The Influence of Knowledge Management and HR Quality on Company Performance Through Organization Commitments as Mediation Variables in Pt. Kemindo

Abstract: This study aims to determine the effect of knowledge management and human resources on company performance through organizational commitment as a mediating variable. The population in this research is employees who work at the PT. Kemindo. While the sample used includes 199 employees who work in company offices. This sampling uses the saturated sample method because it uses all employees at the company office. The results of knowledge management research affect company performance. The quality of HR affects company performance. Organizational commitment has an impact on company performance. Knowledge management affects organizational commitment. The quality of human resources affects organizational commitment. The direct effect of knowledge management on company performance is 0.558. In comparison, the indirect effect of knowledge management on company performance is 0.655. Meanwhile, the indirect effect of HR quality on company performance through organizational commitment is 0.680 x 0.871 = 0.592. This indirect effect is greater than the direct effect, so the organizational commitment variable is intervening. The direct effect of the quality of human resources on company performance is 0.655. Meanwhile, the indirect effect of HR quality on company performance through organizational commitment is 0.762 x 0.871 = 0.663. This indirect effect is greater than the direct effect, so the organizational commitment variable is intervening.

Keywords: Knowledge management, HR quality, organizational commitment, company performance.

INTRODUCTION

One of the company's problems in maintaining itself and developing in the future is improving company performance. Performance is a description of the level of achievement of implementing an activity program or policy in realizing the goals, objectives, vision, and mission of the organization as outlined in the strategic planning of an organization.

Performance is a matter, or the overall success rate of a person during a certain period in carrying out a task compared to various possibilities, such as work standards, targets, or targets or criteria that have been determined in advance and have been mutually agreed upon.

According to Wibowo (2013: 19), performance is a management style in managing performance-oriented resources that carries out an open and sustainable communication process by creating a shared vision and a strategic and integrated approach as a driving force to achieve organizational goals. According to Rivai and Sagala (2009: 548) suggest that: "Performance is a function of motivation and ability to complete a task, or a person's work should have a certain degree of willingness and level of ability.

Factors that influence performance are knowledge management, quality of human resources, and organizational commitment. Knowledge management is a series of organizations or companies' activities to identify, create, explain, and distribute knowledge to be reused, known, and studied within the organization. These activities are usually related to organizational objectives and aim to achieve a specific outcome such as shared knowledge, increased performance, competitive advantage, or a higher innovation level.

The concept of knowledge management includes the management of human resources (HR) and information technology (IT) to achieve a better corporate organization to win a business competition. The development of information technology plays an important role in the concept of knowledge management. Almost all activities in human life will be colored by mastery of information technology so that when talking about knowledge management, it cannot be separated from management.
The implementation of knowledge management in the company is supported by very sophisticated and modern equipment. This can be seen from the use of the internet as one of the requirements for good knowledge management, which is integrated with programs such as absences, ordering development projects, repairs, etc. However, this needs to be maintained because it will improve company performance.

Another factor that affects company performance is the quality of human resources (HR). Emphasis on the increasing importance of the quality of human resources (HR) is one response in addressing these changes, and this, of course, requires efforts to improve and develop HR.

The quality of human resources is an important component of any development movement. Only high-quality human resources can accelerate national development. The large population, if not followed by adequate quality, will only become a burden for development. Population quality is the population's condition, both individually and in groups, based on the level of progress achieved.

To become a formidable human resource, the population must have sufficient quality to become an adequate development capital. Without an increase in quality, the large population will cause various problems and become a burden for development. Analysis of the quality of human resources is often divided into physical qualities and non-physical qualities. Indicators that can describe the population's physical quality include education level, health status, and quality of life index. Non-physical qualities include the spiritual quality of religion, employment, work ethic, social personality quality, and the quality of relationships in harmony with the environment.

Organizational commitment also has an impact on company performance. Organizational commitment is the attitude of employees who are interested in the goals, values, and goals of the organization, which is shown by the acceptance of individuals for the values and goals of the organization and a desire to be affiliated with the organization and the willingness to work hard for the organization so that individuals feel at home and want to stay in the organization for the sake of achievement of goals and organizational continuity.

**LITERATURE REVIEW**

**Knowledge Management**

Management is a process to regulate something done by a group of people or organizations to achieve the organization's goals by working together to utilize the resources they have. Etymologically, the word management is taken from ancient French, namely management, which means the art of organizing and implementing. Management can also be defined as planning, coordinating, organizing, and controlling resources to efficiently and effectively achieve goals.

In this case, effective is to achieve goals according to planning and efficient to carry out work correctly and organized. According to Handoko (2008), there are three main reasons why management is needed:

- Management is necessary for personal and organizational goals to be achieved.
- Next, management is also needed to balance the goals, objectives, and activities, which are conflicting with those who are interested in the organization.
- Management is needed to achieve the efficiency and effectiveness of an organization's work.

