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COMMUNICATION, COMPETENCE, AND SUBROGATION PROCESS EFFECTIVENESS: THE MEDIATING ROLE OF KNOWLEDGE SHARING AT PT ASKRINDO

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Abstract

This study examines the effects of communication and competence on the effectiveness of the subrogation process, with knowledge sharing as a mediating variable in the Subrogation Division of PT Askrindo. A quantitative census design was applied to all 66 employees involved in the subrogation function. Primary data were collected using a five-point Likert questionnaire and analyzed with partial least squares structural equation modeling (PLS-SEM) in SmartPLS 4. The measurement model met convergent validity and reliability requirements at the construct level. The structural model explains 65.6% of the variance in knowledge sharing and 73.4% of the variance in subrogation process effectiveness. Communication strongly affects knowledge sharing ($\beta=0.869$; $p<0.001$) but does not directly affect subrogation effectiveness ($\beta=0.007$; $p=0.964$). Competence directly improves subrogation effectiveness ($\beta=0.649$; $p<0.001$) but does not significantly affect knowledge sharing ($\beta=0.076$; $p=0.673$). Knowledge sharing positively affects effectiveness ($\beta=0.292$; $p=0.018$) and significantly mediates communication, but not competence. The findings indicate two distinct mechanisms: communication improves process effectiveness through knowledge exchange, whereas competence works primarily through direct task capability.

Keywords: *Communication; Competence; Knowledge Sharing; SEM-PLS; Subrogation Process Effectiveness*

1. INTRODUCTION

Insurance is a critical financial-service mechanism for transferring and managing risk. Beyond claim settlement, insurers must also manage post-claim recovery activities efficiently because these activities influence cost control, operational discipline, and the sustainability of risk-bearing capacity. In Indonesia, subrogation legally transfers an insured party's rights against a responsible third party to the insurer after indemnification. Thus, subrogation is not merely an administrative follow-up; it is a cross-functional process requiring document accuracy, case analysis, timely coordination, negotiation, and persistent recovery action (Dorfman & Cather, 2012; Susanto, 2006).

The operational context of PT Askrindo makes this issue particularly important. The subrogation function is connected to claims, recovery, documentation, external counterparties, and dispersed organizational units. In the research report underlying this article, combined recovery income was Rp1.718 trillion in 2024 and Rp1.590 trillion in 2025, a 7.41% decline, while non-KUR recoveries decreased more sharply. These figures cannot be interpreted as a direct measure of employee effectiveness because recovery outcomes are affected by case mix and external conditions; nevertheless, they provide a managerial signal that the internal process supporting recovery warrants systematic examination.

From a knowledge-based view (KBV), organizational effectiveness depends on the firm's ability to integrate specialized knowledge held by individuals (Grant, 1996). Knowledge is therefore not valuable only because employees possess it; its organizational value emerges when it can be transferred, combined, and applied to work problems (Nonaka & Takeuchi, 1995; Farnese et al., 2019). Knowledge sharing becomes especially important in case-based work such as subrogation, where tacit experience from previous cases may help employees interpret documents, anticipate obstacles, and select appropriate recovery actions. Prior research has linked knowledge sharing with productivity and job performance (Haas & Hansen, 2007; Swanson et al., 2020).

Communication is one of the main channels through which such knowledge moves. Clear, timely, and open communication reduces ambiguity and helps employees coordinate work across hierarchical and functional boundaries. Organizational behavior literature emphasizes communication as a mechanism for information exchange, coordination, feedback, and common understanding (Robbins & Judge, 2021; West & Turner, 2018; Robbins et al., 2017). More recent work also highlights that communication quality supports collaboration and conflict management (Azhari et al., 2024), while pragmatic communication competence shapes how information, persuasion, and consensus operate in group interaction (Burhamzah et al., 2025). Accordingly, communication may contribute to subrogation effectiveness not simply by transmitting instructions but by enabling employees to exchange case-specific knowledge.

