Factors Influencing Knowledge Management Implementation in Creative Industries

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Abstract

Creative Industries (CI) gives a notable contribution to Indonesian economic growth. However, some subsectors in CI still have low performance in innovation and research & development. Hence Knowledge Management is suggested to be implemented to increase the performance of CI.This study is an exploratory study to investigate how KM implementation affects the Learning and Growth in CI. The aim of this study is to discover the factors in KM processes and KM enablers in CI. KM enablers are the factors that affecting KM which include organizational culture, people, technology and process. While KM processes consist of the process of KM which covers knowledge identification, knowledge storage, knowledge sharing, knowledge application and knowledge development.This paper explores KM enablers and KM processes from exploratory studies. Field observation was conducted to CI and then followed by an in-depth interview with several creative industries' owners, academicians, government and other organizations supporting CI. Several points related to KM enablers and KM processes in CI are identified from the study

Keywords: Knowledge Management, KM Enablers, KM Processes, Creative Industries, Qualitative.

1. INTRODUCTION

Policymakers at the United Kingdom's Department of Culture, Media, and Sport (DCMS) established the Creative Industries Task Force in the 1990s, which led to the rise of the creative sector (Flew, 2012). In 2015, the Creative Economy Agency was founded in Indonesia. This agency's aims include nurturing, shifting, expanding, and optimizing numerous domestic and international marketing points for national creative products and services. In 2015, the creative economy produced around 7.39 percent of Indonesia's Gross Domestic Product (GDP) (Ministry of Tourism and Creative Economy, 2020). The growth of the creative economy from 2014 to 2015 is 4.38 percent. In 2014 the creative economy contributed to the GDP at IDR 784.87 trillion, while in 2015 the contribution increased to 852.56 trillion (Ministry of Tourism and Creative Economy, 2020). In addition, the creative economy gives job opportunities to Indonesia people. In 2016 the number of employees in creative industries was 16,909,690 personnel or about 14.28 percent of national employees. As creative businesses contribute to the economic prosperity of the nation, their employees will produce knowledge goodsAs a result, Knowledge Workers would be a more accurate description. A company's most valuable asset, according to Peter Drucker (1999), are its "Knowledge Workers." Several factors influence the productivity of knowledge-workers. The necessity for knowledge workers to manage themselves is one of the causes. They need independence. In addition, innovation must be an integral component of the work, duty, and responsibility of knowledge workers. They require both ongoing teaching and continuous learning. Additionally, the productivity of knowledge workers must produce quality output (Drucker, 1999). Implementing Knowledge Management

can cultivate knowledge workers. It is anticipated that knowledge employees with high productivity would enhance the performance of businesses.

Implementing Knowledge Management can cultivate knowledge workers. It is anticipated that knowledge employees with high productivity would enhance the performance of businesses. Kaplan & Norton (1996) evaluate the performance of a company from four interrelated perspectives: financial, customer, internal business process, and learning and growth. This project will investigate the adoption of knowledge management to enhance the performance of creative industries. The performance that will be measured in this study is learning and development.

This research aims to determine how KM strategies and KM enablers contribute to enhancing learning and growth in Creative Industries. This study is based on a thorough analysis of academic literature, field observation, and an in-depth interview.

The document is divided into five sections. This research is introduced in the first part. In section two, the relevant literature to the study aim is examined briefly. The third section explains the methodology utilized to achieve the study objectives. Then, in section four, the proposed framework model is described. The last portion contains the study's findings and recommendations.

2. Literature Review
2.1 Creative Industries

DCMS initially defined creative industries in 1998 as those businesses that originate from an individual's creativity, skill, and aptitude, and that have the potential to produce income and employment via intellectual property development and exploitation. According to Howkins (2001), creativity is the capacity to produce something new. This refers to the development of personal, original, and significant ideas and innovations by one or more individuals. Creativity may also be described as the act of generating, connecting, and transforming ideas into valued objects (Flew, 2012). In 2015, Indonesia formed Creative economy agency to promote creative economy development.