A growing organization needs management in several ways, includes strategic management, human resource management, production, marketing, and other management.

**Quality of Human Resources**

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To become a formidable human resource, the population must have sufficient quality to become an effective development capital. Without an increase in quality, the large population will cause various problems and become a burden for development. Analysis of the quality of human resources is often divided into physical qualities and non-physical qualities. Indicators that can describe the population's physical quality include education level, health status, and quality of life index. Non-physical qualities include the spiritual quality of religion, employment, work ethic, social personality quality, and the quality of relationships in harmony with the environment.

Sedarmayanti (2009) suggests that quality is a measure that states how far various requirements, specifications, and expectations have been met. The definition of Human Resources is also expressed by Sedarmayanti (2009) in the book "Human Resources and Work Productivity" that "Human resources are workers or employees in an organization who have an important role in achieving success."

Nawawi (2003) argues that human resources are people who work in an organization (also known as personal labor, or employees). Salim (2006: 35) argues that the quality of human resources is as follows: Quality of Human Resources is the value of a person's
behavior in being accountable for all his actions both in personal life and in the life of the community and nation.

Human resources (HR) is a very important factor that cannot be separated from an organization, institutions, and companies. HR is also the key that determines the company's development. In essence, human resources are in the form of people employed in an organization as a driving force to achieve the organization's goals.

**Organizational Commitment**

According to Cherrington (1995), organizational commitment is a personal value, which sometimes refers to a loyal attitude to the company. Robbins (2010) suggests organizational commitment is one of the attitudes that reflect feelings of like or dislike towards the organization where you work.

Organizational commitment is the attitude of employees who are interested in the goals, values, and goals of the organization, which is shown by the acceptance of individuals for the values and goals of the organization and a desire to be affiliated with the organization and the willingness to work hard for the organization so that individuals feel at home and want to stay in the organization for the sake of achievement of goals and organizational continuity.

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

- Affective commitment occurs when employees want to be part of the organization because of an emotional attachment or feel they have the same values.
- Continuance Commitment, namely the willingness of individuals to stay in the organization because they do not find other jobs or because of certain economic rewards,
- Normative commitment arises from employee values. Employees stay as members of the organization because an awareness committed to the organization is what they should be doing.

Attitudes in the organization are considered important because they affect behavior. And organizational commitment as part of the attitude influences various important behaviors for the organization to function effectively. The importance of employee commitment is strengthened by a series of studies showing a strong relationship between organizational commitment and work performance (Luthans, 2002: 237).

**Organizational Performance**

The definition of performance refers to employees' ability to carry out all the tasks that are their responsibility. These tasks are usually based on indicators of success that have been implemented. As a result, it will be known that an employee belongs to a certain level of work. The level can be various terms. Performance can be categorized as over target, on target, or under target. They were departing from the things referred to as a whole for the work of an employee. The definition of performance is a description of the level of achievement of implementing an activity program or policy in realizing the goals, objectives, vision, and mission of the organization as outlined in the strategic planning of an organization (Moehlerion, 2010: 60). Mangkuprawira (2014: 218-219) says that performance is a matter, or the overall success rate of a person during a certain period in carrying out a task compared to various possibilities, such as work standards, targets, or targets or criteria that have been determined in advance and have been agreed together.

According to Wibowo (2010: 19), performance is a management style in managing performance-oriented resources that carries out an open and sustainable communication process by creating a shared vision and a strategic and integrated approach as a driving force to achieve organizational goals. According to Rivai and Sagala (2009: 548) suggest that: "Performance is a function of motivation and ability to complete a task, or a person's work should have a certain degree of willingness and level of ability. According to Richard et al. (2010), performance is something that is produced by an organization which includes outcomes, namely financial performance such as profit as measured by return on assets, return on investment, and so on, market performance such as an expansion of market share, and sales. Besides, the share owner's return is the return of the shareowner and the share owner's economic increase.

**Research Method**

**Time and Location of Research**

The research will be carried out in October-December 2019 by taking the location at PT. Kemindo.

**Research Design**

This study uses an explanatory analysis approach. This means that every variable presented in the hypothesis will be observed by testing the independent variable's causal relationship to the dependent variable. The relationship between variables can be described in the form of a path analysis diagram as follows: The conceptual research framework can be explained as follows:
Population and Sample

The population in this research are employees who work at the PT. Kemindo. While the sample used includes 199 employees who work in company offices. This sampling uses the saturated sample method because it uses all employees at the company office.

RESULT

Analysis of the dependent variable (X) partially to the independent (Y)

The data collected in this questionnaire were analyzed using SPSS version 20.0. The X variable studied includes knowledge management, quality of human resources, and work organization commitment. Meanwhile, the variable Y studied was company performance. The coefficient value of each path can be seen in the following figure.

