

Designing Knowledge Management for Legal Aspects to Enhance Governance of A Company in The Energy Sector (Case Study: PT KI)

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Abstract

Recently, the energy sector has experienced rapid growth in response to increasing global energy demand. Effective legal compliance is a key factor in achieving good corporate governance (GCG). To address this challenge, this study examined the current conditions and challenges of knowledge management in the legal function at PT KI, as well as explored how the implementation of knowledge management practices in legal processes could strengthen PT KI's GCG. The research process involved problem identification, data collection through semi-structured interviews with company management, and analysis using several methods, including the People, Process, and Technology framework and SECI Analysis to evaluate the current state of knowledge management implementation at PT KI, as well as SWOT and TOWS analyses to identify areas for improvement. The objective was to understand the existing conditions at PT KI, particularly regarding the implementation of knowledge management within the legal function. The findings recommended the establishment of a Legal & Compliance Department and the development of comprehensive guidelines in the form of a framework and standard operating procedures (SOPs) based on the proposed business solution to implement knowledge management practices for the legal function and enhance PT KI's corporate governance.

INTRODUCTION

In recent years, the energy sector has experienced rapid growth, driven by a significant increase in global energy demand. However, the sector has also faced criticism as it remains one of the largest contributors to greenhouse gas emissions, making it a central focus in discussions on climate change and global warming (Grabinska et al., 2021). Nevertheless, energy remains a fundamental driver of economic activities across various sectors. For instance, electricity is essential for the manufacturing sector and can be generated from various sources, including fossil fuels such as coal and renewable energy sources such as solar, hydropower, and wind energy. In addition, energy derived from oil and natural gas remains highly utilized, with petroleum serving as a primary source for various petroleum products used as fuel for motor vehicles. According to the Handbook of Energy & Economic Statistics of Indonesia (2024), Indonesia's energy consumption increased by 4.53%, reaching approximately 1,276 million barrels of oil equivalent (BOE). The largest share of energy

consumption came from the industrial sector (45.94%), followed by the transportation sector (36.11%), household sector (12.58%), commercial sector (4.47%), and other sectors (0.90%).

Despite its essential role in society, the energy sector, along with operations in other economic sectors, has also negatively affected environmental sustainability (Sulich, 2022). Consequently, energy companies are under increasing pressure to align their strategies with sustainable development goals. This alignment requires substantial investment in renewable energy sources, significant reductions in carbon emissions, and proactive responses to climate change and biodiversity protection challenges (Grabinska et al., 2021). However, according to the Handbook of Energy & Economic Statistics of Indonesia (2024), Indonesia's energy supply increased by 7.3% in 2024 compared with the previous year, reaching approximately 2,007 million BOE, which represented the highest level in the last decade. Energy supply from crude oil and coal increased by 3.5% and 9.3%, respectively, compared with the previous year. Meanwhile, energy supply from natural gas and new and renewable energy (NRE) also increased by 1.5% and 17.2%, respectively. Overall, coal remained the dominant energy source in Indonesia, accounting for approximately 40.37% of total energy supply, followed by petroleum (28.82%), natural gas (16.17%), and NRE (14.65%). Furthermore, petroleum, as part of the oil and gas sector, remains one of Indonesia's primary energy sources, demonstrating the continued importance of oil and gas utilization. Generally, oil and gas business activities are divided into two categories: upstream and downstream activities. Upstream activities include exploration, exploitation, and decommissioning, whereas downstream activities include processing, transportation, storage, and trading (Sunarya et al., 2017).

Energy is a strategic natural resource that plays a vital role in supporting economic activities, employment opportunities, and national resilience, as stated in the Overview section of the Elucidation of Law No. 30/2007. More specifically, according to the general explanation of Law No. 22/2001 and its amendments, oil and gas are categorized as strategic non-renewable natural resources controlled by the state and are considered vital commodities for industrial raw materials, domestic energy supply, and national foreign exchange generation (Manohara & Hayati, 2019). Therefore, their management must be optimized to maximize benefits for public prosperity and welfare. State control over energy resources is mandated under Article 33 of the 1945 Constitution (Undang-Undang Dasar 1945 or UUD 1945), representing state sovereignty over natural resources within its territory. As the executor of this sovereignty, the government has the authority to determine the development and utilization of natural resources, including the parties entitled to manage them (Smith in Sunarya et al., 2017). Due to the significant social and economic impact of the oil and gas industry, companies operating in this sector are subject to strict government regulations (Syahadah, 2025; Wibowo, 2023). For example, contractors and business entities holding oil and/or gas processing licenses are required to implement gas flare management as regulated under Article 2 paragraph (1) of MEMR Regulation No. 17/2021 (Hutapea & Wondabio, 2025). Non-compliance with these provisions may result in administrative sanctions, including written warnings, cancellation of the appointment of the head of engineering, and/or temporary suspension of operational activities at production facilities, as stipulated in Article 19 paragraphs (1) and (2) of MEMR Regulation No. 17/2021 (Nasriyati, 2021). Therefore, a comprehensive understanding of legal

and regulatory aspects is essential for companies operating in the energy sector to ensure compliance with applicable regulations (Prasetya et al., 2022).

