

THE EFFECT OF KNOWLEDGE MANAGEMENT IMPLEMENTATION ON EMPLOYEE PERFORMANCE

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Abstract

In a company, it is very necessary to monitor and improve the performance of its employees. Employee performance is important for the company because with good performance, employees can contribute to the company's success in achieving the company's vision and mission. The variable that can affect employee performance is knowledge management. The purpose of this study is to explain whether or not *knowledge management* affects employee performance at PT Berlio Anugrah Putra. This research method uses a quantitative survey method. The data source used was obtained from employees of PT Berlio Anugrah Putra. In addition, the sampling technique in this study used non-probability *sampling* with *convenience sampling* technique. The population in this study consisted of all employees of PT Berlio Anugrah Putra with approximately 500 employees, so a sample of 89 respondents was obtained. The analytical tool used in this research is SmartPLS version 3.2.9. The results of this study indicate that knowledge management affects employee performance.

Keywords: *Knowledge Management, Employee Performance, Company Success*

1. INTRODUCTION

In a company, it is very necessary to monitor and improve the performance of its employees. Employee performance is important for the company because employees who have good performance can contribute to the company's success in achieving the company's vision and mission (Pinasti & Nurdin 2022: 123). Employee performance is an achievement (*output*) of the work of an activity or activity during a certain period in order to achieve organizational goals based on expertise, experience, time, and honesty legally and in accordance with the law and in accordance with morals or ethics (Rubai'ah & Lestari, 2022). Mangkenegara (2011: 67) in Alsyifa & Lestari, (2023) states that the quality and quantity of work achieved by an employee in carrying out his duties in accordance with the responsibilities given to him is called performance.

In addition, the statement above is in line with what was stated by Lestari, Nurjaya, et al. (2023) that employee performance is a result to be achieved from the results of work in activity and work to achieve common goals responsibly based on expertise, quality, experience, and honesty. Employee performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him (Mangkunegara, 2022: 67).

The assessment of employee performance is one of the critical aspects of the realization of the goals of a company to motivate employees to achieve company goals and comply with established standards of behavior for the achievement of company goals (Moeheriono, 2012: 420). In other words, employee appraisals can maintain the sustainability of the company by assessing employee performance and following up if employees deviate from company policy (Purnomo *et al.*, 2023: 868). This is in line with what was stated by Mangkunegara (2022:67), which states that the success of an employee can be seen from the quality and quantity achieved in carrying out a responsibility given to him.

As science and technology develop over time, what humans are able to produce is also growing. The needs of individuals and companies will always develop, and in this information age, there is a shift in needs and organizations from material to information. In line with what is stated by Pinasti & Nurdin (2022: 122), this shows that information internalized into knowledge is one of the most useful resources today as a learning tool for every person and organization because it can help them think and act in ways to improve results. However, the theory that has been described above, is very contrary to the phenomena that occur in the field. In fact, employee performance is still considered poor due to several phenomena that occur, such as theft of vehicle *spare parts*, the quality of work that continues to decline due to lack of employee knowledge and skills. (Aswicahyono, 2023; Permadi, 2022; Wiyono, 2023).

Aswicahyono (2023) explained that although the quantity of labor in Indonesia is relatively large, when viewed from its quality, it turns out that the level of labor productivity in Indonesia is declining. Aswicahyono (2023) also elaborates on two sides, namely from the demand side because the service sector dominates, while from the supply side because Indonesian human resources are still very few who are able to work in the quality work sector. In a similar case, Permadi (2022), as the Special Staff of the Minister of Communication and Information, said that employees are still not proficient in the use of technology because they are still not good at operating gadgets to the fullest and do not maximize the use of digital in workers so that the economy is hampered.

Furthermore, there is a phenomenon at PT X where theft of spare parts and vehicles occurs, either by permanent employees or freelance employees. In addition, there are some drivers at PT X who are often negligent and not careful when driving, especially when carrying large vehicles, so accidents sometimes still occur (Wiyono, 2023). In a similar case, PT Rosalia Indah Transport was hands-off in the case of lost passenger goods, and the company was reluctant to fulfill the victim's compensation claim (Arnoldi, 2024).

