

ANALYSIS OF KNOWLEDGE MANAGEMENT IMPLEMENTATION IN SMALL AND MEDIUM TEXTILE INDUSTRIES IN MAJALAYA, WEST JAVA

Nur Efendi¹ and Ida Nurnida²

¹Department of Business Administration, Universitas Lampung

²Department of Business Administration, Universitas Telkom

E-mail: nur.efendi@fisip.unila.ac.id; nurnida@telkomuniversity.ac.id

ABSTRACT. The competitiveness of the textile industry is determined by the implementation of knowledge management. Therefore, this research aimed to describe and analyze the implementation of knowledge management in small and medium (SMEs) textile industry in Majalaya, West Java. An exploratory descriptive design was used with an inductive approach and qualitative methods. Data collection was carried out through interviews and observations, while the analysis was conducted through stages of data reduction, display, and conclusion. The results showed that SMEs textile industry in Majalaya, West Java did not implement knowledge management optimally. There were three internal problems, namely the low skill level of the workforce, low mastery of technology, and weak learning culture. The impact of the problem was the high dependence on the knowledge of the owner and supervisor, the occurrence of hostages between the owner, supervisor, and employees, and labor practices causing companies to lose potential workforce. In this context, the implementation of knowledge management experienced obstacles, such as lack of management and leadership support, weak learning culture, low mastery of information technology, limited technological infrastructure, lack of adequate training and education practices, and human resource management practices.

Keywords: knowledge management; SMEs; textile industry.

ANALISIS IMPLEMENTASI *KNOWLEDGE MANAGEMENT* PADA INDUSTRI TEKSTIL KECIL DAN MENENGAH DI MAJALAYA, JAWA BARAT

ABSTRAK. Daya saing industri tekstil di antaranya ditentukan oleh seberapa baik perusahaan mengimplementasikan manajemen pengetahuan. Tujuan penelitian ini adalah mendeskripsikan dan menganalisis implementasi *knowledge management* pada industri tekstil kecil dan menengah di Majalaya, Jawa Barat. Tipe penelitian ini adalah deskriptif eksploratif dengan pendekatan induktif dan metode kualitatif. Pengumpulan data dilakukan melalui wawancara dan observasi. Analisis dilakukan melalui tahapan reduksi data, tampilan data, dan penarikan kesimpulan. Berdasarkan hasil penelitian diketahui bahwa industri tekstil kecil dan menengah di Majalaya, Jawa Barat belum mengimplementasikan *knowledge management* secara optimal. Ada tiga permasalahan internal yang dihadapi oleh industri tekstil, yaitu tingkat keterampilan tenaga kerja yang rendah, penguasaan teknologi yang masih rendah, dan budaya belajar yang masih lemah. Dampak dari permasalahan ini adalah tingginya ketergantungan pada pengetahuan pemilik dan pengawas, terjadinya saling sandera pengetahuan antara pemilik, pengawas, dan sedikit karyawan yang memiliki pengetahuan, dan praktek ketenagakerjaan yang menyebabkan perusahaan kehilangan tenaga kerja yang potensial. Implementasi manajemen pengetahuan dalam industri tekstil berskala kecil dan menengah mengalami hambatan berupa kurangnya dukungan manajemen dan kepemimpinan bagi terciptanya proses belajar dalam organisasi, budaya belajar yang masih lemah, penguasaan teknologi informasi yang sangat terbatas, infrastruktur teknologi yang masih terbatas, sedikitnya praktek pelatihan dan pendidikan yang diberikan kepada buruh dan karyawan, dan praktek manajemen sumber daya manusia yang belum memungkinkan terjadinya proses belajar dalam organisasi.

Kata kunci: industri tekstil; industri kecil dan menengah; *knowledge management*.

INTRODUCTION

The Indonesian textile industry was reported to experience a decline in the third quarter of 2022 and this remained negative throughout 2023. Additionally, the trend was attributed to the global economic conditions and the substantial influx of imports from China, saturating the domestic market (Sekarsari, 2023). The resultant impact was the diminished capacity of companies to sustain production levels, with a reduction in market share, leading to a decline in sales.

According to Slatter cited by Thompson (2001), this phenomenon was a symptom of decline leading to decreased competitiveness.