The novelty of this research lies in integrating knowledge management principles with legal compliance requirements within the energy sector through a case study approach (Wattoo, 2025; Foster et al., 2024). This study combines the People, Process, and Technology framework with SECI Analysis, SWOT analysis, and TOWS analysis to provide a comprehensive evaluation of existing conditions and formulate actionable recommendations (Flores Torres et al., 2021; Ahmadani et al., 2023; Skotnicka-Zasadzień et al., 2023). This research aimed to analyze the current conditions of knowledge management for legal aspects at PT KI, identify challenges in implementing knowledge management for legal functions, and design a comprehensive knowledge management framework to enhance corporate governance (Vandebeek et al., 2024). The contributions of this study are threefold: theoretically, it expands the application of knowledge management concepts within the legal context of energy companies; practically, it provides a strategic roadmap for PT KI and similar organizations in implementing knowledge management for legal functions; and methodologically, it demonstrates the integration of multiple analytical frameworks within a case study approach (López-Meza et al. 2024).

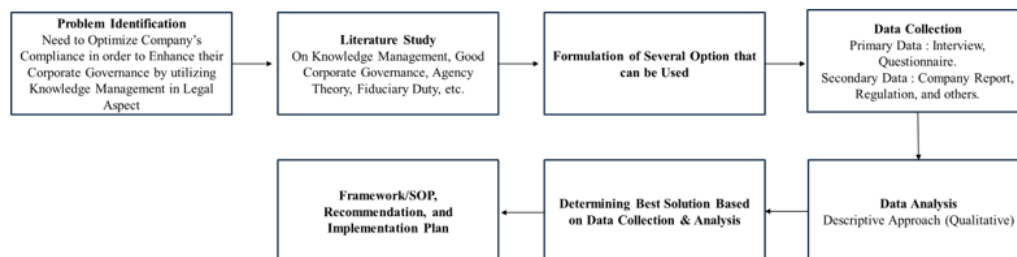
Compliance represents one of the essential elements required to achieve good corporate governance (GCG) within an organization. Although Law No. 40/2007 and its amendments do not explicitly require companies to implement GCG principles, compliance with GCG practices serves several important functions, including maintaining corporate credibility among investors and the public. Furthermore, GCG implementation is also considered by financial institutions when evaluating companies seeking business financing. To develop an appropriate solution, it is necessary to gain a deeper understanding of the challenges faced by energy companies in complying with regulations and implementing GCG principles. In addition, it is important to examine how effective knowledge management practices at PT KI can influence regulatory compliance, particularly because the energy sector is among the most highly regulated industries. However, PT KI currently does not have a dedicated department responsible for legal functions and related compliance matters. Therefore, this research formulated the following research questions: (1) What are the existing conditions and challenges in implementing knowledge management for legal aspects within an energy sector company? (2) How can knowledge management for legal aspects be implemented to enhance corporate governance in an energy sector company?

METHOD

This study employed a descriptive approach using qualitative methods as the primary data analysis approach. A qualitative method was selected to explore the complexity and meaning of the research context (Bailey, 2008). The descriptive approach was used to examine the existing conditions and characteristics of the phenomenon under study (Nassaji, 2015).

In this study, qualitative data were collected through semi-structured interviews with company employees to assess suitable approaches for improving regulatory compliance and strengthening GCG implementation at PT KI. The interviews aimed to identify the existing

conditions, challenges, and opportunities related to knowledge management implementation within the legal function. The research framework is presented as follows:



Source: Author.

Figure 1. Research Framework

This research framework was designed to provide a comprehensive overview of each stage of the research process. The implementation of the research activities could be conducted both offline and online through electronic mechanisms. Although electronic research methods may present challenges in data collection, such as connectivity issues and limited direct observation of respondents, they also provide broader access to relevant documents and information regardless of geographical limitations. Therefore, this study utilized both online and offline data collection methods, adjusted according to the requirements of the research data.

