

The Effect of Knowledge Management and Skills on Organizational Performance through Organizational Commitment as Mediation Variables at PT. Persariran

RA Dyah Widi Dananingrum

Student of Master of Management

Universitas Krisnadwipayana

Campus Unkris Po Box 7774 Jat/Cm Jakarta 13077

Indonesia

Email: widadari@gmail.com

Indonesia

Suharto

Lecturer

Universitas Krisnadwipayana

Campus Unkris Po Box 7774 Jat/Cm Jakarta 13077

Indonesia

Dr. Iwan Kurniawan Subagja

Researcher and Lecturer

Universitas Krisnadwipayana

Campus Unkris Po Box 7774 Jat/Cm Jakarta 13077

Indonesia

ABSTRACT

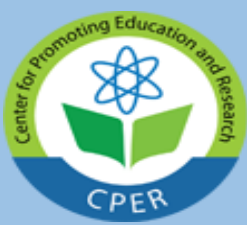
This study aims to determine the effect of knowledge management on organizational performance, the effect of skills on organizational performance, the effect of organizational commitment on organizational performance, the influence of knowledge management on organizational commitment, the effect of skills on organizational commitment, the influence of knowledge management on organizational performance through organizational commitment, the influence of skills on the organizational performance of PT. Persariran through organizational commitment. The study was conducted on PT. Persariran. The sampling technique uses saturated samples involving 65 employees. Data analysis uses path analysis.

Based on data analysis, it is known that knowledge management influences organizational performance partially. Work skill variables affect partially organizational performance. Variable organizational commitment partially affects organizational performance. Knowledge management variables affect organizational commitment partially. The skill variable partially influences organizational commitment. The influence of knowledge management on organizational performance is 0.522. The influence of knowledge management on performance through organizational commitment is $0.649 \times 0.846 = 0.549$. In this case, the indirect effect is greater than the direct effect so it can be said that the work organization's commitment variable is intervening. The direct effect of skills on organizational performance is 0.620. While the influence of skills on organizational performance through organizational commitment is $0.798 \times 0.846 = 0.675$. In this case, the indirect effect is greater than the direct effect so it can be said that the work organization's commitment variable is intervening.

Keywords: knowledge management, skills, organizational commitment, organizational performance

Introduction

Organizational performance is the totality of the work achieved by an organization achieving the goals of the organization means that the performance of an organization can be seen from the extent to which the organization can achieve



goals based on the goals set previously ". The results of work achieved by an agency in carrying out their duties within a certain period, both related to input, output, outcome, benefits, and impact with responsibility can facilitate the direction of structuring government organizations. The existence of the work achieved by the agency with full responsibility will be achieved effective and efficient performance improvement.

According to Sinambela (2012), organizational performance is cumulative employee performance, therefore the higher the employee's performance the higher the organizational performance. Meanwhile, according to Nasucha (Sinambela, 2012), organizational performance is also defined as the effectiveness of the organization as a whole to meet the needs determined from each group regarding systemic efforts and continuously improve the organization's ability to achieve their needs effectively.

Factors affecting organizational performance are knowledge management, skills, and organizational commitment. Management is a process to manage something done by a group of people or an organization to achieve the goals of the organization by working together to utilize the resources they have.

Etymologically the word management is taken from ancient French, namely management, which means that it is the art of organizing and implementing. Management can also be defined as an effort to plan, coordinate, organize and control resources to achieve goals efficiently and effectively. One form of management is knowledge management. Knowledge management is a set of activities used by an organization or company to identify, create, explain, and distribute knowledge to be reused, known, and studied within the organization. This activity is usually associated with organizational objectives and is aimed at achieving a certain outcome such as shared knowledge, improved performance, competitive advantage, or a higher level of innovation.

The concept of knowledge management includes the management of human resources(HR) and information technology (IT) to achieve a better corporate organization so that it can win a business competition. The development of information technology does play an important role in the concept of knowledge management. Almost all activities of human life will be colored by the mastery of information technology, so when talking about knowledge management, it cannot be separated from management.