The creative industries have been studied in several countries. Iran's Creative Industries were investigated by Bagheri and Hamidizadeh in 2015. As said, the foundation of Creative Organization Learning is the development of fresh views on old ideas and the constructive criticism of existing company beliefs. While Gwee (2009) in Singapore mentioned that creative industry or creative economy is linked to culture and cultural policy. Each country will have different types and regulation in creative industries. In Germany, According to Lange et al. (2011), the creative sector is a profit-driven segment that encompasses all businesses, entrepreneurs, and self-employed individuals producing, promoting, distributing, and exchanging profit-driven cultural and symbolic commodities.

2.2 Knowledge Management

Knowledge Management (KM) is essential for a business to discover, promote, and disseminate best practices while increasing productivity and other key performance indicators (Martinsons, M.G et al, 2017). KM should be used in the Creative Industries in order to preserve organizational knowledge. When employees leave an organization, the organization's knowledge is not always able to be preserved.

Multiple definitions of Knowledge Management exist (KM). Durst and Wilhelm (2011) highlighted that knowledge management may be broken down into five key activities: identification, creation, storage, distribution, and use. Transfer, storage, and generation are examples of knowledge processes supported by the processes and

structures described. (O'Connor, C et al, 2017).

2.3 Knowledge Management Enablers

Various KM enablers have been discussed in previous studies. The enablers covernumerous aspects, such as organization culture, people, and technology.There are several organizational culture factors that affect KM which include collaboration, trust, care (Lee and Choi, 2003), leadership and management support (Lee et al, 2014).People is another aspect of KM enablers. Lehner et al (2010) found that staff member motivation and social relationships will affect KM implementation.

Technology also affect KM implementation. Information Technology (IT) support and application system enables KM implementation (Lee and Choi, 2003; Lehner *et al.,* 2010; Lee et al, 2014).Knowledge stores in database will be effectively kept in an organization.IT usage will help to create, store, share and use organizational knowledge.

2.4 Knowledge Management Processes

There are numerous stages in the KM process. KM processes are recognized by some academics as an approach for knowledge management. A wide range of topics are covered here, from the development and storage of information to the transport and sharing of information (Durst and Wilhelm, 2011; Lee et al; Lee, 2014; and O'Connor, 2016). The process of creating, capturing, and using knowledge to improve an organization's performance may also be described as KM (Evangelista et al., 2010).

2.5 Learning and Growth

KM implementation is expected to boost a company's productivity. According to Kaplan and Norton (2004), there are four perspectives on performance: financial, customer, internal processes, and learning and growth. Aside from physical and intangible, there are two forms of organizational performance:
The study of how people, technology, and company culture all work together to achieve a common objective is known as organizational learning and development (Kaplan and Norton, 2004). Human capital, infrastructure, technology, culture, and other breakthrough performance-enabling capabilities are examined in this perspective. The objective of the learning and growth perspective is to provide the required foundation for the fulfillment of ambitious goals in the other three viewpoints. This viewpoint's goals serve as a stimulus for achieving greatness in the other three viewpoints. Personnel, systems, and organizational alignment are the key sources of learning and development facilitators. Investing heavily in people, systems, and processes to improve organizational capabilities is a common component of high-performance initiatives. As a result, a company's intangible assets, such as employee training and development, are an important tool in achieving its goals.
In order to create long-term value, an organization's intangible assets, such as its employees' ability to learn and evolve, are becoming increasingly important. Three intangible factors that are critical to the effective execution of any plan are addressed from the perspective of learning and growth, with goals and metrics for each: There are three main types of organizational capital: 1) Human capital; 2) Information capital; and 3) Organizational capital. Human capital is the ability of the organization to access information and knowledge, while 2) Information capital is the organization's ability to integrate these various forms of organizational capital.
Customer relationships, workers' skills and knowledge, and an organizational culture dedicated toward innovation, issue solving and general business development all contribute to the growth and learning of a firm... In order to improve the commercial

transfer of applicable skills and knowledge, it may produce and add value by continuously updating information (Jelenic, 2011). Product quality and organizational innovation are the primary goals of this inquiry.

