Pertanika Journal of

SOCIAL SCIENCES & HUMANITIES

JSSH

VOL. 24 (S) **JUL. 2016**

A special edition devoted to issues in

Ecosystem, Innovation, and Excellence in Enhancing Organisation Competitiveness, and Sustainability

Guest Editors

Bachtiar H. Simamora, Idris Gautama So & Dyah Budiastuti

PERTANIKA JOURNALS

A scientific journal published by Universiti Putra Malaysia Press

Journal of Social Sciences & Humanities
Journal of Social Sciences & Humanities

Journal of Social Sciences & Humanities

About the Journal

Overview

Pertanika Journal of Social Sciences & Humanities (JSSH) is the official journal of Universiti Putra Malaysia published by UPM Press. It is an open-access online scientific journal which is free of charge. It publishes the scientific outputs. It neither accepts nor commissions third party content.

Recognized internationally as the leading peer-reviewed interdisciplinary journal devoted to the publication of original papers, it serves as a forum for practical approaches to improving quality in issues pertaining to social and behavioural sciences as well as the humanities.

JSSH is a **quarterly** (*March, June, September* and *December*) periodical that considers for publication original articles as per its scope. The journal publishes in **English** and it is open to authors around the world regardless of the nationality.

The Journal is available world-wide.

Aims and scope

Pertanika Journal of Social Sciences & Humanities aims to develop as a pioneer journal for the social sciences with a focus on emerging issues pertaining to the social and behavioural sciences as well as the humanities.

Areas relevant to the scope of the journal include Social Sciences—Accounting, anthropology, Archaeology and history, Architecture and habitat, Consumer and family economics, Economics, Education, Finance, Geography, Law, Management studies, Media and communication studies, Political sciences and public policy, Population studies, Psychology, Sociology, Technology management, Tourism; Humanities—Arts and culture, Dance, Historical and civilisation studies, Language and Linguistics, Literature, Music, Philosophy, Religious studies, Sports.

History

Pertanika was founded in 1978. A decision was made in 1992 to streamline Pertanika into three journals as Journal of Tropical Agricultural Science, Journal of Science & Technology, and **Journal of Social Sciences & Humanities** to meet the need for specialised journals in areas of study aligned with the interdisciplinary strengths of the university.

After almost 25 years, as an interdisciplinary Journal of Social Sciences & Humanities, the revamped journal focuses on research in social and behavioural sciences as well as the humanities, particularly in the Asia Pacific region.

Goal of *Pertanika*

Our goal is to bring the highest quality research to the widest possible audience.

Quality

We aim for excellence, sustained by a responsible and professional approach to journal publishing. Submissions are guaranteed to receive a decision within 14 weeks. The elapsed time from submission to publication for the articles averages 5-6 months.

Abstracting and indexing of *Pertanika*

Pertanika is almost 38 years old; this accumulated knowledge has resulted the journals being indexed in SCOPUS (Elsevier), Thomson (ISI) Emerging Sources Citation Index (ESCI), Web of Knowledge [BIOSIS & CAB Abstracts], EBSCO, DOAJ, ERA, AGRICOLA, Google Scholar, ISC, TIB, Journal Guide, Citefactor, Cabell's Directories and MyCite.

Future vision

We are continuously improving access to our journal archives, content, and research services. We have the drive to realise exciting new horizons that will benefit not only the academic community, but society itself.

Citing journal articles

The abbreviation for *Pertanika* Journal of Social Sciences & Humanities is *Pertanika J. Soc. Sci. Hum.*

Publication policy

Pertanika policy prohibits an author from submitting the same manuscript for concurrent consideration by two or more publications. It prohibits as well publication of any manuscript that has already been published either in whole or substantial part elsewhere. It also does not permit publication of manuscript that has been published in full in Proceedings.

Code of Ethics

The Pertanika Journals and Universiti Putra Malaysia takes seriously the responsibility of all of its journal publications to reflect the highest in publication ethics. Thus all journals and journal editors are expected to abide by the Journal's codes of ethics. Refer to Pertanika's **Code of Ethics** for full details, or visit the Journal's web link at http://www.pertanika.upm.edu.my/code_of_ethics.php

International Standard Serial Number (ISSN)

An ISSN is an 8-digit code used to identify periodicals such as journals of all kinds and on all media–print and electronic. All Pertanika journals have ISSN as well as an e-ISSN.

Journal of Social Sciences & Humanities: ISSN 0128-7702 *(Print)*; ISSN 2231-8534 *(Online)*.

Lag time

A decision on acceptance or rejection of a manuscript is reached in 3 to 4 months (average 14 weeks). The elapsed time from submission to publication for the articles averages 5-6 months.

Authorship

Authors are not permitted to add or remove any names from the authorship provided at the time of initial submission without the consent of the Journal's Chief Executive Editor.

Manuscript preparation

Refer to Pertanika's **INSTRUCTIONS TO AUTHORS** at the back of this journal.

Most scientific papers are prepared according to a format called IMRAD. The term represents the first letters of the words **I**ntroduction, **M**aterials and Methods, **R**esults, **A**nd, **D**iscussion. IMRAD is simply a more 'defined' version of the "IBC" [Introduction, Body, Conclusion] format used for all academic writing. IMRAD indicates a pattern or format rather than a complete list of headings or components of research papers; the missing parts of a paper are: *Title, Authors, Keywords, Abstract, Conclusions*, and *References*. Additionally, some papers include Acknowledgments and Appendices.