Competence represents a second strategic resource. Competence includes the knowledge, skills, behavioral capabilities, and work-related attributes required to perform a task successfully (Spencer & Spencer, 1993). Employees with stronger job-related competence can understand procedures, evaluate case information, and execute follow-up actions more accurately. However, competence does not automatically mean that employees will share what they know. Swanson et al. (Swanson et al., 2020) demonstrate that person-related competencies can promote knowledge sharing, whereas job-related competencies may have a more direct relationship with job performance. This distinction is highly relevant to the present setting, where individual technical capability and collective knowledge exchange may operate through different pathways.

The financial-services environment also increasingly relies on digital information, transparent processes, and rapid coordination. Research involving A. Reski Almaida Dg Macenning shows that financial-sector effectiveness is closely connected to managerial capability, risk control, technology use, and process efficiency (Nasir et al., 2025; Dg Macenning & Burhamzah, 2025; Dg Macenning & Burhamzah, 2026). Although these studies address different financial contexts, they reinforce the relevance of examining human capability and information exchange in a highly procedural financial organization.

Prior research has investigated communication, competence, knowledge sharing, and employee performance in various organizational contexts (Wibowo & Fatonah, 2023; Muizu et al., 2018; Choiriyah et al., 2020; Tubaran, 2024; Latupapua et al., 2023; Fatah & Dudija, 2026; Sanjaya & Tania, 2023; Arvan & Trisniwati, 2023). Yet research that integrates these constructs in the specific context of insurance subrogation remains limited. The research gap is therefore contextual and mechanistic: it is not yet clear whether communication and competence improve subrogation process effectiveness directly, or whether their effects depend on knowledge sharing. This study addresses that gap by testing knowledge sharing as a mediator between communication, competence, and subrogation process effectiveness among employees of PT Askrindo's Subrogation Division.

The study contributes in three ways. First, it extends KBV reasoning to a specialized recovery process in the insurance sector. Second, it distinguishes the direct task-capability pathway of competence from the information-exchange pathway of communication. Third, it provides managerial evidence for designing communication routines, knowledge-sharing mechanisms, and competency development that are aligned with the operational characteristics of subrogation.

Table 1. PT Askrindo recovery income used as contextual background

Year	KUR	Non-KUR	Combined
2024	Rp1.421 trillion	Rp297.255 billion	Rp1.718 trillion
2025	Rp1.398 trillion	Rp192.335 billion	Rp1.590 trillion
2026 (Jan-Jun)	Rp452.245 billion	Rp63.317 billion	Rp515.562 billion

Source: *Proceed Data, 2026*

Accordingly, the research asks whether communication and competence influence knowledge sharing and subrogation process effectiveness, whether knowledge sharing itself improves process effectiveness, and whether it mediates the effects of communication and competence. The expected contribution is not merely to establish whether relationships are significant, but to clarify the mechanism of effectiveness in a specialized insurance process. In this respect, the study connects human-resource management, organizational communication, and knowledge management with a specific operational outcome in the financial-services sector.

The study is also motivated by a clear empirical tension. The thesis reports that employee responses to communication, competence, knowledge sharing, and process effectiveness are generally high, yet the structural relationships among those constructs are not uniform. A favorable organizational climate does not necessarily mean that every human-resource variable has a direct effect on process outcomes. By testing direct and mediated effects in one model, the study identifies the specific route through which each antecedent matters. This is important for managerial intervention because a communication problem requires a different response from a competence problem, and both differ from a knowledge-sharing problem.

Knowledge sharing is positioned as the mediating construct because subrogation work contains a substantial tacit component. Formal procedures can describe what must be done, but employees also accumulate experience regarding how to handle difficult counterparties, how to resolve incomplete documents, how to interpret unusual case conditions, and how to select a practical next step. Such experiential knowledge becomes an organizational resource only when it is made accessible to others. The indicators in this study therefore cover sharing experience, sharing information, discussion and consultation, willingness to share knowledge, and utilization of shared knowledge. This operationalization closely reflects the KBV proposition that firms create value by integrating dispersed expertise (Grant, 1996; Haas & Hansen, 2007).