Another factor that influences organizational performance is a skill. A skill is an ability and capacity obtained through deliberate, systematic and ongoing effort to smoothly and adaptively carryout complex activities or job functions that involve ideas (cognitive skills), things (technical skills), and people (interpersonal skills). With many new graduates filling the labor market, employers tend to look for prospective employees who have good skills and work experience. Depending on the career sector and profession you choose, there are very specific skills, abilities, and knowledge needed to do the job.

Literature Review

Knowledge Management

Management is a process to manage something done by a group of people or an organization to achieve the goals of the organization by working together to utilize the resources they have. Effective, in this case, is to achieve goals according to plan and efficiently to carry out work properly and organized. According to Terry (2012), understanding management is a typical process that consists of several actions; planning, organizing, mobilizing and controlling. All of that was done to determine and achieve the targets or targets to be achieved by utilizing all resources, including human resources and other resources.

In this development shows the more rapid changes in all fields of life, due to the effects of globalization and the development of information technology that is very accelerating. This condition has resulted in the need for new ways of addressing everything that happens to survive. Emphasis on the increasingly important quality of human resources (HR) is one of the responses in responding to these changes, and this, of course, requires efforts to improve and develop HR. In this connection, the role of science becomes even more prominent, because only with knowledge all changes that occur can be addressed appropriately. This means education plays an important role in preparing quality and competitive human resources. The tight global competition, especially in the economic field, has made business organizations rethink their business management strategies, and qualified human resources with the mastery of their knowledge are important choices that must be made in this context.



The most significant difference between types of knowledge is tacit versus explicit (Nonaka and Takeuchi, 1995). In explicit knowledge, organizations are not a problem because they are easily documented, archived and coded. On the other hand, tacit knowledge is a challenge because knowledge is often felt to be very valuable to be shared and used appropriately. Understanding the differences between these two types of knowledge is very important, and what needs to be considered is the application in different ways to transfer different types of knowledge.

The implementation of knowledge management will have a positive influence on the company's business processes directly or indirectly, some of the benefits of knowledge management for the company include:

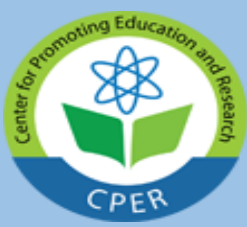
1. Time and cost savings. With a well-structured source of knowledge, it will be easy for companies to use this knowledge for other contexts, so the company will be able to save time and costs.
2. Increased knowledge assets. The source of knowledge will provide convenience for each employee to utilize it so that the process of utilizing knowledge in the company environment will improve, which in the end the process of creativity and innovation will be pushed wider and each employee can increase his competence.
3. Adaptability. The company will be able to easily adapt to changes in the business environment that occur.
4. Increased productivity. Existing knowledge can be reused for processes or products to be developed so that the productivity of the company will increase.

Skills

A skill is an ability and capacity obtained through deliberate, systematic and ongoing effort to smoothly and adaptively carryout complex activities or job functions that involve ideas(cognitive skills), things(technical skills), and people (interpersonal skills). With many new graduates filling the labor market, employers tend to look for prospective employees who have good skills and work experience. Depending on the career sector and profession you choose, there are very specific skills, abilities, and knowledge needed to do the job. But in general, some skills are desired by employers.

1. Commercial awareness (has a sharp business sense): This is about
2. Understand how the business or industry works and what makes a company successful.
3. Communication: This is about verbal and written communication.
4. Teamwork: You must prove that you are a team player and also have the ability to manage and delegate to others and to take responsibility.
5. Negotiation and persuasion: Able to succeed in the company's mission through reliable negotiation and persuasion techniques.
6. Problem-solving: You must demonstrate the ability to take a logical and analytical approach to solve problems and handling a variety of issues.
7. Leadership: Maybe you will not immediately hold a high position, but you must demonstrate the potential ability to motivate the team.
8. Organization: This is about the ability that you can set priorities, work effectively and productively, and manage your time well.
9. Perseverance and motivation: The world of work presents many challenges and you need to show employers that you are the kind of person who will find a way out when the situation is difficult.
10. Ability to work under pressure: This is about staying calm in the face of a crisis.
11. Confidence: You need to show a confident attitude, but not arrogant. And you also need to have confidence in your colleagues and company.