RESULTS AND DISCUSSION

Analysis

Business Situation Analysis

PT KI is a company engaged in the oil and gas industry. In the oil and gas industry, it is known that there is a mechanism for burning flare gas produced during oil and gas exploration, production, or processing activities, which cannot be handled by existing production or processing facilities and therefore cannot yet be utilized. The flare gas combustion process is a critical process in oil and gas production, as it aims to ensure process safety, maintain product quality, and prevent environmental pollution (Sulardi and Anugrah, 2025). Furthermore, it is known that as one of the companies engaged in oil and gas supporting business activities, there is a specific regulation concerning oil and gas supporting business activities, as currently operated by PT KI, namely MEMR Regulation No. 14/2018. According to Article 4 paragraphs (1) and (2) of MEMR Regulation No. 14/2018, it is regulated that oil and gas supporting business activities may be conducted by companies or individuals. If such activities are conducted by a company, the company may include both domestic-capital companies and foreign-capital companies. Pursuant to Article 5 of MEMR Regulation No. 14/2018, oil and gas support business activities are classified into:

- a. Oil and gas construction services;
- b. Oil and gas non-construction services; and
- c. Oil and gas supporting industries.

If examined further, based on the provisions of Article 6 paragraph (3) of MEMR Regulation No. 14/2018, the oil and gas supporting industry itself is divided into the materials industry and the equipment industry. Pursuant to Article 1 number 5 of MEMR Regulation No.

14/2018, the materials industry refers to industrial business activities that produce goods in various forms and specifications, including raw materials, semi-finished goods, and/or finished goods used to support oil and gas business operations. Meanwhile, based on Article 1 number 6 of MEMR Regulation No. 14/2018, it is understood that the equipment industry refers to industrial business activities that produce objects in various forms, which are assembled into a single unit with a specific function, and are used to support oil and gas business activities. According to Section 1.2 (Company Profile), it is known that PT KI's business activities also produce products used to support oil and gas operations, such as valves, fire protection and firefighting equipment, flare packages, and other products.

Legal Aspect Analysis

In conducting their business activities in the oil and gas industry, it is quite common for PT KI to be faced with legal issues that can arise, especially since the oil and gas industry is one of the most tightly regulated industrial sectors. As previously outlined that PT KI currently does not have a specific department to dedicated to managing the legal aspects faced by the company, particularly those legal aspect in the energy sector. In fact, a specific department that has a responsibility in legal matters in the company can serve as a key mechanism for implementing knowledge management processes in the legal aspects. To understand the importance of knowledge management related to legal aspects in companies operating in the energy sector, it is necessary to examine the legal provisions governing such companies, specifically regarding supporting business activities in the oil and gas sector. In general, the legal provisions for companies in the energy sector (particularly supporting business activities in the oil and gas sector) are outlined as follows:

a. Legal Aspect for the Corporate Matters

In general, the provisions governing the legal aspects of a limited liability company are regulated by Law No. 40/2007 and its amendments. Based on these regulation, there are provisions that must be fulfilled by a limited liability company while conducting their business activities, including:

- i. Business Licensing, which, based on the Article 4 paragraph (1) of Government Regulation No. 28/2025, it is stipulated that in order to carry out business activities, business actors need business licenses, namely legality given to business actors to start and run their businesses and/or activities. In principle, such business licenses can only be granted after business actors fulfill the basic requirements first. Based on the provisions of Article 12 paragraph (1) of Government Regulation No. 28/2025, it is known that the basic requirements include the Conformity of KKPR, PL, as well as PBG and SLF.
- ii. Organizing an Annual GMS, which based on the Article 1 point 3 of Law No. 40/2007 and its amendments, it is known that the GMS is a corporate organ that has authority that is not granted to the board of directors or the board of commissioners, within the limits specified in Law No. 40/2007 and its amendments and the articles of association of each company. Furthermore, Article 78 paragraph (1) of Law No. 40/2007 and its amendments stipulates that GMS consists of annual GMS and other GMS, which based on the provisions of Article 78 paragraph (2) of Law No. 40/2007 and its amendments, annual GMS must be held by the company no later than 6 (six) months after the fiscal year ends.

- iii. Preparation of Annual Report, while during the annual GMS, all of the company's annual report documents must be submitted. Therefore, the company also has the obligation to prepare annual reports, including financial statements, report on company activities, report on social and environmental responsibilities, details of issues that arose during fiscal year, the names of the members of the board of directors and the board of commissioners, and the salaries and allowances for members of the board of directors and the salaries or honorarium and allowances for members of the board of commissioners of the company for the past year.
- iv. Preparation of Annual Work Plan by the Board of Directors, while according to the provisions of Article 63 paragraphs (1) and (2) of Law No. 40/2007, it is regulated that the annual work plan of a company shall be prepared by the Board of Directors prior to the commencement of the coming fiscal year, which shall also include the company's annual budget for the coming fiscal year. After being prepared by the Board of Directors, the annual work plan is then submitted to the Board of Commissioners or the GMS as stipulated in the articles of association of each company.
- v. Corporate Social Responsibility, while according to the Article 74 paragraph (1) of Law No. 40/2007 and its amendments, it is known that a limited liability company that conducted their business activities in the sector related to natural resources, is obliged to implement CSR. Furthermore, the explanation of Article 74 paragraph (1) of Law No. 40/2007 and its amendments elaborates that what is meant by a limited liability company that conducts its business activities in the field of natural resources is a limited liability company whose business activities manage and utilize natural resources, while a limited liability company that conducts its business activities in sectors related to natural resources is a limited liability company that does not manage and does not utilize natural resources, but its business activities have an impact on the function of natural resource capabilities.
- vi. Investment Activity Report/LKPM
As stipulated in Article 1 paragraph 1 of Law No. 40/2007, a limited liability company is a legal entity that in a form of capital association, so it can be stated that a limited liability company is a business activity that requires capital investment as defined in Article 1 paragraph 1 of Law No. 25/2007. As part of investment activities, a limited liability company is also subject to the provisions regulated in Law No. 25/2007. Based on the provisions of Article 15 of Law No. 25/2007, there are provisions governing the obligations of every investor in conducting business activities in Indonesia, including a provision that they should prepare a reports on investment activities and submitting them to the BKPM.