Competence is equally central because subrogation employees work with cases that require procedural knowledge, judgment, problem solving, and professional follow-through. The study operationalizes competence through knowledge, skills, ability to complete work, work experience, and professional attitude. These dimensions are consistent with the view that competence represents an integrated set of characteristics enabling effective task performance (Spencer & Spencer, 1993). In a process where errors in document review, case interpretation, or follow-up can delay recovery, competence is expected to have a direct operational consequence. At the same time, the study tests whether competence also produces benefits indirectly by encouraging knowledge sharing, thereby distinguishing individual capability from collective learning.

The role of communication is particularly salient because subrogation requires vertical, horizontal, and cross-functional information flows. Employees need clear information regarding case status, supporting documents, responsibilities, deadlines, and follow-up actions. Communication also supports feedback when documentation is incomplete or when a case requires clarification from another unit. In such a setting, communication quality is not limited to message transmission. It includes the extent to which information is understandable, accurate, open to clarification, supported by feedback, and coordinated across work roles (Robbins & Judge, 2021; West & Turner, 2018; Robbins et al., 2017). These attributes correspond to the communication indicators used in the

underlying study: clarity of information, accuracy of message delivery, openness, feedback, and work coordination.

Subrogation also has a distinctive process logic compared with routine administrative work. After an insurer pays a covered loss, the organization must identify the responsible third party, verify the legal and documentary basis of recovery, coordinate supporting evidence, pursue the recovery process, and monitor settlement. The thesis report describes this sequence as involving information from claim settlement, document verification, coordination with related parties, and recovery action. The effectiveness of the process therefore depends on both formal procedures and the human capacity to interpret information and respond to case-specific obstacles. This characteristic makes subrogation an appropriate setting for examining communication, competence, and knowledge sharing simultaneously rather than as isolated organizational variables (Kunaifi et al., 2023; Dorfman & Cather, 2012; Susanto, 2006).

2. RESEARCH METHOD

This research used a quantitative explanatory design to test the relationships among communication (X1), competence (X2), knowledge sharing (Z), and subrogation process effectiveness (Y). The population consisted of all employees involved in the Subrogation Division of PT Askrindo. Because the population was limited and accessible, a saturated or census sampling technique was used; consequently, all 66 employees became research respondents. Primary data were obtained through questionnaires, while secondary data were drawn from company documents and relevant literature.

Each construct was measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Communication captured information clarity, message accuracy, openness, feedback, and work coordination. Competence represented work-related knowledge, skills, ability, and experience. Knowledge sharing reflected employees' willingness and activity in giving, receiving, and using knowledge and experience. Subrogation process effectiveness captured timely, accurate, coordinated, and target-oriented completion of subrogation activities. The conceptualization is consistent with established organizational behavior, competency, and knowledge-management perspectives (Grant, 1996; Nonaka & Takeuchi, 1995; Farnese et al., 2019; Haas & Hansen, 2007; Robbins & Judge, 2021; West & Turner, 2018; Robbins et al., 2017; Spencer & Spencer, 1993; Swanson et al., 2020).

Data were analyzed with partial least squares structural equation modeling (PLS-SEM) using SmartPLS 4. The measurement model was evaluated through indicator loading, average variance extracted (AVE), discriminant validity, Cronbach's alpha, and composite reliability. AVE values above 0.50 and reliability coefficients above 0.70 were used as primary construct-level benchmarks (Hair et al., 2022). Discriminant validity was evaluated

using the Fornell-Larcker criterion and the heterotrait-monotrait (HTMT) ratio. The structural model was then assessed using variance inflation factor (VIF), coefficient of determination (R^2), effect size (f^2), path coefficients, and bootstrapping significance tests. A p-value below 0.05 was treated as statistically significant. The use of PLS-SEM is appropriate for prediction-oriented models with latent constructs and simultaneous mediation testing (Hair et al., 2022; Ghozali, 2016).

Mediation was examined from the bootstrapped indirect effects of communication and competence on subrogation process effectiveness through knowledge sharing. The interpretation focused not only on statistical significance but also on the pattern of direct and indirect paths. This is important because a significant indirect effect may coexist with an insignificant direct effect, indicating that the mediator functions as the primary mechanism linking an antecedent to an outcome.