Understanding skills, in general, is the ability and capacity obtained through deliberate, systematic, and ongoing efforts to smoothly and adaptively carryout complex activities or job functions involving ideas (cognitive skills), things (technical skills) and relationships with others (interpersonal skills). According to Sudjana (1987), skills are a pattern of purposeful activities, which require manipulation and coordination of the information learned. These skills can be divided into two categories, namely physical skills and intellectual skills.



Nowadays, skills are very important especially for someone who wants to find a job. A variety of skills and work experience also contribute to their assessment. According to Robbins, skills can be divided into 4 categories:

1. Basic Literacy skill: is a basic skill that must be possessed by everyone, for example reading, writing, counting, listening and so on.
2. Technical skills are technical expertise obtained through learning in engineering's such as operating computers or other digital tools.
3. Interpersonal skills: is the expertise of each person in communicating with one another such as listening to someone, giving opinions, and working in teams.
4. Problem-solving is one's expertise in solving problems through logic and feeling.

Organizational Commitment

According to Cherrington (1995) organizational commitment as a personal value, which is sometimes referred to as a loyal attitude to the company? Robbins (2013) argues that organizational commitment is one of the attitudes that reflect feelings of like or dislike for the organization at work. Organizational commitment is the attitude of employees who are interested in the goals, values, and goals of the organization which are shown by the acceptance of individuals of the values and goals of the organization and have a desire to be affiliated with the organization and willingness to work hard for the organization so that individuals feel at home and still want to stay in the organization for the achievement of organizational goals and sustainability.

Meyer and Allen (1993) put forward three components of organizational commitment:

1. Affective Commitment occurs when employees want to be part of an organization because of the emotional ties they feel have the same values as the organization.
2. Continuance Commitment, which is the willingness of individuals to stay afloat in the organization because they do not find other jobs or because of certain economic rewards,
3. Normative Commitment arises from employee values. Employees remain members of the organization because there is awareness that commitment to the organization is the right thing to do.

Dessler's research (2008) shows that employees who have high commitment have low absenteeism and have a longer working period and tend to work harder and show better performance.

The high commitment of the aforementioned employees is inseparable from the employees' trust in the management's good treatment of them, namely the management's approach to human resources as valuable assets and not solely as commodities that can be exploited as management wishes.

Organizational Performance

Performance can also be said as a result (output) of a particular process carried out by all components of the organization against certain sources used (input). Performance is also the result of a series of process activities carried out to achieve certain organizational goals. For an organization, performance is the result of collaborative activities among members or components of the organization to realize organizational goals. "Organizational performance is the totality of the work achieved by an organization achieving the goals of the organization means that the performance of an organization can be seen from the degree to which the organization can achieve goals based on the goals set previously".

The results of work achieved by an agency in carrying out their duties within a certain period, both related to input, output, outcome, benefits, and impact with responsibility can facilitate the direction of structuring government organizations. The existence of the work achieved by the agency with full responsibility will be achieved effective and efficient performance improvement.

According to Sinambela (2012), organizational performance is cumulative employee performance, therefore the higher the employee's performance the higher the organizational performance. Meanwhile, according to Nasucha in (Sinambela, 2012), organizational performance is also defined as the effectiveness of the organization as a whole to meet the needs set by each group regarding systemic efforts and continuously improve the organization's ability to achieve their needs effectively.

Based on some of the opinions above it can be concluded that the essence of organizational performance is a picture of the results of the work of collaborative activities among members of the organization to achieve organizational goals that have been determined.

Performance is a multidimensional construct that includes many factors that influence it. According to Armstrong and Baron (Wibowo, 2016), factors that affect performance are:

1. Personal/individual factors, including knowledge, skills, abilities, confidence, motivation, and commitment possessed by each individual
2. Leadership factors, including quality in providing encouragement, enthusiasm, direction, and support given by managers and team leaders
3. Team factors, including the quality of support and enthusiasm provided by colleagues in a team, trust in fellow team members, cohesiveness and closeness of team members
4. System factors, including work systems, work facilities or infrastructure provided by the organization, organizational processes and culture of organizational performance
5. Contextual (situational) factors, including pressures and changes in the external and internal environment
6. Performance appraisal is one of the ways that can be carried out by management to fulfill its obligations to funders and also to achieve the goals set by the company. Performance is a general term used for part or all of the actions or activities of an organization in a period concerning standard amounts such as past or projected costs, based on efficiency, responsibility or accountability of management and the like.
7. The company's performance is divided into two namely market performance and financial performance (Rajapathirana & Hui, 2017).