b. Legal Aspect for the Oil and Gas Industry

As previously outlined that PT KI conducts its business activities in support of the oil and gas industry. Therefore, it is necessary to further explain PT KI's legal responsibilities and compliance in conducting its business activities in the oil and gas industry. In general, business activities in the oil and gas industry in Indonesia are governed by Law No. 22/2001 and its Amendment. However, in connection with the business operations of PT KI as a company engaged in supporting activities in the oil and gas industry, there is a regulation that specifically regulates those business line, that is MEMR Regulation No. 14/2018.

According to Article 9 of MEMR Regulation No. 14/2018 that for the purpose of fostering and enhancing the capabilities of oil and gas support businesses, the Director General that has a responsibility in formulating and implementing policies regarding the development, control, and supervision of the oil and gas sector, shall issue the Oil and Gas Supporting Business Capacity Certificate/*Surat Kemampuan Usaha Penunjang Minyak dan Gas* (“SKUP”) to companies engaged in the oil and gas support business sector, whether in the form of SOEs, ROEs, cooperatives, or private business entities incorporated under Indonesian law. To obtain an SKUP, companies engaged in the oil and gas support business sector are required to register via an online electronic platform by uploading company documents as states in the Annex to MEMR Regulation No. 14/2018.

c. Other Legal Aspect

In addition to matters related to corporations or limited liability companies and the oil and gas industry, there are several legal and compliance aspects pertaining to PT KI in the conduct of its business operations, such as legal aspects related to labor. As is well known, employees—or, as defined by Law No. 13/2003 and its amendments as “workers”—are a critical component for companies in carrying out their business activities. In principle, there are several provisions governing the employment relationship between the company as the employer and the employees as workers, which can generally be outlined as follows:

- i. Company Regulation, which, according to Article 108 paragraph (1) of Law No. 13/2003 and its amendment, employers who employ at least 10 (ten) workers are required to establish a company regulation. If the company already has a collective labor agreement, the provision requiring the establishment of company regulations may be waived.
- ii. Employment Relation, which, in addition to the obligation to establish company regulations, employers must also comply with provisions related to employment relationships, for example provisions regarding employment contracts, which, according to Article 56 paragraph (1) of Law No. 13/2003 and its amendment, regulate that there are 2 (two) types of employment contracts, i.e. fixed-term employment contracts (*Perjanjian Kerja untuk Waktu Tertentu/PKWT*) or indefinite-term employment contracts (*Perjanjian Kerja untuk Waktu Tidak Tertentu/PKWTT*),

Existing Knowledge Management Analysis

To identify the existing conditions of knowledge management at PT KI, an analysis can be conducted at each stage of the knowledge management process. In this regard, we can refer back to the stages of the knowledge management process for the organization, which consists of several knowledge management processes, namely the process of identifying organizational knowledge, the process of knowledge storing, the process of knowledge sharing/distribution, and the process of knowledge application. Furthermore, at each of these stages, there will be an examination about the roles of the elements of people, process, and technology as pillars that support the implementation of knowledge management within PT KI. A further discussion of the existing knowledge management at PT KI is provided in the following description:

a. The Process of Identifying Organizational Knowledge

In general, the People, Process, and Technology elements in the knowledge identification process phase at PT KI are outlined in the table below:

Table 1. Existing Conditions of Knowledge Identification Process in PT KI

KM Elements	Existing Conditions in PT KI
People	PT KI's management demonstrates a strong commitment by actively encouraging its employees to continue learning and improving their skills. From an organizational structure perspective, PT KI faces challenges due to the lack of human resources or an internal department specifically dedicated to legal matters. In light of this, PT KI has also partnered with external parties to serve as knowledge-sharing partners for employees and relevant departments within the company, enabling them to gain insights into legal matters.
Process	The knowledge identification process is implemented through regular internal training sessions designed to refresh employees knowledge and broaden their understanding of current market conditions. Additionally, management conducts external development initiatives by sending employees to various seminars and training sessions outside the company. Specifically to address gaps in the legal aspect, the knowledge identification process is carried out through knowledge-sharing activities facilitated by external parties. The knowledge identification process in the legal aspect is focusing on understanding changes in policies or regulations that have the potential to significantly impact PT KI's business operations.
Technology	PT KI utilizes digital communication technology platforms, particularly online meeting applications such as Zoom, Microsoft Teams, and similar tools, as the primary means of facilitating knowledge identification activities. This choice of technology is based on the fact that online meeting platforms offer greater flexibility for all stakeholders involved.