3. Research Methodology

The purpose of this study is purely exploratory. To generalize qualitative findings from a small initial sample to a larger, subsequent sample, the exploratory design's primary goal is to collect (Cresswell, 2011). This study's primary objectives are to analyze how Creative Industries manage their knowledge and to determine the elements that impact the application of knowledge management.

On the basis of literature review, the following research questions are formulated:

R1. How are KM enablers applied in creative industries?

R.2. How are KM processes applied in creative industries?

R.3. How does KM help to improve the quality and innovation?

Data was collected using qualitative methods on how Knowledge Management is implemented in Creative Industries. This research started with field observation to capture the reality in knowledge management implementation in creative industries. Next, in-depth interview to several creative industries' owners were conducted to conform the findings in literature and field observation. Content analysis was conducted to analyze the data from the body text. Figure 3 illustrates qualitative data analysis proses using directed qualitative content analysis (Miles, et.al, 2014).
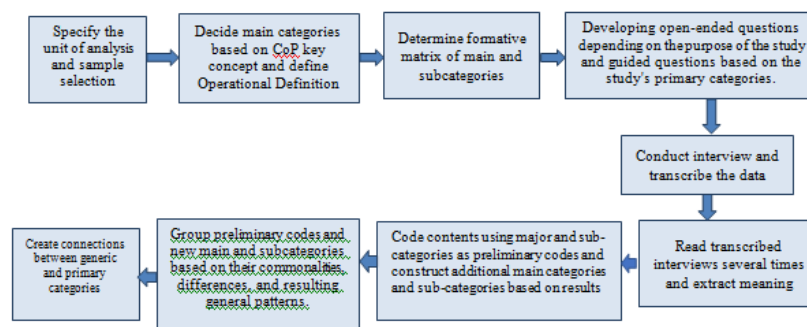

Figure 1. Qualitative data analysis proses using Directed QCA (Miles, et.al., 2014)

3.1 Field Observation

The field observation was conducted to two Creative Industries to have the sense of KM practicing in Creative Industries. The process of KM implementation was overseen from this field observation. First observation was conducted in craft industry that produce woven bags. The workers are located four different provinces: West Java, East Java, East Kalimantan and South Sulawesi. Each location has a leader who supervises several workers. Owner only communicates with the leaders to request for the productions of woven bags with various designs, colors and sizes.

Second observation was held in batik industry which has experience for about 12 years. The workshop is located in the same area of the store. The batik making includesdraw the pattern in the clothes, waxing and dyeing. Dressmakers are also working as this industry sell both batik fabrics and apparels.

Table 1. The process of KM implementationprocess

		Industry A (Craft)	Industry B (Fashion)
KM	Culture	Owner manages almost all	Family business with assist by

Enablers		activities.	several employees.
	People	Two assistants help in administration and marketing.	Motivated workers will stay longer in the organization.
	Technology	Craft making process and marketingare mostly manual. Social media is used for advertising and marketing.	Several information, such as pattern, color, design, are kept digitally. Social media and website are used for marketing purposes, besides the workshop.
KM processes	Knowledge Identification	Only owner identifies the knowledge.	Owner decides most of knowledge identification but open for discussion with employees/workers
	Knowledge Storage	Non digital storage is still required to have some precise information, such as color and material.	Most information is kept in hardcopy form by the owner. The daughter of the owner is trying to store the knowledge in digital form.
	Knowledge Sharing	Owner gives information to the leaders located in different areas. The leaders then share the information to all workers.	More experienced workers will share the knowledge to new workers. In addition, the workers get several trainings from local government.
	Knowledge Application	Workers apply the knowledge based on leaders' instruction.	Workers will apply the knowledge according to the procedure given by the owner.
Performance	Quality	First quality control(QC) is conducted by the leaders. If it is passed, the product will be sent to the owner. The owner then conducts second QC before sell the products.	Selection of good and consistent materials is important to get good and consistent qualified products.
	Innovation	Owner is responsible for the innovation. Most of the innovation is in design and color selection.	Most of the innovation are done by the owner. Sometimes some feedbacksare accepted from workers.

