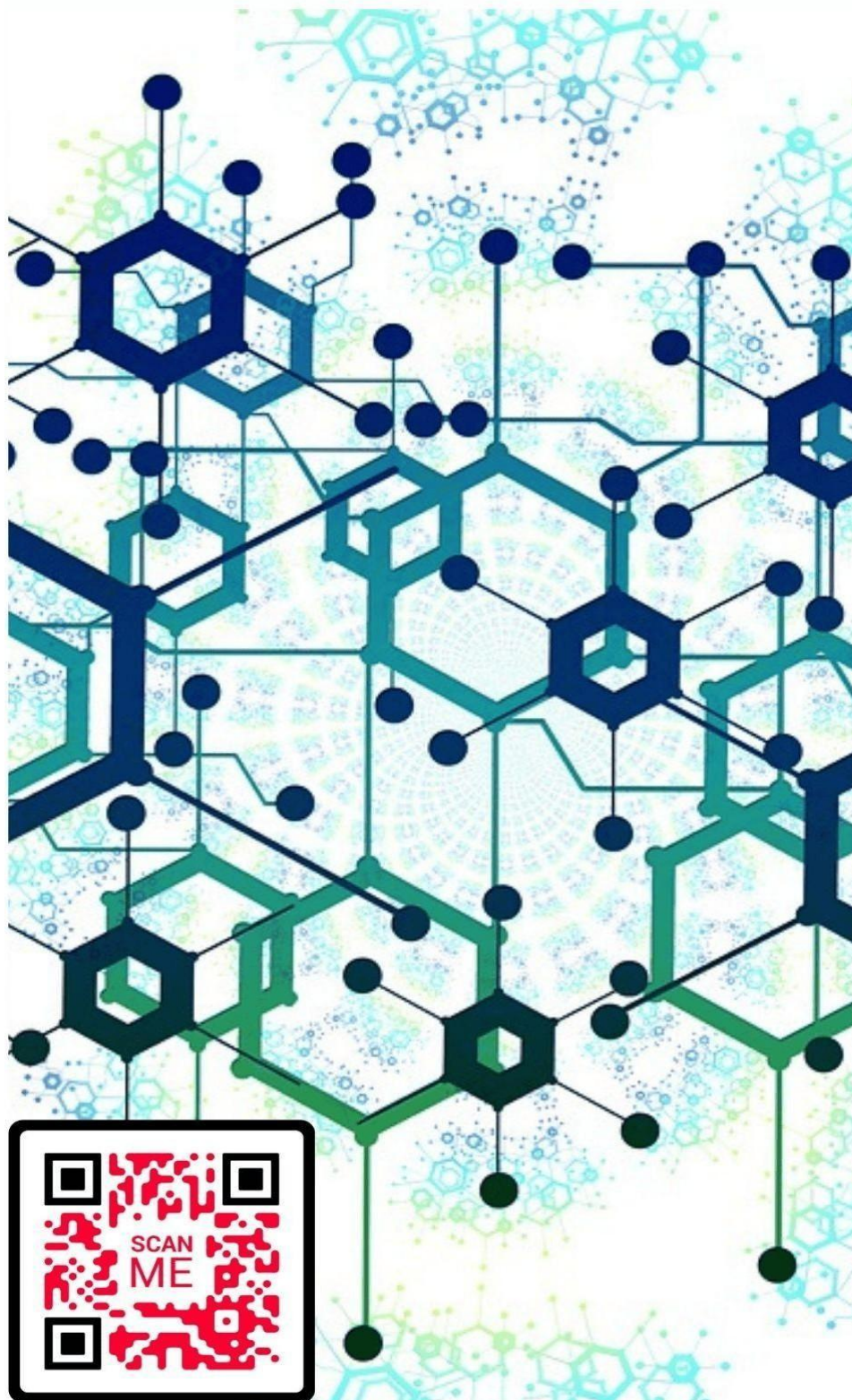


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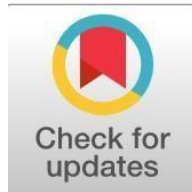
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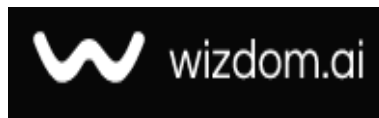
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# Determining Digital Enabled Knowledge Sharing Effectivity Through SECI Model : Insight From Micro Insurance Marketing Synergy

## *Menentukan Efektivitas Berbagi Pengetahuan yang Didukung Teknologi Digital Melalui Model SECI: Wawasan dari Sinergi Pemasaran Asuransi Mikro*

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### Abstract

**Background:** Digital transformation has reshaped organizational knowledge practices, yet human-centred distribution still dominates microinsurance in Indonesia. **Specific background:** Despite structured knowledge-sharing mechanisms in the partnership between PT Asuransi X and PT Microfinance Y, unit-level performance varies widely. **Knowledge gap:** Existing studies seldom examine how knowledge conversion operates across inter-organizational settings, particularly where digital tools coexist with intensive field-based routines. **Aims:** This study analyzes how knowledge is converted through the Socialization, Externalization, Combination, and Internalization stages to explain variability in microinsurance outcomes. **Results:** Findings show that knowledge conversion is disrupted by passive middle leadership, informal gatekeeping, inadequate documentation, technological instability, fragmented data access, misaligned incentives, and inconsistent cross-institutional coordination. High-performing units show stronger mentoring cultures, proactive leadership, reliable hybrid routines, and more stable knowledge cycles. **Novelty:** This study extends the SECI model into a digital-human inter-organizational ecosystem, revealing stage-specific breakdowns that cannot be explained by digital infrastructure alone. **Implications:** Strengthening middle-layer leadership, formalizing mentoring, stabilizing digital systems, aligning incentives, and improving cross-organizational governance are crucial to sustaining consistent knowledge conversion in microinsurance networks.