The *Introduction* explains the scope and objective of the study in the light of current knowledge on the subject; the *Materials and Methods* describes how the study was conducted; the *Results* section reports what was found in the study; and the *Discussion* section explains meaning and significance of the results and provides suggestions for future directions of research. The manuscript must be prepared according to the Journal's **INSTRUCTIONS TO AUTHORS**.

Editorial process

Authors are notified with an acknowledgement containing a *Manuscript ID* on receipt of a manuscript, and upon the editorial decision regarding publication.

Journal of Social Sciences & Humanities
Journal of Social Sciences & Humanities

Pertanika follows a **double-blind peer-review** process. Manuscripts deemed suitable for publication are usually sent to reviewers. Authors are encouraged to suggest names of at least three potential reviewers at the time of submission of their manuscript to Pertanika, but the editors will make the final choice. The editors are not, however, bound by these suggestions.

Notification of the editorial decision is usually provided within ten to fourteen weeks from the receipt of manuscript. Publication of solicited manuscripts is not guaranteed. In most cases, manuscripts are accepted conditionally, pending an author's revision of the material.

As articles are double-blind reviewed, material that might identify authorship of the paper should be placed only on page 2 as described in the first-4 page format in Pertanika's **INSTRUCTIONS TO AUTHORS** given at the back of this journal.

The Journal's peer-review

In the peer-review process, three referees independently evaluate the scientific quality of the submitted manuscripts.

Peer reviewers are experts chosen by journal editors to provide written assessment of the **strengths** and **weaknesses** of written research, with the aim of improving the reporting of research and identifying the most appropriate and highest quality material for the journal.

Operating and review process

What happens to a manuscript once it is submitted to *Pertanika*? Typically, there are seven steps to the editorial review process:

1. The Journal's chief executive editor and the editorial board examine the paper to determine whether it is appropriate for the journal and should be reviewed. If not appropriate, the manuscript is rejected outright and the author is informed.

2. The chief executive editor sends the article-identifying information having been removed, to three reviewers. Typically, one of these is from the Journal's editorial board. Others are specialists in the subject matter represented by the article. The chief executive editor asks them to complete the review in three weeks.

   Comments to authors are about the appropriateness and adequacy of the theoretical or conceptual framework, literature review, method, results and discussion, and conclusions. Reviewers often include suggestions for strengthening of the manuscript. Comments to the editor are in the nature of the significance of the work and its potential contribution to the literature.

3. The chief executive editor, in consultation with the editor-in-chief, examines the reviews and decides whether to reject the manuscript, invite the author(s) to revise and resubmit the manuscript, or seek additional reviews. Final acceptance or rejection rests with the Edito-in-Chief, who reserves the right to refuse any material for publication. In rare instances, the manuscript is accepted with almost no revision. Almost without exception, reviewers' comments (to the author) are forwarded to the author. If a revision is indicated, the editor provides guidelines for attending to the reviewers' suggestions and perhaps additional advice about revising the manuscript.

4. The authors decide whether and how to address the reviewers' comments and criticisms and the editor's concerns. The authors return a revised version of the paper to the chief executive editor along with specific information describing how they have answered' the concerns of the reviewers and the editor, usually in a tabular form. The author(s) may also submit a rebuttal if there is a need especially when the author disagrees with certain comments provided by reviewer(s).

5. The chief executive editor sends the revised paper out for re-review. Typically, at least one of the original reviewers will be asked to examine the article.

6. When the reviewers have completed their work, the chief executive editor in consultation with the editorial board and the editor-in-chief examine their comments and decide whether the paper is ready to be published, needs another round of revisions, or should be rejected.

7. If the decision is to accept, an acceptance letter is sent to all the author(s), the paper is sent to the Press. The article should appear in print in approximately three months.

   The Publisher ensures that the paper adheres to the correct style (in-text citations, the reference list, and tables are typical areas of concern, clarity, and grammar). The authors are asked to respond to any minor queries by the Publisher. Following these corrections, page proofs are mailed to the corresponding authors for their final approval. At this point, **only essential changes are accepted**. Finally, the article appears in the pages of the Journal and is posted on-line.

Journal of Social Sciences & Humanities
Journal of Social Sciences & Humanities
Journal of Social Sciences & Humanities

Pertanika Journal of

SOCIAL SCIENCES & HUMANITIES

A special edition devoted to issues in
Ecosystem, Innovation, and Excellence in Enhancing Organisation Competitiveness, and Sustainability

Vol. 24 (S) Jul. 2016
(Special Edition)

Guest Editors
Bachtiar H. Simamora, Idris Gautama So & Dyah Budiastuti

A scientific journal published by Universiti Putra Malaysia Press

JSSH

Journal of Social Sciences & Humanities

AN INTERNATIONAL PEER-REVIEWED JOURNAL

EDITOR-IN-CHIEF

Mohd. Shahwahid Hj. Othman

Economics, Natural Resource & Environmental Economics, Economics Valuation

CHIEF EXECUTIVE EDITOR

Nayan Deep S. Kanwal

Environmental Issues – Landscape Plant Modelling Applications

UNIVERSITY PUBLICATIONS COMMITTEE

Mohd Azmi Mohd Lila, *Chair*

EDITORIAL STAFF

Journal Officers:

Kwan Lee Yin, *ScholarOne*
Kanagamalar Silvarajoo, *ScholarOne*
Lim Ee Leen, *ScholarOne*

Editorial Assistant:

Zulinaardawati Kamarudin

COPY EDITORS

Doreen Dillah
Crescentia Morais
Pooja Terasha Stanslas

PRODUCTION STAFF

Pre-press Officers:

Nik Khairul Azizi Nik Ibrahim
Kanagamalar Silvarajoo

Layout & Typeset:

Wong Wai Mann

WEBMASTER

Mohd Nazri Othman

PUBLICITY & PRESS RELEASE

Magdalene Pokar *(ResearchSEA)*
Florence Jiyom

EDITORIAL OFFICE

JOURNAL DIVISION
Office of the Deputy Vice Chancellor (R&I)
1st Floor, IDEA Tower II
UPM-MTDC Technology Centre
Universiti Putra Malaysia
43400 Serdang, Selangor Malaysia.
Gen Enq.: +603 8947 1622 | 1619 | 1616
E-mail: executive_editor.pertanika@upm.my
URL: http://www.pertanika.upm.edu.my

PUBLISHER

Kamariah Mohd Saidin
UPM Press
Universiti Putra Malaysia
43400 UPM, Serdang, Selangor, Malaysia.
Tel: +603 8946 8855, 8946 8854
Fax: +603 8941 6172
E-mail: penerbit@upm.edu.my
URL: http://penerbit.upm.edu.my

EDITORIAL BOARD

2015-2017

Abdul Mansur M. Masih
Economics, Econometrics, Finance, King Fahd University of Petroleum and Minerals, Saudi Arabia.

Alan Maley
English Language Studies, Teaching of English Language and Literature, Leeds Metropolitan University, UK.

Ali Reza Kaldi
Medical Sociology, Sociology of Development Ageing, Gerontology, University of Social Welfare and Rehabilitation, Tehran, Iran.

Aminah Ahmad
Sociology, Gender and Development, Universiti Putra Malaysia, Malaysia.

Bee-Hoon Tan
English Language Studies and Applied Linguistics, with Special Research Interest in e-learning and Learning Support, University College Sedaya International, Malaysia.

Brian Tomlinson
English Language Studies, The Evaluation, Adaptation and Development, Leeds Metropolitan University, UK.

Deanna L. Sharpe
Economics, Consumer and Family Economics, Personal Finance, The University of Missouri, Columbia, USA.

Dessy Irawati
International Business Management, Strategic Management, Economic Geography, Globalization and Development Studies, Industrial Dynamics and Knowledge Transfer, Radboud University, the Netherlands and EduPRIME the consulting, the Netherlands.

Elias @ Ilias Salleh
Architectural Science, Sustainable Tropical Design, Thermal Comfort, Universiti Kebangsaan Malaysia, Malaysia.

Gong-Soog Hong
Economics, Consumer and Family Sciences, The Ohio State University, USA.

Jacqueline Pugh-Kitingan
Music, Ethnomusicology, Borneo and Papua New Guinea Studies, Universiti Malaysia Sabah, Malaysia.

James R. Stock
Management Studies, Marketing, Logistics and Supply Chain Management, Quantitative Method, University of South Florida, USA.

Jayakaran Mukundan
English Language Studies, Teaching English as a Second Language (TESL), English Language Studies, Universiti Putra Malaysia, Malaysia.

Jayum A. Jawan
Sociology, Politics and Government, Civilization Studies, Universiti Putra Malaysia, Malaysia.

Jonathan Newton
Classroom-based Second Language Acquisition, Language Teaching Methodology, the Interface of Culture and Language in Language Teaching and Learning, and Language/Communication Training and Material Design for the Multicultural Workplace, Victoria University of Wellington, New Zealand.

Marcus Bion GRIFFIN
Human Ecology, Anthropology, Tropical Agriculture, Fisheries, Cultural Learning Solutions, USA.

Mary Susan Philip
English Language Theatre in Malaysia and Singapore; Postcolonial Theatre, University of Malaya, Malaysia.

Muzafar Shah Habibullah
Economics, Monetary Economics, Banking, Macroeconomics, Universiti Putra Malaysia, Malaysia.

Patricia Matusky
Music, Ethnomusicology, Malay and Indonesian language, Literature and Culture, Grand Valley State University, USA.

Rama Mathew
Teacher Education, English Language Education including Young Learners and Language Assessment, Delhi University, India.

Rohany Nasir
Psychology-Career counseling, Counseling for Adolescents and Adults, Marriage and Family counseling, Counseling industry and Organization, Universiti Kebangsaan Malaysia, Malaysia.

Samsinar Md.Sidin
Management Studies, Marketing, Consumer Behaviour, Universiti Putra Malaysia, Malaysia.

Shameem Rafik-Galea
English Language Studies, Linguistics, Applied Linguistics, Language and Communication, Universiti Putra Malaysia, Malaysia.