Craft Industry

This craft industry produces woven bag called kago bag since 2009. This industry is located in Bogor regency in West Java. However, the workers are spread in four otherprovinces: West Java,East Kalimantan, South Sulawesi and East Java. Each areahas unique characteristic in term of raw material and color. An owner is located in Bogor assisted by two employees for administration and marketing function. A leader is assigned in each worker area which the owner communicates with the leader only.

The owner designed all kago bag including color and material selection. Normally pictures send to the leaders by mail to give precise material and color selection. Sending designed pictures by email or social mediamay give information shift, usually in color detail. The leaders are responsible with workers' training. After the products have completed, the leaders will send all products to the owner after

quality control process. Then the owners will perform second quality control before sell the products. Some products are exported to Japan and South Korea. Others sell locally through bazar and social media. The bazar mostly is organized by expatriate communities in Jakarta.

Fashion Industry

It is a batik industry which started in 2008. The industry is located in Bogor. The shop and workshop is in one area.The batik making process starts from designing, waxing, dyeing until finishing. There are around twenty workers doing the process and two employees for administration. This Batik industry tries to promote local batik pattern, for example Bogor is known as a rainy city, they create a rain motif in one of their design. The owner with his family manages the business.

3.2 In-depth Interview

In-depth interviews were gathered to 10 owners of creative industries in West Java. West Java is a province in Indonesia where the number of SMEs is thethird highest among 34 provinces in Indonesia. The province consists of 9 cities and 18 regencies. Based on National Statistics Bureau data in 2021, the following is the number of small medium and large industries in each city and regency in West Java Province.

Table 2. Number of Small Medium and Large Industries in West Java in 2021, 10 biggest number (Open Data Jabar, 2021).

No	Regency/City	Number of SME
1	Bogor Regency	506,347
2	Bandung Regency	476,954
3	Bandung City	463,346
4	Sukabumi Regency	363,176
5	Garut Regency	349,863
6	Cirebon Regency	341,037
7	Cianjur Regency	338,612
8	Karawang Regency	315,388
9	Bekasi Regency	311,927
10	Bekasi City	274,143

Table 3.2 shows the numbers of small, medium and large industries in West Java province in 2021 (Open Data Jabar, 2021) for 10 biggest numbers. The data is sorted according to the city/regency which has the highest number of small, medium and large industries. Refer to the region. the respondents will be selected from the highest seven cities/regencies: Bogor Regency, Bandung Regency, Bandung City, Sukabumi Regency, Garut Regency and and Cirebon Regency.

The selected industries have been established for at least three years and have more than 10 workers in order to ensure that knowledge management should have been implemented in those organization. In-depth interviews were also conducted to three government sectors, three academicians and four other organization which work together with creative industries. The detail participants are described in Table III.1.

Table 3. Respondents' profile for in-depth interview

No	Organization	Description	Note
1	A.1. Industry #1	Fashion and Craft Product	Fashion and Craft
2	A.2 Industry #2	Kago Bag	Craft

3	A.3 Industry #3	Batik Industry	Fashion
4	A.4 Industry #4	Shoes and Sandals	Fashion
5	A.5 Industry #5	Furniture	Craft
6	A.6 Industry #6	Shirt/Jersey with digital printing	Fashion
7	A.7 Industry #7	Kids and women's fashion	Fashion
8	A.8 Industry #8	Pottery	Craft
9	A.9 Industry #9	Moslem's fashion	Fashion
10	A.10 Industry #10	Shoes	Fashion
11	B1. University #1	Universitas Gunung Jati	Cirebon
12	B2. University #2	Institut Pertanian Bogor	Bogor
13	B3. University #3	Telkom University	Bandung
14	C1. Government #1	Bekraf	Central Government
15	C2. Government #2	Dinas Koperasi and UMKM Kab Bogor	Regional Government
16	C3. Government #3	Dinas Koperasi and UMKM Kab Cirebon	Regional Government
17	D1. Organization #1	Bibli	Marketplace
18	D2. Organization #2	BCCF	Non-Government Organization
19	D3. Organization #3	BJB	Regional Local Bank
20	D4. Organization #4	Sahabat UMKM	Non-Government Organization

In-depth interview is also known as unstructured interview for exploratory study. There is no predetermined list of questions to work through in this situation (Saunders et al, 2009). However, interview protocol is prepared tohave clear idea about the aspects that need to be explored. All interviews were performed in the last semester of 2020 and took around 30 to 90 minutes. The questionsdig up knowledge management enablers and processes in creative industries. All interviews were recorded and transcribed. The transcription is analyzed and coded, both manually and using NVivo application.