Based on the phenomenon that has been described, it can be stated that there are factors that can affect employee performance, namely *knowledge management* (Aujirapongpan *et al.*, 2010; Auliana & Achmad, 2023; Dini, 2023; Pinasti & Nurdin, 2022). Furthermore, good employee performance will achieve maximum results if supported by the *knowledge* they have. Every employee is expected to continue to explore their knowledge and not only depend or fixate on the existing system, so it can be said that every employee has a role in improving their company (Pinasti & Nurdin, 2022: 123).

Based on the background that has been described, the problem identification in this study is "Does *knowledge management* affect employee performance at PT Berlio Anugrah Putra?". The objectives of this study, namely "Being able to explain whether or not *knowledge management* affects employee performance at PT Berlio Anugrah Putra".

2. LITERATURE REVIEW

Knowledge Management

Knowledge management is managing knowledge collectively in the organization to provide added value for employees and stakeholders, including the systematic management of knowledge, both from *tacit* to *explicit knowledge*, which is necessary for the company as a conceptual framework includes all activities to understand, overcome, and utilize the knowledge that exists in the company (Sangkala, 2007: 3-5); (Siswadhi & Ahmad, 2021: 754); (Uriarte, 2008: 13); (Sangkala, 2007: 3-5); (Siswadhi & Ahmad, 2021: 754); (Uriarte, 2008: 13); (Wati & Indrajit, 2020; Wiig, 1993)). According to Sangkala (2010: 269), the measurement of *knowledge management* variables used in this study, namely:

- 1) **Autonomy:** Employees are able to express themselves at work, there is no politicization of the workforce, decentralization in decision-making, a restrictive environment, and so on.

- 2) **Job Challenges:** Knowledgeable employees require challenges in related aspects, such as the latest practices and technologies in their field. Giving knowledgeable employees challenging tasks not only makes them feel valued, but also ensures that the benefits of their knowledge will continue to be useful, both now and in the future.
- 3) **Committed to the Profession Compared to the Organization:** Compared to the organization or company they work for, knowledgeable employees will be more committed to their work. They will look for jobs that provide opportunities to learn so that they can better enjoy the knowledge for themselves, whether it is a contract, award or trust job, working on a full or part-time basis.
- 4) **Channeling Ideas in Organizations:** The success of an organization or company depends on how much its work provides ideas and knowledge. It is also influenced by the rewards that the organization gives to its employees. Since they feel they have no intellectual rights, they tend to keep knowledge implicit or implicitly valued.
- 5) **Communities of Practice and Work Teams:** To gain a better understanding and experience of complex tasks, employees should be able to work in teams to combine their skills and intellectual abilities across functions. In communities of practice, people from different perspectives and roles work together to accomplish tasks and learn together. By doing so, employees are able to work in teams to combine their skills and intellectual capabilities across functions to better understand complex tasks, thereby removing boundaries within the organization and creating networks between the employees involved.

Employee Performance

Employee performance is the result of the work of a person or unit in the organization, evaluated based on achievement against predetermined goals, standards, and criteria, including individual or team success in achieving strategic goals, as well as work results. This is so that employees can contribute to achieving the goals, vision, and mission of the organization through strategic planning, which makes a performance reflect the contribution of employees in achieving company goals. ((Bangun, 2012: 231); (Mangkunegara, 2022: 67); (Moeheriono, 2012: 95); (Mulyadi, 2001: 337); (Pinasti & Nurdin, 2022: 124); (Purnomo et al., 2023: 869); (Wibowo, 2007: 70)). According to Bangun (2012: 233-234) & Mangkunegara (2022: 67-70), the dimensions and indicators of the variables used in this study are as follows the dimensions and indicators of the variables used in this study, namely:

1. Number of Jobs

This dimension shows the amount of work an individual or group produces as a standard job requirement. Therefore, employees must:

- a. Producing work quantities based on company standards, refers to the process of achieving work outputs that meet or exceed the criteria and expectations set by the company. It involves completing tasks or projects according to benchmarks or norms of quality, quantity, and time that have been set by the organization.
- b. The number of units/activities completed is the result of the work process in the form of product units or activities that have been completed. It provides an overview of work productivity or effectiveness by calculating how many items or tasks are successfully completed within a certain period of time.