The decreasing level of industrial competitiveness can be seen from macro and micro perspectives. From a macro perspective, the decline is the impact of changes in the macroeconomic environment such as government policies, competition, economic crises, and other variables in the external environment. Meanwhile, the micro perspective experiences a decline in terms of internal aspects, including

the availability of capital, efficiency, high-cost economics, production technology, and quality of human resources (Pratiwi, 2020), as well as various other production factors.

There have been several research on the textile industry in the last 3 years. The results discuss competitiveness (Prasetyani et al, 2020; Do, 2021; Zhelev, 2021; Rahman & Moazzem, 2022), health, safety, and work environment issues (Kumar & Mut Hukumar, 2018; Shukla et al, 2021; Das, 2021), as well as human resources (Jain, 2022), which are an important element to drive an organization. Change must include people and four categories of choices are essential, namely organizational structure, technology, physical setting, and people (Robbins, 2001). This concept refers to variations in employee attitudes, skills, expectations, perceptions, and behavior.

Changes in attitudes, behavior, expectations, and perceptions of individuals and groups can be carried out by spreading knowledge. Furthermore, knowledge possessed is applied in work activities and Liebowitz calls the concept the knowledge management life cycle (Mannan, 2013).

Most definitions view knowledge management as a system (Widayana, 2005) or process (Nonaka and Takeuchi, 1996; Prijosaksono and Sembel, 2002; Turban et al., 2005; Laudon and Laudon, 2008; Lloria, 2008). According to Widayana (2005), knowledge management is a system for creating, documenting, classifying, and disseminating knowledge within an organization. Batgerson stated that knowledge management was a systemic approach to controlling intellectual assets and other information, thereby providing a competitive advantage for companies (Sedarmayanti, 2020). According to Long & Seemann, the concept is the development of tools, processes, systems, structures, and culture which implicitly increase the creation, dissemination, and utilization of knowledge (Sedarmayanti, 2020).

As a process, Quintas et al cited by Lloria (2008) reported that knowledge management was the process of continuously managing all types of knowledge used to meet needs, identify and exploit assets, and develop new opportunities. The process ensures the development and application of knowledge to increase problem-solving capacity and contribute to maintaining company excellence (Lloria, 2008). Knowledge

management is the process of collecting, organizing, storing and using tacit and explicit knowledge (Nonaka and Takeuchi (1996). As a process, knowledge management is intended to obtain, organize and communicate tacit and explicit knowledge to increase the effectiveness of employees in the workplace (Alavi & Leidner, 2001). In this context, knowledge is stored, disseminated, and used to promote innovation (Duffy, 1999) and maintain competitive advantage (American Productivity & Quality Center, 2007).

Some of the definitions mention tacit and explicit knowledge as an important part. Michael Polanyi introduced tacit knowledge in 1958 where “*we can know more than we can tell.*” (Zhenhua, 2003). This knowledge is stored in everyone’s mind and is very specific and not easy to communicate. The concept can be understood as the reservoir of knowledge inherent within an individual’s mind, often without explicit awareness, including the know-how in accomplishing various tasks (Bray, 2007). According to Nonaka, Tacit knowledge is subjective, and cannot be expressed in words, sentences, numbers, or formulas. Furthermore, it includes cognitive skills such as beliefs, images, intuitions, and mental models as well as technical skills including crafts (Spencer, 2007).

Cognitive skills, intuition in business, or mental models are examples of tacit knowledge. Individuals often remain unaware of the depth of knowledge and the potential benefits to others. This is because the concept is ingrained through natural processes and shaped by personal experiences. Meanwhile, the efficient transfer of tacit knowledge necessitates frequent personal communication and regular interaction to facilitate articulation and exchange (Goffin and Koners, 2011).

Tacit and explicit knowledge are two distinct concepts. According to Schmidt and Hunter (1993), tacit knowledge is exposed through practice in specific contexts and is shared through social networks. In some cases, the knowledge is acquired by networks of practitioners (Goffin and Koners, 2011). Meanwhile, explicit knowledge is objective and rational in the form of words, numbers, or formulas. The concept includes theoretical approaches, problem-solving, and database management. (Nonaka in Spencer, 2007). Tacit knowledge is unstructured knowledge, while explicit knowledge is structured and articulated.

