The Effect of Knowledge Management on Performance:
A Basic PLS Approach

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Abstract

This study aims to determine the effect of knowledge management on employee performance. This research is a research that uses a questionnaire as a tool or instrument. The population used in this study consisted of 60 respondents with using purposive sampling method, which is a sample selection technique in which an individual chooses a sample based on personal research on several characteristics of the sample members. Test the validity of the instrument using Confirmatory Factor Analysis, while the reliability test used Alpha Cronbach. The analysis technique used is path analysis.

Keywords: knowledge management, employee performance, business administration

1. Introduction

Motivation is a personal desire to perform a purposeful activity in achieving goals (Saragih et al. 2018). Companies must also pay attention to motivation if they want. Every employee has a positive impact on all company achievements, because with the motivation of every employee to have high enthusiasm for work, carry out duties properly, and responsibilities as employees (Pradana et al., 2020). Motivation is a set or collection of behaviors that provide a foundation for a person to act in a way that is directed at a specific goal (specific goal in directed way). The importance of motivation because motivation is an influencing factor and a factor to support for every employee to work better and get optimal results for the company (Kolvereid., 2016).

Meanwhile, work motivation is the driving factor for people to work as employees in a company. Work motivation also has a better impact for employees to work even harder so that

they can improve employee work performance and will affect the achievement of company goals (Fakhri et al., 2020). The role of employee motivation at work it is important because motivation is closely related to performance, if the motivation of the employee is low, the employee's performance is low. Conversely, if the employee's motivation is high, the performance of these employees will be high too.

Motivation has a nature that cannot be separated from human nature that individually have different qualities from one another. To create effective and efficient employee performance is not easy, it must be created with high motivational factor. Therefore, companies can encourage employees to have high motivation to achieve company goals.

Based on this background, researchers want to create effective and effective employee performance. Our object of research is a company named PT. Hanya Karya Bahana (Indonesia).

Based on the background described above, the problem can be formulated as the following:

a. How is the performance of employees at PT Hanya Karya Bahana?
b. How Motivation at PT Hanya Karya Bahana
c. How much influence does knowledge management have on employee performance at PT Only Bahana's works.

2. Literature Review

Human resource management is a utilization of human resources that exist in individual employees and is maximally developed in the world of work to achieve organizational goals and individual employee development. Human resource management is a function of the main activities of a company. This is because human resource management activities have an important role for a company as one of the driving forces of the company to achieve its goals by integrating the needs of corporate and individual organizations (Mangkunegara, 2016).

Human resource management has several functions, namely managerial and operational functions. Managerial functions include planning, organizing and directing. Meanwhile, operational functions include procurement, compensation, integration and maintenance. By optimizing one of the human resource management functions. Maintenance, namely maintaining and improving the physical, mental and employee loyalty with motivation and welfare programs based on needs (Sulistijono, 2020). The goal of human resource management is to improve the productive contribution of employees to the company in a way that is strategically, ethically and socially responsible. This is intended to avoid conflicts caused by inconsistent personal and company goals, thus affecting employee performance (Silvianita & Tan, 2017).

Basically, motivation is the provision of the driving force that creates the excitement of a person's work so that they are willing to work together, work effectively, and be integrated with everything. Effort to achieve satisfaction (Kartawinata et al., 2020). In organizations or companies motivation is attached to employees, where with motivation, employees can work in enterprising and enthusiastic to support optimizing the achievement or company goals. Motivation is a complex thing, because the needs and desires of each individual / employee in each company are different according to the development of the learning process, biological needs and psychological (Saragih et al., 2018).

Some of the goals of work motivation are to encourage employee morale, increase satisfaction, work productivity, discipline, creativity, participation and employee welfare, maintain

employee loyalty and enhance a sense of responsibility for the tasks that are obtained. As for several theories about work motivation, are as follows.

1) The hierarchy of needs theory, which is a theory that explains that every human being has needs that arise depending on individual interests. These needs include physiological needs, security needs, social needs, self-esteem needs and actualization needs.

2) Two-factor theory, namely the theory that classifies the effect of a person's work in terms of satisfaction and dissatisfaction factors

In this final project will use the theory of two factors where work motivation will be seen from several indicators, namely the relationship with colleagues and superiors, work environment, providing allowances and opportunities to increase self-potential.Performance can be interpreted as a result of work in quality and quantity (Mangkunegara, 2016). In a company, employee performance is assessed from the work achieved by employees in accordance with regulations, abilities, targets and responsibility that has been determined. The purpose of employee performance is to improve work results, provide knowledge in solving complex problems according to one's responsibilities given by the company, as well as improving relations between employees in work activities (Sulistijono et al., 2020). The factors that affect employee performance include factors individuals which include abilities, skills, backgrounds and demographics, second, namely organizational factors which include resources, compensation, rewards, organizational structure and job descriptions, and the last is psychological factors which include perceptions, attitudes, personality, learning patterns and motivation (Winarno & Hermana, 2019).

In companies, performance appraisal is an important mechanism for management in explaining goals, work standards and individual performance motivation on an ongoing basis (Pradana et al., 2020). This assessment is carried out in order to develop an organization regularly effective and efficient and provide feedback to employees with the aim of motivating employees to avoid a decline in performance (Dessler, 2006: 322). The indicators used to measure employee performance based on specific behaviors are work quality, work quantity, working time and cooperation.

3. Methods

The research method is basically a scientific way of obtaining data for specific purposes and uses. In order to achieve the required goals required methods relevant to achieving the desired goals (Sugiyono, 2019). According to Sugiyono (2019) the definition of research methodology is as follows: "Research method is defined asscientific way to get data for specific purposes and uses. " Meanwhile, according to Pradana & Novitasari (2017) what is meant by research methodology is: "Research method is a sequence of data analysis processes that will be presented systematically. Because the sequence of data analysis processes can be known quickly and helps understanding the purpose of the research."