Table 2. Operational structure of the research model

Construct	Role	Core meaning
Communication (X1)	Independent	Clarity, accuracy, openness, feedback, and coordination in work communication
Competence (X2)	Independent	Knowledge, skills, ability, and experience required to perform subrogation tasks
Knowledge Sharing (Z)	Mediator	Giving, receiving, exchanging, and applying knowledge and experience
Subrogation Process Effectiveness (Y)	Dependent	Timely, accurate, coordinated, and target-oriented completion of the subrogation process

Source: *Proceed Data, 2026*

The research report also examined collinearity using inner VIF values. The reported VIF values were 5.139 for communication predicting subrogation effectiveness, 3.024 for communication predicting knowledge sharing, 3.032 for competence predicting effectiveness, 3.024 for competence predicting knowledge sharing, and 2.910 for knowledge sharing predicting effectiveness. These values were considered together with the theoretical overlap among communication, competence, and knowledge sharing. The relatively high communication-to-effectiveness VIF reinforces the need to interpret the structural results with attention to the conceptual proximity among human-process constructs rather than relying on path coefficients in isolation.

For the structural model, the study interpreted R-square as the proportion of variance in an endogenous construct explained by its predictors. Effect size (f-square) was used to show the incremental contribution of each predictor to the endogenous variable. Hypothesis testing was based on the bootstrapping output, with a p-value below 0.05 used as the statistical significance criterion. The same logic was applied to specific indirect effects in the mediation analysis. Consequently, the mediation assessment was based on the

significance of the indirect path rather than on an assumption that a significant direct effect was required in advance.

The PLS-SEM procedure was conducted in two major stages. First, the measurement model was assessed to determine whether the observed indicators adequately represented their latent constructs. Indicator reliability was considered through outer loadings; convergent validity was assessed through Average Variance Extracted (AVE); discriminant validity was examined through the Fornell-Larcker criterion and HTMT; and internal consistency was assessed using Cronbach's alpha and composite reliability. Second, the structural model was evaluated using inner VIF, R-square, f-square, path coefficients, and bootstrapped p-values (Hair et al., 2022). This staged procedure is important because structural relationships should be interpreted only after the adequacy of the measurement model has been considered.

The instrument was structured around the four latent variables in the conceptual model. Communication covered five substantive dimensions: information clarity, accuracy of message delivery, communication openness, feedback, and work coordination. Competence covered knowledge, skills, task-completion capability, work experience, and professional attitude. Knowledge sharing covered experience sharing, information sharing, discussion and consultation, willingness to share, and joint utilization of knowledge. Subrogation process effectiveness was reflected by target achievement, timeliness, quality of work results, adaptability, and problem-solving ability. The questionnaire used a five-point response scale from strongly disagree to strongly agree.

The unit of analysis was the individual employee in the Subrogation Division. The use of a census was appropriate because the accessible population consisted of only 66 employees and the research objective was to represent the entire organizational unit rather than draw a sample from it. This approach eliminates sampling selection within the division, although it does not remove the broader limitation that the study represents one organizational context. The resulting dataset therefore provides a complete cross-sectional picture of employee perceptions within the unit at the time of data collection.

3. RESULTS AND DISCUSSION

Descriptive Results

Two observations follow from these descriptive patterns. First, the relatively high means show that the absence of significance in some structural paths cannot be interpreted simply as evidence that communication or competence is poor. Rather, the model tests whether differences in these already-positive perceptions explain differences in knowledge sharing and effectiveness. Second, the limited dispersion in responses can reduce the amount of variance available for explaining relationships. This is especially relevant when

interpreting non-significant paths in a single-unit census, because respondents operate under similar procedures, managerial systems, and organizational conditions.

For communication, the highest mean was recorded for indicator X1.6 at 4.394, whereas the lowest mean was 4.197 for X1.5. Standard deviations ranged from 0.565 to 0.659. For competence, the highest mean was 4.439 for X2.10 and the lowest was 4.091 for X2.4, with standard deviations between 0.524 and 0.663. Knowledge sharing produced the highest overall indicator mean: Z1.2 reached 4.470, while Z1.7 recorded 4.242; standard deviations ranged from 0.524 to 0.635. For subrogation process effectiveness, Y1.1 and Y1.3 each recorded a mean of 4.348, whereas Y1.10 was lowest at 4.182; standard deviations ranged from 0.521 to 0.615.