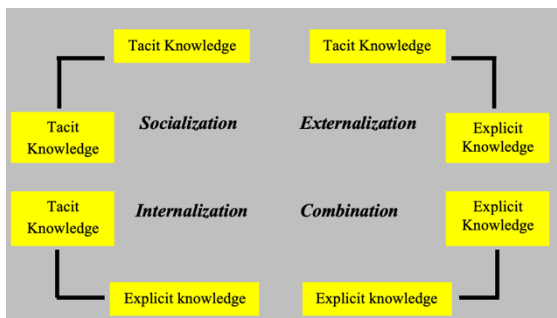


Figure 1. Nonaka's Four Modes of Knowledge Conversion (Spencer, 2007)

According to Nonaka, tacit or explicit type of knowledge can be converted. In the spiral model, organizational learning is influenced by the initial stages and the continuous progression, which follow a clockwise trajectory. Therefore, the approach taken to initiate and sustain the model significantly shapes the course of organizational learning (Spencer, 2007). The spiral nature of this model signifies that comprehension deepens progressively as people engage in learning activities. The conversion process from tacit to explicit knowledge is explained as follows:

The process of transferring tacit knowledge from one person to another is known as socialization. Furthermore, socialization is an experiential and active process, including the capture of knowledge through direct interaction. This process relies on the sharing of experiences and learning results in the acquisition of skills and the development of common mental models.

Externalization is the process of converting tacit into explicit knowledge. This process is carried out by articulating tacit knowledge, such as ideas or images in the form of words, metaphors, or analogies. Externalization can also be achieved by acquiring and translating other people's tacit knowledge, into an easily understood form. Face-to-face communication and dialogue play important roles in enhancing the sharing of beliefs among individuals and facilitating the learning process. Through feedback mechanisms and the simultaneous exchange of ideas, people can refine the ability to articulate thoughts effectively.

Explicit knowledge can be easily transferred through a process known as combination. In addition, it can be shared through various means such as

documents, emails, databases, meetings, and briefings. Important steps include gathering relevant internal and external knowledge, as well as disseminating and processing the result. Meanwhile, combination helps in knowledge transfer between groups in different organizations.

Internalization is the process of understanding and assimilating explicit into tacit knowledge. This is achieved through an experiential process, including the application of concepts and methods into practice through actual implementation or simulation. The internalization process enables the transfer of explicit knowledge from an organization or group to an individual (Spencer, 2007).

Based on the description, an understanding of the concept of knowledge management cannot be separated from the concepts of the two types. According to (Gourlay, 2002), tacit knowledge is the result of the application possessed by the organization. Research indicates that effective knowledge management includes transforming tacit into explicit knowledge. This conversion allows the internalization and creation of a personal understanding of knowledge. Therefore, the learning process in the organization should respect personal differences to create new knowledge for individuals, groups, and organizations.

The conversion model forms the basis for the development of theoretical knowledge. The processes of Socialization, Externalization, Combination, and Internalization are used to manage knowledge within the organization. Some experts state that knowledge creation includes several processes (Liebowitz, 2001), and dimensions (Alavi and Leidner, 2001; Desouza, 2005).

Liebowitz (2001) states that knowledge management includes 1) identifying and capturing knowledge, 2) sharing knowledge, 3) using knowledge and internalization processes, and 4) creating new knowledge. The new knowledge provides feedback for individuals to identify and capture others, as described in Figure 2:

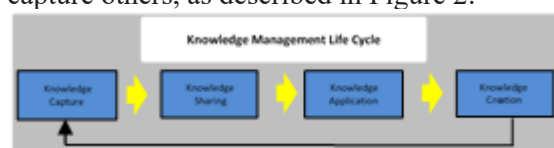


Figure 2. Knowledge Management Life Cycle (Liebowitz, 2001)

The application of these four processes can be facilitated by Information Technology (Alavi and Leidner, 2001). The knowledge management life cycle reported by Liebowitz is similar to the dimensions of knowledge management stated by (Alavi and Leidner, 2001; Desaoza, 2008

Knowing the implementation of knowledge management in SMEs textile industry is important in absorbing a lot of labor. The decline in competitiveness directly impacts the ability to absorb labor. In August 2022, the number of workers in the textile industry was 1.08 million, a decrease compared to August 2021 when the number reached 1.13 million. Based on the background described, the purpose is to describe and analyze the application of knowledge management and the inhibiting factors.