Shamsher Mohamad Ramadili Mohd
Finance, Corporate Governance, The Global University of Islamic Finance (INCEIF) Malaysia.

Stephen J. Hall
English Language Studies, Linguist, Teacher Educator, TESOL, Sunway University College, Malaysia.

Stephen J. Thoma
Phsycology, Educational Psychology, The University of Alabama, USA.

Swee-Heng Chan
English Language Studies, Open University Malaysia.

Turiman Suandi
Psychology, Youth Development and Volunteerism, Universiti Putra Malaysia, Malaysia.

Victor T. King
Anthropology / Southeast Asian Studies White Rose East Asia Centre, University of Leeds, UK.

INTERNATIONAL ADVISORY BOARD

2013-2016

Barbara Wejnert
Political Sociologist: Gender Studies, Macro Political and Social Changes, University at Buffalo, SUNY, USA.

Carolyn Graham
Music, Jazz Chants, Harvard University, USA.

David Nunan
Vice-President: Academic, Anaheim University, California, English Language Studies, Linguist, TESOL, University of Hong Kong, Hong Kong.

Faith Trent AM FACE
Education: Curriculum development, Flinders University, Adelaide, Australia.

Gary N. Mclean
Executive Director, International Human Resource Development Programs, EAHR, Human Resource Development for National, Community and Social Development, International Human Resource Development, Organizational Development, Texas A&M University, USA.

Graham Thurgood
English Language Studies, General Linguistics, Discourse and Syntax, California State University, Chico., USA.

Handoyo Puji Widodo
English Language Center (ELC), Shantou University, Guangdong, China.

John R. Schermerhorn Jr.
Management Studies, Management and Organizational Behaviour, International Business, Ohio University, USA.

Kent Matthews
Economics, Banking and Finance, Modelling and Forecasting the Macro Economy, Cardiff Business School, UK.

Lehman B. Fletcher
Economics, Agricultural Development, Policy Analysis and Planning, Iowa State University, USA.

Mark P. Orbe
Communication, Interpersonal Communication, Communication and Diversity, Intercultural Communication, Western Michigan University, USA.

Mohamed ARIFF
Economics, Finance, Capital Market, Islamic Finance, Fiscal Policy, Bond University, Australia.

Pal Ahluwalia
Pro Vice-Chancellor (Research and Innovation), African Studies, Social and Cultural Theory, Post-colonial Theory, Division of Education, Arts & Social Sciences, University of Portsmouth, United Kingdom.

Phillip Jones
Architectural Science, Sustainability in the Built Environment, Welsh School of Architecture, Cardiff University, UK.

Rance P. L. Lee
Sociology, The Chinese University of Hong Kong.

Royal D. Colle
Communication, Cornell University, USA.

Shonda Buchanan
Interim Chair, American Literature, Hampton University, USA.

Vijay K. Bhatia
Education: Genre Analysis and Professional Communication, City University of Hong Kong

ABSTRACTING/INDEXING

Pertanika is now over 38 years old; this accumulated knowledge has resulted the journals being indexed in SCOPUS (Elsevier), Thomson (ISI) Emerging Sources Citation Index (ESCI), Web of Knowledge [BIOSIS & CAB Abstracts], EBSCO, DOAJ, ERA, AGRICOLA, Google Scholar, ISC, TIB, Journal Guide, Citefactor, Cabell's Directories and MyCite.

The publisher of Pertanika will not be responsible for the statements made by the authors in any articles published in the journal. Under no circumstances will the publisher of this publication be liable for any loss or damage caused by your reliance on the advice, opinion or information obtained either explicitly or implied through the contents of this publication.

All rights of reproduction are reserved in respect of all papers, articles, illustrations, etc., published in Pertanika. Pertanika provides free access to the full text of research articles for anyone, web-wide. It does not charge either its authors or author-institution for refereeing/publishing outgoing articles or user-institution for accessing incoming articles.

No material published in Pertanika may be reproduced or stored on microfilm or in electronic, optical or magnetic form without the written authorization of the Publisher.

Copyright © 2016-17 Universiti Putra Malaysia Press. All Rights Reserved.

Foreword

We are very pleased to present this special issue of the International Journal of Social Sciences and Humanities (JSSH) which is a compilation of selected papers that were presented at the International Conference on Organisational Performance Excellence (iCOPE) 2015, held on the 7th - 8th December 2015 in Jakarta, Indonesia. There were a total of **44 papers** selected from this conference. Out of which, 22 were published in the preceding issue, and the remaining are published in this issue. These papers were subjected to rigorous peer reviewing process to ensure quality and consistency in content. The iCOPE 2015 was a collaboration between International Performance Excellence Forum (IPEF) and Binus University, Telkom University, Padjadjaran University, Budi Luhur University and Forum Management Indonesia (FMI).

In line with the theme 'Ecosystem, Innovation, and Excellence in Enhancing Organisation Competitiveness, and Sustainability', the topics in the issue include, but not limited to: Leadership, Strategic Planning, Customer and Market Focus, Information, Measurement, Knowledge Management, and Information Technology, Human Resource, Operational Focus, and Communication for Performance Excellence.