### Highlights

- ♦ Variability in microinsurance outcomes stems from stage-specific disruptions in the SECI cycle.
- ♦ Middle-layer leadership and work culture determine whether knowledge flows or stalls across units.
- ♦ Digital infrastructure alone is insufficient; consistent coordination and incentives are required for stable knowledge conversion.

### Keywords

Knowledge Conversion, SECI Model, Digital Collaboration, Microinsurance Networks, Organizational Learning

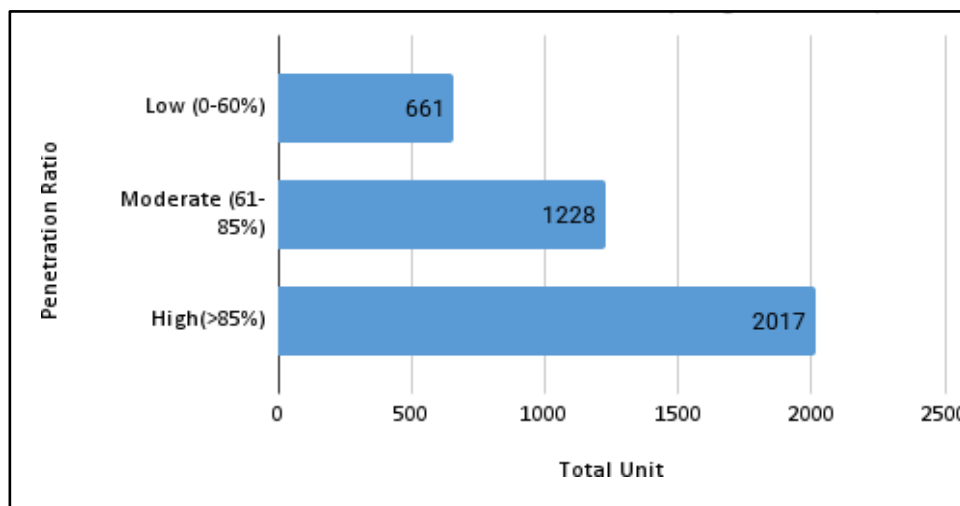
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## I. Introduction

The acceleration of digital transformation has reshaped organizational knowledge dynamics across industries. Yet, within Indonesia's life insurance sector, human based distribution channels continue to dominate over digital alternatives. According to the Indonesia Financial Group [1], traditional models such as bancassurance agency, and direct marketing collectively contribute more than eighty five percent of total premium income, whereas digital channels remain marginal. This persistence is not merely a reflection of technological inertia but rather a deliberate strategic adaptation. As highlighted by Verawaty and Rembulan [2], in markets with low awareness and limited literacy about insurance, direct interpersonal engagement tends to be more persuasive than digital service models.

Within the microinsurance ecosystem, collaborative arrangements between insurance firms and microinsurance institution have emerged as pivotal instruments for advancing financial inclusion. A representative case of this inter-organizational partnership is the alliance between PT. Asuransi X and PT. Microfinance Y, in which Account Officers (AOs) of the microfinance institution act as intermediaries who promote and deliver insurance products to the micro business actor segment. This model has succeeded in extending outreach to previously underserved communities. However, significant disparities remain across units, as reflected in the varying penetration ratios of microinsurance products among more than three thousand nine hundred microfinance branches nationwide (PT. Asuransi X Monthly Report, 2025).



**Figure 1. Penetration ratio microinsurance across PT. Microfinance Y units**

Source : BRI Life Monthly Report (2025)

However, the effectiveness of this model raises serious questions. Figure 1 reveals significant market penetration ratio variance across microfinance units; some units achieve high reach while others lag significantly in selling microinsurance products, despite routine knowledge-sharing and sales force training conducted by PT. Asuransi X for PT. Microfinance Y account officers. This disparity raises a fundamental question: why do formalized knowledge sharing mechanisms fail to produce uniform outcomes?

Previous literature provides several explanations regarding the enablers of knowledge sharing, including the roles of technological infrastructure [3], organizational culture and trust [4], and leadership support (implicitly supported by Al-Alawi's findings on leadership's role). Nevertheless, significant conceptual and empirical gaps remain. First, extant studies, such as [4] and [3], predominantly analyze knowledge sharing within a single organization, overlooking the complexity of inter-organizational collaborations that involve distinct governance systems and operational logics. Second, much of the research focuses on whether knowledge sharing occurs for instance, through the presence of communication tools and training, rather than on how effectively it translates into performance outcomes. The mere presence of digital platforms and formal briefings does not necessarily guarantee behavioral change or knowledge conversion [3]. Third, prevailing digital-centric perspectives often overlook hybrid realities, especially in field-based industries where face-to-face interaction and daily managerial coaching remain primary mechanisms of knowledge transfer and performance [5].

To address these gaps, this study adopts the SECI model, which offers a diagnostic lens by unpacking knowledge sharing into distinctive stages: how Account Officers acquire tacit knowledge through observation (Socialization), articulate understanding into shareable formats (Externalization), integrate explicit knowledge (Combination), and internalize it as field capability (Internalization). By mapping practices onto these modes, we can identify precisely where processes succeed or fail, explaining why systems exist yet remain ineffective.

This study addresses three objectives. First, to assess knowledge sharing effectiveness among Account Officers in the partnership between PT. Asuransi X and the microfinance institution using the SECI framework. Second, to examine knowledge flow through offline dominant and limited digital channels via briefings, field mentoring, WhatsApp groups, and shared documents. Third, to identify factors that enable or inhibit knowledge conversion at each stage, explaining penetration

outcome variability.

