

THE IMPLEMENTATION OF KNOWLEDGE MANAGEMENT FOR THE PROFESSION OF MANAGEMENT CONSULTANT

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ABSTRACT

The right strategy to have strong competitive power needed by the company in order to face the tight business competition by using or hiring management consultant is one of the strategy to face the business competition. Management consultant are able to assist companies in dealing and handling with the business problems as well as to expand the business of the company. The method that is used in the research is in the form of literature study taken from books which writes about business research and librarian, as well as the empirical studies from the journals related to business research and librarian for national and international scale. The conclusion herewith from this research among others: Knowledge Management is the compulsory capital that must be owned by a management consultant in handling clients in very competitive era, that are very harsh. Knowledge Management is indeed needed along with the information technology and communication advancement, as well as the implementation of Knowledge Management that can form skill owned by management consultant and consultant management so that both are able to obey and operate based on etical code of the profession.

Keyword : Knowledge Management , Capability, Skill, and Etics Code

INTRODUCTION

The tight business competition right now demand each company to have a certain strategy that can be shown off the competitive advantage in particular way so that the company can have competitive power with other companies. Competition right now happens not only among products and services, but the competition happens also across products and services, for example, services like transportation facility services, where air travel or flights or airline service compete tightly with train services, and sea-transport service. In addition to those kind of transports, 'ojek' transport service that is still conventional , right now, have a heavy competition in form of on-line transport service, even or worse, on-line transport service in certain regions of Indonesia face objection and defense from the regular 'angkot' (city transport) and drivers of the conventional taxis.

In order to have a competitive power that is strong in business competitions, the company are required to be able to implement the right and efficient strategies. However, it happens that the strategies can not be done well because of several or many other factors. One of those factors is the problems happen in a company ; therefore, strategies that are planned to be discussed arranged cannot run. In order to overcome the problems, other alternative solution is required in order to plan and arrange competitive strategies that can bring up specific competitive advantage. However, sometimes, with the limited time and limited human resources owned by the company, the company are not able to resolve the problems and the problems are likely to even get more protracted and they spread to other problems. One of the alternatives is in a form of assistance from other party such as service from management consultant.

One of the expectation by a client from the management consultant is the ability to give input or advice to the problems faced by the client, which certainly the problems are about management area, where the role of a management consultant plays importantly in solving the problem or he is the problem solver to help the client who is facing the problem. In addition to solving the problem, the service of a management consultant can also be used by the companies for the purpose of doing a business development strategies, where in this situation, analysis are required as well as to see the business trend seen from management consultant point of view.

The profession of management consultant demand to convince the clients about their contributions. They certainly have to have concept, methodology , and tools for the purpose of giving solution to the problem. Also, a consultant need to have solution to the problem that the client is facing where the solution is in the form of advice that is objective and perspective to outsider. Although the concepts, the methods, and the tools as well as the solution from the management consultant towards the clients are still functioned as the second opinion, the concept, methods, and the tools and the solution to the problem have very strong base; therefore, they can be used by the client as the solution to the problems. The process of concepts, methods, and tools as well as the solutions that are owned b the management consultant requires technical things and strategic things to get it. As for the technics and strategy to achieve them, it can be used or gained through the implementation of Knowledge Management.

The implementation of knowledge management is the need that is very basic from the management consultant profession. According to Praharsi (2016) it is said that Knowledge Management is the steps that are systematic and effective in managing the knowledge owned by the companies to create competitive advantage. Management consultant who has the responsibilities to solve the client's problem as well as to develop the client's business, is demanded to be able to manage and operate Knowledge Management, because one of the source of solving the problem and developing the business from client, the main source is the knowledge management which is possessed and mastered by the management consultant.

Based on the description of the background, the formulation of the statement of the problems studied in this research, are as following: (1) How is the role of knowledge management in supporting the job to the profession of the management consultants described or explained ? (2) How is the implementation of knowledge management to the management consulting profession be described ?

The purpose of this research are : (1) To provide an overview on how important the role of knowledge management is in supporting the job of the management consultant profession. (2) To provide an overview on how to implement the knowledge management to the management consulting profession.

LITERATURE REVIEW

Management Consultant

There are several definitions about management consultant, such as Institute of Management Consultant (1996) which defines that management consultant as one of the business enterprise

consulting services that are managed and performed by independent and eligible or qualified parties, individually or by group. Kubr (2000) defines that Management Consultant is a profession where someone becomes a partner who helps his/her clients to solve management and business problems, to help organization to achieve the objectives, to help identify new opportunities, increase study capabilities, and make changes.