2. Quality of Work

Every employee in the company must meet certain requirements to be able to produce work according to the quality that a job requires, such as:

- a. Working according to company standards and employee commitment, concerns the degree to which employees follow the rules, procedures, and values set by the company in carrying out their duties. Employee commitment reflects their dedication to the organization's goals and their willingness to put in extra effort to achieve the desired results.
- b. The quality of work produced by employees, refers to the standard and excellence of work *output* produced by employees. Work quality can be assessed based on accuracy, thoroughness, efficiency, and reliability in completing assigned tasks. High quality is often associated with reduced errors, increased customer satisfaction, and better results for the organization.
- c. This relates to the extent to which employees use their theoretical knowledge, practical skills and overall abilities in carrying out their job tasks. Good performance often depends on the match between job demands and individual competencies, where employees who have knowledge, skills and abilities relevant to their jobs tend to show higher performance.

3. Timeliness

Each job has different characteristics, and certain types of work must be completed on time, because it has a dependency on other work which affects the amount and quality of work results. Therefore, employees must:

- a. Completing tasks within the timeframe set by the company refers to the ability of an individual or team to complete and submit tasks or projects within the time limit set by the company. This shows time efficiency and time management at work.
- b. The amount of work produced based on the specified time refers to productivity, which is a measure of the amount of work *output* that can be produced in a given period of time. It assesses how much work or output can be completed or produced within a predetermined time limit.

4. Attendance

A certain type of work requires the presence of employees to do it according to the specified time. Employee performance is determined by the level of employee attendance in doing it so that employees must:

- a. Present on time, where employees come to the workplace and are ready to start their duties at the time specified by the company. This punctuality reflects the discipline and commitment of employees to their work.
- b. Entering and leaving work according to the hours set by the company, refers to the obligation of employees to start and end their workday according to the work schedule set by the company. This includes adherence to the official working hours, including the hours of entry, rest, and return, set by the company.

5. Cooperation Skills

Employee performance can be assessed by their ability to work together with other coworkers. Not all work can be completed by one employee alone. Therefore employees must:

- a. Being able to work together or collaborate with other coworkers, means sharing knowledge, resources, and responsibilities in achieving a common goal. Good collaboration involves efficient communication, flexibility in work, and the ability to adjust to the needs of the team.
- b. Responsibility for their work, in the context of teamwork. This means not only completing individual tasks well but also ensuring that their contributions support the overall success of the team. Responsibility also includes the ability to accept feedback and contribute to the improvement of shared work processes.

Effect of *Knowledge Management* on Employee Performance

Knowledge management basically arises to answer the question of how to manage knowledge, and how to manage it. The importance of *knowledge management* is essentially understood through a series of questions, among others, why many companies are unable to survive for a long time and what causes a company to be more competitive than other companies (Sangkala, 2007: 3-5).

Knowledge management is useful for maximizing the effectiveness of knowledge related to the organization both systematically, explicitly and constructively (Wiig, 1993:). Furthermore, employee performance will achieve maximum results if supported by the *knowledge* they have. Each employee is expected to continue to explore their knowledge and not just depend or fixate on the existing system. So it can be said that every employee has a role in improving the company (Pinasti & Nurdin, 2022: 123). As reflecting the indicators of *knowledge management*, namely being committed to the organization, where employees will look for jobs that provide opportunities to learn so that they can enjoy more knowledge for themselves, no matter whether it is contract work, reward or trust, working on a regular or part-time basis (Sangkala, 2010: 269).

A company's advantage is no longer due to *its* physical production machines and facilities, but to *its knowledge assets*. *Knowledge assets* can be in the form of employee skills and talents, innovative service strategies and products, business processes, and networks (Uriarte, 2008). In addition, Uriarte (2008:13) explains that knowledge assets will make a major contribution to creating wealth and competitiveness no longer depends on physical assets (machines, buildings, and other physical facilities) because every company can also buy the same or even better physical assets (Auliana & Achmad, 2023).

The statement regarding knowledge management affects employee performance, is supported by the results of previous research conducted by (Auliana & Achmad, 2023; Dini, 2023; Pinasti & Nurdin, 2022). Overall from these studies, the results show that knowledge management affects employee performance. Research Auliana & Achmad (2023), shows that Knowledge Management affects employee performance positively and very well. Meanwhile, in research conducted by Dini (2023) states that knowledge management

with the highest indicator is the level (infrastructure) where almost all employees believe infrastructure is very influential in completing work. In addition, the knowledge management variable has a positive and significant effect on employee performance at PT Ogya Tekno Nusantara.

