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The effect of knowledge management and career development to organizational performance through organizational commitments as mediation variables in PT. Louserindo Megah Permai

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Abstract

This research is to examine and analyze the knowledge management and career development through organizational commitments at PT Louserindo Megah Permai. The population and study sample were all company employees as many as 270 people. The sampling technique uses a saturated sample technique with data analysis using path analysis.

The results showed that knowledge management variables affect organizational performance partially. Work career development variables affect partially organizational performance. Variable organizational commitment partially affects organizational performance. Knowledge management variables affect organizational commitment partially. Career development variables affect partially organizational commitment. The influence of knowledge management on organizational performance is 0.558. The influence of knowledge management on performance through organizational commitment is $0.663 \times 0.864 = 0.572$. 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 career development on organizational performance is 0.623. While the influence of work career development on organizational performance through organizational commitment is $0.663 \times 0.864 = 0.573$. In this case, the direct effect is greater than the indirect effect so it can be said that the work organization commitment variable is not intervening.

Keywords: Knowledge management, career development, organizational commitment, organizational performance

Introduction

According to Sinambela (2012) ^[10], 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) ^[10], 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.

Factors affecting organizational performance are knowledge management, career development 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.

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 affecting organizational performance is career development. Development is a personal improvement done by someone to achieve a career plan and improvement by the personnel department to achieve a work plan following the path or level of the organization.

Career is the whole position/job/position that can be occupied by someone during his work life in the organization or several organizations. From the employee's point of view, a position is very important because everyone wants a position that suits his wishes and wants a position as high as possible according to his abilities. Higher positions usually result in higher salaries, greater responsibilities, and better knowledge, which is usually expected by employees. Therefore, when someone enters the workforce, that person may ask whether their career goals (as the highest position expected) can be achieved in the organization where they work. When someone sees that their career goals cannot be achieved in the organization, that person may not have high morale or not be motivated to work or even leave the organization.

Another factor influencing organizational performance is organizational commitment. Organizational commitment as a personal value, which sometimes refers to being loyal to the company. Robbins (2010) ^[9] states 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 objectives of the organization which are shown by the existence of individual acceptance 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 to make individuals feel at home and still want to stay in the organization for achievement of organizational goals and sustainability.

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. 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.

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.

Career development

Career development is an effort that must be done so that career plans that have been made bring optimal results. Career development is a series of lifelong activities that contribute to exploring the determination of success and fulfillment.

Career development is the task of organizations to form relationships with people who manage their careers because careers are made up of changes between individuals and organizations. Individuals plan their careers to improve their status and salary, ensure job safety and maintain their market capabilities in a changing labor market.

Mangkunegara, (2014) ^[1] states that success in the workplace can have a major influence on family life and the company environment. Therefore the benefits of career development will help achieve organizational goals and individual goals, which means strengthening relationships and employee loyalty attitudes toward the organization so that organizational programs will be achieved.

The success of this individual goal is not entirely experienced by employees, Marshal (2004) ^[8] states there is no positive correlation between IQ and success in the workplace and personal relationships, the brightest and best person is not always successful, it still depends on how to make choices best of the various choices found in the work environment.

Not entirely that employee careers will be following the career path, it must still be met between the interests of the organization with the interests of individual employees and how much competition will select employees who already have the capabilities and experience. However, poor development programs can cause unrest in the organization and hurt the company

Lock and Farrow (1993) ^[6] state that career development depends on the interaction of two "power" factors, namely personal ambition and organizational needs. The more junior a person is, the more his personal needs and ambitions will be a major factor in his growth and career direction. When he reaches senior or top levels in the management hierarchy, the organization's needs will usually have a major influence on his career development.

Career is the whole position/job/position that can be occupied by someone during his work life in the organization or several organizations. From the employee's point of view, a position is very important because everyone wants a position that suits his wishes and wants a position as high as possible according to his abilities. Higher positions usually result in higher salaries, greater responsibilities, and better knowledge, which is usually expected by employees. Therefore, when someone enters the workforce, that person may ask whether their career goals (as the highest position expected) can be achieved in the organization where they work. When someone sees that their career goals cannot be achieved in the organization, that person may not have high morale or not be motivated to work or even leave the organization.

