

# The Design Of Customer Knowledge Reporting System Intervention To Improve The Performance Of Medical Representative At PT.X Buf

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## Abstract.

*The change in government policy of product listing cycle of two years created the power of buyers/customers to make decisions to buy products based on price competitiveness. PT. X BUF products is premium and facing the treats on price. However, opportunities lie in its excellent quality and benefit. It is imperative to transfer product knowledge to the customer and gain customer's knowledge and experience on product. The flow of knowledge to the to the customer on product is crucial to influence the customer in decision making using the product. The knowledge and experience from customers on a product are crucial to the organization on understanding product adoption. This knowledge sharing takes place with the right message to the right customer generate Demand. This research is aimed at designing an intervention on customer knowledge reporting system to improve the work performance of Medical Representative, frontline sales person, at PT. X BUF. The research applied quantitative methodology by collecting data from a set of questionnaires. The finding of the study shows that work process as well as manager role and function have significant impact on willingness of Medical Representative in sharing their customer's knowledge which eventually impact their work performance in particular and company performance in general.*

**Keywords:** Knowledge sharing, Medical Representative (MR) and customer knowledge.

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## I. INTRODUCTION

The changes in the external policy of Health BPJS (Social Security Organizing Agency) require PT. X BUF (a foreign company in the pharmaceutical unit business) to maintain and increase its business by ensuring demand generation occurs. The Demand generation generated by the link between the Right Message and the Activity to the Right Customer that this company's product is a premium product with excellence because of its quality. The Company must manage customer knowledge by providing knowledge needed by customers, processing customer's knowledge provided to the company and having the knowledge about customers (doctors). To implement this strategy, the right employee is required namely the MR (Medical Representative) who deals directly with doctors. The focus of this thesis is designing recommendations to overcome the problem of low performance of Medical Representatives as the front line sales force in sharing customer knowledge as part of organization capital.

## II. THEORETICAL REVIEW

### Knowledge Sharing

Nonaka (1991) states "making personal knowledge available to others is the central activity of the knowledge-creating company" (p. 98). At the basic level, knowledge comes from humans and it has been recognized that the emphasis is on the willingness of employees to share their knowledge, this includes aspects of motivation and attitude. Van den Hoof & De Ridder (2004) stated that knowledge sharing is a process in which individuals share their knowledge, both tacit and explicit, and together create new knowledge (de Vries & Hooff, 2006). This definition explains that every knowledge-sharing activity consists of two actions, namely bringing (or donating) knowledge and acquiring (or accumulating knowledge). The two main behaviors in this knowledge-sharing process are: (a) donating knowledge, namely the act of communicating one's intellectual assets to others, (b) gathering knowledge, is consulting with other parties to influence them to share their intellectual assets. Both of these behaviors are influenced by willingness and eagerness.

### **Knowledge Management Enabler in knowledge sharing**

Three success factors in knowledge management that cannot be separated from one another, namely human factors, process and technology are described in several constructs as follows; Organizational Control (Role and Function of Superiors, Work Process, Work Rewards), Technical and Organizational Infrastructure (CRM-b) and Work Style (Productive Work Behavior).

#### **Roles and Functions of Superiors**

According to Mintzberg, managers have ten different roles of the ten roles can be divided into 3 categories, namely: informational (managing by information), interpersonal (managing through people), and decisional (managing through action) (Mintzberg, 1979).

#### **Work Reward system**

Moser S.K. and Wodzicki K. (Moser SK and Wodzicki K, 2007) argued that incentives are the center of behavior reinforcement. In the context of group work, it is important to distinguish between collective and individual incentives as rewards. High reward interdependence should be an incentive for cooperation among group members (collective vs individual financial rewards). High reward interdependence results in a high willingness to share information with and to help group members.