Source: Author, based on information provided by PT KI's management.

b. The Process of Knowledge Storing

In general, the People, Process, and Technology elements in the knowledge storing phase at PT KI are outlined in the table below:

Table 2. Existing Conditions of Knowledge Storing Process in PT KI

KM Elements	Existing Conditions in PT KI
People	In the knowledge storing process, the General Affairs Department plays a central role, they have a responsibility in compiling reports and managing the storage platform. In addition, all PT KI employees are involved as end users who incorporate this knowledge into their daily tasks based on the information distributed by the company.
Process	The acquired knowledge is initially archived in the form of reports by the General Affairs Department. If this knowledge is deemed critical to the company's business operations, PT KI will integrate it into its operational systems so that it becomes part of employees daily work procedures. Additionally, formal documentation is carried out via internal memos for broader distribution. This process also includes data storage management to ensure that information remains organized and easily accessible for the company's administrative and operational needs.
Technology	Regarding the knowledge storing, PT KI utilizes a cloud-based platform, specifically Google Drive, as the technology for storing knowledge. The use of this technology enhances the company's efficiency by minimizing the need for physical storage solutions, such as hardware storage devices.

Additionally, this technology provides more flexible and rapid access, enabling employees to retrieve the data they need anytime and anywhere.

Source: Author, based on information provided by PT KI's management.

c. The Process of Knowledge Sharing/Distribution

In general, the People, Process, and Technology elements in the knowledge storing phase at PT KI are outlined in the table below:

Table 3. Existing Conditions of Knowledge Sharing/Distribution Process in PT KI

KM Elements	Existing Conditions in PT KI
People	One form of knowledge sharing/distribution conducted by PT KI is mentoring, which involves interaction between senior employees serving as mentors and junior employees as mentees. In addition, managers in each department play a crucial role in distributing knowledge within their respective departments. Coordination of all these activities is overseen by the Human Resource Department and company management.
Process	PT KI implements 2 (two) main mechanisms for knowledge sharing/distribution, i.e. conducting internal training sessions, such as knowledge-sharing sessions, and distributing research findings via email. Currently, the mentorship program is still conducted in person within each department's workplace, although it is not yet held on a regular basis, and its implementation is still based on requests submitted to the HR Department. Although the process remains fragmented and highly dependent on the specific circumstances of each department, management plans to make knowledge-sharing sessions and mentorship a regular agenda item to strengthen the company's collective knowledge base.
Technology	To facilitate knowledge sharing/distribution through sharing sessions, PT KI uses online meeting platforms to provide flexibility while conducting a training, allowing sessions to be conducted both online and offline. In addition, communication technologies such as email are consistently used to distribute research findings.

Source: Author, based on information provided by PT KI's management.

d. The Process of Knowledge Application

In general, the People, Process, and Technology elements in the knowledge application phase at PT KI are outlined in the table below:

Table 4. Existing Conditions of Knowledge Application Process in PT KI

KM Elements	Existing Conditions in PT KI
People	In implementing knowledge application, PT KI relies on management to play an active role as decision-makers while also providing employees with the freedom to innovate. Employees are given the flexibility to propose new ideas, while management is responsible for reviewing, discussing, and assessing whether those innovations align with the company's circumstances before proceeding with implementation.
Process	In implementing knowledge application, PT KI adopts an approach whereby new projects should considering the evaluation results of similar projects that have been conducted previously. If new innovations or knowledge are to be utilized, the procedure involves a formal submission and discussion process with management. Only after a feasibility assessment has been conducted is the knowledge approved and distributed to all staff via an internal memo to serve as a guideline.
Technology	In reviewing documents, PT KI has integrated artificial intelligence to support manual methods, enabling the identification of critical points more quickly and accurately. The use of artificial intelligence technology, combined with an information-sharing system via internal memos, ensures

that any new insights, specifically those related to legal matters, can help the company execute projects far more effectively and efficiently.

Source: Author, based on information provided by PT KI's management.

