

## Research Article

## Effect of Knowledge Management and Integrity on Organizational Performance through Organizational Commitment Pt. Bhinneka Mentari Dimensi

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**Abstract:** This study aimed to determine the effect of knowledge management and the integrity on organizational performance simultaneously, determine the effect of knowledge management on organizational performance partially, determine the effect of the integrity on organizational performance partially, determine the effect of organizational commitment on organizational performance partially, determine the effect of knowledge management on organizational performance through organizational commitment, determine the influence on organizational performance through organizational commitment variable. The study was conducted at PT Bhinneka Mentari Dimensi. Sampling using saturated samples involving 128 employees in all parts of the organization. Analysis of data using path analysis. Based on data analysis known that the knowledge management and integrity variables affect the performance of the organization simultaneously. Knowledge management variables affect the performance of an organization partially. Integrity variables affect the performance of an organization partially. Organizational commitment variables affect the performance of an organization partially. Commitment to the organization can provide an increased impact of knowledge management and the integrity of the performance of the organization.

**Keywords:** knowledge management, integrity, organizational commitment, organizational performance.

### INTRODUCTION

Knowledge management is a series of activities that are used by the organization to identify, create, describe, and distribute knowledge for reuse, known and studied in the organization. This activity is typically associated with an objective organization and is intended to achieve a specific outcome such as shared knowledge, improved performance, competitive advantage, or higher levels of innovation.

The concept of knowledge management includes the management of human resources and information technology in its aim to achieve corporate organizations that are increasingly better able to win the business competition. The development of information technology is playing a significant role in the concept of knowledge management. Almost all activities of human life will be colored by the mastery of information technology so that when it comes to knowledge management can not be separated from management.

This development shows the increasing pace of change in all spheres of life, due to the effect of globalization and development of information technology greatly accelerated. This condition has resulted in the need for new ways of dealing with all that happens to survive.

The importance of the quality of human resources is one response in addressing these changes, and this, of course, requires efforts to improve and develop human resources. The knowledge management on the performance of the organization.

Another factor that affects performance is integrity. Integrity is a consistent attitude and behavior to uphold work ethics and professional ethics. Integration requires the temptation or opportunity to commit misconduct. However, people who are not motivated misconduct because he had confidence in the importance of upholding the noble values in their environment.

Quick Response Code



Journal homepage:

<http://www.easpublisher.com/easjebm/>

Article History

Received: 16.09.2019

Accepted: 26.09.2019

Published: 15.10.2019

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DOI: 10.36349/easjebm.2019.v02i10.003

Integration is acting consistent with the values and policies of the organization as well as the code of professional conduct, even in a state that is difficult to do so. Simply put, motivation showed firmness attitude, merging deeds and moral values embraced by someone.

People who have integration will not be deterred by the temptation to betray the moral values that are believed. Personal motivation is the person who maintains the level of honesty and high ethics in words and actions every day. They are the ones who are competent, conscientious and reliable in the act, it can be trusted by his co-workers, subordinates, and superiors as well as outsiders. They also treat others fairly.

Organizational commitment also affects the performance of the organization. Organizational commitment is the attitude of the employees who are interested in goals, values and objectives of the organization shown by their acceptance of individuals on the values and goals of the organization and have a desire to affiliate with the organization and a willingness to work hard for the organization to make people feel at home and still want to stay in the organization for the sake of achievement of objectives and survival of the organization.

## Literature Review

### *Knowledge Management*

In connection with the role of science becomes more prominent, because only with scientific all changes can be addressed appropriately. This means that education plays an important role in preparing qualified human resources and competitive. The tight global competition, especially in the economic field has made business organizations rethink their business management strategies, and qualified human resources with the acquisition of knowledge become an important choice that must be made in that context.

The most significant difference between the type of knowledge is tacit versus explicit (Nonaka and Takeuchi, 1995). Explicit knowledge in the organization is not a problem because it is easily documented, archived, and coded. On the other hand, tacit knowledge is a challenge because knowledge is often considered to be very valuable to be shared and used appropriately. An understanding of the differences in the two types of knowledge is very important, and to note also is the application in a different way to move the different types of knowledge. Tacit knowledge is personal, developed through experience that it is difficult to be formulated and communicated Carrillo *et al.*, (2004). Tacit knowledge is not expressed in written form, but there is something in the minds of the people who work in an organization. According to Polanyi (1966), tacit knowledge is generally described as:

- The understanding and application of the subconscious mind

- Difficult to say
- Emerging from the scene immediately and experience
- Sharing knowledge through conversation (story-telling)

According to Blakely (1994, p. 23) of human knowledge begins when people get an idea where the impression comes from feeling and mind working system or in other words the idea was formed with the help of memory and imagination to add, share, express true feelings. Study on the nature of knowledge immediately reconciles the difference between the knower and the known, or often interpreted in terms of subject and object, or ingredients of subjective and objective inexperience. The experience obtained by each employee would vary based on the circumstances that can not be predicted. The definition of experience drawn from the English dictionary is the process of gaining knowledge or skills over some time through seeing and doing things rather than through studying. Which means that the process of acquiring knowledge or ability during certain periods to see and do things rather than with learning.