#### **Work Process**

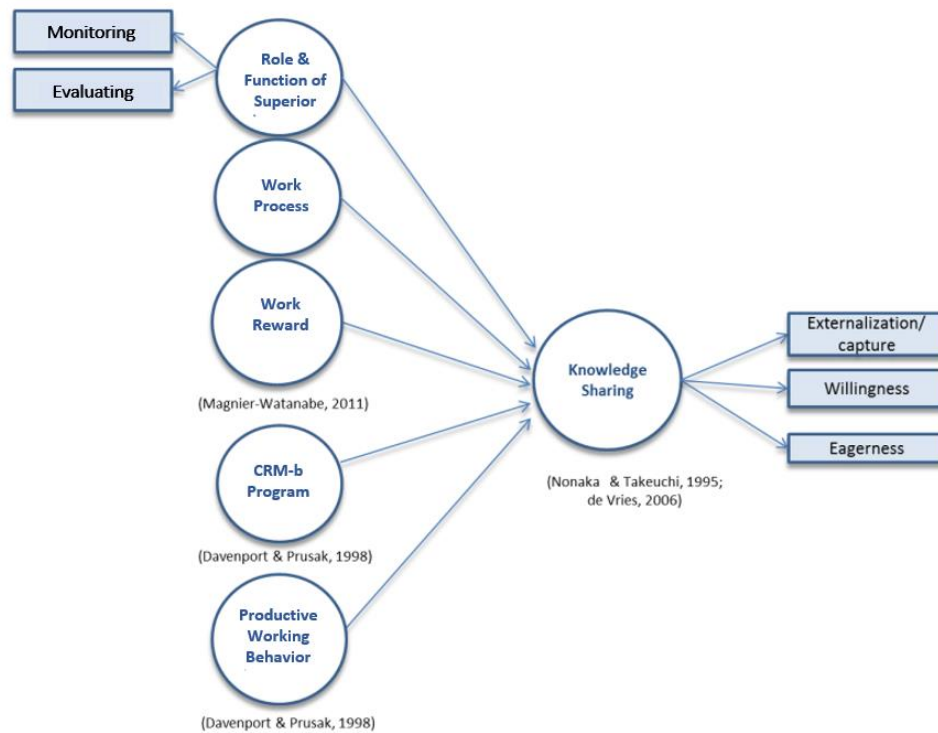
The organization's focus on achieving these goals is carried out through various internal processes that support the Customers Perspective.

#### **Technical and Organizational Infrastructure**

In this study the use of information and communication infrastructure refers to the use of a CRM (Customer Relations Management) program in managing integrated information and communication in sharing customer knowledge/insight. Research has examined the impact of information flow in customer-centric organizations through internet technology, and concluded that internet technology has dramatically changed the sources and ways employees share knowledge through a concept of Customer Knowledge Management (Bueren A., Schierholz R., Kolbe M.L and Brenner W., 2005).

#### **Work Style**

Magnier-Watanabe (2006) explains organizational members work based on predetermined goals or interact with other members. In line with Davenport & Prusak (1998) explains that the modicum of process orientation is understanding internal and external customers and making a person flexible enough to meet changing needs. Schein (2004) states that the basic assumptions of human activities and relations within an organization are communitarian and cooperative in solving problems (Magnier-Watanabe, 2006). Magnier-Watanabe (2006) emphasized that innovation cannot be created by an individual. Innovation begins with sharing knowledge between organizations that have various members, therefore the creation of this innovation relates to working collaboratively across departments. In this study the work style of individuals who are aware of their roles, abilities and skills that influence subsequent work processes and have performance in line with organizational goals or strategies are individuals with productive working behavior. In this study, the KME factor that influences knowledge sharing are the Organizational Control construct which includes the variables Role and Function of Superiors, Work Process and Work Rewards, while the Technical and Organizational Infrastructure constructs are the CRM-b Program, and the Working style construct is the Productive working behavior variable.



**Fig 1.** Research Model

The research questions developed in this research phase are: Which KME (Knowledge Management Enabler) factors most influence the sharing of MR knowledge by recording (noting down) daily work reports which includes customer knowledge? Knowledge sharing variables constructed in a research model are the Roles & Functions of Superiors, Work Processes, Work Rewards, Customer Relation Management (CRM-b) Programs, Productive Work Behavior. To answer the research questions, statistical calculations were conducted to see extremely low KME variables so that interventions could be conducted to improve MR performance as front-line employees who deal directly with customers.