METHODS

This type of research is descriptive and exploratory, describing the implementation and constraints faced by textile industry SMEs in Majalaya, West Java. An inductive approach was carried out with qualitative methods and respondents were the owner of CV. SML, PT. SSN, HRD MANAGER of PT. Nirvana, HRD Manager of PT GPS and 9 workers in the textile industry. The primary and secondary data were obtained through interview techniques and relevant agencies in Local Government.

Testing the validity and reliability of the data was carried out using triangulation and examining the transcripts to ensure that there were no errors made during the process. The data processing process includes a) preparing the data for analysis, b) reading the data, c) coding the data, and d) applying the process to describe the settings, people, categories, and themes. The data is analyzed through stages, namely reduction, display, and conclusion, as depicted in Figure 3.

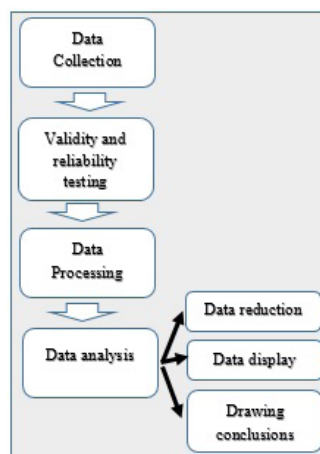


Figure 3. Research Flow

Analysis of Knowledge Management Implementation in Small and Medium Textile Industries in Majalaya, West Java
(Nur Efendi and Ida Nurnida)

RESULTS AND DISCUSSION

According to Keppy (2007), Majalaya's textile industry started in the 1930s, spearheaded by several local textile entrepreneurs such as Ondjo Argadinata, and H. Abdulgani. During this era, the home weaving industry experienced development, relying on traditional handlooms known as tustel (non-machine looms/ATBM), which are still in use. The participation of workers in weaving factories in the early 1930s gave the provision to open a weaving business. Almost every resident of Majalaya owned weaving equipment and the period is remembered as the golden age of Majalaya. The weaving industry reached its peak in the early 1960s and by the end of 1964, Majalaya controlled 25% of the 12,882 machine looms (ATMs) in West Java. However, local weaving entrepreneurs are losing influence and switching to the maklun system. The home weaving industry has been displaced due to the inability to compete with products produced by ATMs. In the following period, marginal business activities were adopted, such as making rags, urung, and mattresses. Since the 1970s, many indigenous factories have been sold to foreign entrepreneurs or citizens of descent. At the end of 1985, Majalaya's textile industry revived and benefited from the development of large factories in various regions, such as Bandung City and sub-districts in Dayeuh Kolot, Cimahi, and Ujung Berung.

The condition of Majalaya's industry has decreased due to many factors, such as the large number of imported textiles from China entering the domestic market. The situation of SMEs in Majalaya can be characterized by the following aspects: 1) the company is family-owned; 2) most of the production machines are old; 3) the workforce is unskilled and most of the formal education is low; 4) the availability of information technology is limited; 5) some have not implemented minimum wage; 6) some businesses do not have a license.

Knowledge Management can be applied in all organizations. Differences in organizational characteristics and culture cause the application of knowledge management to also experience adjustments. However, implementing knowledge management can be carried out easily. There are several obstacles faced when knowledge management is implemented, including 1) Organizational understanding is low about the importance of knowledge management for survival and competitiveness, and 2) Lack of opportunities given to individuals to access new knowledge and information.