Mangkuprawira (2011) said that performance is a matter or the level of the overall success of a person during a certain period in carrying out the task compared with various possibilities, such as work standards, targets, or targets or criteria that have been determined in advance and have been agreed together.

Research Methods

Research Time and Location

The research will be conducted in October-December 2019 by taking location at PT. Persariran.

Research Design

This study uses an explanatory analysis approach. This means that each variable presented in the hypothesis will be observed through testing the causal relationship of the independent variable to the dependent variable.

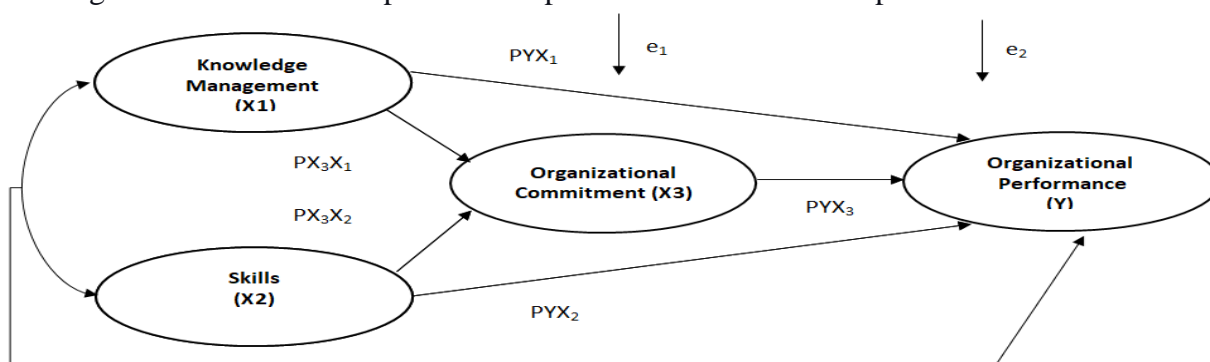


Figure 1. Overall Path Analysis

Research Results and Discussion

1. Analysis of the Influence of Knowledge Management on Organizational Performance

The results of the analysis of the influence of knowledge management on organizational performance are known that the coefficient of knowledge management is 0.522. t value of 4.853. a significance value of 0.00. This significance value is

smaller than 0.05. This means that knowledge management variables influence partially organizational performance. The magnitude of the influence of knowledge management on organizational performance is known to the value of r squared of 0.272. This means that the influence of knowledge management variables on performance by 27.2% and the rest is influenced by other variables not included in the equation model.

2. Analysis of the Effect of Work Skills on Organizational Performance

The results of the analysis of the influence of skills on organizational performance note that the coefficient of work skills is 0.620. T value of 6.278. The significance value is 0.00. This significant value is smaller than 0.05. This means that the skill variable partially influences organizational performance. The magnitude of the effect of skills on organizational performance is known to the value of r squared of 0.385. This means that the effect of the skills variable on organizational performance is 38.5% and the rest is influenced by other variables not included in the equation model.

3. Analysis of the Effect of Organizational Commitment on Organizational Performance

The results of the analysis of the influence of work organization commitment on organizational performance note that the coefficient of organizational commitment is 0.846. T value of 12,617. The significance value is 0.00. This significant value is smaller than 0.05. This means that organizational commitment variables partially affect organizational performance. The magnitude of the effect of organizational commitment on organizational performance is known to the value of r squared of 0.716. This means that the influence of organizational commitment variables on organizational performance by 71.6% and the rest is influenced by other variables not included in the equation model.

4. Analysis of the Influence of Knowledge Management on Organizational Commitment

The results of the analysis of the influence of knowledge management on organizational commitment note that the coefficient of knowledge management is 0.649. T value of 6.777. The significance value is 0.00. This significant value is smaller than 0.05. This means that the knowledge management variable partially influences organizational commitment. The magnitude of the influence of knowledge management on organizational commitment is known to the value of r squared of 0.422. This means that the influence of organizational commitment variables on organizational performance is 42.2% and the rest is influenced by other variables not included in the equation model.