### III. METHODS

This study uses the stages of the Action Research method to look at the factors in KME that influence MR knowledge sharing to record customer knowledge. Therefore the research is done using Action Research Spiral stages (Kemmiss & McTaggart, 1998).

**In the planning stage**, the research begins by examining information about symptoms that PT. X BUF does not expect. These symptoms were; very low sales growth in 2013 of 0.3%, the demand generation system was not running properly with very low reporting of customer knowledge on average 12% so that the doctor profiling process had an accuracy of 60% and customer knowledge was spread over MR by because the discussion of problems only reached the MR level and there was no flow of information into the organization at large. Based on the understanding of the problem, a theoretical review was carried out to find the root of the problem. A psychological theoretical review of knowledge management enabler was carried out to find out the causes of the problems that arose. From all the discussions and theoretical reviews conducted, it can be concluded that to find out the driving factors for MR sharing its customer knowledge, it is necessary to measure organization control, technology, productive working behavior and knowledge sharing. This measurement is intended to prove that MR can share its customer knowledge by recording comment cards and continuing to discuss it with superiors and colleagues in the morning session.

**In the action stage** (taking action), after conducting interviews with one Commercial Excellence Senior Manager, one Training Manager, one Assistant Manager MR (AMMR) and two Manager MR (MMR) and five MR people, validation was obtained that the role and function of superiors and work processes in encouraging the knowledge sharing process (capture) customer knowledge is very influential on the right demand generation activities so that there is no waste and poor MR performance that has the

potential to not realize Medicine Demand Planning which can threaten to cut out products from the e-Catalog for the next two years and potential loss of sales value of 20% of total sales or Rp. 67 billion.

The next step taken by the researcher **in the reaction stage** is to make a measurement tool with a total of 56 items for knowledge sharing, the role and function of superiors, work processes, work rewards, technology and productive working behavior. Researchers have adapted a measuring tool of 7 items for productive working behavior from research conducted by Piotrowski (2002) and Piercy et al. (2012). Both measurements were combined in one questionnaire which was randomized before distribution.

**At the observation stage (Observe)**, statistical tests and regression tests were conducted for further analysis of the questionnaire data that had been completed by the respondents. In statistical tests, data normality tests, validity tests, reliability tests, and multicollinearity tests were conducted. In the regression test, a linear regression test was conducted to predict the value of the dependent variable if it increases or decreases and to determine the direction of the relationship between these variables (Gravetter & Forzano, 2009).

**At the reflect stage**, short-term intervention programs are designed, and long-term interventions are conducted to overcome existing problems. Primary data in this study used questionnaires or measuring instruments in an effort to identify the effect of KME on the function and role of superiors, work processes, work rewards, CRM-b programs, productive work behavior. The questionnaire was adapted from several measuring instruments that have been used in research and adapted to the organizational conditions in this study, namely the Sales Department at PT. X BUF. The total items are 56 questions consisting of 5 constructs. For the role & function of superiors, it consists of 2 monitoring and evaluating variables with 12 items adapted from (Piercy et al., 2012).

Work process consists of 1 work process variable with 8 items adapted from (Nancy, 1993), and work rewards consist of 1 rewards variable with 5 items adapted from (Piercy et al., 2012), CRM-b consists of 1 variable technology with 6 items adapted from (Eze, 2013), productive working behavior consists of 1 productive behavior variable with 7 items adapted from (Piotrowski, 2002; Piercy et al., 2012), knowledge behavior variable willingness and eagerness with 18 items which was adapted from (de Vries, 2006), can be seen in appendices 23 and 24. The 56 question items apply five Likert scales with a value of 1 to 5, each of which is for the assessment of "strongly disagree", "disagree", "neutral", "agree", "strongly agree". Research Subjects, the main unit of analysis which is the object of research is employees in the Sales Department at PT. X BUF. The selection of this unit of analysis is based on the task of the Sales function which deals directly with customers. The main respondents were 50 sales employees (MR and MMR) in the Jakarta, Tangerang and Surabaya areas in the Sales Department at PT. X BUF.