Explicit knowledge is formal and systematic easily communicated and shared (Carrillo *et al.*, 2004). According to a statement, Polanyi (1966) at the time of tacit knowledge can be controlled in someone's mind, explicit knowledge must instead rely on the tacit understanding and application, and therefore all knowledge is rooted tacit knowledge. In general, explicit knowledge can be described as:

- Can be pronounced correctly and officially
- Easily prepared, documented, transferred, shared and communicated.

The application of explicit knowledge is easier because of the knowledge obtained in the form of writings or statements that are documented so that each employee can be studied independently.

### *Integrity*

Integrity comes from the Latin "integrate" which means complete or flawless, perfect, without a visor. The point is what is in the hearts of the same with what we think, say and do (Bertens, 1994). So we can say that integrity is a consistent attitude and behavior to uphold work ethics and professional ethics. Integration requires the temptation or opportunity to commit misconduct. However, people who are not motivated misconduct because he had confidence in the importance of upholding the noble values in their environment.

People who become leaders or successful tend to have three qualities. The quality is according to the Cloud (2006), which has the specific ability, to build mutually beneficial relationships (more than just networking), and character. At least, the character in

question here includes ethics and motivation. The success of a leader is not only seen from how much ability in a particular field, but more important is how motivated him to manage and use these capabilities following the moral values he believed. Integration is the ability to be patient when life does not go smoothly. Integration is a test stand that requires predictable behavior. Integration is a force that remains firm even though no one noticed. Integration remains firm on certain values despite perceived more popular to dump him. Integration, living with confidence, rather than with what they like. Integration is the foundation of life if the motivation is good, then the good life, and vice versa. Integration was formed through customs.

### **Organizational Commitment**

According to Robbins and Judge (2008: 100) organizational commitment is a condition in which an employee is favoring a particular organization as well as the goals and desires to retain membership in the organization. Thus, a high job involvement means favoring certain work of an individual, while a high organizational commitment means favoring organizations that recruit such individuals.

Meanwhile, according to Moorhead and Griffin (2013: 73) organizational commitment is an attitude that reflects the extent to which an individual to know and adhere to the organization. An individual who has committed is likely to see himself as a true member of the organization. Meanwhile, according to Kreitner and Kinicki (2014: 165) that reflects the organization's commitment to recognizing the degree to which someone tied to an organization and its goals.

It can be concluded that organizational commitment is a psychological state of individuals associated with faith, trust and a strong reception to the goals and values of the organization, a strong willingness to work for the organization and the degree to which it still wants to be a member of the organization.

Robbins and Judge (2008: 101) states that there are three separate dimensions of organizational commitment are:

- Affective commitment to the organization is an emotional feeling and belief in its values.
- Ongoing commitment is the perceived economic value of surviving in an organization when compared to leaving the organization.
- Normative commitment is an obligation to stay in an organization for reasons of moral and ethical.

### **Organizational Performance**

According to Richard *et al.*, (2010) the performance of the organization is generated by an organization that includes the results of that financial performance such as profit, as measured by return on assets, return on investment and so on, the performance

of markets such as the expansion of market share, and sales. Besides the return of shareholders a return of shareholders and increase the economy of shareholders.

In some areas of the organization's performance can also be measured by other things such as strategic planning, operations, finance, legal and organizational development. In developing the institution or organization is a necessity to survive in the competitive world climate.

The purpose of productivity associated with the development of that organization (Shrestha, 2005). Small organizations that have a desire to continue to grow and become large. The growing organization to accommodate development itself.

Kaplan and Norton (1992) the organization's performance should be measured not only in terms of financial concepts but also of non-financial. Performance can be measured by productivity, quality, consistency and so on. On the other hand measure organizational performance outcomes, behavioral and normative level, education and concepts generated including management development (Richard, 2002).

### **According to James (2012), the Effectiveness of an Organization Can Be Measured By the Following Criteria Are**

- a) Market. This aspect means that if the consumer will feel satisfied with the service from the company.
- b) Products/services. Product or service produced must be considered to develop the organization
- c) Resource. Owned resources must be developed both for the company to compete with other companies
- d) Operating system. The resulting operating system must support the achievement of organizational goals
- e) Management system. The management system also must be managed properly so that the purpose of the organization executed well.
- f) Organizational culture. Cultural organizations also play a role in achieving better organizational performance.
- g) The impact on finances. The impact on the finances must also result in properly marked their savings to the organization.