This study contributes both theoretically and practically. Theoretically, it extends the SECI model's application into an inter-organizational context, highlighting how structural boundaries and divergent institutional logics influence knowledge conversion effectiveness. Practically, it provides stage-specific insight for improving knowledge management system, emphasizing the importance of leadership consistency, technological reliability, and cultural alignment between partnering organizations. Through this dual contribution, the study seeks to illuminate the "knowledge sharing paradox" within digitally assisted but human-centered service networks in Indonesia's microinsurance landscape.

## II. Method

This study employed a qualitative single-case study design to examine knowledge sharing effectiveness in the PT. Asuransi X and PT. Microfinance Y partnership. Case study methodology was selected because of the research question; why formalized knowledge sharing mechanisms produce inconsistent outcomes requires in-depth contextual understanding that quantitative methods cannot adequately capture [6]. The partnership was selected as it demonstrates both high overall penetration and substantial variance across units, providing an information-rich setting for understanding effectiveness drivers.

Research subject consisted of four key informants purposively sampled using maximum variation strategy to capture multiple perspectives across organizational hierarchy. Informant selection was based on the principle of information-rich cases, whereby participants were chosen of their extensive experience and deep understanding of knowledge sharing within the partnership ecosystem. The composition of informants includes:

No	Informant Status	Level	Function
1.	Head of Department Ultra Micro	Strategic (Insurance)	Facilitating knowledge sharing systems
2.	Alternate Relationship Officer	Coordinative (Insurance)	Mentoring and field support in branch
3.	Account Officer 1	Operational (Microfinance)	Client-facing implementation; high-performing unit
4.	Account Officer 1	Operational (Microfinance)	Client-facing implementation; former employee from lower-performing unit

**Table 1.** *Research Informants*

This tiered structure enables examination of knowledge sharing from conception (strategic design) through facilitation (coordinate support) to application (operational execution), allowing identification of breakdowns at each organizational layer.

Data collection used three methods for triangulation: semi-structured interviews (30–70 minutes) explored how Account Officers acquire and integrate knowledge via the SECI framework, along with enablers and barriers, and were audio-recorded and transcribed. Document analysis reviewed training modules, reports, procedures, and digital communications to identify explicit knowledge. Non-participant observation of briefings, mentoring, and meetings provided behavioral evidence of face-to-face knowledge exchange and digital tool use.

Thematic analysis, following [7], used a hybrid coding approach with deductive codes from the SECI framework and inductive codes for emergent themes (leadership, culture, technology, barriers). Analysis identified mechanism supporting/ hindering SECI stages, differences between high/ lower performing AOs, and interplay of offline/ digital channels/ an audit trail documented decisions. For confidentiality and consistency, all informants were anonymized using coded identifiers reflecting Officers as ARO, and the two Account Officers as AO1 and AO 2. This coding system facilitates role-based analysis without compromising the privacy of participants.

Credibility was ensured through data/ informant triangulation, member checking, and peer debriefing. Thick description enables transferability; reflexivity was practiced. Informed consent was obtained, and anonymity via pseudonyms (PT. Asuransi X, PT. Microfinance Y) and role descriptors. Data is securely stored and accessible only to the research team.

## III. Result and Discussion

### A. SECI Processes in inter-organization Knowledge Sharing

#### 1. Socialization



The effectiveness of outreach varies greatly, depending on the quality of leadership at the unit level. The Insurance Head of Director (HOD) explained that centralized knowledge-sharing sessions covered "what insurance is, the micro insurance product sold by microfinance, and the claims process," but the real impact is determined by how the Unit Head and Senior Account Officers follow up at the operational level. AO 1 described an effective mentoring process among Account Officers: "First, I build their enthusiasm and readiness. Second, I teach from the most basic things. Third, I will explain the field process".

However, this practice is not uniform. AROs identified a crucial gap: "There are cases where Senior Account Officers refuse to teach new Account Officers, so the old Account Officers have to step in. This happens frequently because the turnover rate at Microfinance Y is very high". Morning briefings and evening reporting sessions proved to be the most valuable knowledge - sharing moments according to Account Officers, surpassing centralized training sessions. AO 1 stated: "Before going into the field, we always have a morning briefing with the Senior AO and Unit Head. During these sessions, we can ask about SOPs or product details."

AO 2 added a problem-solving dimension: "In the evening, from sunset to 9:00 PM, there are reporting sessions to discuss what's happening in the field and any challenges encountered." This daily ritual, while less formal than knowledge -sharing sessions, creates a continuous learning cycle that is more contextual and directly applicable than centralized training. This finding resonates with the emphasis on open communication channels and leadership modeling identified as key enablers of knowledge sharing by Supiyandi et al. [8].

Significant structural barriers hinder effective socialization. Very long working hours, from 8:00 AM to 9:00 PM, six days a week, leave limited time for reflective learning and quality mentoring. AO 1 expressed concerns about safety: "Lately, there have been many incidents at AO. If we haven't achieved our targets, we're not allowed to go home until late at night." High employee turnover also exacerbates the situation, as knowledge is continually lost before being transferred to new groups. This directly echoes Yapabandara and Divakara's [9] findings on the catastrophic loss of tacit knowledge and operational efficiency during a rapid employee exodus, a situation worsened by a lack of strong knowledge retention strategies. The ARO asserted: "The employee turnover rate at Microfinance Y is very high. Many do not stay due to the heavy workload and unhealthy work culture."

The effectiveness of socialization is determined by three factors: leadership quality (a proactive Unit Head and empathetic Senior AO), structural support (reasonable working hours that allow for mentoring time), and the cultural environment (collaborative versus toxic). High-performing units like Cicalengka and Pameungpeuk consistently possess all three elements, while low-performing units experience disruptions in one or more factors. Daily informal interactions have been shown to be more impactful than regular formal training for tacit knowledge transfer, but they are only sustained in a supportive environment. This validates the core argument of both Alawi et al. [4] and [8] that organizational culture, particularly trust, leadership, and collaborative norms, is a fundamental determinant of successful knowledge sharing.