#### IV. RESEARCH RESULT

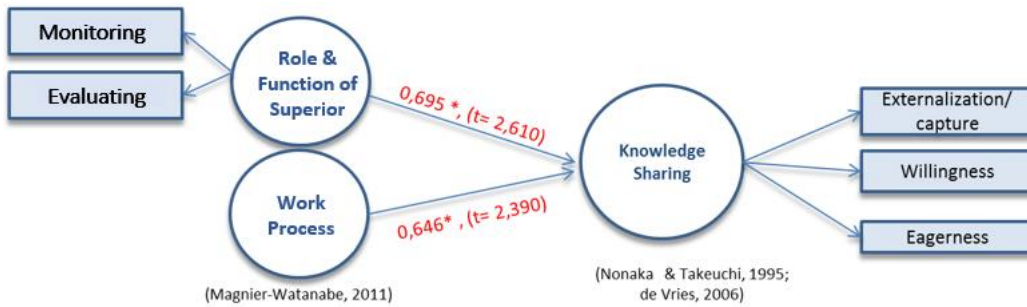
From the results of the linear regression statistical test, it shows that among the 5 independent variables IV that affect DV (knowledge sharing), only two variables can significantly predict knowledge sharing, namely the Role and Function of Superiors (Monitor & Evaluate)  $p 0.012$  and Work Process  $p 0.021$  at  $p$  level 0.05.

**Table 1.** Knowledge Sharing Regression Coefficient

Model	<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-0.805	0.683		-1.18	0.244
Penghargaan Kerja	0.167	0.125	0.174	1.34	0.187
CRM-B	-0.127	0.14	-0.116	-0.908	0.369
Perilaku Kerja Produktif	-0.001	0.203	-0.001	-0.007	0.995
Proses Kerja	0.416	0.174	0.366	2.39	0.021
Peran dan Fungsi Atasan	0.682	0.261	0.418	2.61	0.012

*Independent variabel : Knowledge Sharing*

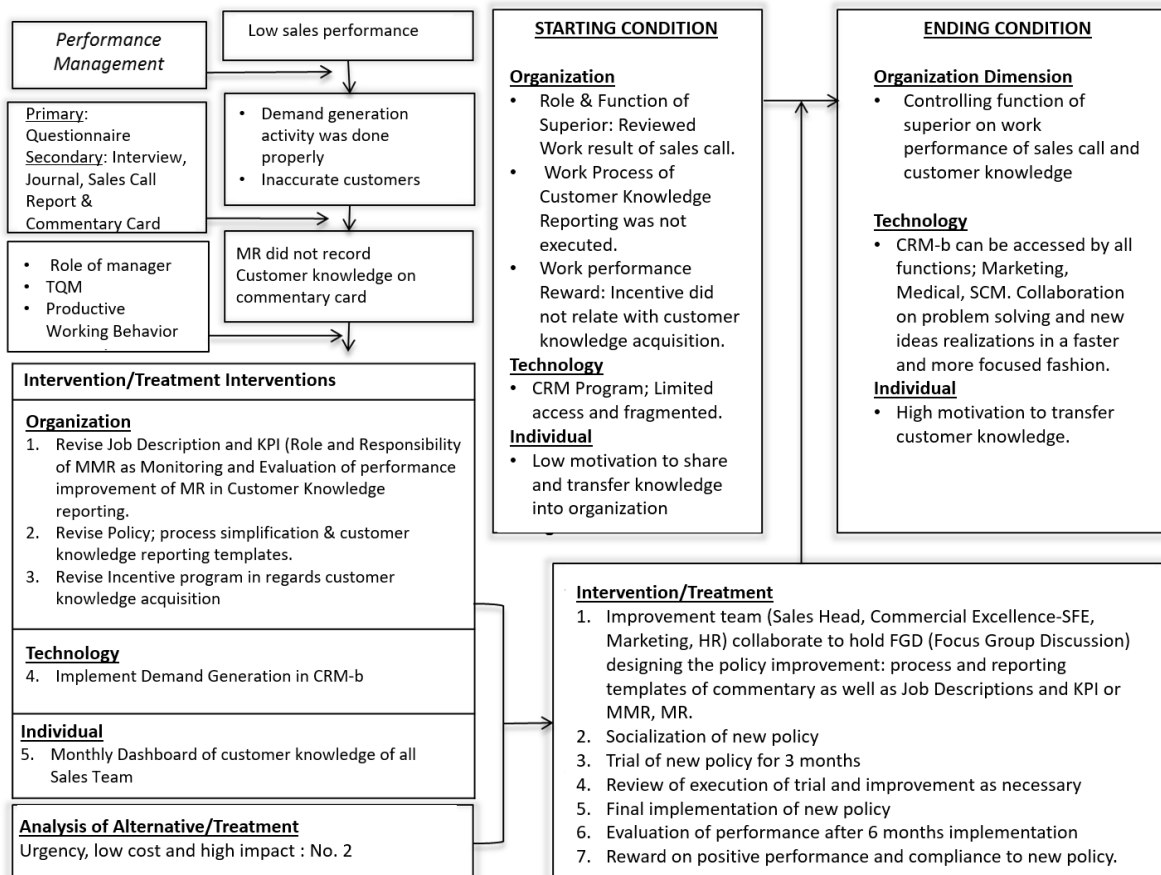
Based on the processed data and interpretation of research data, it can be concluded that the strength of the relationship between the variables according to the research model used is as shown in Figure 2.