Other research conducted by Pinasti & Nurdin (2022) stated that knowledge management has a positive and significant influence on employee work. This is because knowledge management is the driving factor behind employee performance. This means that the higher the knowledge management, the higher the employee performance. In addition, worker productivity can be seen when there is a good working relationship between coworkers or even coworkers and their superiors.

Based on the opinions of previous studies that have been conducted, a research hypothesis can be formulated that knowledge management affects employee performance. This is because knowledge management is a driving factor for employee performance which has given them new knowledge to complement the knowledge they already have.

3. RESEARCH METHODS

The research method used in this research is a survey method with a quantitative approach. The survey method is a research method that uses questionnaires, questionnaires, or others as the main data source, because the survey method is one part of a type of descriptive research with the aim of measuring a social case (Sudaryono, 2019).

Quantitative methods can be interpreted as research methods based on the philosophy of positivism, used to research on certain populations or samples, data collection using research instruments, data analysis is quantitative / statistical, with the aim of testing predetermined hypotheses (Sugiyono, 2021: 16).

The population in this study were all employees of PT Berlio Anugrah Putra, with approximately 500 employees. The sampling technique used is non-probability sampling with a convenience sampling approach. Thus, the sample in this study was at least 30 samples according to the rule of thumb proposed by Roscoe (1975) in Sekaran & Bougie (2016: 264), so that the sample of this study obtained 89 respondents with the analytical tool used in this study was SmartPLS version 3.2.9.

The Likert scale is used to measure a person's attitudes, opinions, and perceptions about social phenomena. (Sugiyono, 2021). By using a Likert scale, variables will be measured and described through dimensions, then the dimensions are broken down into sub-variables, and the sub-variables are translated into measurable indicators. Finally, these measurable indicators can be the basis for creating instrument items, which can be statements or questions that must be answered by respondents. (Sudaryono, 2019: 200).

Testing research instruments through validity and reliability tests is a mandatory requirement in quantitative research that comes from primary data and uses questionnaire measuring instruments (Sekaran & Bougie, 2017). Instrument testing in this study uses an evaluation of the measurement model (*outer model*) with reflective indicator constructs consisting of validity and reliability using Structural Equation Modeling - *Partial Least Square* (SEM-PLS) with SmartPLS 3.2.9 software.

Structural Equation Modeling (SEM) based on *Partial Least Square* (PLS) and SmartPLS 3.2.9 as a supporting application will be used in the verification statistical analysis of this research. According to Nariwati (2008) in Lestari, Ramdani, *et al.* (2023: 135) state that verification methodology is a way to validate hypotheses through statistical means by collecting data from various sources such as field data and reports.

In addition, the hypothesis testing design is carried out through the inner model, which can be used to test the relationship between latent variables based on hypotheses and produce the significance of the influence of exogenous variables on endogenous variables (Rahman *et al.*, 2023). Ghazali (2021: 73) explains that the inner model consists of several calculations, which are as follows.

1. R-Square (R²)

The inner model, is tested by looking at the percentage of variance in the R-Squares value. In the SmartPLS 3.2.9 software, the R-Squares value for each endogenous latent variable can be tested as the predictive power of the structural model with R-Squares values of 0.75, 0.50, and 0.25 illustrating that the model is strong, moderate, or weak (Ghozali & Latan, 2021: 73). A structural model is a model that connects exogenous latent variables with endogenous latent variables or with other endogenous variables (Lestari & Lestira Oktarozza, 2022).

2. F-Square

F-Square is used to determine the magnitude of partial influence (Rahman et al., 2023: 88). Chain (1998) in Ghozali (2021: 75) explains the f-Square criteria, consisting of:

- a. 0.02 has a small effect,
- b. 0.15 has a medium influence, and
- c. 0.35 has a large influence.

Furthermore, hypothesis testing can be conducted to answer the research questions after the measurement model and structural model tests if completed. Then, it is necessary to test with SmartPLS 3.2.9 through the bootstrapping function, regardless of whether a hypothesis is accepted or rejected. In addition, hypothesis testing can be seen from the value of the calculation of path coefficients by testing the inner model against bootstrapping (Ghozali & Latan, 2021: 49). In hypothesis testing using SmartPLS 3.2.9, the significance test is assessed based on how significant the effect is if the p-value < 0.05 or t-value > 1.96 through the bootstrapping function (Rahman et al., 2023: 88).