According to Komang *et al.* (2012) ^[2] career development is a personal improvement by someone to achieve a career plan and improvement by the personnel department to achieve a work plan following the path or level of the organization. So no matter how good a career plan that has been made by an employee is accompanied by a reasonable and realistic career goal, the plan will not become a reality without systematic and programmatic career development. Because career planning is a decision taken now about things that will be done in the future, it means that someone who has already set a career plan needs to take certain steps to realize the plan. The various steps that need to be taken can be taken on the initiative of the workers themselves, but can also be in the form of activities that can be sponsored by

the organization, or a combination of the two. It should be emphasized that although human resources can play a role in the development activities, the most responsible is the worker concerned himself because he is the most concerned and he will also be able to reap and enjoy the results. This is one of the fundamental principles of career development.

Organizational Commitment

According to Cherirington (1995) [3] organizational commitment as a personal value, which is sometimes referred to as a loyal attitude to the company. Robbins (2010) [9] 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 objectives of the organization which are shown by the existence of individual acceptance 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 to make individuals feel at home and still want to stay in the organization for achievement of organizational goals and sustainability.

Organizational commitment is a form of attitude (Luthans, 2011, 235) [7]. And attitudes can be broken down into 3 basic components: emotional, informational and behavior (Luthans, 2011: 224) [7]. In Organizational behavior, organizational commitment is a component of behavior. ("In an organization, attitudes are important because of their behavioral component"). According to Robbins, (2010: 69) [9], attitudes are evaluative statements or judgment concerning objects, people or events. (Attitude is a statement about someone's assessment of an object, people or event). And divided into 3 components, namely: cognitive, affective and behavioral (cognitive, affective and behavioral).

Organizational performance

Organizational performance is an indicator of the level of achievement that can be achieved and reflects the success of

an organization and is the result achieved from the behavior of organizational members. Performance can also be said as a result of a certain process carried out by all components of the organization against certain sources used. 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".

According to Sinambela (2012) [10], 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) [10], 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.

Research Methods

Research Time and Location

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

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. The relationship between variables can be described in the form of path analysis diagram as follows: The research conceptual framework can be explained as follows:

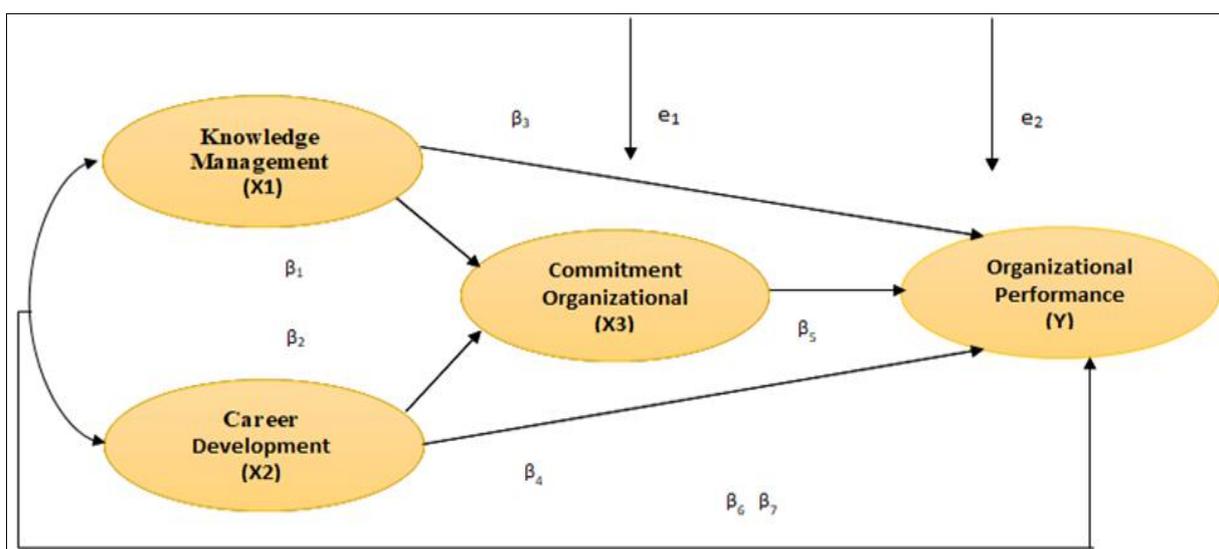


Fig 1: Overall Path Analysis

Population and Samples

The population in this study is employees who work in the office of PT. Louserindo Megah Permai. While the sample

used includes 270 employees who work in corporate offices. This sampling uses the saturated sample method because it uses all employees in the company office.