### **Research Methods**

#### **Object of research**

The study was conducted in PT. Bhinneka Mentari Dimensi

#### **Population and Sample Research**

The population is a generalization region consisting of the objects/subjects that have a certain quantity and characteristics defined by the researchers to learn and then drawn conclusions (Sugiyono, 2014).

Samples were towing the majority of the population to represent the entire population, (Surakhmad, 2001).

The sample used by the author in this study were employees of the company, The total number of employees as many as 128 people. The number of employees fully involved in this study. So that this sampling method saturated samples.

**Data Collection Technique**

To obtain concrete and objective data that must be made a study of the problems examined, while the steps that researchers take in data collection is the primary data through questionnaires.

**Research Result**

**1. Effect of Knowledge Management and Integrity on Organizational Performance**

Based on the results of the data analysis structural equation  $Y = 0.445 X_1 + 0.583 X_2$

Results value f calculated at 98.885 and significance of 0.00. This value is less than 0.05. This means that knowledge management and integrity variables affect the performance of the organization simultaneously. The magnitude of the effect of the independent variable on the dependent variable can be seen from the r squared value of 61.3% means that knowledge management and integrity variables affect the organizational performance of 61.3% while the rest influenced by other variables that are not incorporated into the model equations.

**2. Influence Analysis of Knowledge Management on Performance Organizational**

The analysis results of knowledge management on the performance of structural equation  $Y = 0.529 X_1$

Based on the results of data analysis knowledge management is known that the coefficient of 0.529. T value of 6.993. The significant value of 0.00. The significance value smaller than 0.05. This means that the knowledge management variables affect the performance of an organization partially. The magnitude of the effect of knowledge management on the performance of the organization known r squared value of 0.280. This means that the effect of variables

on the performance of knowledge management and the remaining 28.0% is influenced by other variables that are not incorporated into the model equations.

**3. Influence Analysis of Integrity on Performance Organizational**

The results of the analysis of the effect the structural integrity of the performance equation  $Y = 0.647 X_2$

Based on the results of data analysis knowledge management is known that the coefficient of 0.647. T value of 9.533. The significant value of 0.00. The significance value smaller than 0.05. This means that the integrity of variables affects the performance of an organization partially. The amount of influence on the performance of the organization known integrity r squared value of 0.419. This means that the effect of variable integrity of the organization's performance and the remaining 41.9% is influenced by other variables that are not incorporated into the model equations.

**1. Influence Analysis of Organizational Commitment to Organizational Performance**

The analysis results of the work organization's commitment to performance structural equation  $Y = 0,862 X_3$

Based on the results of data analysis known that the coefficient of organizational commitment of 0,862. T value of 19.116. The significant value of 0.00. The significance value smaller than 0.05. This means that the organizational commitment variables affect the performance of an organization partially. The magnitude of the effect of organizational commitment on organizational performance known value of r squared of 0.744. This means that the effect of variable organizational commitment to organizational performance amounted to 74.4% and the rest influenced by other variables not included in the model equations.

**2. Influence Analysis of Knowledge Management To Organizational Performance Through Organizational Commitment**

Based on the partial path analysis above, it can be described as follows. The analysis is an analysis in line with the structure of this sub-image.

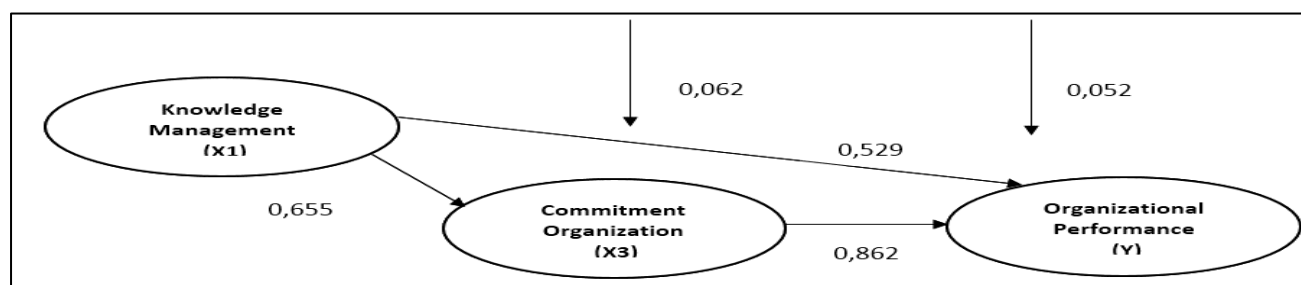


Figure 1. Analysis of the influence lines X1 to Y via X3

Based on the picture above can be seen that the influence of knowledge management on organizational performance is 0.529. Knowledge management influence on performance through organizational commitment is  $0.655 \times 0.862 = 0.565$ . In this case, the indirect effect is greater than the direct effect so that it can be said that the organization's commitment variable as an intervening variable.