4. RESULT AND DISCUSSION

Knowledge Management affects employee performance at PT Berlio Anugrah Putra, where the higher the implementation of Knowledge Management, the higher the employee performance itself. Based on this statement, it shows that the higher the Knowledge Management in a company, the positive impact on Employee Performance. In addition, Knowledge Management has a good influence on employees at work because Knowledge Management can provide encouragement to work well. This is stated because of the following description.

The results of this study were taken based on questionnaire data distributed to 89 respondents, after which the data was collected which and processed using descriptive statistical analysis and SmartPLS software version 3.2.9 with the Structural Equation Modeling - Partial Least Square (SEM-PLS) method, which aims to determine the results of the questionnaire data for each variable studied.

Respondents in this study, namely employees of PT Berlio Anugrah Putra. The questionnaire was distributed to 95 employees from each region consisting of permanent employees and casual employees. Furthermore, the data that can be processed amounts to 89 questionnaires. The following is a table of showing the return rate of questionnaires (response rate) that have been distributed to employees of PT Berlio Anugrah Putra.

Table 1. Questionnaire Return Rate

Description	Total	Percentage
Total questionnaires distributed	95	100%
Total questionnaires not returned	6	6%
Total questionnaires processed	89	94%

Source: Results of Research Data Processing 2024

Based on the table above, 95 questionnaires were distributed, but those that could be returned amounted to 89 pieces with a response rate of 94%. In addition, there is a variable score recapitulation table which can be shown in the table below.

Table 2. Recapitulation of Employee Performance Variable Assessment Score

Item No.	Distribution of Respondents' Responses					Total Score	Ideal Score	Percentage (%)
	1	2	3	4	5			
KK 1	0	3	5	27	54	399	445	89,66
KK 2	0	2	7	29	51	396	445	88,99
KK 3	0	3	7	30	49	392	445	88,09
KK 4	0	3	6	29	51	395	445	88,76

KK 5	0	1	8	34	46	392	445	88,09
KK 6	0	2	9	28	50	393	445	88,31
KK 7	0	4	6	31	48	390	445	87,64
KK 8	0	1	12	25	51	393	445	88,31
KK 9	0	2	8	27	52	396	445	88,99
KK 10	0	3	5	27	54	394	445	88,54
KK 11	0	3	5	27	54	398	445	89,44
Total Variable Score						4.338	4.895	88,62

Source: Results of Research Data Processing 2024

Based on the recapitulation table above, the total score of the Employee Performance variable (Y) obtained from respondents is 4,338 with a percentage reaching 88.39%. This shows that, the Employee Performance variable (Y) is classified into the "Very Good" category which can be described in the form of a continuum line diagram, as follows:

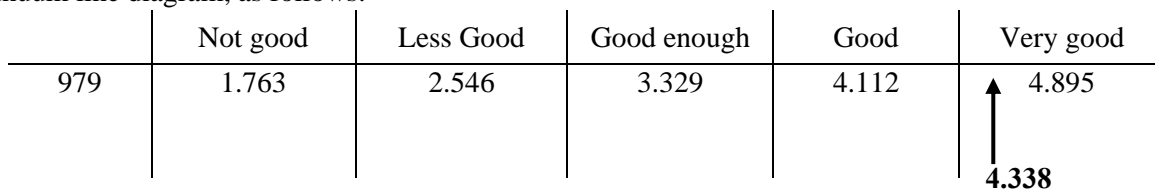


Figure 1. Employee Performance Continuum Line

Table 2. Recapitulation of Knowledge Management Variable Assessment Score

Item No.	Distribution of Respondents' Responses					Total Score	Ideal Score	Percentage (%)
	1	2	3	4	5			
KM 1	0	2	6	32	48	391	445	88,03
KM 2	0	2	5	31	51	396	445	88,99
KM 3	0	2	5	31	49	392	445	88,09
KM 4	0	2	5	31	51	395	445	88,76
KM 5	0	2	5	31	46	392	445	88,09
KM 6	0	2	5	31	50	393	445	88,31
Total Variable Score						2.360	2.670	88,39