This also occurred in SMEs textile industry in Majalaya, West Java and the decline experienced can be attributed to a lack of competitiveness among business actors. The deficiency is from inadequate implementation of knowledge management practices. A contributing factor is the limited comprehension among business actors regarding the significance of ensuring the survival and enhancing the resilience of business organizations. This condition is consistent with the results of research by Aulia & Suheri (2017) and Guridno & Efendi (2020) that the competitiveness of the textile industry is influenced by many factors Aulia & Suheri (2017) identified factors that affect the improvement of the competitiveness of the textile industry and textile products in the Bandung Regency area, including: 1) Most of the raw materials must be imported, 2) rising energy costs, 3) Unstable labor wages, 4) using technology, 5) unskilled labor, 6) the decline in domestic market demand because it is unable to compete with Chinese products, and 7) the burdensome company management system. According to Guridno & Efendi (2020), human resources, capital resources, technology, and competitive strategies affect the competitive ability of SMEs textile industry

The process of adoption and practice systematically include the organization in the management of human resources, process technology, and the environment, with appropriate targets and feedback mechanisms, which enable the retention, sharing, identification, acquisition, and utilization of knowledge to achieve strategic objectives, such as increasing competitiveness or improving performance (Lehaney, et al., 2004). The implementation of knowledge management can develop new opportunities, create value for customers, gain competitive advantage, or improve performance (Lloria, 2008).

The textile industry has experienced the impact of free trade and economic globalization hitting Indonesia, specifically for companies whose products compete in the domestic market. Without ignoring the importance of financial, marketing, and production process factors, the problems experienced are also caused by the malfunctioning of knowledge management.

The success of SMEs depends on the management of knowledge (Brush and Vanderwerf, 1992). The size of small and medium companies should open up more opportunities for the learning process and transfer of knowledge within the company, even though the mastery of information technology is low. According

to Astuti and Kusumawijaya (2013), this phenomenon occurs due to several factors. Firstly, the implication of a centralized decision-making process and a reduced number of management levels expedites the decision-making process. Secondly, SME organizations typically possess simpler, flatter, and less complex structures, facilitate change initiatives among organizational members, promote functional integration, and alleviate encountered barriers (Wong and Aspinwall, 2005). Thirdly, SMEs tend to enhance a natural and fluid organizational culture to effect changes and implement knowledge management strategies.

The learning process and knowledge transfer only occur in the early stages when an employee enters the corporate environment. In this case, the owner or supervisor provides verbal directions regarding the duties of an employee and the conduction of tasks. The owner of CV SML stated that, *"for new workers, he only does light work according to orders, of course not difficult work such as operating machines. However, I still supervise them so that no mistakes occur. How long this lasts depends on his ability to master the commands I'm working on."*

Through a learning pattern, an employee achieves enhanced proficiency by consistently performing the same task daily. However, this learning trajectory is stopped when the employee acquires new knowledge. Conditions of competition that are quite tight among employees to maintain jobs cause employees to act protectively against new knowledge. *"There is no obligation on me to share my knowledge and skills with others,"* said a worker from PT. Nirvana. New knowledge becomes a scarce commodity and becomes a tool for wage negotiation and continuity of employment relationships. This condition has an impact on the non-development of organizational knowledge and in the context of products, this results in stagnation of innovation. Even though the ability to innovate is an important element in building the competitiveness of SMEs (Nugraha, 2011), the company's products are unable to compete with the products of larger companies. In this context, mastery of knowledge is important to create a competitive advantage. This knowledge can be obtained from inside and outside the organization. The availability of information technology such as the Internet should be a source of new knowledge. In addition, information about the market and consumer behavior can be learned through the Internet.

Numerous textile industries engaged in the production of threads, fabrics, or garments persist in adhering to static patterns, neglecting the dynamic nature of the industry oriented towards fulfilling market demands and preferences. The result is predictable, and the production is less attractive to consumers. Apart from the monotonous motifs and models, the prices offered are higher than imported products which are more up to date in terms of motifs and models. The SMEs textile industry in Majalaya has not learned the concept and consumers are dependent on the products offered, regardless of the conditions. Consumers have experienced a learning process while companies and industries have not carried out the same to offset the learning outcomes.