Research results and discussion

Analysis of the Effect of Knowledge Management on Organizational Performance Partially

The results of the analysis of the influence of knowledge management on organizational performance partially note that the coefficient of knowledge management is 0.558. T value of 11.012. 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 0.312. This means that the influence of knowledge management variables on performance is 31.2% and the rest is influenced by other variables not included in the equation model.

Analysis of the Effect of Career Development on Organizational Performance Partially

The results of the analysis of the influence of career development on performance partially note that the coefficient of career development is 0.623. T value of 13,054. A significance value of 0.00. This significance value is smaller than 0.05. This means that work career development variables partially influence organizational performance. The magnitude of the influence of work career development on organizational performance is known to the value of r squared of 0.389. This means that the influence of work career development variables on organizational performance by 38.9% and the rest is influenced by other variables not included in the equation model.

Analysis of the Effect of Organizational Commitment on Organizational Performance Partially

The results of the analysis of the effect of organizational commitment on organizational performance partially note that the coefficient of organizational commitment is 0.864. T value of 28.046. 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 0.746. This means that the influence of organizational commitment variables on organizational performance by 74.6% and the rest is influenced by other variables not included in the equation model.

Analysis of the Effect of Knowledge Management on Organizational Commitment Partially

The results of the analysis of the influence of knowledge management on organizational commitment partially note that the coefficient of knowledge management is 0.663. T value of 14.499. 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 effect of knowledge management on organizational commitment is known to the value of r squared of 0.440. This means that the influence of organizational commitment variables on organizational performance by 44.0% and the rest is influenced by other variables not included in the equation model.

Analysis of the Effect of Career Development on Partial Organizational Commitment

The results of the analysis of the influence of career development partially on organizational commitment note that the career development coefficient is 0.770. T value of 19.734. The significance value is 0.00. This significant value is smaller than 0.05. This means that career development variables partially influence organizational commitment. The magnitude of the influence of career development on organizational commitment is known to the value of r squared of 0.592. This means that the influence of career development variables on an organizational commitment by 59.2% and the rest is influenced by other variables that are not included in the equation model.

Analysis of the Effect of Knowledge Management on Organizational Performance through Organizational Commitment Variables

Based on the partial path analysis it is known that the influence of knowledge management on organizational performance is 0.558. The influence of knowledge management on performance through organizational commitment is $0.663 \times 0.864 = 0.572$. 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.

Analysis of the Effect of Work Career Development on Organizational Performance through Organizational Commitment Variables

Based on path analysis it can be seen that the direct influence of career development on organizational performance is 0.623. While the influence of career development on organizational performance through organizational commitment is $0.663 \times 0.864 = 0.573$. In this case, the direct effect is greater than the indirect effect so it can be said that the work organization's commitment variable is not 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, Nawa and Oroh, 2016) [4]. 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 research career development influences organizational performance. The influence of career development on organizational performance was also carried out on several researchers. Based on research it is known that career development influences organizational performance (Nawa, 2018).

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 (Laoh, Tewel and Oroh, 2016) [4].

Conclusions and Recommendations

Conclusions

Knowledge management variables affect organizational performance partially. The value of r squared is 0.312. This means that the influence of knowledge management variables on performance is 31.2% and the rest is influenced by other variables not included in the equation model.

Work career development variables affect partially organizational performance. The value of r squared is 0.389. This means that the influence of work career development variables on organizational performance by 38.9% 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 0.746. This means that the influence of organizational commitment variables on organizational performance by 74.6% 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 0.440. This means that the influence of organizational commitment variables on organizational performance by 44.0% and the rest is influenced by other variables not included in the equation model.

Career development variables affect partially organizational commitment. The value of r squared is 0.592. This means that the influence of career development variables on an organizational commitment by 59.2% and the rest is influenced by other variables not included in the equation model.

The influence of knowledge management on organizational performance is 0.558. The influence of knowledge management on performance through organizational commitment is $0.663 \times 0.864 = 0.572$. 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 career development on organizational performance is 0.623. While the influence of work career development on organizational performance through organizational commitment is $0.663 \times 0.864 = 0.573$. In this case, the direct effect is greater than the indirect effect so it can be said that the work organization commitment variable is not intervening.

Recommendations

In improving organizational performance knowledge management needs to be developed, career development and organizational commitment. Knowledge management needs to be developed by knowing the ability of personal knowledge and job procedures.

Development also needs to be considered by considering the requirements for career development, the career itself and employee readiness to achieve that career.

To improve organizational performance, organizational commitment also needs to be considered. Organizational commitment needs to be developed by taking into account the satisfaction of employees at work and the factors that cause them to stay in the organization.

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