We would like to thank the contributors as well as the reviewers for their commitment and patience which made this JSSH iCOPE 2015 a success. It is hoped that this publication would encourage researchers from around the world to be more active in publishing their research output, in particular good quality social science papers, that would be useful for academics and practitioners alike.

Special thanks to the Chief Executive Editor, UPM Journals, Dr Nayan Kanwal, for his guidance and support in making this publication possible. This has certainly motivated us to be more prolific as well as do better in the future.

Guest Editors
Bachtiar H. Simamora *(Assoc. Prof. Dr.)*
Idris Gautama So *(Assoc. Prof. Dr.)*
Dyah Budiastuti *(Assoc. Prof. Dr.)*

July 2016

Pertanika Journal of Social Sciences & Humanities
Vol. 24 (S) Jul. 2016

Contents

Ecosystem, Innovation, and Excellence in Enhancing Organisation Competitiveness, and Sustainability

Knowledge Management System Evaluation 1
Kristin, Desi Maya and Ekawati, Evy

How Popular Culture Affects Brand Identity and Perceived Quality in Consumer Decision Making 9
Herman, R. T., Widiasari, J., Lasmy and Hartono, H.

Effect of the 2014 Election Campaign Material in Increasing Beginner Voters' Knowledge among Students 19
Sayuti, S. D. and Aras, M.

Measuring Employee Readiness for Knowledge Management in PT. Mineral Indonesia 27
Salwa, M. and Susanty, A. I.

Impact of Website Design, Trust, and Internet Skill on the Behaviour Use of Site Internet Banking in Bandung Raya: A Modification of the Utaut Model 35
Giri, R. R. W. and Wellang, K. M.

Influence of the Use of Brands in a Foreign Language (English) on the Purchase Decision Process of Cosmetic Products Made in Indonesia 51
Rachmawati, I., Sary, F. P. and Perdani, D. R.

Designing Cannes Eco-Product Using Quality Function Deployment 63
Hendayani, R. and Prahatikno, W.

HR Sustainability Practices Instrument Comparative Analysis in Malaysian SMEs 73
Kelana, B. W. Y., Mansor, N. N. A. and Sanny, L.

Building Image of Government through Radio Taiwan International for Indonesian Female Listeners 81
Yunus, U., Budihardjo, H. S. and Hartanto, B.

Determinants of Transfer Pricing Aggressiveness in Indonesia 95
Waworuntu, S. R. and Hadisaputra, R.

A Comparative Consumer Behaviour were Diffused by Innovation Website: The Online Students and The Regular Students 111
Sriwardiningsih, E., Hindarwati, E. N., Harlianto, J. and Aritonang, Y.

Does Synergy Mentality Mediate Between Strategic Planning Relationship and a Firm's Performance? An Empirical Study of Manufacturing Companies in Indonesia 125
Oroh, A. N. H.

Teamwork as an Innovation Generator: An Analysis of Project Hatchery at Binus University International 139
Putra, S. and Fibra, A.

Product Quality Development Analysis with Six Sigma Method: Case of SME Tofu Production in Indonesia 155
Sanny, L., Novita, Scherly and Novela, S.

Towards Automatic Customer Purchase Behaviours Prediction through a Social Media Lens Using the Hidden Markov Model 169
Lasmy, Chowanda, A., Herman, R. T. and Notoatmojo, B.

Knowledge Management Function Design in PT X* 177
Ongowarsito, H., Candra, S., Johan and Wirawan, C.

The Success of Toto Brand in Grabbing Purchase Intention 191
Dewanti, R., Pratiwi, V. I. and Chang, A.

Operationalizing Internal Knowledge Transfer Factors: An Application for Small and Medium Enterprises (SMEs) 203
Sondari, M. C. and Akbar, R. M.

Influence of Employee Stock Option Program and Job Satisfaction on Employee Commitment (A Case Study of a Telephone Company in Indonesia) 215
Alifianty, S. and Susanty, A. I.

Controlling Product Realization through ISO 9001:2008 (Case Study in R&D Unit PT. XYZ Indonesia) 227
Hutami, R. F. and Yusrina

Knowledge Sharing and Implementation of Its Enabling Factors (A Case Study of Three Types of Company in Indonesia) 239
Susanty, A. I., Salwa, M., Chandradini, A., Evanisa, F. W. and Iriani, N.

Pertanika J. Soc. Sci. & Hum. 24 (S): 27 - 34 (2016)

PERTANIKA JOURNALS

SOCIAL SCIENCES & HUMANITIES

Journal homepage: http://www.pertanika.upm.edu.my/

Measuring Employee Readiness for Knowledge Management in PT. Mineral Indonesia

Salwa, M.[1]* and Susanty, A. I.[2]

[1]*Faculty of Economics and Business, Telkom University, Bandung 40152, Indonesia*
[2]*Faculty of Communication and Business, Telkom University, Bandung 40257, Indonesia*

ABSTRACT

This research aims to measure the readiness of employees for the implementation of knowledge management in order to achieve the support and readiness stage of employees of PT. Mineral head office. This research is a descriptive study using quantitative data analysis. The authors distributed questionnaires to all employees at PT. Mineral's head office; 183 questionnaires were returned from the respondents for analysis. The analytical technique of the Structural Equation Model (SEM) is used to determine whether models and indicators are correct and to enable the measurement of the readiness of the employees. Confirmatory Factor Analysis (CFA) first order and second order were constructed using the statistical software, SPSS and AMOS. The variable of employee readiness comprised socialisation, externalisation, combination and internalisation (SECI process, in short).The result shows that PT. Mineral employees are highly ready to implement knowledge management. This means that employees of PT. Mineral are willing to encourage knowledge management activities. Based on the results of the study, to achieve the readiness stage, PT. Mineral should consider reviewing their programmes based on the SECI model.

