemen kepegawaian negara (to develop government human resource system); 2) mengembangkan sistem pelayanan kepegawaian (to develop human resource service system); 3) mengembangkan manajemen internal BKN (to develop internal management of BKN)

BKN strategic goals: 1) mewujudkan Manajemen Kepegawaian yang Modern (to create modern human resource management); 2) mewujudkan Pelayanan Prima Bidang Kepegawaian (to create excellent service in human resource); 3) mewujudkan Manajemen Internal yang Efektif, Efisien, dan Akuntabel (to create effective, efficient and accountable internal management).

Aligning balanced scorecard variable indicator with organization KM performance measurement (4 perspective variable of BSC). This steps are used for align each variable indicator from vision, mission and organization goals into four BSC perspective by identifying and classifying each va-

Figure 1. Strategy Map Kaplan & Norton
Investigating and confirming the indicator by employee (through 36 question questionnaire that form likert 5-scale) and spread using purposive methods sampling [11][12][13]. Determining Validity and reliability variable indicator (cronbach’s alpha > 0.7) [14]. Calculating correlation for each variable indicator with whole score variable indicator (Pearson correlation value -1<p<1 and level significant > 0.05)[14].

Ho : There is no correlation between each variable
H1: There is a correlation between each variable

Determination rank of each variable indicator in each variable group (Anova Test using Post Hoc Test LSD and T-Test) is used to rank the variable indicator in each variable measurement in BSC methods. These rank of variable indicator are used for determining priority of each variable indicator as the knowledge management performance indicator which can choose by the author as a knowledge management strategies.

3. Result and Analysis

The author spread a questionnaire into 67 employees in Badan Kepegawaian Negara Jakarta which demography is shown below:

Spread questionnaire = 85
Questionnaire were receive = 67
Questionnaire were not return = 18

The result of each steps of defining knowledge management strategies are shown in the Table 2.

Table 2 shows that each of the variables tested are valid and reliable because it has a Cronbach’s Alpha value greater than 0.7. Thus, all indicators contained in each variable is valid and reliable.
Table 3, Table 4, Table 5, and Table 6 shows that each indicator of each variable has a correlation value greater than -1 and smaller than 1. This shows that each indicator in each variable has a relationship with each other. The relationship of each indicator inside variable is needed to determine which indicator that have an impact on variable. If the indicator does not have an impact on the variable, the indicator can be omitted.

Based on SPSS analysis, the result of the KM performance indicator in each variable are teamwork in business process for internal business process variable, monitoring program for learning and growth variable and the last one is timeliness of service for customer variable.
These KM performance indicator priority are used for define the knowledge management strategies in Indonesian Government case study Badan Kepegawaian Negara Jakarta. The KM strategies are shown below:

After some variable indicator construct in this research and became the knowledge management strategies, the explanation of each strategies are describe clearly in this section.

**Monitoring Program Performance**

Monitoring program performance in order to create a working relationship and good personnel management as a learning activity for increasing organizational performance.

**Monitoring Every Program**

Monitoring every program is really important because both supervision and worker can have a good working relationship during the working activity, they can share and find a good solution for the best result.

**Raise up a Team Work Culture**

Raise up a team work culture within organization to support business process in order to reach organizational performance and competitive advantage.

Organization should build a team work culture in each organizational aspect, because with this culture all organization initiatives can be achieved more easily because each organization member have the same goals and the same responsibility for increasing organizational performance.

**Increasing Timeliness of Service**

Increasing timeliness of service target achievement and standard time of customer service in order to increase organizational performance.

Time of service became one of the measurement indicator for customer, therefore organization should aware about this and have to make a target and standard for time of service as of their successful factor.

**Increasing the Coordination Effectiveness**

Increasing the coordination effectiveness of program planning and budgeting as to increase the accountability of the organization, performance achievement and organizational performance.

The organization should have a good program planning and budgeting based on operational standard and procedure to reach the organization goals. The best program plan must be accountable and have impact to organization goals.

4. Conclusion

Based on some literature studies conducted in this research, there were 4 (four) knowledge management strategies that can be determine such as increasing the coordination effectiveness of program planning and budgeting as to increase the accountability of the organization, performance achievement and organizational performance, raise up a team work culture within organization to reach organizational performance and competitive advantage, monitoring program performance in order to create a working relationship and good personnel mana-
Elin, et al. Defining Knowledge Management for increasing organizational performance and increasing timeliness of service target achievement and standard time of customer service in order to increase organizational performance.

In the future this research can be developed using another knowledge management assessment method and with a large sample respondent also more than one case study.

References


Appendix

Appendix 1. Learning Indicator

Appendix 2. Financial Indicator

Appendix 3. Customer Indicator