The variables under study, both the independent (X) and the independent (Y) variables being analyzed, have certain standard coefficient values obtained from the SPSS version 20 program. These values can be described in detail in the following explanation:

Path analysis 1

Path analysis 1 is an analysis of the influence of knowledge management on company performance. The influence of knowledge management on company performance is 0.558. The t value is 9.0 with a significance of 0.00 less than 0.005, so this effect is significant. The analysis table can be seen in the following table.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>26,620</td>
<td>1,705</td>
<td>15,610</td>
</tr>
<tr>
<td></td>
<td>Knowledge_Management</td>
<td>.822</td>
<td>.087</td>
<td>.558</td>
</tr>
</tbody>
</table>

Table 1. The results of the calculation of the standard coefficient on the first line.

Coefficientsa

a. Dependent Variable: Company_Performance
Path analysis 2
Path 2 analysis is an analysis of the influence of HR quality on company performance. The influence of the quality of human resources on company performance is 0.655. The t value is 12.154 with a significance of 0.00 less than 0.005, so this effect is significant. The analysis table can be seen in the following table.

Table 2. The results of the calculation of the standard coefficient on the second line.

<table>
<thead>
<tr>
<th>Coefficients¹</th>
</tr>
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<tbody>
<tr>
<td>Model</td>
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<tr>
<td></td>
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<tr>
<td>1</td>
</tr>
<tr>
<td>HR_Quality</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Company_Performance

Path analysis 3
Path analysis 3 is an analysis of the influence of organizational commitment on company performance. The effect of organizational commitment on company performance is 0.871. The t value is 23.063 with a significance of 0.00 less than 0.005, so this effect is significant. The analysis table can be seen in the following table.

Table 3. The results of the calculation of the standard coefficient on the third line.

<table>
<thead>
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<th>Coefficients¹</th>
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<tbody>
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<tr>
<td>1</td>
</tr>
<tr>
<td>Knowledge_Management</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Company_Performance

Path analysis 4
Path analysis 4 is an analysis of the influence of knowledge management on organizational commitment. The effect of knowledge management on organizational commitment is 0.680. The t value is 13.022 with a significance of 0.00 less than 0.005, so this effect is significant. The analysis table can be seen in the following table.

Table 4. The results of the calculation of the standard coefficient on the fourth line.

<table>
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<tbody>
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<td></td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>Knowledge_Management</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Knowledge_Management

Path analysis 5
Path analysis 5 is an analysis of the influence of HR quality on organizational commitment. The influence of human resource quality on organizational commitment is 0.762. The t value is 16.535 with a significance of 0.00 less than 0.005, so this effect is significant. The analysis table can be seen in the following table.

Table 5. The results of the calculation of the standard coefficient on the fifth line.

<table>
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<tbody>
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<tr>
<td></td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>HR_Quality</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Knowledge_Management
Path analysis 6
The 6th path analysis analyzes the influence of knowledge management on company performance through organizational commitment. The direct effect of knowledge management on company performance is 0.558. In comparison, the indirect effect of knowledge management on company performance through organizational commitment is 0.680 x 0.871 = 0.592. This indirect effect is greater than the direct effect, so the organizational commitment variable is intervening.

Path analysis 7
The 7th path analysis analyzes the influence of HR quality on company performance through organizational commitment. The direct effect of the quality of human resources on company performance is 0.655. Meanwhile, the indirect effect of HR quality on company performance through organizational commitment is 0.762 x 0.871 = 0.663. This indirect effect is greater than the direct effect, so the organizational commitment variable is intervening.

DISCUSSION
In previous research, knowledge management affects company performance. The higher the knowledge management, the greater the company's performance. In other words, this influence is positive or unidirectional. This research was conducted at several companies (Laoh, Tewal, and Oroh, 2016). The results of this study are the same as the results of his research, the higher the knowledge management, the greater its performance.

In this study, the quality of human resources affects company performance. Several researchers also carried out the influence of knowledge management on company performance.

In previous studies, organizational commitment affects company performance. Organizational commitment has also been carried out in several studies. The higher the organizational commitment to employees, the greater the company's performance.

In this study, the quality of human resources affects company performance. Several researchers also carried out the influence of knowledge management on company performance. Based on research, it is known that the quality of human resources affects company performance.

In previous studies, organizational commitment affects company performance. Organizational commitment has also been carried out in several studies. The higher the organizational commitment to employees, the greater the company's performance.

Suggestion
Knowledge management needs to be improved to improve company performance. Activities such as understanding the importance of knowledge, especially knowledge about work, job management, and the use of the internet, need to be developed to work well.

The quality of human resources also needs to be improved. Quality human resources have an impact on improving good performance. Companies need to carry out activities such as training activities, HR empowerment activities, and comparative study activities to improve their quality.

Organizational commitment also needs to be improved. The company must be a comfortable place to work to feel at home working at the company. The company is also expected to provide good income, benefits, and insurance to ensure employees' lives in the future. This is done to feel at home working, not to move jobs to other companies.

REFERENCES