According to Ahuja (in Aribowo 2014) defines Consultant Management as the ones who offers consultation service to all fields related to the field of management. Apart from it, the understanding of management consultant is a profession that provide independent advices, that has particular capabilities in management field in order to achieve organizational goals and objectives through solutions to business and management issues, identification and measurement of new opportunities, learning and implementation of change.

According to Ray (2005), a management consultant is not one of the employee or staff of a company, but he/she is working independently and can be contracted to handle certain tasks and the management consultant is paid hourly or per hour, depending on the agreement. The business that can be assisted or helped by management consultants in their mission to develop the business of companies are among others business in : Marketing, Finance, and Accountancy, Tax & Taxation, Laws, Information Technology , Human Resources Management, and Production and Operation.

Knowledge Management

Every person in this world has to own knowledge, knowledge is like a life to humans in his life. The meaning of knowledge according to Laudon (2008) is the physiological cognitive events that occur in the human mind. As for knowledge according to Soleh (2015) is the capability to take effective action (Soleh 2015). Addleson (2000) sees the knowledge from two point of views. First, the knowledge as First, knowledge as a physical being and is described as an asset. Second, the knowledge as a process, and is created when somebody interacts and shares his/her knowledge with someone else or with people from other group. Types of Knowledge according to Suparna (2005) is divided into :

- a. Fact, consist of observed objects and verbal information
- b. Concept, consist of concrete concept and formed concept
- c. Procedure, consist of linear sequence and dual discrimination
- d. Principles, consist of natural rules and rules of activity

Tiwana (2002) defines knowledge management as the organizational knowledge management in order to create value and to produce competitive advantage or prime service. As for American Productivity and Quality Centre (APQC) in Sangkala (2007) defines knowledge management as the strategy and process of indentifying, capture and dig out knowledge for the purpose of imcreasing and improving business competitive power. Knowledge management is the management using knowledge as the focus (Yadi, 2016). Knowledge management can be understood as an effective action in managing and make the best use out of the information to become knowledge to create company competitive advantage (Praharsi, 2016)

RESEARCH METHODS

The method that is being used in this research is in the form of literature review. According to Jesson et al (2011), the literature review is a written product which opens up a topic or result of a published research . without any description of a scientific methodology. Cooper in Creswell (2010) explains that literature review has several objectives that is to inform to the readers the

results of other researches that is related closely with the current or existing research conducted at this moment, to connect research with the available literatures and filling in the gaps in previous researches. So the research, through the literature study, aims to provide a model or a description on how the knowledge management for the profession of management consultant is implemented.

Data that is managed to be collected in this research come from National or International scale of Journals that discuss about business research and librarian, who is chosen subjectively by the researcher. In addition to the research, this research is also supported by data and information that are available in the public such as supporting books, newspaper, magazines, research publication report by empirical studies from the competent institution. In this research, the researcher reassemble important ideas from the National and International journals, supporting books, newspapers, magazines, research publication report that is chosen by means of logical thinking, systematical and critical argumentative thinkings.

Result of the Research and Explanation

The tight competition in various different business industries makes the company have to have its own strategy in order to win the competition. One of the ways that can be used by the companies in their strategies to win the competition is to use or hire the service of a management consultant. Management consultant can be used as the second opinion in order to overcome and solve business problems as well as to develop business. For that reason, somebody has to participate and choose seriously the profession of a management consultant. He/she has got to own competencies and qualifications that are quite sufficient or expert and he/she has got to own a very good and mature experience in handling the business problems of his/her cliets, as well as expanding the clients' business. Also one of the tools that can be used by management consultant is the capacity of the knowledge that is owned by the management consultant in order to handle the client business problems. According to Berglund and Werr in Rupidara and Prajudo (2003), in doing his/her profession, a management consultant is indeed in need to be able to convince his/her client about his/her contributions, so that clients do not spend money uselessly when clients are using the service or management consultants.

The focus of Knowledge Management according to Tuomi (1999) is on the management of knowledge resources such as skills, competencies, expertise, product knowledge (product design and document) and organization assets (identities, language, and motive system). Then, as the focuses or important points on the implementation of Knowledge Management according to Dewiyana (2004) can be explained as follows:

- a. The availability of serious effort to increase cognitive systems (organization, human resource, computer, or the combination of human and computer system).
- b. The availability of knowledge assets that are managed, that come from inside the organization or outside the organization, individual person, and group.
- c. The availability of supply process, the process itself, storage, and the use of the knowledge in order to achieve certain objectives.
- d. The availability of knowledge distribution and spread and the experience sharing, either from the direct access to database and through the sharing and collaboration towards internal and external environment of the organization.
- e. The availability of activities and innovation to create new knowledge.