Thus, the Socialization stage shows that the transfer of tacit knowledge is highly dependent on a collaborative culture and active middle leadership, which will later become the foundation for the next SECI stages.

## 2. Externalization

The externalization process in this partnership faces a critical breakdown at the dissemination stage. A key issue is the gatekeeping role of Unit Heads, as identified by the ARO: "I always share all materials with a group consisting of Regional Managers and Unit Heads. So, if it doesn't reach the Account Officer, there's most likely a barrier at the Unit Head level. I really depends on how active and diligent the Unit Head is." This quote reveals a systematic flaw where knowledge flow is blocked before it reaches the frontline. This finding is a textbook example of the "hierarchical barriers" and "high power distance" that Supiyandi et al. [8] identified as major cultural obstacles to knowledge sharing, where information is concentrated at managerial levels and fails to move horizontally.

Furthermore, the official materials designed for externalization are themselves inadequate for field use. This forces the ARO to improvise, explaining, "I prefer to use my own marketing tools, rather than those provided by BRI Life, because I find them incomplete and don't provide effective explanations for Account Officers. I create video content for claims, FAQs, and Powerpoint presentations in simple language. The ARO's improvisation, incorporating videos, visual FAQs, and simplified presentations that aligns with Prehanto et al.'s [10] principle that effective knowledge materials must engage multiple senses through visual and interactive elements, not merely text. While this local solution is more effective, it remains an individual initiative and is not institutionalized. This situation directly contradicts the critical success factors outlined by Onofre and Teixeira [11], who emphasize the need for a "clear KM strategy" and "user oriented" knowledge design. The fact that employees must create their own job aids points to a fundamental failure in the organization's core knowledge management strategy.

In the vacuum left by poor official materials and blocked dissemination, Account Officers resort to highly personal knowledge repositories. As AO 1 stated, "We were required to bring notebooks during training. So, what we did and learned, we documented in our personal notes," a sentiment echoed by AO 2, who confirmed, "These personal notes serve as my guide in the field." This reliance on personal notes creates a dangerous fragility in the organization's knowledge base. This practice aligns perfectly with the "deficiencies in knowledge documentation" that Yapabandara and Divakara [9] identified as a primary cause of tacit knowledge loss during employee exodus. When knowledge resides in scattered, private notebooks, it is highly vulnerable to being lost entirely when employees leave, and it ensures that understanding and practices are not standardized across the organization.

The collective evidence from the field shows that the externalization process is crippled by a combination of cultural barriers, strategic failure, and flawed systems. Effective externalization requires dismantling gatekeeping hierarchies, designing

knowledge asserts that are genuinely useful for the field, and replacing fragile personal notes with centralized, standardized repositories to prevent knowledge loss and ensure consistent performance.

Thus, the Externalization stage confirms that rigid hierarchical structures and weak documentation strategies cause explicit knowledge to fail to flow throughout the organization, weakening the subsequent Combination stage.

### 3. Combination

The integration phase involves integrating various explicit knowledge sets through systems, databases, and documents. In this partnership, integration is facilitated by the Mekaar Digi application as an integrated platform, serving as the primary work tool for AOs, a WhatsApp group for real-time knowledge sharing, Google Drive for material repositories, and weekly meetings for synthesis and coordination. This infrastructure theoretically aligns with the identification by Rusilowati et al. [3] and Jameel and Ahmad (2020) of IT as a crucial enabler for effective knowledge sharing.

Technical system failures significantly hampered the effectiveness of the integration. ARO detailed: 'The majority of the problems were actually in the IT system. There was a BRI API server error 503 that caused transaction failures in the Mekaar Digi app, particularly in Tasikmalaya at the time.' AO 1 added a field perspective: 'The most frequent obstacles were related to field signals. There were also issues when the application display changed, which caused the application to load longer and caused confusion for AOs.' System instability created two problems: immediate transaction failures, which directly reduced sales, and eroded trust in the digital system, making Account Officers hesitant to rely on technology to access knowledge. The sudden interface change caused a temporary drop in sales due to the AO's confusion with the new interface. This underscores the finding by Jameel and Ahmad [12] that robust ICT infrastructure is a paramount factor for successful knowledge sharing, and aligns with Rusilowati et al.'s [3] recommendation for organizations to invest in robust IT infrastructure.

There were informational inconsistencies in the official, explicit knowledge base, deliberately maintained for behavioral reasons. The ARO revealed: 'In the training materials provided by BRI Life, it is stated in a clause that the claim submission deadline is 30 days. However, in practice, the deadline is actually 90 days. I deliberately emphasized the 30 day deadline to Account Officers so that they would process claims more quickly. This strategic misinformation, while well discrepant. It also reflects a deeper problem: knowledge is manipulated to control behavior rather than truly empower decision making.

Data silos across organizations also significantly limit the potential for integration. The ARO explained his frustration: 'The problem is, I don't have access to historical data on Microfinance Y fund disbursements, making it difficult to make accurate predictions or calculations.' Limited data access across organizational boundaries hinders effective forecasting and resource allocation. AROs must rely on observable patterns without analytical tools: 'Fund disbursements are usually high at the start of the new school year on the end of the year. In months like December, I'm very confident sales will be high. However, in other months like August or October, the numbers can drop.' The inability to access historical data makes AROs reactive rather than proactive in supporting units and prevents the identification of systemic patterns that can inform strategic interventions, a challenge that aligns with Nakash's (2023) conceptualization of 'knowledge silos' as a substantial threat to organizational effectiveness and innovation.

Therefore, the Combination stage confirms that technological failures and limited data access hinder cross-organizational knowledge synthesis, thereby weakening the Internalization process in the field.