Interviews with creative industries were finalized to analyze the KM activities in their industries. Interviews with government, academician and other organizations were aimed at gaining information how they support creative industries in term of KM application. Overall, interviews intended to investigate the KM activities in creative industries.

Lee, C.S (2014) explains KM resources and KM factors support KM performance management. As part of an organization's overall strategy for knowledge management (KM), KM resources comprise people capital (human capital), knowledge capital (knowledge capital), and intellectual property (intellectual property). This study focuses on culture, people and technology as KM enablers.

4. RESULTS AND DISCUSSION
The section presents the result of the qualitative study analysis in relation to the research questions stated in Chapter 3.

4.1 How are KM enablers applied in creative industries?
KM enablers are the factors that support KM implementation in an organization.

From the field observation, owners act as the leader in the creative industries. They set up the company's goals anddecide all the products from the raw material selection, product design until marketing process. Owners give instruction to the leaders or managers for the work process. Most trainings are given as tacit knowledge from leaders or senior employees. Workers attend the training from local government if the topics are suitable. As craft and batik industry are mostly handmade, less technology is used in the production process. However, CI uses marketplace as the technology in the marketing

In-depth interviews were conducted to several actors in Creative Industries, Government, Academicians and other organization supporting Creative Industries. Government and Other organizations explained about Culture, People and Technology as KM Enablers. WhileAcademicians focused more on technology.

Table 4. KM Enablers in Creative Industries

Organization	KM Enablers		
	Culture	People	Technology
Creative Industries	Owners manage the business with little help from their assistants (A1, A2, A3, A4, A5, A6, A7, A8, A9, A10).	Some industries hire experienced workers (A2, A5) while others recruit inexperienced personnel to be trained to do the jobs.	Market place is used as marketing technology (A1, A2, A3, A4, A5, A6, A7, A8, A9, A10).
	Some creative industries are assisted by employees in the administration, management, and marketing (A1, A2, A3, A6).	Motivated personnel will stay longer in the organization (A3, A5, A7, A9).	Technology is applied in the production process (A1, A3, A4, A6)
	Employees may contribute to innovation (A3, A5, A6, A10).	Bonus and incentives will motivate workers to perform well (A2, A6).	
Government	SMEs found by personnel to fulfill their family's economy and recruit others as their workers (C2, C3).	People is trained to have innovated products/processes (C1, C2, C3).	Creative industries are mostly familiar with technology for marketing such as marketplace and social media (C1, C2, C3).
Academicians			Creative industries are actively using technology for marketing such as marketplace (B2, B3).
			As our university is technology basis, the funding from government is for creative industries which have technology

			aspects in their activity (B3).
			SMEs with older owner tend to avoid technology (B1, B2).
Others	Creative industries are in survival mode. They can survive by their ability to innovate (D2).	The personnel need accompaniment to get the standard products (D2).	Technology needs to be used in production.
	Owners shall beagile to find opportunity (D1, D2)	Most personnel have high motivation to complete their work (D1).	

Culture

According tothe interview, all creative industries are owned and managed by personal or family. The main objective is to produce income for the family. However, there are some additional aims when they establish the business, such as helping other people by recruiting them as their workers, expressing hobby and promoting Indonesia's culture or product globally. To achieve its objectives, the creative industry always maintains the product to be consistent in quality.

People

Recruiting the right personnel as its workers is a challenge. Workers' turnover was quite high at the beginning as they have to adapt to new business and skill. By natural selection, suitable workers stay for quite a long time.

Workers are motivated as they have to get income for their families. In addition, bonus sometimes is given if they can produce the product in good quality. Some industries involve their workers in innovation by sharing ideas on market trends. However, most of the workers tend to follow instruction and do not involve in sharing ideas for innovation.