In the era that is full of technology advancement and information improvement, knowledge management is really needed by the business society including all kind of management consultant profession, especially in giving advices that can improve and increase the clients' competitiveness that is being handled by the management consultant. According to Chao in Muluk (2004), if an organization want to retain or keep their competitive advantage that they

already own, the company has to be able to manage information. Choo in Muluk (2004) even also adds that information technology advancement and communication bring serious consequences and it is important to push to the need of knowledge management.

According to Rupidara and Prajudo (2003), in general, the knowledge can be gained from various learning resources and should be developed continuously for the sake of doing the consultation process. Besides that thing, according to Berglund and Werr (2000) that in the process of convincing the client about the importance of the offered knowledge, management consultant generally combines between the new aspects (novelty) and something that is common (familiarity). Knowledge management also has to pay attention to the point of view from up-to-date side, so that it is a must to always renew the knowledge to follow the trend of the development of the era. For that reason, the management consultant are competing harder to improve their level of knowledge that is owned by them as one of the capital and “ammunition” in solving the business problems of the clients. The increase of the level of knowledge can also be used to expand or develop the clients’ business. They should prevent their solution in such a way so that the solution given by the management consultant in handling the clients’ business problem or in developing the clients’ business is not “old-fashioned or out-of-date” and therefore not suitable with the development of the era, or they are not suitable to the current situation or the situation and condition that happen in the companies owned by the clients.

According to Aribowo (2014), the facility to improve and increase the knowledge, and to update the knowledge, tools and methodology in giving advice from the management consultant to the client in management field are among others by attending seminars, attending training, and also following the development on management world through books, magazines, newspaper, scientific journals, internet, and television. What is required by in the knowledge by a management consultant according to Siagian (1997) are among others:

- a. To have expertise in one field of management activities.
- b. To have broad understanding on the technical fundamental or basic management.
- c. To be able to appreciate management theory and organization.
- d. To understand human factors, and process which can influence working methods, organization motivation, commitment, team work, and interaction.
- e. To be able to appreciate the roles and functions of typical and specific business and environmental factors which can influence how an organization operates.
- f. To master knowledge in business administration field including basic accounting, laws, and commercial activities.

Related to the knowledge owned by a management consultant, particularly by the local management consultant, particularly, with the existing competition and with the differences in their characteristics between the local management consultant versus foreign management consultant. Tossin (in SWA magazine 2006) explains that in handling the client’s problem, local consultant are more superior in local knowledge such as in knowing the market condition, consumers, politics, economics, and also the fee of local consultant is relatively lower when compared to foreign consultant. Whereas, foreign consultant have excessive or more access to vast information in the field of information and broad networks.

One of the implementation of knowledge management is the formation of skill that is owned by management consultant which is expected to be made as an asset and “ammunition” in solving the problems as well as in developing the business of the client. The skills from the management consultant is expected to give value and changes that is moving forward to the expansion of the clients business towards better things. The implementation of the value and better changes are among others can be done through certain ways such as through system development, solution, support, services and others. Beside that, the implementation of the knowledge management from management consultants happens when the consultant gives

advice on how to solve the problems and how to develop the clients' business where knowledge, tools, and methodology that is given have to be adjusted with the situation and condition of the clients. It must be avoided to say that knowledge, tools, and methodology given is the ones that are just the same to the methodology given to all other clients that have been previously handled by the management consultants. Because every problem handled has its own characteristics, and its own uniqueness, and they also happened to different situations and conditions. The profession of a management consultant can be compared and equalized to the term of a "docter" who gives medicine to suit the patients, its dosage of the medicine given to the patient having the sickness or illness will be different according to the analysis. Therefore, expertise in analyzing in the correct way in prescribing the dosage of medicine has to be correct and accurate and exact so that the illness of the patient can be cured.

As for the skills that are needed by the management consultant according to Siagian (1997) are among others: 1) the ability to analyze, 2) the ability to diagnose, 3) the skill in decision making, 4) the skill in interaction, 5) the skill in doing persuasive action, 6) the skill to communicate, 7) the skill in marketing, 8) the skill in selling. According to Rassiell (2004) that in the global management consulting company like Mc. Kinsey, in solving the client's problem, there are 3 main characters to the problem solving which consist of 1) based on the facts, 2) Well and tightly structured, and 3) Supported by hypothesis.