### 4. Internalization

The final stage in the knowledge conversion cycle described by Nonaka et al. [13] is Internalization, where explicit knowledge (like manuals or training materials) becomes embedded as tacit knowledge—practical know-how and understanding—through practice and experience. Nonaka et al. [13] describe it as a process of "learning by doing" and "embodying explicit knowledge into tacit knowledge". Comparing AO 1 and AO 2 shows vastly different outcomes in this stage, even though they were part of the same knowledge-sharing system. This highlights how problems in earlier SECI stages can prevent successful skill development.

AO 1 shows a successful journey to mastery: "Initially, I often carried around a manual. But now the process is in my head because I've done it so many times." A significant claim experience cemented his understanding: "Yesterday, a customer passed away, and after we helped with the claims process, their debt was cleared... Previously, I had difficulty explaining... After... knowledge-sharing... and instruction from my superior, I now... can explain its benefits..." This shift from relying on written rules to deep understanding happened over three months, thanks to peer support, active leadership from his Unit Head, and real-world validation. This success occurred in what [13] would call an Exercising Ba—a context where individuals turn explicit knowledge into tacit understanding through action and practice.

In contrast, AO 2 never truly understood the product, despite being in the same system. He couldn't explain basic features and admitted just following steps without knowing why. His failure stemmed from breakdowns in the previous Socialization, Externalization, and Combination stages made worse by intense work pressure.

A key moment revealed AO 2's knowledge gap. The Department Head confirmed a knowledge sharing event in Yogyakarta: "A knowledge sharing session was held, attended by representatives..." Yes, AO 2 stated: "I've never participated... It's probably more for leadership levels..." The Department Head admitted this potential breakdown: "...If it doesn't reach the Account Officer, there's a bottleneck at the Unit Head level... depends on how active... the Unit Head is." This is a clear failure of the middle manager (Unit Head) acting as a "knowledge producer" to ensure the knowledge spiral continues downwards, as

emphasized by Nonaka et al. [13].

In AO 2's situation, the effort to share knowledge failed to reach him. Even though regional events happened, the information got stuck at the middle level. He had only incomplete notes from his initial training, worked in a toxic culture (a major barrier noted by Yapabandara & Divakara [9]), faced system failures without help, and had no time for reflective learning due to long hours. AO 2 left after only a few months, representing a complete loss of the organization's investment in him and his potential knowledge. This aligns with Yapabandara & Divakara's [9] findings on how high turnover leads to significant tacit knowledge loss.

The Yogyakarta example shows how overall numbers can hide local problems. The Head of Department reported high sales ("penetration is now at 81 percent"), but AO 2, who worked there, didn't even know the product existed. The ARO acknowledged, "If she doesn't know... it means the socialization hasn't reached her... possibly this AO unit is among the least who don't sell." This indicates that high regional averages can mask failures at the unit level, where some AOs remain uninformed despite company-wide knowledge-sharing efforts. It shows the knowledge spiral, described by Nonaka et al. [13], stopped at middle management and didn't reach everyone.

The effectiveness of internalization depends on the quality of knowledge conversion at all previous SECI stages, with the middle-layer information cascade serving as a crucial gatekeeper. AO 1 success in achieving tacit mastery through practice, claim validation, and a supportive environment demonstrates the model works when all stages are in place and Unit Head facilitates the flow of knowledge. AO 2 failure to grasp the product despite regional knowledge sharing delivery demonstrates how Unit Head barriers combine with socialization gaps, inadequate externalization, and combined failures to prevent internalizations despite the quality of the top level program. This variance explains why identical knowledge-sharing programs produce 30 percent penetration in some units and 94 percent in others; the difference lies primarily in the fidelity of middle management information delivery. The presence of knowledge-sharing activities, even successful regional delivery, is not as effective as individual-level conversion when there is a failure in mid-level delivery. Yogyakarta exemplifies how 94 percent regional penetration occurred alongside individual Account Officers who never received the knowledge that should have been disseminated throughout the organization.

Thus, the Internalization stage shows how individual learning success becomes a tangible indicator of the effectiveness of the entire SECI cycle, confirming that weaknesses in the previous stage are directly reflected in implementation failures in the field.

## B. Factors Enabling and Inhibiting Knowledge Conversion

### 1. Leadership Quality: The Middle-Layer Gatekeeping Function

The quality of leadership, especially from middle managers like Unit Heads and Senior Account Officers, is the biggest factor determining how well knowledge spreads within the organization. As one Alternate Relationship Officer (ARO) noted, "If materials don't reach Account Officers, there's likely a bottleneck at the Unit Head level, depending on their activeness." This aligns with problems seen in the Externalization (making hidden knowledge visible) and Internalization (absorbing visible knowledge) stages. Active Unit Heads ensure information gets shared widely, while passive ones act as gatekeepers, stopping the flow [2].

This issue at the middle level supports Mwawasi's (2022) idea that managers need to focus on three key areas for knowledge sharing: leadership (building vision and trust), organizational design (structure and rewards), and providing the right technology [14]. Our study adds that even with strong support from top leaders, middle managers can choose to pass along or hold back information, causing significant differences between units. This finding questions the simple idea that flatter organizations are always better for knowledge sharing, showing that middle managers are critical control points in field operations [15].

The problem is made worse when Senior Account Officers (AOs) are unwilling to mentor newcomers: "Senior Account Officers refuse to teach new Account Officers, so another Account Officers must step in, this happens often due to high turnover." (Account Officer 1, 2025). This directly harms Socialization (sharing through experience), where good mentoring is essential for transferring unspoken, practical knowledge [13]. This supports the findings of Li et al. [5] that managerial coaching helps knowledge sharing [5], but also shows the reverse: when coaching is absent or refused, it creates skill gaps that formal training cannot fix. It also fits with Nonaka's view of middle managers as "knowledge producers" who translate unspoken knowledge and guide the knowledge creation process according to the company's vision. Units performing well, like Cicalengka and Pameungpeuk, have leaders who actively share information, mentor, and support. Poorly performing units suffer from information gatekeeping for neglect, regardless of top management's intentions.