Keywords: Employee readiness, knowledge management, SECI model

ARTICLE INFO

Article history:
Received: 19 November 2015
Accepted: 04 May 2016

E-mail addresses:
salwamadihah@students.telkomuniversity.ac.id (Salwa, M.),
adeirma@telkomuniversity.ac.id (Susanty, A.I.)
* Corresponding author

INTRODUCTION

The business environment is growing rapidly. This is caused by economic growth, technological advancements of the digital age and the development of science. For many companies, the rapid advancement of technology has resulted in the incessant struggle to maintain a competitive advantage

ISSN: 0128-7702 © Universiti Putra Malaysia Press

(Rasula et al, 2012). Thus, businesses need to move, work and adapt quickly in order to manage the intangible assets that generate competitive advantage (Rai, 2011; Lai & Lin, 2012). Knowledge as a competitive advantage of a company cannot be seen and quantified. Knowledge is notional, intangible, inferred and to some extent, subjective (Dearnaley, 2013). One of the most strategic measures to sustain competitive advantage is knowledge. Knowledge is widely recognised as a strategic asset in improving organisational performance. Even though some intellectual capital are transferable, internal knowledge is not easily copied because knowledge is anchored in peoples' (employees') mind. It is obvious that knowledge is slowly becoming the most important factor of production, next to labor, land and capital (Rasula et al., 2012).

Knowledge is neither data nor information, though it is related to both, and the difference between these terms is often a matter of degree (Davenport & Prusak, 1999). We will start with these terms because they are more familiar. Knowing the difference between data, information and knowledge can also help us better understand knowledge. Karadsheh et al. (2009) described data as a set of facts, while information they represented as categorised, reviewed and scrutinised data. Knowledge is the result of merging information with practice, perspective and expression, resulting in insinuation and plans for decision-making. Knowledge is what employees know about one another, their customers, products, processes, mistakes and successes whether the knowledge is tacit or explicit (O'Dell & Hubert, 2011). According to Rai (2011), knowledge is contained in the minds of organisational members, and they are the greatest organisational resources. Many practitioners and researchers in the field of knowledge management argue that there are two forms of knowledge: explicit knowledge and tacit (implicit) knowledge. Ikujiro Nonaka and Hirotaka Takeuchi agreed with Michael Polanyi that knowledge consists of tacit and explicit knowledge (Mooradian, 2005). The concept of tacit knowledge as it appears in the literature is vague and ambiguous because it is active in the mind but not consciously accessed in the moment of knowing (Mooradian, 2005). Tacit knowledge is embedded in people, meaning that the concept of tacit knowledge is at the centre of knowledge management (Mooradian, 2005). Tacit knowledge is like an iceberg; only 10% of it is visible above water, while the other 90% remains hidden under the water (Bhardwaj & Monin, 2006). Researchers Bhardwaj and Monin (2006) found that tacit knowledge seemed to be a major concern for human resource professionals in knowledge-intensive organisations as it has a significant role in shaping the knowledge base of an organisation by providing a means of interaction between the important subsystems of the organisation. Explicit knowledge is tangible knowledge, usually available in written form, and easily accessible to anyone who needs it. Explicit knowledge enables, causes

or somehow brings about focal knowing (Mooradian, 2005). The difference between tacit and explicit knowledge is that tacit knowledge is harder to formalise, codify or communicate, whereas explicit knowledge is codified, systematic knowledge that can be transmitted in formal language.

Change is a transformational process from the current situation to the next situation. In order for change to become accepted by people, an organisation should manage the change itself. Change has become both pervasive and persistent (Bouckenooghe & Devos, 2009). There are several key barriers to change: changing mindsets and attitudes (58%), corporate culture (49%) and underestimating project complexity (35%) (Jorgensen et al., 2009). Bouckenooghe and Devos (2009) found a strong consensus between the salient role of internal circumstances under which change occurs, the process of how change is dealt with and the level of readiness for change in understanding the processes that lead to successful change implementation. Managing change allows for employee readiness for change. When readiness for change exists, the organisation is primed to embrace change and resistance is reduced (Bouckenooghe & Devos, 2009). Megani (2012) described three dimensions of employee readiness for change: 'Participating' as involved members in the implementation of the process of change; 'Promoting' change as members of the organisation to colleagues; and resisting rejection of change. Readiness for the implementation of knowledge management can be seen from the open attitude and high enthusiasm of employees to be involved in the process of knowledge management (Karim et al., 2012). In other words, a person who indicates his/her intention to be involved in knowledge management processes is likely to perform the actual activities involving the socialisation, externalisation, combination and internalisation processes (Karim et al., 2012).