The research design is everything that includes the approach used in research. This research uses a quantitative approach, namely measurement with careful attention to certain social phenomena. Using this approach design is expected to know the variables to the phenomenon

being studied in depth. We surveyed 60 respondents and the data was analyzed using SmartPLS software.

This quantitative design is used to prove the causal relationship or the relationship affecting and being influenced by the variables studied, in this study the effect of work motivation, which will then be analyzed to determine the effect on employee performance. This study aims to examine the effect of knowledge management and performance. The data is processed using structural equation modeling with the alternative method of partial least square. In structural equation modeling, there are two types of models that are formed, namely measurement models and structural models. The measurement model describes the proportion of the variance of each manifest variable (indicator) that can be explained in the latent variable. After the measurement model for each latent variable is described, the structural model will be described which will examine the effect of each independent latent variable (exogenous latent variable) on the endogenous latent variable. Therefore, the hypothesis in this study is as follows:

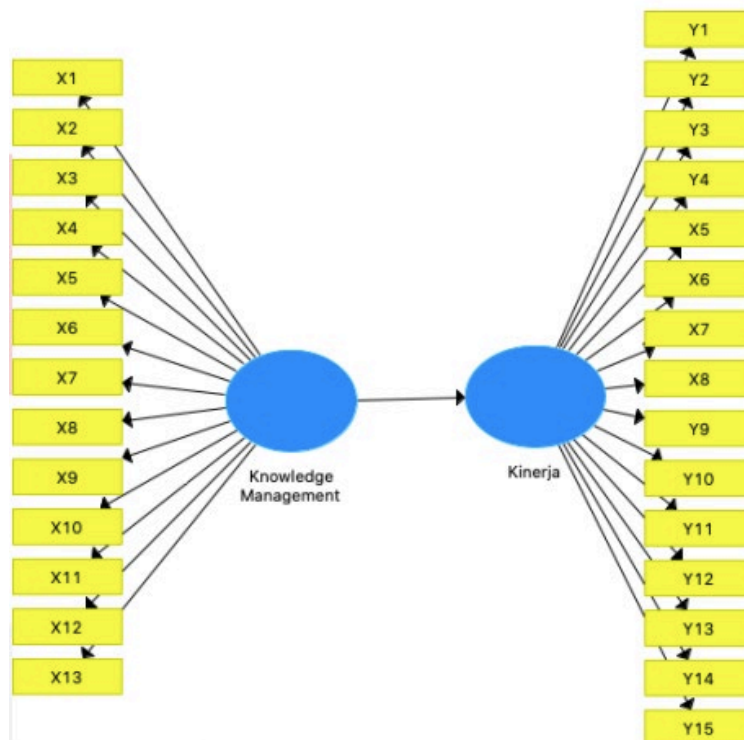H1: There is an influence between knowledge management (X) on motivation (Y)

Figure 1: Path Analysis

4. Results and Discussion

The measurement model is a model that connects latent variables with manifest variable. In this study, there are 2 latent variables measured by 28 indicators. Through the loading factor, the validity of each indicator can be seen as well test the reliability of the constructs of the studied variables. Indicators are said to be valid if they have factor weight is greater than 0.70. From the picture it can be seen that all items has a loading factor above 0.70 so all items are valid. The following is a summary of the structural model test results to answer the research hypothesis.

Path	Coefficient	p-value	T-Value	Verdict
Knowledge Management on Motivation	0,664	0,001	20,136	Significant

Table 1: Output of SmartPLS

At this stage, the authors test the hypothesis using the t-test. If t count> t table then H0 is in the rejection area, meaning H1 is accepted or there is an influence which is significant. If t count <t table then H0 is in the receiving area, meaning H1 is rejected or significant influence does not exist.

Based on the provisions that have been stated previously, where the t-count is obtained amounting to 20.136 and at a significance level of 5% (2 tailed) obtained t table 1.96, so t-count (20,136)> t-table (1.96). This means that H0 is rejected and H1 is accepted, so there is a significant effect

Judging from the path coefficient of 0.644. The path coefficient is positive, meaning that there is a unidirectional relationship between Knowledge Management variables on performance. This result shows that if the Knowledge Management variable increases, it will increase performance improvement, and vice versa.

A successful and effective company is a company that is able to manage resources in terms of human power well. This ability will have an impact on work performance increasing employees, so as to support the increase in company performance. The results of research that have been done show that there is an influence on knowledge management of employee performance at PT Hanya Karya Bahana. Overall knowledge management has a positive and significant effect of 64.4% on employee performance. This proves that when knowledge management is getting higher, it will make employee performance even higher. When employee performance increasing will also encourage company performance to increase.

5. Conclusion

Based on the discussion conducted regarding the research results, we take conclusion as follows:

It can be seen that the total score for Knowledge Management variable. Thus, the Knowledge Management is in the high category. The total score for the skill increase variable is 80.4%. Thus the variable increasing skills are in a very high category. There is an influence between knowledge management on the performance of employees of PT Only Bahana.

We also propose suggestions as follows:
a. Based on the research results for the variable knowledge management, researchers provide advice for companies to pay attention to the form of information channels become more attractive and motivate employees to work.
b. Therefore, researchers provide suggestions for leaders to conduct evaluations against determining the right employees for delegating the right tasks in order to minimize errors while working as well as reviewing planning

Based on the research results, the researcher provides suggestions that further researchers can examine other factors that influence employee performance such as organizational culture,

rewards, or leadership style. The next researcher can expand the research by using objects other studies and using multiple linear regression analysis.

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