One of the main things that must be owned by a consultant is the ability to maintain integrity in keeping the trust from the client. In doing and working on his /her profession as the management consultant, integrity is closely related to the etical code, so that one of the knowledge that must be owned by a management consultant in doing his/her profession is etics code of management consultant. The situation that creates etics in the activities done by management consultant profession is about the confidentiality or secret, disputes on the goals and objectives and purposes of each person or department, information from insider / or closely related family members, qualifications , salary, compensation or bonus or fees, personal relationship, objectivity, and loyalty (Siagian, 1996). To keep the clients' secret confidentially is the implementation or the practice of etical codes of the management consultant. The secret or the confidential things of the clients must always be kept confidential or keep them as secret. Even when the client is no longer having a cooperation again with the management consultant or the clients has nothing to do with the management consultant anymore. Even it exists several individual consultant or the institution or foundation on management consultant that possess a high idealism as not to accept clients from the same or similar industries or with the clients that are in the middle of being handled by another management consultant.

The elements of etisl code of management consultant are among others Klien, Engagement, Fee, and Profession (International Finance Corporation, 2016). Whereas, there are other reasons which is behind the importance of etics code for the profession of management consultant according to International Finance Corporation (2016), among others are:

1. Education effect, is the etics code which provides guide lines to the members of institution about actions, and etical behaviors which are accepted by society.
2. Doubt clearance, which is etics code to reduce the area where someone has to fight his/her doubt.
3. Visible and impersonal standard which is etics code to help consultants in making the decision.
4. To gain the trust from business and society.

There has been an organization of consultants located in Indonesia which is called Ikatan National Konsultan Indonesia or in brief name it is called Inkindo. Inkindo is an organization formed as the result of the combinations of Indonesian consultants ties IKINDO (Ikatan Konsultan Indonesia), and the combinations of Technical consultant association of development

of Indonesia or PKTPI (Persatuan Konsultan Teknik Pembangunan Indonesia) which has been founded since year 1979. The etical code of Inkindo among others are as following:

1. Upholds the honor, the glory and the reputation of the consulting profession in employee relationships with the people who assign the work or the task and with the fellow consultants and the community.
2. Behaves and works honestly and impartially, and work with dedication of serving the employer and the communities.
3. Exchanges knowledge of his field of expertise in a fair way with the consultants and professional associates and to improve the community's knowledge of the existence of the consulting profession so that people appreciate more and better of the work done by the consultants.
4. Respects the principle of remuneration process for the consultant fee that is sufficient and adequate so that it is believed to be really professionally and morally accountable to ensure that consultants can carry out the duties entrusted by complying to all requirements related to the expertise, and competence, and high integrity of the consultants.
5. Appreciates and respects the professional reputation of the co-consultants or colleagues, as well as any employment agreement related to his profession.
6. Gets the job primarily based on professional skill standards without going through unfair competitions.
7. Works together as a consultant only with co-consultants or other experts who have high integrity.
8. Implements the principle of sustainable development in all aspects of the consultants' services as an integral part of his /her responsibility to others, to the wider life environments, and to the future generations.

Etics code that a management consultant should have according to International Finance Corporation (2006), are among others : First, he/she has to have a high moral integrity. Second, he/she has to be open minded, transparant, and honest. Third, he/she can appreciate time. Fouth, he/she can keep clients' secret. Fifth, he/she can uphold clients professional etics. Sixth, he/she can support the best practice. Seventh, he/she can maintain client's reputation, and eight, he/she obeys and follows the rules and laws. By obeying the etic codes of professions, when the management consultant is handling and solving the client's business problem , there will be guarantee that the management consultant will not deviate from regulation and laws; then, the clients will feel secure and comfortable and calm when client use the consultant's service.

CONCLUSION

The conclusion from the research are as following:

1. Strict business competition and the limited internal knowledge resources owned by the company are the major problem; therefore, the service of the consultant management is highly needed. The service is needed to be used as second opinion in helping or assisting the clients to face the business competition.
2. Knowledge is needed on the profession of management consultant in order to be able to manage the knowledge resources during the consultation process, and knowledge can be obtained from various learning sources and knowledge needs to be developed continuously through following the seminar, training, and following the development of management world through books, magazines, newspapers, scientific journals, internet, and television.
3. Knowledge capacity is one of the main indicator to be able to compete among fellow management consulting profession in providing or giving the management consulting services to clients.
4. Implementation of knowledge management for the profession of management consultant is the improvement of skills owned by management consultant which is expected to give value

and to change the client' business development, and to obey the ethical code of professional management consultant in order to make client feel comfortable and calm when hiring and using the service of the management consultant.

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