In order to create awareness, knowledge sharing and continuous learning, which is the required standards competency, in 2013 PT. Mineral took various efforts to improve their programme and knowledge management system. To realise the vision of their human resources in 2015, the human resources director of PT. Mineral, Achmad Ardianto, explained that one of the strategic activities of the Directorate of Human Resources in 2013 was focussed on creating a culture of knowledge management in the readiness stage. Based on PT. Mineral's traffic data portal, the readiness stage in terms of human resources has not been realised. In order to realise the target (knowledge management in readiness stage in the year 2013) that was delayed, evaluation of the readiness of employees for the implementation of knowledge management based on socialisation, externalisation, combination and internalisation processes was required.

METHODOLOGY

This research adopteed theory that was used in previous research. The objective of this research was focussed on evaluating employee readiness of employees at the

head office of PT. Minerals through the process of knowledge management. High intensity involvement of employees in the process of socialisation, externalisation, combination and internalisation indicated that the employees were ready for the implementation of knowledge management (Karim et al., 2012).

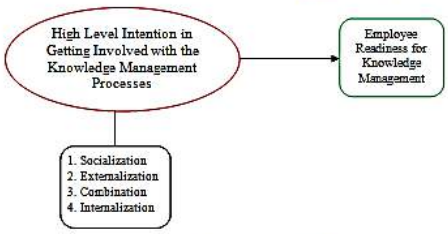

Figure 1: The research model

Based on the research model and relevant theory, the authors formulated two research questions, as given below:

1. What is the state of employee readiness of employees at the head office of PT. Mineral for the implementation of knowledge management?

2. Are the processes of socialisation, externalisation, combination and internalisation able to measure employee readiness of employees at the head office of PT. Mineral for implementation of knowledge management?

This research was conducted in the head office of PT. Mineral, involving a total number of 241 employees (all the employees at the head office was included in the research population). The authors distributed questionnaires to all the employees. The questionnaire consisted of 24 questions from four sub-variables, with questions on socialisation (7 questions), externalisation (5 questions), combination (6 questions) and internalisation (6 questions). Some 183 questionnaires were processed. This research required data related to the topic of discussion, that is, readiness of employees to change and knowledge management. The data used in this study were primary data and secondary data. The authors obtained primary data through interviews and the questionnaire, while secondary data were obtained from the literature on the topic, previous research findings and the company's internal data.

Two methods of analysis were used in this research, namely, the descriptive and structural equation models. In this research, the author used descriptive analysis to transform data into concise information for convenience. Measurements were taken using a questionnaire to determine the readiness of employees for the implementation of knowledge management.

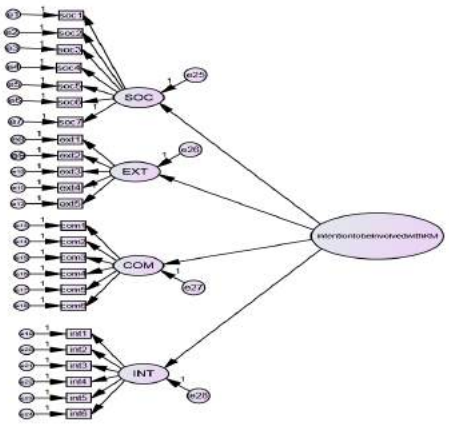

Figure 2: The research model

Each questionnaire was ranked by a 4-point Likert scale (1=strongly disagree, 2=disagree, 3=agree, 4=strongly agree). The authors eliminated the 'neutral' option to prevent the accumulation of data centred on the 'neutral' answer. The authors used the AMOS software to analyse the structural equation models. The results showed that the models, based on the eight criteria of goodness-of-fit, were fit models, meaning that the indicators could be used to measure the variables.

RESULTS

Based on the results of the factor analysis of the first-order construct, where 24 items were used as indicators, only nine items were considered to be the most representative indicators; these measured the socialisation, externalisation, combination and internalisation processes.

Structural Equation Model Analysis Result

Figure 3 is a summary of the second-order factor analysis model. Table 1 summarises the goodness-of-fit criteria used in this study. It can be concluded that the socialisation, externalisation, combination and internalisation processes are proper dimensions to measure the readiness of employees for the implementation of knowledge management at PT. Mineral. Karim et al. (2012) argued that the model is considered to have discriminant validity if the factor loading indicates a value of at least 0.6. The figure shows that factor loading on each sub-variable indicates a value >0.6 (socialisation 1.0; externalisation 1.2; combination 0.9; internalisation 0.64).

Based on the factor loading that indicated the value >0.6, the processes of socialisation, externalisation, combination

Table 1
The Result of Goodness of Fit

No	Statistic	Criteria of 'fit'	Value	Category
1	CMIN	Among CMIN saturated model and CMIN independence model	9.031	Fit
2	GFI	> 0.9	0.988	Fit
3	AGFI	> 0.9	0.968	Fit
4	RMR	It is better when the result approaches 0	0.001	Fit
5	NFI	> 0.9	0.981	Fit
6	CFI	> 0.9	1	Fit
7	IFI	> 0.9	1.017	Fit
8	RFI	> 0.9	0.961	Fit
9	RSMEA	<0.08	0	Fit

and internalisation can be said to have contributed to the readiness of employees for the implementation of knowledge management. The factor-loading value shows that the externalisation process had the highest score, at 1.2. The process of externalisation represented by item 8 as 'willing to engage in discussions with co-workers', item 11 as 'willing to exchange ideas with colleagues' and item 12 as 'willing to give a personal opinion when in dialogue' are rated as sub-variables that contributed the highest to the readiness of employees for the implementation of knowledge management.