Thus, the quality of leadership at the middle level proved to be a key driver explaining why the effectiveness of knowledge sharing varied so much across units, reinforcing the key finding that SECI processes can fail if leadership functions do not operate consistently across organizational levels.

### 2. Organizational Culture: The Trust-Turnover Nexus

The organization's culture shows two different faces. Externally, customers trust their Account Officers highly: "Mekaaar customers have very high trust in their Account Officers—whatever the Account Officer says, they follow." This trust, built over time through weekly meetings, allows AOs to make sales even if their knowledge isn't perfect (though this raises ethical

questions). This aligns well with Verawaty and Rembulan's (2022) study showing that insurance agent-client relationships in Indonesia depend heavily on social exchange and trust built through interaction. Internally, however, a negative or "toxic" work environment causes employees to leave, leading to knowledge loss: "Some colleagues were toxic and aggressive, which was the main reason I asked to leave... felt the HR were not firm in following up..." (Account Officer 2, 2025). The ARO confirmed, "The employee turnover rate... is very high... due to the heavy workload and unhealthy work culture." This creates a negative cycle: departing employees take their knowledge with them, supporting Yapabandara and Divakara's [9] concerns about losing practical (tacit) knowledge when skilled employees leave, especially during difficult economic times. The solutions they suggested, like better mentoring, creating Communities of Practice, and improving the work culture to keep employees match what is needed in the low-performing units we observed.

The link between culture and knowledge sharing supports findings by Al-Alawi et al. [4] that trust and communication positively affect knowledge sharing success. Our study adds that these cultural elements aren't consistent across the organization. High-performing units develop their own positive "microcultures," while low-performing units make existing cultural problems worse. This fits with Astutik et al.'s [16] finding that culture affects innovation through knowledge sharing, and Supiyandi et al.'s (2025) research showing that a culture of collaboration and trust helps knowledge sharing succeed in multinational companies, acting as the social foundation for how employees use knowledge systems, even across different countries [8]. Onofre and Teixeira [11] also found organizational culture, particularly aspects supporting sharing, trust, and collaboration to be the most critical factor for successful knowledge management.

Pressure from competition can harm collaboration: "The daily credit target per AO must reach 50 million, units are competing..." While competition can motivate, it also encourages knowledge hoarding (keeping knowledge to oneself) as units fight for rankings. Supiyandi et al. (2025) noted this barrier where employees hide expertise to maintain an internal edge. This creates a "win-lose" situation that stops the collaborative learning needed for Socialization. This explains why the same knowledge sharing systems lead to different results: the underlying culture (trust, leadership) decides if knowledge flows freely or gets blocked.

In other words, work culture serves as a social foundation that determines whether formal knowledge sharing mechanisms are truly effective, supporting the key finding that SECI's success depends heavily on the level of trust and collaboration established in the work environment.

### 3. Inter-Organizational Coordination: Structural Collaboration Constraints

While the partner organizations share business interests, their different operational goals create conflict: "At Microfinance Y, the primary focus is microfinance funding... not insurance" (Account Officer 2, 2025). For some Microfinance Y staff, selling insurance feels like a secondary task forced on them by the partnership, not part of their main mission. This means Microfinance Y managers focus on loan targets (which affect their performance reviews) more than insurance sales (which have fewer direct consequences for them). This conflict shows why aligning knowledge sharing between organizations is vital, as discussed by Nonaka et al. [13] regarding knowledge creation extending across company boundaries to partners and customers.

Limited access to each other's data prevents effective knowledge Combination (merging different pieces of information): "I don't have access to historical data on Microfinance Y's disbursements, making it difficult to predict accurately." (Alternate Relationship Officer, 2025). Offering competing products confuses customers, and product design issues (like forced bundling) stop AOs from selling based on real needs. These issues match the critical success factors identified by Onofre and Teixeira [11], such as needing a clear knowledge management strategy, good IT infrastructure, and alignment between partner organizations. In partnerships, this alignment requires data-sharing agreements, compatible incentives, and shared performance goals, reflecting the coordination needed for knowledge to flow effectively across boundaries. The current partnership structure shows challenges where different priorities block the effective use of shared knowledge.

This condition shows that the effectiveness of knowledge sharing is not only determined by the internal dynamics of the organization, but also by the level of cross-institutional coordination, confirming the relevance of the SECI model in a complex inter-organizational context.

### 4. Technology: Fragile Enabler Requiring Redundancy

When the digital systems work, they add significant value: Mekaar Digi integrates data instantly, WhatsApp helps coordination, and Google Drive allows easy material sharing. However, frequent failures destroy trust: "BRI API error 503 caused transaction failures..." (Alternate Relationship Officer, 2025). This shows how fragile technology can be; simple interface changes even caused a temporary sales drop because AOs were confused. This supports Rusilowati et al.'s [3] finding that reliable IT is essential for knowledge sharing in public organizations, but needs cultural and leadership support to actually improve performance. This explains why the Combination stage failed: even with technology available, system instability caused errors and eroded trust, making AOs reluctant to rely on it.

While Jameel and Ahmad [12] found that good ICT infrastructure generally helps knowledge sharing, our study found the opposite when the technology was unreliable. Problems like server errors, poor connectivity, and unstable interfaces affected all SECI stages, especially Combination, which relies on dependable systems like networks and databases to merge explicit knowledge. Low digital skills prevented AOs from using advanced features, and data errors further reduced trust. This differs from Chaudhuri et al. [17], who found technology use moderated the link between knowledge sharing and innovation performance.