Moreover, the existing conditions of the implementation of knowledge management in PT KI can be analyzed using SECI Analysis as an approach, as can be seen in the following table:

Table 5. SECI Analysis of the Existing Conditions of PT KI's Knowledge Management

Tacit Knowledge		Explicit Knowledge	
Socialization		Externalization	
- Sharing (internally and/or externally); - Seminar and/or Workshop; and/or - Others		- Presentation materials; and - Minutes of Sharing Session and/or Mentorship.	
Internalization		Combination	
Incorporated into company's operational system (if necessary).		Combination with internal value, working conditions, previous experience from each of Department, and other aspects.	
Explicit Knowledge		Tacit Knowledge	

Source: Author.

To evaluate how knowledge management drives PT KI's vision in the highly regulated oil and gas sector, which is to become a global leader in the oil and gas industry, excelling in innovation, sustainability, and empowerment. Meanwhile, to achieve those vision, PT KI has several mission, including: i. superior solutions for the clients; ii. complete packages for the oil and gas industry; iii. continuous innovation; iv. commitment to sustainability; v. strategic partnerships; vi. human resources empowerment. Moreover, achieving PT KI's core missions, particularly related to their vision towards sustainability, making them also need to consider United Nations Sustainable Development Goals (UN SDGs). To consider UNSDGs, thet need a systematic integration of Good Corporate Governance ("GCG") and Environmental, Social, and Governance ("ESG") frameworks (Noviana & Akbar, in Darmawan *et al.*, 2025). Consequently, a SWOT analysis is utilized to assess the legal and operational dimensions of PT KI's current knowledge management practices, establishing a foundation for enhanced corporate governance, which can be seen below:

Table 6. SWOT Analysis Matrix of the Existing Conditions of PT KI's Knowledge Management in Legal Aspect

	Positive	Negative
	Strengths (S)	Weaknesses (W)
Internal	• Management has been very supportive of the process of acquiring knowledge. • When implementing new projects, PT KI is open to providing opportunities for its employees to innovate and/or apply the new knowledge they have gained, as long as such innovations and new knowledge are relevant. • The process of documenting data and information has begun to utilize systems in the form of servers and the cloud, making data navigation easier. • There is a desire on the part of PT KI management to begin holding regular knowledge-sharing sessions.	• There is no legal department yet, so some knowledge management processes remain scattered. • There are no regular knowledge-sharing sessions, and mentorship activities are still scattered across the various departments. • There are no SOPs or frameworks that specifically outline the knowledge management process, particularly as it relates to legal matters.
	Opportunities (O)	Threats (T)
External	• Rapid technological advancements provide an opportunity to improve the company's current knowledge management processes.	• PT KI operates in the energy sector, specifically the oil and gas industry, which is a highly regulated sector.

Source: Author.

After conducting a SWOT analysis of the existing conditions of the implementation of knowledge management in PT KI, as shown in Table 5 (SWOT Analysis Matrix of the Existing Conditions of PT KI's Knowledge Management in Legal Aspect) above, the SWOT analysis needs to be converted into a TOWS analysis matrix to identify the necessary strategies and follow-up actions. Furthermore, the TOWS analysis matrix of the existing conditions of the implementation of knowledge management in PT KI can be illustrated as can be seen in the table below:

Table 7. TOWS Analysis Matrix of the Existing Conditions of PT KI's Knowledge Management in Legal Aspect

	Strengths (Internal)	Weaknesses (Internal)
Opportunities (External)	Strengths/Opportunities (S/O) PT KI's management strongly encourages its employees to acquire new knowledge, whether through internal or external knowledge-sharing sessions, which the company plans to hold on a regular basis knowledge sharing in the future. In addition, PT KI also provides opportunities for its employees to apply this new knowledge whenever relevant. With these strengths in place, PT KI should also recognize that rapid technological advancements that happens in the current situation should be an opportunities that can be leveraged to support the company's knowledge management processes.	Weaknesses/Opportunities (W/O) In order to maximize this opportunity, PT KI management needs to recognize that they currently operate in a highly regulated sector. This understanding should help PT KI management establish the context that rapid technological advancements, which represent an opportunity in this digital era, can assist them in conducting business operations in the energy sector, which is a strictly regulated sector. PT KI's management can leverage technology to conduct regular sharing sessions and mentorship programs, both online and offline. In addition, they can incorporate technology into their standard operating procedures (SOPs) and/or frameworks related to knowledge management in legal aspects, for which they will need to establish a dedicated department to be responsible for this task.
	Strengths/Threats (S/T) To address issues related to PT KI's business operations in a strictly regulated sector, PT KI can leverage its current strengths, as the company has adopted an open-minded approach to encouraging its employees to acquire new knowledge. Additionally, PT KI has also adopted technology in its data archiving processes, which helps streamline the management of documents related to licensing, as well as regulatory data that requires their attention.	Weaknesses/Threats (W/T) Given that PT KI currently operates in a strictly regulated industry, it is important to note that, currently, PT KI does not yet have a dedicated department responsible for managing legal aspects, including the knowledge management of legal aspects, which is essential for companies operating in highly regulated industries such as the energy sector, particularly the oil and gas industry.
Threats (External)		

Source: Author.

