

Abstract

This thesis was trying to observe how the knowledge-based operation management could enhance Bank Mandiri's core competence in creating a solid service quality banking. In doing this research, I have made a deep studied of knowledge management, core competence, and service quality, learning a several cases about application of knowledge management and service quality at Hewlett-Packard, Andersen Consulting, First Chicago Bank, and Wachovia Bank, an overview of Bank Mandiri, and analyze the application of knowledge-based operation management to enhance Bank Mandiri's core competence in service quality banking.

This research concluded that Bank Mandiri explicitly did not decide and implement the knowledge-based operation management yet. In the restructuring process, Bank Mandiri did a creation process, sharing, and application of knowledge. Creation process have been done by *acquisition*, *dedicated resources*, and *fusion*. Whereas the process of knowledge sharing have been done by *socialization*, *internalization*, and *externalization*. Tacit knowledge among other things have been used to increase the service quality, made a branch operational design, organizational design, and integrated the retail products of Bank Mandiri. Besides there was a gap between knowledge management activities in Bank Mandiri with the application of knowledge management as a theory, especially to increase the core competence in service quality banking.