Technology

Modern technology has been applied in creative industries in different ways. Some creative industries try to optimize technology utilization, such as using a computer to keep the knowledge digitally while others still prefer to keep in hardcopy. However, all of them use social media as advertising, promoting and marketing tools. There are some obstacles in using this technology, such as limited knowledge to use computers and low network performance for internet use. Academicians found that older owners tend not to shift to use more technology.

Company A2 is producing kago bags that have the workers spread in five different provinces finds difficulty to use email or social media to send a file to share the knowledge.

> *We still have to keep our knowledge in hardcopy because digital copy sometimes gives a different message, especially for the color. Our customers are very detailed with the color. If we give the information using a digital picture, the color may shift so I have to send the picture or sample material by mail (Company A2).*

Most of the processes, such as standard operating procedures and integration are kept by the owner. Therefore, owners manage most of the workflow in creative industries.

4.2 How are KM processes applied in creative industries?

Lee C.S. (2014) breaks down the KM process into many sorts of activities, including knowledge acquisition, knowledge production and generation,

knowledge application and use, knowledge codification and storage, and knowledge transfer and sharing. O'Connor, E. (2016) discusses the KM process, which involves the transport, storage, and generation of knowledge. This study examines KM techniques for the knowledge identification, storage, sharing, and application processes.

Table 5 shows several points during interview regarding KM Processes. Creative industries discuss about Knowledge Identification, Knowledge Storage, Knowledge Sharing and Knowledge Application. Academicians stress more about Knowledge Storage using information technology; and Knowledge Sharing during the accompaniment from its research and community institution. Governments give information about Knowledge Identification, Knowledge Storage and Knowledge Sharing.

Table 5. KM Processes in Creative Industries.

| Organization | KM Processes | | | |
	Knowledge Identification	Knowledge Storage	Knowledge Sharing	Knowledge Application
Creative Industries	We find new batik design from local content, for example our city is well known as a rain city, so we make rain design for our batik (A1)	Non digital storage is still needed to keep original colour of the product (A2)	Socialization (tacit to tacit) is applied for sharing knowledge.	Workers will apply the knowledge given by owners (A4, A5, A6, A7).
	We search model or design from internet, especially from pinterest (A3)	My parents mostly keep the data in hardcopy form. I slowly move them to digital database (A1)	Owner teaches workers directly (A4, A5, A7).	
	I took a training in kiln process in making pottery (A8)	We store the picture/design of the products digitally in the computer (A1, A3, A6, A9).	We also join the training from local government designed for SMEs (A2, A3, A4, A5, A6, A9, A10).	
	I have experience in my previous job as the basis for my business (A1, A4, A5, A6, A10).	Because we post the product in social media and marketplace, I have the knowledge digitally.	Some organizations conduct training for us, like photography to make the product more valuable (A1, A2, A3, A8).	
Academician		Academicians train creative industries in computer usage, including to keep their knowledge	We do accompaniment to creative industries (B1, B2, B3, B4).	

		digitally (B1, B2, B3).	
Government	Creative industries can obtain knowledge identification from sharing with other SMEs (C2).	We introduce SMEs on computer technology to store their knowledge. Younger people can understand easily compare with older owners.	We conduct several trainings for SMEs and creative industries, such as e-commerce, entrepreneurship, marketing. (C2, C3)
	We give them ideas for creative industries to get new knowledge on their product (C2, C3).		Not only Department of SMEs in city and regency level, but also the Department in province provide the training regularly.
			We open 'clinic room' every Friday for SMEs to consult their business(C2).
			Our office collaborates with other organization, such as university and bank for giving the training (C2).
Others		Educate SMEs or creative industries to store their data digitally is quite challenging. Some of them do not understand to use computer but we work with Google to give them training (D1).	Several training programs is given, such as photography to help in advertising and marketing (D1).

Knowledge Identification

Knowledge is identified first by the owner. Then they get several inputs from market trends, community and customers. These inputs are used to develop the knowledge, both in the product and work process. Some creative industries conduct a regular discussion with employees or workers on a strategic plan, such as digital knowledge, new products and collaboration with other organizations.