1. Business Solution

a. Proposed Concept of the Knowledge Management for Legal Aspect to Enhance Corporate Governance of a Company in the Energy Sector

Knowledge regarding legal aspects for companies operating in strictly regulated industries, including complex legal provisions, undoubtedly requires proper management of legal knowledge concerning the legal aspects that companies in the energy sector must consider. Furthermore, it is currently known that PT KI does not yet have a dedicated

department overseeing legal matters within the company, and the handling of legal matters has so far been based on prior experience.

As previously explained, conducting business activities in the energy sector—particularly in oil and gas—requires a solid understanding of legal aspects, such as the need to obtain specific permits, corporate actions that must comply with legal regulations, and partnerships that require formal agreements. Therefore, in conducting its business activities in the energy sector, PT KI may consider establishing a dedicated department specifically tasked with overseeing these legal aspects, particularly to manage the legal knowledge related to such matters.

Referring to Table 7 (TOWS Analysis Matrix of the Existing Conditions of PT KI's Knowledge Management in Legal Aspects), it is known that although PT KI currently operates in a highly regulated industry, the company has an opportunity to leverage technology to support its knowledge management processes. However, based on the information obtained, there are currently no guidelines, such as SOPs or frameworks, that specifically outline the knowledge management process, particularly regarding legal aspects. This has resulted in knowledge management not yet being organized as a continuous process and remaining fragmented across the responsibilities of individual departments.

To make knowledge management a continuous process, improvements can be made to the existing conditions of knowledge management at the company, as generally illustrated in Table 8 (SECI Analysis of the Existing Conditions of PT KI's Knowledge Management). Furthermore, In general, the development of the knowledge management process based on the SECI Analysis approach can be seen in the table below:

Table 8. Proposed Concept of Knowledge Management for Legal Aspect using SECI Analysis

Tacit Knowledge			
Tacit Knowledge	Socialization	Externalization	Explicit Knowledge
	Sharing Session, Seminars, and/or Workshops conducted by the department that has a responsibility in legal matters. So that the process of socialization regarding legal knowledge is easier and quicker to understand.	- Presentation materials; - Minutes of Sharing Session and/or Mentorship; and - Legal Paper, consisting legal insights.	
	Internalization	Combination	
	Incorporated into company's operational system, by preparing a Legal Memo which contains guidelines on the new workflow and an implementation manual.	Combination with internal value, working conditions, previous experience from each of department, and other aspects, by developing guidelines for knowledge management in	

	legal aspects and guidelines for the new workflow that already consider legal aspect, which can be in form of a framework, SOPs, or internal company policies or regulations.
Explicit Knowledge	

Source: Author.

To fulfill PT KI's mission of commitment to sustainability, the company must institutionalize core values of corporate governance. According to OECD, it is known that one of the core values is principle of responsibility, which means that corporate governance must also considering the legal rights of stakeholders and encourage active cooperation between companies and stakeholders in creating wealth and jobs and ensuring sustainability (OECD, 2018). Although formal GCG frameworks in Indonesia are explicitly codified only for state-owned enterprises under MoSOE Regulation No. PER-2/MBU/03/2023, in principle, Law No. 40/2007 and its amendment have actually provided regulations regarding aspects of corporate governance, even though these provisions are implied and scattered throughout the law, such as provisions related to the obligation to carry out social and environmental responsibilities for companies.

Based on the above discussion, it is clear that the involvement of the department that has a responsibility in legal matters is crucial in workflow guidelines, particularly in the context of fulfilling GCG principles such as the principle of responsibility. In connection with efforts to provide guidelines on workflows that take legal aspects into account, it is also necessary to develop guidelines governing the implementation of knowledge management related to legal aspects as a foundational step in the process of internalizing the role of the department responsible for legal matters.

b. Proposed Organizational Structure to Implement Knowledge Management for Legal Aspect for a Company in the Energy Sector

In relation to previous discussions, it is clear that a dedicated department is needed to oversee legal matters and implement knowledge management in this area. In this regard, this section will further elaborate on the proposed organizational structure, especially to implement knowledge management in legal aspect. To establish a department that has a responsibility in these legal aspect, it is first necessary to understand the scope of the department's work. Commonly, it is known that a department that has a responsibility in legal aspect has several duties and responsibilities, including: i. providing legal advice; ii. managing legal documents; iii. identifying risks; iv. conducting legal research; v. conducting a socialization (Wahyuni, 2022). In addition to these matters, the department that has a responsibility in legal aspect may also have other duties and responsibilities that need to be carried out, such as coordinatin with external parties regarding the company's legal needs, as well as handling and resolving internal and external cases of the company. Meanwhile, besides to the core responsibilities of the department responsible for legal matters as outlined above, the department responsible for legal

matters may also carry out tasks related to the implementation of knowledge management in the legal aspect. This is because the implementation of knowledge management in the legal aspect by the department responsible for legal matters is expected to help the implementation of knowledge management become more effective and efficient, as outlined before.