The descriptive analysis provides an initial picture of how the 66 respondents evaluated the four research constructs. Across all indicators, the minimum response was 3 and the maximum was 5. Mean scores ranged from 4.091 to 4.470, indicating generally favorable employee perceptions. Standard deviations were relatively low, suggesting that responses were concentrated around their respective means. These descriptive results are important because they indicate that the structural findings emerge within a setting where respondents generally perceive communication, competence, knowledge sharing, and process effectiveness positively, rather than from a context dominated by negative assessments.

Measurement Model Evaluation

The convergent-validity assessment showed that most indicator loadings met the recommended 0.70 threshold. Several indicators in the competence and knowledge-sharing constructs had loadings below 0.70 but were retained after considering their theoretical relevance and the construct-level AVE results. All AVE values exceeded 0.50: communication 0.631, competence 0.637, knowledge sharing 0.525, and subrogation process effectiveness 0.638. These results indicate that each construct explained more than half of the variance of its indicators at the construct level.

Reliability was strong for all constructs. Cronbach's alpha values ranged from 0.846 to 0.942 and composite reliability values ranged from 0.884 to 0.951. The Fornell-Larcker assessment indicated several relatively high inter-construct correlations, especially involving communication, competence, and knowledge sharing. The HTMT results provided a more favorable assessment: most ratios were below 0.90, while the communication-knowledge-sharing ratio was exactly 0.900. Consequently, discriminant validity is broadly acceptable but the conceptual proximity between communication and knowledge sharing should be recognized when interpreting the model. This is theoretically plausible because communication is a principal medium through which knowledge sharing occurs (Farnese et al., 2019; Haas & Hansen, 2007; Robbins & Judge, 2021; West & Turner, 2018; Robbins et al., 2017).

Table 3. Construct validity and reliability

Construct	AVE	Cronbach's α	Composite reliability
Communication (X1)	0.631	0.927	0.939
Competence (X2)	0.637	0.942	0.951
Knowledge Sharing (Z)	0.525	0.846	0.884
Subrogation Effectiveness (Y)	0.638	0.937	0.946

Source: *Proceed Data, 2026*

Discriminant validity requires more cautious interpretation. The Fornell-Larcker results show that the square root of AVE for competence (0.798) was lower than its correlations with effectiveness (0.832) and communication (0.818). The square root of AVE for communication (0.795) was also below its correlations with competence (0.818) and knowledge sharing (0.809), while the knowledge-sharing square root of AVE (0.724) was below its correlation with communication (0.809). HTMT provided a more favorable picture, with most ratios below 0.90 and the communication-knowledge-sharing ratio reaching 0.900. The combined evidence means that the constructs can be analyzed separately, but their empirical proximity should be acknowledged as a measurement limitation rather than overlooked.

The AVE values were 0.631 for communication, 0.637 for competence, 0.525 for knowledge sharing, and 0.638 for subrogation process effectiveness. Internal consistency was also satisfactory: Cronbach's alpha ranged from 0.846 to 0.942 and composite reliability ranged from 0.884 to 0.951. These values indicate that, at the construct level, the measures were sufficiently coherent for structural testing. Nevertheless, knowledge sharing has the lowest AVE and the widest spread in outer loadings, which suggests that its indicators capture a more heterogeneous behavioral process than the other constructs.

At the indicator level, all communication indicators achieved outer loadings of at least 0.70, ranging from 0.733 to 0.838. All effectiveness indicators also exceeded the recommended level, ranging from 0.765 to 0.870. Competence was similarly strong except for X2.10, which loaded at 0.671. Knowledge sharing contained the largest number of comparatively weak indicators: Z.5, Z.7, and Z.8 loaded at 0.688, 0.602, and 0.572 respectively. The research retained these indicators because the construct-level AVE remained above 0.50 and because the items were considered theoretically relevant to the domain of knowledge sharing.