5. Influence of Skills on Organizational Commitment

The results of the analysis of the effect of skills on organizational commitment note that the coefficient of skills is 0.798. T value of 10.497. The significance value is 0.00. This significant value is smaller than 0.05. This means that the skill variable partially influences organizational commitment. The magnitude of the effect of skills on organizational commitment is known to the value of r squared of 0.636. This means that the effect of the skills variable on organizational commitment is 63.6% and the rest is influenced by other variables not included in the equation model.

6. Analysis of the Influence of Knowledge Management on Organizational Performance through Organizational Commitment Variables

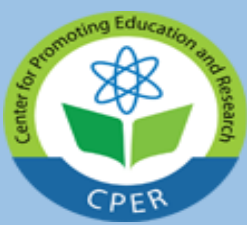
Based on the results of the analysis of the influence of knowledge management on organizational performance is 0.522. The influence of knowledge management on organizational performance through organizational commitment is $0.649 \times 0.846 = 0.549$. In this case, the indirect effect is greater than the direct effect so it can be said that the organizational commitment variable is intervening.

7. Analysis of the Effect of Work Skills on Organizational Performance through Organizational Commitment Variables

Based on the results of the analysis of the influence of work skills on organizational performance is 0.620. While the effect of work skills on organizational performance through organizational commitment is $0.798 \times 0.846 = 0.675$. In this case, the indirect effect is greater than the direct effect so it can be said that the work organization's commitment variable is intervening.

Discussion

In previous studies, Knowledge management affects organizational performance. The higher the knowledge management, the greater the organizational performance. In other words, this influence is positive or unidirectional. This research was conducted



at several companies (Laoh,2016). The results of this study are the same as the results of the research, the higher the knowledge management, the greater the organizational performance.

In this study skills affect organizational performance. The influence of skills on organizational performance has also been done by some researchers. Based on research it is known that skills affect organizational performance (Nawa, 2017).

In previous studies, organizational commitment affects organizational performance. Organizational commitment is also carried out in several studies. The higher organizational commitment to employees, the greater organizational performance. This influence is also positive (Oroh, 2016). The results of this study are the same as in previous studies.

Conclusions and Suggestion

Conclusion

Knowledge management affects partially organizational performance. The value of r squared is 0.272. This means that the influence of knowledge management variables on performance by 27.2% and the rest is influenced by other variables not included in the equation model.

Work skill variables affect partially organizational performance. The value of r squared is 0.385. This means that the influence of work skills on organizational performance by 38.5% and the rest is influenced by other variables not included in the equation model.

Variable organizational commitment partially affects organizational performance. The value of r squared is 0.716. This means that the influence of organizational commitment variables on organizational performance by 71.6% and the rest is influenced by other variables not included in the equation model.

Knowledge management variables affect organizational commitment partially. The value of r squared is 0.422. This means that the influence of organizational commitment variables on organizational performance is 42.2% and the rest is influenced by other variables not included in the equation model.

The skill variable partially influences organizational commitment. The value of r squared is 0.636. This means that the effect of the skills variable on organizational commitment is 63.6% and the rest is influenced by other variables not included in the equation model. The influence of knowledge management on organizational performance is 0.522. The influence of knowledge management on performance through organizational commitment is $0.649 \times 0.846 = 0.549$. In this case, the indirect effect is greater than the direct effect so it can be said that the work organization's commitment variable is intervening.

The direct effect of work skills on organizational performance is 0.620. While the effect of work skills on organizational performance through organizational commitment is $0.798 \times 0.846 = 0.675$. In this case, the indirect effect is greater than the direct effect so it can be said that the work organization's commitment variable is intervening.

Suggestion

In improving organizational performance, organizational performance needs to be developed knowledge management, organizational skills, and commitment. Knowledge management is developed by paying attention to the importance of knowledge management for employees, establishing internet tools and network development.

HR skills also need to be considered. Training and workshops need to be held routinely both in the company and outside the company to support and enhance HR capabilities. HR organizational commitment also needs to be considered. HR commitments consisting of normative commitments and ongoing commitments need to be implemented by taking into account HR needs and the needs of the company. There need to be orientation and introduction activities for new employees, there is a need for company program socialization that can spur HR to work well and feel comfortable working for the company.

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