ABSTRACT

ANGGRAINI SUKMAWATI. Knowledge Creation Model for Raising Competitive Advantage of Dairy Cooperatives in Indonesia. Under direction of M. SYAMSUL MA’ARIF, MARIMIN, NASTITI SISWI INDRASTI, HARTRISARI HARDjomidjojo and KOOSWARDHONO MUDIKDJO

Many theories highlighted the critical importance of knowledge creation on the long-term success of the organization. However, the scarcity of empirical work on knowledge creation model has limited our understanding of the overall organizational process involved. Given the crucial role of knowledge creation in contemporary business enterprises, a fundamental question arises: what processes are facilitating knowledge creation? This study aimed to find the answer. This study investigated the interrelations among four categories of knowledge assets (experiential, conceptual, systemic, and routine) and four categories of SECI (socialization, externalization, combination, and internalization) model for knowledge creation processes. In our framework, we argued that different types of knowledge assets may have differing influences on knowledge creation. After this, we attempted a comprehensive analysis of knowledge creation model within the organization, exploring the relationship between innovation, knowledge creation model, problem-solving capability, absorptive capacity, knowledge acquisition and assets. The next step, we designed the expert system. In order to test the feasibility of this framework, we conducted an empirical research exercise. Data were collected from three dairy cooperatives in Java, Indonesia through a survey instrument. A total of 105 usable responses were analyzed. We employed canonical correlation analysis to examine the composite correlation, and Structural Equation Modeling (SEM). We identified the composite effect of knowledge asset were positively contribution to knowledge creation, except systemic knowledge assets. The results revealed several contributing factors (problem-solving capability, absorptive capacity, knowledge acquisition and assets) that were significant effect to innovation. On the other hand, knowledge creation model had no significant effect to innovation in the context of the dairy cooperation in Indonesia. Product innovation was the most important innovation for Dairy Cooperatives. Design of diagnosis performance for knowledge management implementation was named Knowledge Management Scorecard for Dairy Cooperatives (KMaScD). This system was developed based on balanced scorecard concept. The application was appropriate for assessing dairy cooperatives performance dan providing a flexible evaluation framework.

Keywords: balanced scorecard, innovation, knowledge creation, problem-solving capability, absorptive capacity, knowledge assets and dairy cooperatives