Structural Model and Explanatory Power

The structural model showed substantial explanatory power for both endogenous constructs. Communication and competence explained 65.6% of the variance in knowledge sharing (R^2=0.656; adjusted R^2=0.645). Communication, competence, and knowledge sharing jointly explained 73.4% of the variance in subrogation process effectiveness

(R^2=0.734; adjusted R^2=0.721). The f^2 results indicate that communication had a large effect on knowledge sharing (0.756), competence had a large direct effect on subrogation effectiveness (0.542), and knowledge sharing had a small but meaningful effect on effectiveness (0.110). In contrast, communication's direct effect on effectiveness and competence's effect on knowledge sharing were negligible.

Table 4. Structural model explanatory power and effect sizes

Indicator / Path	Value	Interpretation
R^2 Knowledge Sharing	0.656	65.6% variance explained
R^2 Subrogation Effectiveness	0.734	73.4% variance explained
Communication → Knowledge Sharing (f^2)	0.756	Large
Competence → Effectiveness (f^2)	0.542	Large
Knowledge Sharing → Effectiveness (f^2)	0.110	Small
Communication → Effectiveness (f^2)	0.000	Negligible
Competence → Knowledge Sharing (f^2)	0.006	Negligible

Direct Effects

Bootstrapping results reveal a differentiated pattern. Communication does not have a significant direct effect on subrogation process effectiveness (β=0.007; p=0.964), but it has a strong positive effect on knowledge sharing (β=0.869; p<0.001). Competence, conversely, has a strong positive direct effect on subrogation process effectiveness (β=0.649; p<0.001) but does not significantly affect knowledge sharing (β=0.076; p=0.673). Knowledge sharing positively affects subrogation process effectiveness (β=0.292; p=0.018).

Table 5. Direct path coefficients

Path	β	p-value	Decision
Communication → Effectiveness	0.007	0.964	Not significant
Communication → Knowledge Sharing	0.869	<0.001	Significant
Competence → Effectiveness	0.649	<0.001	Significant
Competence → Knowledge Sharing	0.076	0.673	Not significant
Knowledge Sharing → Effectiveness	0.292	0.018	Significant

Mediation Effects

The indirect effect of communication on subrogation effectiveness through knowledge sharing is positive and statistically significant (β=0.253; p=0.036). Because the direct communication-effectiveness path is insignificant, the result indicates that knowledge sharing is the central mechanism through which communication contributes to process effectiveness in this sample. In contrast, the competence → knowledge sharing →

effectiveness indirect effect is not significant (β=0.022; p=0.070). Competence therefore contributes mainly through its direct relationship with effectiveness rather than through a knowledge-sharing mechanism.

Table 6. Indirect effects through knowledge sharing

Indirect path	β	p-value	Mediation result
Communication → Knowledge Sharing → Effectiveness	0.253	0.036	Significant
Competence → Knowledge Sharing → Effectiveness	0.022	0.070	Not significant

Discussion

The first major finding is that communication is highly consequential for knowledge sharing but not for subrogation effectiveness as a direct path. This suggests that communication only creates operational value when the information exchanged is converted into usable knowledge. The result is compatible with KBV, which treats the firm as a mechanism for integrating dispersed individual knowledge rather than merely transmitting messages (Grant, 1996). It is also consistent with the SECI perspective, in which interaction enables tacit and explicit knowledge to be converted and circulated (Nonaka & Takeuchi, 1995; Farnese et al., 2019). In practical terms, routine communication that merely reports status may be insufficient; communication must support case learning, explanation of reasoning, lessons learned, and problem-solving exchange.

This interpretation is reinforced by communication research. Effective communication facilitates shared understanding, feedback, coordination, and relational trust (Robbins & Judge, 2021; West & Turner, 2018; Robbins et al., 2017). Azhari et al. (Azhari et al., 2024) similarly emphasize communication as a foundation for collaboration and conflict management, while Burhamzah et al. (Burhamzah et al., 2025) show that pragmatic communication strategies help build consensus and manage interaction. In subrogation work, where cases differ in documentation, counterparties, and recovery obstacles, the ability to ask, clarify, explain, and transfer experiential knowledge is likely more valuable than the volume of communication itself.