Knowledge Storage

Some creative industries keep most of the knowledge in hardcopy or display the product in the showroom. Only several pieces of knowledge are stored digitally. The reason not to have digital stored knowledge because it is easier to have the

hardcopy or displayed product, so they can see the material and color in more accurately. In addition, they are not familiar to use computer.

Several Creative Industries with younger owners try to keep the knowledge in computer database. However, some crafts or apparels need to be displayed in the store or workshop to keep the real products.

Knowledge Sharing

Knowledge sharing is the process through which team members communicate task-related ideas, information, enhancements, and suggestions with one another (Wee, 2013). Knowledge sharing is another regular activity in creative industries. New workers learn from more experienced workers on how to do the job. Local government, Small and Medium Enterprise Agency, schedule several classes of training for SME regularly that creative industries can join the classes. However, suitable topics may not be applicable to them. Another challenge is the workers have the different capability in absorbing the knowledge, some of them may not be able to apply the knowledge from the training straight away.

Academicians and other organization supporting creative industriesconduct accompaniment to creative industries during the startup process as well as to assist in the different types of production process and marketing process.

Knowledge Application

When creative industries need to implement the knowledge, they will follow the procedure which has been created previously. Workers have been trained to create the products and follow the procedure. Challenges are found in this process. The experience will help to produce better and more consistent products. It takes time for new workers to produce more qualified products. As a result, some products may be rejected or sold at a low price.

To survive in the market and compete with competitor, knowledge needs to be developed. Development can be in the form of new products or new process which increase the value of a product.

4.3 How KM Help to Improve Quality and Innovation?

Creative industries maintain their product quality to be able to compete in the market. They have to be consistent in quality. Raw material and work processes determine the quality of a product. They search for good suppliers to send the raw material consistently. Different suppliers may give different raw materials which may affect the quality of the products. Most of the creative industries perform quality control in several steps, especially for exported products. Customers' complaints were received if the quality does not meet their requirements.

Table 6. Learning and Growth in Creative Industries.

| Organization | Learning and Growth | |
	Quality	Innovation
Creative Industries	Raw material selection affects the product quality.	We do innovation in the process, for example how to make batik with environmentally friendly material (A1)
Government	Quality of a product can be seen from the story behind the process	Young people are actively doing innovation for several products.
		Government encourages creative industries to do research on new innovated products.
		When a demand on certain products has been decreased, creative industries need to find new innovated products

Academicians	One of our objectives in accompaniment to creative industries is to improve their product quality	We help creative industries to have innovation. Innovation can be technology or market driven.
		We provide some equipment, such as ceramic making machine, to drive creative industries to make innovation.
		We need to engage in their activities to help them for innovation.
		Creative industries need to have business orientation which motivate them to do innovation activities.
Others	We train them to prioritize the quality over the innovation first. Because with good quality, innovation will grow afterward.	Some industries do their innovation in the design by copy and modify from other product
		The owners of most of creative industries are responsible for innovation.
		Innovation can be from the process to make the product, such as dying process in batik making.

Innovation is always carried out to have various products as well as to give more value for a product. For example, Company A2 learned on bamboo drying process to have a better raw material. Company A1 uses water base paint for batik finishing process to make it more environmental-friendly. Market trends should always be learned to understand customer needs. They have to compete with other creative industries that produce similar products. Collaboration with other companies is another alternative to innovate their products.KM implementation helps creative industries to maintain or improve quality and to perform innovation.

5. CONCLUSIONS

Creative industries have implemented various KM practices in their business. However, they still find several challenges to fully applied it. KM enablers, which include organizational culture, people, technology and process, help creative industries to implement KM. KM strategies are the process of how KM is implemented. Creative industries have applied the KM process from identify the knowledge and store it. Then knowledge sharing can be held both formal and informal. The knowledge implementation process needs to be strictly supervised. Lastly, knowledge development is also performed by creative industries Limited resources and funds in creative industries may inhibit to apply KM properly. These become a challenge for creative industries to implement KM. The potential areas of further research can be as follow. First, the qualitative research study will be broadly conducted to the organization which supports creative industries, such as local government, bank, academic and private organization. Next, a quantitative study on KM implementation in creative industries could help to examine how KM implementation can help to improve the quality and innovation process.

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