The process of learning and creating knowledge is important for gaining a competitive advantage. This was also emphasized by Astuti & Kusumawijaya (2013) stating the importance of implementing knowledge management to create, support and improve competitive advantage. With limited human resources, capital, and technology, the learning process in smaller organizations is relatively more difficult. For the implementation of knowledge management, SMEs must understand the critical success factors (CFS) (Astuti & Kusumawijaya, 2013), namely:

1. Management has an important role in influencing the success of knowledge.
2. Organizational culture is a factor supporting the success of knowledge management.
3. Information technology has various roles in supporting organizational knowledge management processes.
4. A clear and planned strategy determines the success of knowledge management implementation.
5. Measurement of knowledge management is needed to ensure that the desired objectives can be achieved.
6. Developing an organizational infrastructure to create rules and teams to carry out knowledge-related tasks.
7. Coordination of each knowledge management process is crucial.
8. To build a knowledge-based organization, the incentive system should focus on criteria such as knowledge sharing and contribution, teamwork, creativity, and innovative solutions.
9. The successful implementation of knowledge management depends on the source.
10. Training and education are some of the factors influencing the success of knowledge management.
11. Effective HR management is crucial because of knowledge and competencies.
12. Effective HR participation has an impact on satisfaction, quality improvement, and increased productivity of SMEs.

Based on the research results, there are 3 internal problems faced by the textile industry, namely 1) the low level of labor skills, 2) mastery of technology is still low, and 3) the learning culture is weak. Most of the workers in the textile industry have junior high school education or at most senior high school and there is no strict selection in labor recruitment. Furthermore, when the criteria of knowledge and skills are used as the basis for acceptance, no candidate will qualify because of the absence of knowledge and experience. Most of the workers graduated from high and elementary schools.

Kinship, friendship, and regional relations are the basis for hiring workers. Under these circumstances, companies face considerable challenges in anticipating new knowledge. The learning process in organizations tends to occur internally, where the explicit knowledge possessed is transferred to workers through a job training process. The individual must accept this knowledge as a prerequisite for continuing the employment relationship. In the context of the assumption, individuals do not have tacit knowledge related to textiles, and concerns about turnover intention since workers become more skilled. *"I make my textile motifs that will be produced, I'm afraid they will leave the company and move to big companies when this knowledge is possessed,"* said the owner of CV SML. The practices lead to dependence on organizational knowledge represented by owners and supervisors.

The second problem, the low level of education also significantly affects individuals in terms of mastery of technology. Currently, the use of technology is not only in the production process but also outside the context. Most textile companies still use machines that are more than 20 years old. Companies cannot afford to buy new machines since the production process relies heavily on the existing machines. Meanwhile, mastery of technology outside the production process, such as information technology, is limited to certain people, namely owners, supervisors, and administrative workers.

There are two assumptions, firstly, failure to use information technology for seeking new knowledge and information results in a lack of learning. Secondly, there is no transfer between new information and existing knowledge. Some individuals in the organization try to hold knowledge hostage to prevent the occurrence of knowledge sharing. *"I taught myself, this is mine and I don't want to share it,"* said a worker at PT GPS. Meanwhile, knowledge management activities including capture, documentation, retrieval and reuse, creation, transfer, and sharing of knowledge assets are integrated into operational and business processes (Dayan and Evans, 2006).

The third problem faced by the textile industry is the low learning culture within the organization. Few companies are willing to promote the learning process by training workers or employees with new skills. Some of the training needed to support labor competencies include computer training, graphic design, textile production techniques, and other technical training. Workers and employees possessing advanced skills may obtain greater benefits, showing a phenomenon of diminished commitment among textile industry personnel. There exists a trend where trained workers gravitate towards larger companies offering more lucrative wages. Therefore, it becomes risky to send workforce for external skills training initiatives.

The recruitment process for workers and employees does not require minimum education and experience. Therefore, the company's wage policies do not follow the regulations issued by the government and the amount received is assessed by the level of expertise at work. Throughout career trajectory, people are subjected to on-the-job training sessions aimed at refining accuracy and honing skills. At this stage, there has been a transfer of tacit to tacit knowledge from supervisors to workers. This socialization process continues until the worker can carry out duties without making mistakes. Tacit knowledge received will remain attached to worker which can be seen from the level of skills. Workers often recognize the value of the knowledge, which warrants a higher compensation and holds marketable value. Dissatisfaction with wages serves as a catalyst for workers to depart from current company and transition to another, equipped with the internalized tacit knowledge. The absence of a written contract between the company and the worker causes the worker to easily leave the company.

The large "cost" bear to recruit new workers causes many textile entrepreneurs to pay less attention to creating a learning culture. Moreover, expanding knowledge opens opportunities for productive change beyond environmental shifts, thereby enhancing unique opportunities to each company's individual needs (Penrose, 1959 in Huang, et al, 2011).