The second major finding is the strong direct effect of competence on subrogation process effectiveness. This result indicates that employees' knowledge, skills, and work experience are immediately deployable in the execution of subrogation tasks. Competence helps employees understand procedures, interpret case information, identify the next action, and deal with work constraints. This aligns with competency theory (Spencer & Spencer, 1993) and with evidence that job-related competencies can affect performance directly (Swanson et al., 2020). The result also resonates with evidence from the financial-services context that strengthening professional competence and process control can improve transparency, work efficiency, and risk management (Nasir et al., 2025).

However, competence does not significantly predict knowledge sharing. This finding is not necessarily contradictory. Possessing knowledge and sharing knowledge are different behaviors. Competent employees may be able to solve cases independently without being more inclined to explain their reasoning to others. Swanson et al. (Swanson et al., 2020) found a comparable distinction: job-related competency influenced performance but not knowledge sharing, whereas person-related competency was more relevant for knowledge exchange. Therefore, management should not assume that technical training automatically creates a knowledge-sharing culture.

The third major finding is that knowledge sharing has a positive effect on process effectiveness and mediates the communication-effectiveness relationship. This supports the productivity perspective of knowledge sharing, which argues that organizations gain from knowledge when employees can access knowledge appropriate to the task (Haas & Hansen, 2007). It is also consistent with empirical work linking knowledge sharing to employee performance and work outcomes (Muizu et al., 2018; Choiriyah et al., 2020; Sanjaya & Tania, 2023; Arvan & Trisniwati, 2023). In a subrogation unit, the value of knowledge sharing may appear through faster identification of comparable cases, more accurate interpretation of supporting documents, improved coordination, and reduced repetition of avoidable errors.

The model therefore reveals two managerial pathways. The first is a collective pathway: communication → knowledge sharing → effectiveness. The second is an individual-capability pathway: competence → effectiveness. This distinction is the central theoretical contribution of the study. Communication is an enabling condition whose effect depends on the transformation of messages into shared, usable knowledge, whereas competence is a task resource that can be applied directly. Knowledge sharing is consequently not a universal mediator for all human-capital antecedents.

This pattern is also meaningful in the contemporary financial-services environment. Digitalization expands the speed and volume of information available to employees but does not guarantee that information will be interpreted or shared effectively. Macenning and Burhamzah (Dg Macenning & Burhamzah, 2025) emphasize that digital financial transformation must be accompanied by capability and adaptive management, while Macenning and Burhamzah (Dg Macenning & Burhamzah, 2026) connect organizational performance with managerial efficiency and strategic evaluation. The implication for subrogation is that digital systems should not only store case information but also support retrieval, explanation, reuse, and organizational learning.

The recovery-income context also deserves careful interpretation. The decline from Rp1.718 trillion in 2024 to Rp1.590 trillion in 2025, including a larger decline in non-KUR recoveries, provides the operational backdrop for the study but does not establish a causal performance trend. Recovery values can be influenced by portfolio composition, claim characteristics, third-party behavior, timing, and other external factors. The article therefore

uses recovery income as a managerial signal rather than as a dependent variable. Future research can strengthen this connection by combining perceptual effectiveness measures with objective indicators such as recovery ratio, case aging, cycle time, realization against target, and the proportion of cases resolved within defined service standards.

For PT Askrindo, this interpretation can be translated into several process-level priorities without changing the study's empirical boundaries. Communication routines can be redesigned around case resolution rather than information broadcasting; knowledge-sharing sessions can focus on complex or atypical cases; lessons learned can be documented in a consistent format; and competence development can be aligned with the procedural, analytical, negotiation, and follow-up demands of subrogation. Digital systems can support these practices by making prior case knowledge searchable and by linking case documentation with explanatory notes. The objective is not simply to increase the quantity of information, but to improve the conversion of information and experience into decisions and action.

Taken together, the findings support a dual-capability interpretation. Process effectiveness depends on an individual capability system and a collective knowledge system. The individual capability system is represented by competence and operates directly. The collective knowledge system is represented by communication-enabled knowledge sharing and operates through interaction among employees. Organizations that invest only in competence development may improve individual execution but leave experiential knowledge fragmented. Conversely, organizations that promote communication without developing technical competence may increase interaction without strengthening the quality of task execution. A balanced intervention therefore requires both professional capability and mechanisms that transform experience into shared organizational knowledge.