Our study suggests technology's positive effect depends on: (1) reliability, (2) user skills, and (3) having backup (redundant) channels. High-performing units used offline methods (like face-to-face meetings noted by Rusilowati et al. [3]) as a backup when digital tools failed. Low-performing units suffered more when tech failures occurred because their offline practices were also weak. This technology paradox, useful when working, frustrating when failing—supports Jalowski et al.'s [18] principle that technologies designed to encourage knowledge sharing must be trustworthy and reliable. The results indicate that for field staff with basic digital skills, simple but stable systems work better for knowledge sharing than complex but unreliable ones. Deng et al. (2023) also found digital tech drives knowledge sharing for performance, but reliability is a key condition.

Therefore, these findings confirm that technological reliability is an important prerequisite for the success of the Combination stage in the SECI model, supporting the main argument that the effectiveness of knowledge sharing depends on the integrity of knowledge conversion at each stage, not on the digital infrastructure alone.

## 5. Incentive Misalignment: The Mentoring Disincentive Paradox

Even with multiple incentives, a key problem exists: "Account Officers earn Rp3,000 per client, which is considered small." Given daily targets of 6-20 policies, the maximum extra income from insurance is minimal compared to the effort. While unit-level rewards (like booster programs) motivate sales, there's no reward specifically for sharing knowledge. "Sometimes it's tiring because we have to guide and teach from the beginning" (Account Officer 1, 2025). Mentoring takes time away from selling, without any compensation or reduced targets. This creates a situation where it's rational for individuals to keep knowledge to themselves, while sharing relies purely on goodwill. This explains why Senior AOs resist teaching, hindering Socialization.

This supports Al-Alawi et al.'s [4] finding that rewards influence knowledge sharing success, but adds that the lack of rewards for specific sharing acts like mentoring actively discourages it—mentoring time could be spent hitting sales targets. This strongly backs Jasimuddin and Saci's [19] argument that management support, including fair incentives (even indirect ones like promotions) and recognition, is vital to prevent knowledge hoarding and create a sharing culture where employees feel safe to share. Our study shows this in practice: without specific rewards for mentoring, or at least adjustments to sales targets to account for teaching time, individuals rationally choose not to share, even if the overall culture is supportive. Mwawasi [14] also pointed out the problem of rewarding based on what people know, not what they share, and the need to reward sharing itself.

High daily targets also create pressure that prevents learning. When AOs work 13-hour days just to meet quotas, they focus on making sales quickly, not on truly learning effective techniques. This damages the quality of Internalization. This explains the performance differences: knowledge sharing happens despite the incentive system in some units, not because of it. Units where informal practices compensate for the flawed incentives succeed; those where they don't, fail.

Thus, the misalignment of incentive systems proves to be a systemic barrier that breaks the Internalization cycle in the SECI model, reinforcing the conclusion that successful knowledge sharing requires alignment between individual motivation and the collective goals of the organization.

## 6. Synthesis: The Knowledge Sharing Effectiveness Paradox Resolved

The five factors discussed—leadership quality, organizational culture, inter-organizational coordination, technology reliability, and incentive alignment—work together. Their combined effect explains why microinsurance sales vary so much between units. The key takeaway is that formal knowledge sharing systems don't guarantee success because problems arise at specific stages of the SECI knowledge conversion process [13] and within certain layers of the organization. This supports Bergh et al. [20], who found knowledge resources strongly link to company performance, but adds that knowledge's value depends on how smoothly it moves through the SECI cycle.

As summarized in Table 2, each SECI stage presents distinct structural barriers that inhibit the conversion of knowledge from one form to another. During the Socialization stage, variability in middle-layer leadership particularly among Unit Heads and Senior Account Officers (SAOs)—results in inconsistent mentoring and information gatekeeping, creating high performance variance between units. In the Externalization stage, inadequate materials and dependence on personal notes lead to non-standardized product understanding, which weakens the quality and persuasiveness of sales communication. The Combination stage is hindered by recurrent system errors and organizational data silos, causing transaction failures and impairing the ability to forecast sales performance. Finally, the Internalization stage suffers from extreme workloads and low individual incentives, leading Account Officers to engage in forced selling without genuine comprehension, resulting in short-term gains but long-term churn. These cumulative disruptions at each stage reveal how seemingly minor inefficiencies compound into major performance disparities.

SECI Stage	Primary Barrier	Manifestation	Function
Socialization	Middle-layer variability (KUM/SAO quality)	Inconsistent mentoring; information gatekeeping	High variance across units
Externalization	Material inadequacy & personal note	Non-standardized	Inconsistent sales



	dependence	understanding	pitch quality
Combination	System errors & data silos	Transaction failures; inability to forecast	Direct sales loss
Internalization	Extreme workload & low individual incentive	Forced selling without belief	Short-term gain, long-term churn

**Table 2.** *SECI Stage-Specific Barriers in Inter-Organizational Context*

High-performing units succeed because multiple factors work well together: active Unit Heads ensure information flows (fixing Externalization issues), a collaborative culture supports mentoring (helping Socialization), reliable technology has offline backups (strengthening Combination), a supportive environment allows learning from experience (aiding Internalization), and good coordination exists between partner organizations (enabling cross-boundary knowledge flow). Low-performing units struggle because one or more of these factors are weak, causing failures across the SECI stages.

This explains why sales performance varies greatly even when formal systems are in place: effectiveness depends on overcoming issues like middle-manager gatekeeping, toxic culture, unreliable tech, misaligned incentives, or partnership constraints that block specific knowledge conversion steps. Understanding where the knowledge conversion process breaks down, not just whether systems exist, allows for targeted solutions to the real problems, solving the puzzle of varying knowledge sharing effectiveness in this partnership. Overall, this synthesis makes it clear that successful knowledge sharing is not the result of a single factor, but rather the simultaneous integration of leadership, culture, technology, incentives, and inter-organizational coordination that keeps the SECI cycle running smoothly.