### 3. Influence Analysis of Integrity to Organizational Performance Through Organizational Commitment

Based on the partial path analysis above, it can be described as follows. The analysis is an analysis in line with the structure of this sub-image.

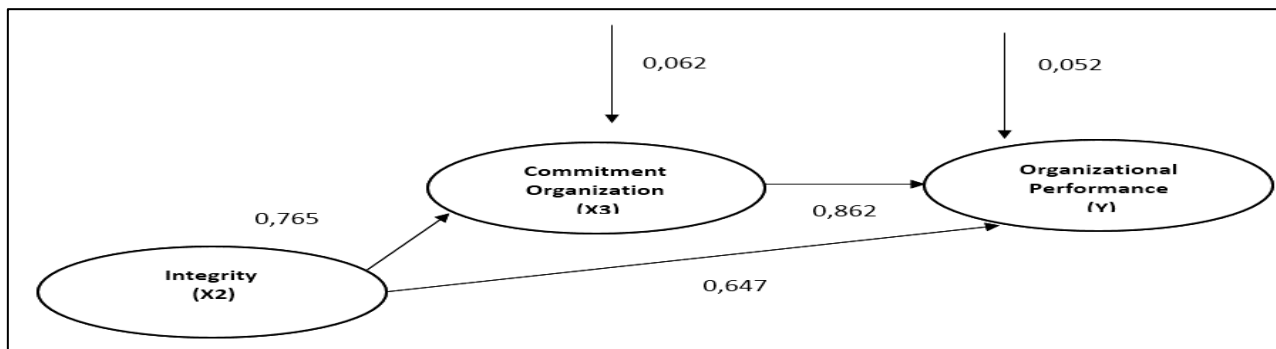


Figure 2. Analysis of the influence lines X2 to Y via X3

Based on the picture above it can be seen that the direct effect on the performance of organizational integrity is 0.647. While the influence of the integrity of the organization's performance through an organizational commitment is  $0,765 \times 0.862 = 0.659$ . In this case smaller than the direct influence indirect influence so that it can be said that the organization commitment variable as an intervening variable.

## CONCLUSIONS AND SUGGESTIONS

### Conclusion

Knowledge management and integrity variables affect the performance of the organization simultaneously. F value calculated at 98.885 and the significance of 0.00. This value is less than 0.05. R squared value of 61.3% means that knowledge management and integrity variables affect the organizational performance of 61.3% while the rest influenced by other variables that are not incorporated into the model equations.

Knowledge management variables affect the performance of an organization partially. T value of 6.993. The significant value of 0.00. The significance value smaller than 0.05. R squared value of 0.280. This means that the effect of variables on the performance of knowledge management and the remaining 28.0% is influenced by other variables that are not incorporated into the model equations.

Integrity variables affect the performance of an organization partially. T value of 9.533. The significant value of 0.00. The significance value smaller than 0.05. R squared value of 0.419. This means that the effect of variable integrity of the organization's performance and the remaining 41.9% is influenced by other variables that are not incorporated into the model equations.

Organizational commitment variables affect the performance of an organization partially. T value of 19.116. The significant value of 0.00. The significance value smaller than 0.05. R squared value of 0.744. This means that the effect of variable organizational commitment to organizational performance amounted to 74.4% and the rest of management on the performance of the organization is 0.529. Knowledge management influence on performance through organizational commitment is  $0.655 \times 0.862 = 0.565$ . In this case, the indirect effect is greater than the direct effect so that it can be said that the work organization commitment variable as an intervening variable.

The direct effect on the integrity of the organization's performance is 0.647. While the influence of the integrity of the organization's performance through an organizational commitment is  $0,765 \times 0.862 = 0.659$ . In this case smaller than the direct influence indirect influence so that it can be said that the work organization commitment variable as an intervening variable.

### Suggestion

Knowledge management organized way of knowledge management to create business value and generate competitive advantages. In managing knowledge management is necessary to note those who attended the managing knowledge management with managers who have adequate knowledge and skills, technology management, and process following established procedures. Therefore, companies need to evaluate and reorganize the management of the management concerning three aspects.

Integration is acting consistent with the values and policies of the organization as well as the code of professional conduct, even in a state that is difficult to do so. Simply put, motivation showed firmness attitude, merging deeds and moral values embraced by someone. Integrity also needs to be considered to increase an organization's performance by considering human relations, motivation, leadership, and labor agreements.

To raise the organization's performance is also noteworthy organizational commitment. Organizational commitment is a condition in which an employee favoring certain organizations as well as the goals and desires to retain membership in the organization. This commitment needs to be considered about affective commitment, continuous commitment, and normative commitment.

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