The competence-to-effectiveness relationship shows a different mechanism. Its coefficient of 0.649 with $p<0.001$ and f-square of 0.542 indicate a strong direct contribution to process effectiveness. In the subrogation context, this is consistent with the operational requirements of the job. Employees must understand procedures, evaluate documents, identify recovery opportunities, communicate with relevant parties, and follow cases through completion. Competence therefore functions as a directly deployable resource: it affects how well an employee can perform the task even before any additional knowledge-sharing process occurs (Spencer & Spencer, 1993; Swanson et al., 2020).

By contrast, the direct path from communication to effectiveness is essentially zero ($\beta=0.007$; $p=0.964$). This result implies that communication should not be treated as a stand-alone productivity intervention. Meetings, messages, and coordination routines can consume time without improving process outcomes if they do not change how employees understand cases or act on them. The managerial implication is to assess communication by its informational usefulness: whether it clarifies case ownership, resolves uncertainty, transfers

relevant experience, accelerates decisions, and reduces rework. Thus, the study shifts attention from communication frequency toward communication that produces actionable shared knowledge.

The communication-to-knowledge-sharing result deserves particular emphasis. A coefficient of 0.869 with $p<0.001$ is not merely statistically significant; within this model it is the dominant path into knowledge sharing. The thesis discussion interprets this finding through the practical role of interaction among employees: when messages are clear, open, and supported by feedback, experience can be explained and information can be exchanged more effectively. In KBV terms, communication provides the interaction infrastructure required to integrate knowledge dispersed among individuals (Grant, 1996). In SECI terms, repeated interaction supports the conversion of tacit experience into forms that can be discussed, combined, and internalized by colleagues (Nonaka & Takeuchi, 1995; Farnese et al., 2019).

The study has several limitations. First, the census covers only 66 employees within one organizational function, so the findings should be generalized cautiously. Second, the design is cross-sectional and uses perceptual questionnaire data, which limits causal interpretation. Third, several indicators had loadings below 0.70 and the communication-knowledge-sharing HTMT value reached 0.900, indicating construct proximity that warrants future refinement. Fourth, process effectiveness was modeled at the employee perception level rather than integrated with objective case-cycle time, recovery ratios, aging, or realized recovery amounts. Future research can combine survey constructs with objective operational metrics, use longitudinal designs, and compare subrogation units across insurers or guarantee institutions.

4. CONCLUSION

This study demonstrates that communication and competence contribute to subrogation process effectiveness through different mechanisms. Communication has no significant direct effect on effectiveness, but strongly increases knowledge sharing; knowledge sharing in turn improves effectiveness and significantly mediates the communication-effectiveness relationship. Competence directly improves subrogation process effectiveness but does not significantly increase knowledge sharing, and its indirect effect through knowledge sharing is not significant. These results support a dual-path interpretation: communication creates value when it becomes a vehicle for knowledge exchange, while competence creates value primarily through direct task execution. For PT Askrindo, the managerial priority is therefore not only to increase communication frequency but to institutionalize case discussions, lessons-learned routines, searchable knowledge repositories, peer consultation, and structured after-action reviews. At the same time, competency development should remain focused on procedural mastery, analytical ability, problem solving, negotiation, and case-specific decision making. Future studies should

validate the model with objective recovery indicators and broader samples across insurance and guarantee institutions.

For future research, the model can be tested with longitudinal data and objective subrogation performance indicators, extended to other insurance or guarantee institutions, and refined with additional antecedents of knowledge sharing such as trust, leadership, psychological safety, digital knowledge infrastructure, and organizational learning climate. Such extensions would help determine whether the dual pathway identified here is specific to the PT Askrindo Subrogation Division or represents a broader pattern in knowledge-intensive recovery processes.

At the theoretical level, the results refine the application of the knowledge-based view to a specialized financial-service process. The evidence indicates that knowledge-related resources are not interchangeable: competence operates as an individual task capability, whereas communication creates value primarily through a collective knowledge-sharing mechanism. At the managerial level, this means that competence development, communication design, and knowledge management should be integrated but not treated as the same intervention.

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