It is necessary to explain how these duties and responsibilities align with PT KI's organizational hierarchy. Currently, in their organizational structure, PT KI has 5 (five) major groups: the Sales Group, Product Group, Engineering Manufacturing Integration Group, Services Group, and Corporate Group. Furthermore, upon examining the organizational structure at PT KI, it can be observed that the grouping of these 5 (five) major groups is primarily based on functional needs. Considering this, the department responsible for legal matters can also be placed within a group whose functional scope aligns with the company's requirements. Referring back to PT KI's organizational structure, it is known that they currently have a Corporate Group, which is responsible for carrying out tasks related to the company's corporate affairs. Currently, the Corporate Group consisting 4 (four) departments: the Human Resources & General Affairs Department, the Accounting Department, the Supply Chain Department, and the Finance Department. Moreover, by referring back at the duties and responsibilities of the department that has a responsibility in legal aspect, it is known that, in general, the duties and responsibilities of this department are not functionally linked to other groups within PT KI but are primarily focused on performing tasks related to the company's corporate affairs. Therefore, based on the functional grouping mechanism, the department that has a responsibility in legal aspect may, in principle, be grouped under the same function as the departments within the Corporate Group. Thus, to implement workflow guidelines that considering legal aspects, as well as guidelines for the implementation of knowledge management regarding legal aspect within the scope of PT KI, an organizational structure can be proposed by adding the department that has a responsibility in legal aspect to the Corporate Group, as shown in the illustration below:

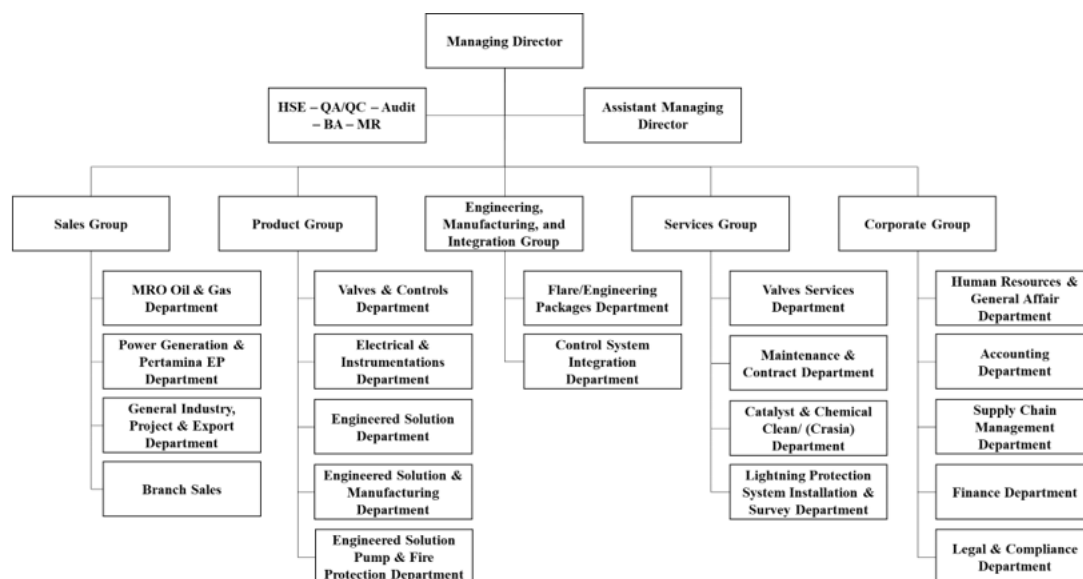


Figure 2. Proposed Organization Structure for PT KI

In Figure 4 (Proposed Organizational Structure for PT KI), adjustments were made not only by adding a department that has a responsibility in legal aspect but also by integrating the compliance function—which was previously part of a separate team—into a same function within the department that has a responsibility in legal aspect, which can be referred to as the Legal & Compliance Department.

CONCLUSION

The conclusion presents the results derived from the analysis, discussion, and hypothesis testing related to the research phenomenon. It should directly address the research questions and objectives rather than repeat the discussion or provide a general summary. The main conclusions of this study should be presented concisely in a dedicated Conclusion section, either as a standalone section or as part of the Discussion or Results and Discussion section. Furthermore, the conclusion may include implications, future research directions, and potential applications of the findings based on the results and discussion.

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