**Fig 2.**Relationship between Organizational Control Construct and Knowledge Sharing

**V. DISCUSSION, CONCLUSIONS AND SUGGESTIONS**

The flow of research thought used to answer the question of what KME factors can influence MR to record customer knowledge through its daily reports, the capture process as the first step of knowledge sharing from the four stages of the Knowledge Spiral, (Nonaka & Takeuchi, 1995) is as shown in Figure 3. Based on the results of data analysis, it is known what factors have the most influence on the activities of recording customer knowledge which can then be intervened with the consideration that the implementation is in a timely manner at relatively low cost but has a major impact on the performance of MR, MMR and sales at the organizational level. Standard work processes with a quality improvement approach, sales activities can be studied from a process perspective, and priority is given to improving this process by identifying and eliminating improvidence. The interventions that will be carried out are based on the aspects that most influence the work process, namely improving policies and simplifying report formats, as well as the roles and functions of superiors who support correct work processes in demand generation. Work processes that include controlling and evaluating visits to doctors and management of knowledge.



**Fig 3.** Main Summary of Thesis Writing

In order to obtain more accurate results in similar studies in the future, as well as to minimize some of the effects of the unfavorable environment for the development of the proposed intervention, a number of things should be done in order to obtain results that are more effective and targeted, along with some suggestions that can be done; Methodologically, there are several things that are suggested: (1) the questionnaire in this study does not include the names of employees, this needs to be done to ensure the objectivity of the respondents so that measurements are made more accurately, (2) expand the number of respondents in further research, especially the reach of the organization, such as to MM and MMR stakeholders such as Medical, Marketing and SCM (Supply Chain Management), (3) in the preparation of knowledge sharing questionnaire items it is better to rearrange them as stand-alone sentences to prevent respondents from having different perceptions after randomizing the questionnaire items. Practically, to obtain more accurate results, a number of things are suggested to be considered: (1) to increase MR in recording customer knowledge reports, efforts are made to reward immediately for the first 10 people who report 100% during the first week trial period as agents of change, (2) Hold a discussion of the first 4 weeks of trial stages in the morning session to get input regarding other constraints that may arise apart from the refined work process, (3) provide a communication channel to provide feedback on the roles and functions of superiors faced as obstacle by MR.

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