DISCUSSION AND CONCLUSION

Employees based in PT. Mineral's head office had high readiness in the implementation of knowledge management as measured from the processes of socialisation, externalisation, combination and internalisation. This argument, proved by descriptive analysis, showed an average value of 3.20, in the high category, while the results of the structural equation model analysis revealed that there were nine items considered the most representative dimensions in the SECI process. This means that employees based in the head office PT. Mineral were willing to engage in knowledge management activities.

The processes of socialisation, externalisation, combination and internalisation are dimensions that can be used to measure the readiness of employees based in the PT. Mineral head office for the implementation of knowledge management. This is concluded by the results of the structural equation model analysis on the second-order construct or goodness-of-fit test. Moreover, the factor-loading value of each dimension showed a score of >0.6, meaning that all the criteria of the goodness-of-fit models tested were qualified criteria (Sugiyono, 2013b).

In order to facilitate the achievement of the readiness stage, the authors suggest that PT. Mineral should focus on activities that are considered the most representative of the socialisation, externalisation, combination and internalisation processes, such as:

1. Conducting the process of socialisation through coffee-break activities, for example, in the middle of the working day every week for each division, with varying discussion topics

2. Conducting the externalisation process through the establishment of activities such as providing brief information on a bulletin board in the lifts.

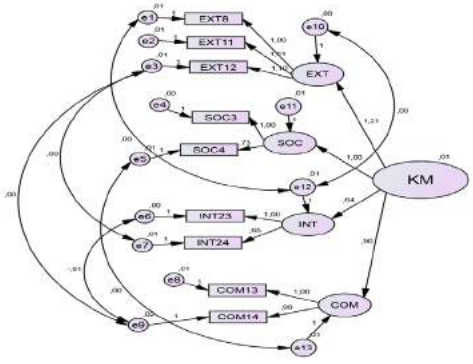

Figure 3: Second order factor analysis model

3. Conducting the combination process such as providing extracts of reports on a bulletin board in each workspace.

4. Conducting the internalisation process such as providing a bulletin board in suitable places (such as lifts and the workspace of each division) in order to create awareness among employees of the implementation of knowledge management.

REFERENCES

Bhardwaj, M., & Monin, J. (2006). Tacit to explicit: An interplay shaping organization knowledge. *Journal of Knowledge Management, 10*(3), 72–85.

Bouckenooghe, D., & Devos, G. (2009). Organizational change questionnaire–Climate of change, processes, and readiness: Development of a new instrument. *The Journal of Psychology, 143*(6), 559–599.

Davenport, T. H., & Prusak, L. (1999). *Working knowledge: How organizations manage what they know*. Boston, Mass: Harvard Business School Press.

Dearnaley, P. (2013). Competitive advantage in the new contrived social care marketplace: Do we need a new theoretical framework? *Journal of Housing, Care and Support, 16*(3/4), 125–135. Retrieved from http://dx.doi.org/10.1108/HCS-08-2013-0013

Jorgensen, H., Owen, L., & Neus, A. (2009). Stop improving change management. *Journal of Strategy and Leadership, 37*(2), 38–44.

Karadsheh, L., Mansour, E., Alhawari, S., Azar, G., & El-Bathy, N. (2009). A theoretical framework for knowledge management process: Towards improving knowledge performance. *Journal of Knowledge Management, 7*, 67–79.

Karim, N. S. A., Razi, M. J. M., & Mohamed, N. (2012). Measuring employee readiness for knowledge management using intention to be involved with KM SECI processes. *Journal of Business Processes Management, 18*(5), 777–791.

Lai, Y., & Lin, F. (2012). The effect of knowledge management and technology innovation on new product development performance (an empirical study of Taiwanese machine tools industry). *Journal of Social and Behavioral Science, 40*, 157–164.

Megani, A. (2012). *Hubungan employee engagement dan kesiapan karyawan untuk berubah*. Unpublished Master Thesis. University of Indonesia, Depok, Indonesia.

Mooradian, N. (2005). Tacit knowledge: Philosophic roots and role in KM. *Journal of Knowledge Management, 9*(6), 104–113.

O'Dell, C., & Hubert, C. (2011). *The new edge in knowledge: How knowledge management is changing the way we do business*. Hokoben, New Jersey, United State of America: John Wiley & Sons, Inc.

Rai, R. K. (2011). Knowledge management and organizational culture: A theoretical integrative framework. *Journal of Knowledge Management. 15*(5), 779–801.

Rasula, J., Vuksic, V. B., & Stemberger, M. I. (2012). The impact of knowledge management on organizational performance. *Economic and Business Review, 14*(2), 147–168.

Sugiyono, D. R. (2013b). *Statistika untuk Penelitian.* Bandung, Indonesia: Alfabeta Bandung.