The three problems are the keys to uncovering more complex problems in the textile industry. Therefore, there are many other problems related to knowledge management leading to weak competitiveness. The impact of these various problems contributing to the competitiveness of the textile industry includes:

- a. Very high dependence on owner and supervisor knowledge. The low education and work experience of workers causes the opportunity for knowledge creation to be small. Knowledge accumulation among owners and supervisors reaches a saturation point, leading to a depletion where renewal becomes challenging. The stagnant condition continues provided knowledge owner does not invent new concept that can be transferred to others. In this context, creativity and innovation are affected, causing the company to lose competitive advantage. Innovation plays a huge role in business through the discovery of new ideas, work processes, and products, as well as improving the business conditions of enterprises.
- b. The occurrence of mutual hostage of knowledge between owners, supervisors, and a few individuals who know. This phenomenon arises from the limited access for all employees within the company to acquire knowledge through the information technology resources provided. The company's weak financial capability shows that information technology facilities are only available to a limited number of people. This condition is used by several individuals as a tool to bargain with companies. The more knowledge that can be accessed and owned, the stronger the position in the bargaining. Transfer of knowledge is also determined by the results of the bargaining.
- c. In many cases, workers with knowledge and skills are more likely to leave and work in larger companies. Migration of labor from small and medium-scale companies is often triggered by dissatisfaction with

wage practices. This condition results in a weak learning culture because there is no guarantee that workers trained to become skilled will continue to work.

The three points are relevant to the critical factors influencing the implementation of knowledge management as disclosed by Wong & Aspinwall (2005), namely 1) Management leadership and support, 2) Culture, 3) IT, 4) Strategy and purpose, 5) Measurements, 6) Organizational infrastructure, 7) Processes and activities, 8) Motivational aids, 9) Resources, 10) Training and education, and 11) Human Resources Management. The problems are part of the critical factors reported by Wong & Aspinwall and some of the factors with compatibility are:

1. Lack of management and leadership support for the creation of learning processes within the organization,
2. The learning culture is still weak,
3. Very limited mastery of information technology,
4. Limited technology infrastructure,
5. At least the practice of training and education provided to workers and employees; and
6. Human resource management practices that do not yet allow the learning process to occur within the organization.

The phenomenon of weak learning culture affects the attitudes and perceptions of workers and employees regarding knowledge management. The strong desire of individuals to go through the learning process within the organization is more motivated by the desire to increase bargaining position. Tacit and explicit knowledge absorbed through the processes of socialization, externalization, communication, and internalization, are accumulated within each individual without being followed by a process of sharing with others. In this case, individuals passively receive knowledge and do not actively participate in transferring knowledge. Furthermore, knowledge management faces a deadlock in absorbing knowledge from the organization.

According to Huang, et al (2011), external factors influence employees' perceptions of knowledge management and attitudes. These factors influence the implementation of knowledge management and affect organizational performance. Adequate hardware and software infrastructure, managers, top management support, value vision and organizational objectives, gathering, as well as attitudes towards

knowledge management, determine employees' perceptions of knowledge management.

CONCLUSION

In conclusion, the decline in the competitiveness of the textile industry was caused by imported textiles and the company's inability to anticipate environmental changes in recent years. This inability was a result of the malfunctioning of knowledge management in the company's organization due to the low level of workforce skills, mastery of technology, and weak learning culture. The impact of the internal problems was 1) Very high dependence on the knowledge possessed by the owners and supervisors, 2) mutual hostage of knowledge between owners, supervisors, and a few individuals, and 3) employment practices carried out by most companies in the small and medium scale textile industry. The implementation of knowledge management in SMEs textile industry faced obstacles, namely a lack of management and leadership support for the creation of learning processes within the organization, a weak learning culture, limited mastery of information technology, limited technological infrastructure, little training practice and education, and human resource management practices. The weak implementation had implications for the company's weak competitiveness because it is unable to produce innovative products.

RECOMMENDATIONS

1. The need to expand access for employees to obtain knowledge from external sources by adding information technology infrastructure within the organization.
2. Human resource management practices should be improved to ensure the continuity of long-term working relationships, such as the quality of recruitment and selection of workers, as well as the enforcement of work contracts.

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