## C. Implication

The identification of stage-specific SECI barriers and the crucial role of middle managers in controlling information flow offers important lessons for improving microinsurance sales performance. First, tackling the middle-layer bottleneck requires making information flow a formal responsibility. Organizations should create clear rules requiring Unit Heads to share all relevant knowledge from higher levels with their Account Officers quickly, perhaps within 24 hours. Compliance can be tracked using digital tools like read receipts or access logs. Crucially, performance reviews for Unit Heads must include how effectively they share knowledge, making up a significant portion of their assessment. Feedback from Account Officers about their manager's support should be part of this evaluation. This approach directly addresses the breakdown in Externalization, where manager proactivity makes a huge difference in outcomes, aligning with Mwawasi's [14] emphasis on leadership's role in creating systems for sharing and Nonaka et al.'s [13] view of middle managers as vital "knowledge producers".

Second, to fix problems in the Socialization stage, mentorship needs to be formalized and rewarded. Senior Account Officers who mentor new staff should get relief from some of their individual sales targets while mentoring (e.g., during the first 90 days). Their performance should also partly depend on how well their mentees succeed. Programs recognizing the "Best Mentor" or offering faster career paths can make knowledge sharing a valued activity, not just an extra burden. This supports the importance of rewards noted by Al-Alawi et al. [4] and the need for management support highlighted by Jasimuddin and Suci [19]. At the same time, the extremely long work hours (8 AM–9 PM) need to be managed. Reducing hours to a more standard schedule (like 8 AM–6 PM) allows time for reflection, which is essential for absorbing practical, unspoken knowledge (tacit knowledge) and supports Internalization. This also helps address the high employee turnover linked to unhealthy work cultures, a problem emphasized by Yapabandara and Divakara [9]. Improving the work environment can help retain valuable knowledge carriers.

Third, improving technology reliability must focus on stability rather than just adding new features. Fixing recurring errors like the BRI API Error 503 is essential, possibly through joint investment by the partner organizations. Changes to software interfaces should be tested with actual Account Officers first to avoid confusion and sales drops. Developing an offline mode for basic tasks can ensure work continues even when internet connectivity fails. These steps address failures in the Combination stage, where unreliable systems make users distrust and avoid digital knowledge tools, even if available. Building trustworthy and dependable systems is key, as highlighted by Jalowski et al. [18], especially when users have limited digital literacy.

Fourth, the incentive system needs rebalancing to reward knowledge quality, not just sales quantity. Existing team rewards should specifically include bonuses for collaborative efforts like effective peer mentoring or achieving high customer understanding scores. Importantly, setting aside a small part of an Account Officer's time (e.g., 10%) specifically for educating customers—protected from immediate sales pressure by adjusting daily targets—would encourage genuine knowledge Internalization rather than just pushing sales. This helps ensure AOs understand why they are doing things, not just mechanically following procedures, which ultimately builds better customer relationships and sustainable growth, aligning with Mwawasi's [14] point about rewarding sharing itself.

Finally, inter-organizational coordination needs strengthening. Regular strategic meetings (e.g., quarterly) between the

partners should focus on knowledge sharing effectiveness, not just sales numbers. These meetings should address issues like customer confusion from competing products and establish formal data-sharing agreements so AROs can access necessary historical data for planning. By addressing the root causes of knowledge conversion breakdowns at each stage, these combined actions can transform the partnership from focusing only on short-term sales towards building long-term, shared capabilities.

Theoretically, these findings enrich the SECI model by demonstrating that the knowledge conversion process relies not only on internal organizational interactions but also on mechanisms of coordination, trust, and goal alignment across institutions. Thus, this study confirms the relevance of the SECI model in the context of inter-organizational hybrid knowledge ecosystems, where successful knowledge sharing demands the simultaneous integration of people, structures, and technologies within collaborative networks.

## IV. Conclusion

This study concludes that the inconsistency in knowledge sharing outcomes in the partnership between PT. Asuransi X and PT. Microfinance Y is not caused by a lack of knowledge sharing activities, but rather by dysfunction at specific stages of the SECI (Socioalization, Externalization, Combination, Internalization) conversion process across various organizational layers.

High performing units demonstrate synergy between proactive leadership, a collaborative culture, reliable technology support, a reflective work environment, and aligned cross organizational coordination. Conversely, low performing units struggle with weak middle leadership, a toxic work culture, digital system instability, incentive misalignment, and ineffective inter organizational coordination. These conditions explain the significant variation in penetration rates, despite all units being active financially.

The practical implications of these findings emphasize that the success of a digital knowledge sharing system cannot be achieved solely through the provision of formal platforms or policies. It requires transformational leadership at the middle level, the engineering of a collaborative organizational culture, and the strategic integration of incentives, technology, and business objectives. Therefore, companies need to design sustainable leadership development and mentoring programs, build stable technology systems with offline backups, and restructure reward and incentive mechanisms to align with knowledge sharing behavior.

Theoretically, this study extends the application of the SECI model to an inter-organizational setting by demonstrating that the dynamics of knowledge conversion occur not only within a company's internal boundaries but are also influenced by cross-institutional interactions, coordination, and trust. Thus, this study makes a conceptual contribution to the development of knowledge management theory in the era of digital-hybrid collaboration, while also offering an empirical basis for designing more adaptive and sustainable knowledge ecosystems within microinsurance networks.

Further research recommends broader cross-organizational exploration to test the SECI model in the context of digital-human hybrid partnerships, as well as the development of an evaluation framework based on knowledge performance indicators to more quantifiably measure the effectiveness of knowledge conversion.

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