Source: Results of Research Data Processing 2024

Based on the recapitulation table above, the total score of the Knowledge Management (X2) variable obtained from respondents is 2,360 with a percentage reaching 88.39%. This shows that, the Knowledge Management (X2) variable is classified into the "Very Good" category which can be described in the form of a continuum line diagram, as follows:

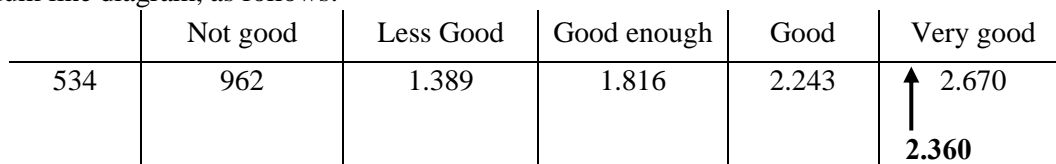


Figure 2. Knowledge Management Continuum Line

The description of the descriptive statistical analysis above, from each indicator, has explained well, namely that the stated total score of the Knowledge Management variable obtained from PT Berlio Anugrah Putra employees reached a value of 2,360 with a percentage reaching 88.39%. This shows that Knowledge Management is classified into the "Very Good" category, as shown on the continuum line above, where the implementation of the dimensions and indicators of the knowledge management variable has been carried out well in the company.

Based on the highest score in the knowledge management dimension is the "Job Challenge" dimension, with a score of 396, whose indicator is being able to complete challenging tasks for workers who have knowledge makes them feel valued. In fact, employees of PT Berlio Anugrah Putra feel valued when successfully overcoming tasks that are considered challenging and become motivated at work. In addition, it is also shown in the "Channeling Ideas in the Organization" dimension with a score of 395 that the indicator is able to contribute in channeling ideas or knowledge. It can be stated that the employees of PT Berlio Anugrah Putra have implemented measurement values when working in accordance with company policies in order to achieve the company's desired goals. On the other hand, in the Knowledge Management variable, there are still shortcomings that can be seen in the indicators of this study, namely in the "Autonomy" indicator, which has the lowest score of 391 with a percentage of 88.03%, where PT Berlio Anugrah Putra needs to provide adequate space to express themselves for employees at work, because employees who are able to be autonomous at work, will be able to develop and enjoy the knowledge and skills they have.

Furthermore, in this study, testing was carried out using SmartPLS software version 3.2.9 with the Structural Equation Modeling - Partial Least Square (SEM-PLS) method. This section describes validity and reliability testing, where two types of testing will be carried out as part of the outer model testing process. The purpose of this test is to test and assess the validity of the questionnaire, as well as the extent of stability consistency of the data obtained. The PLS Algorithm function in the SmartPLS 3.2.9 application is used for testing this router model. The structure of the outer model processing results can be shown in the form of the following diagram:

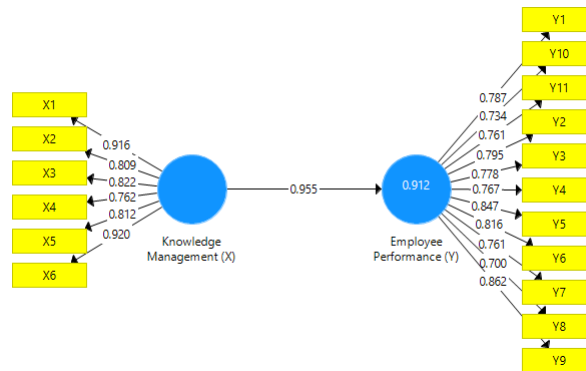


Figure 1. Outer Model Processing Diagram

Based on the figure above, the outer loadings value has met the provisions in accordance with the rule of thumb, where the loading factor value, namely the loading factor value must be more than 0.6 - 0.7. However, for early stage research from the development of measurement scales, a loading factor value of 0.5 - 0.6 is still considered sufficient according to Chin (1998) in Ghazali & Latan (2021: 68). Ghazali & Latan (2021: 68). Furthermore, to test the validity, convergent validity and discriminant validity are tested, which can be described as follows:

Table 3. Convergent Validity Testing

Description	Average Variance Extracted (AVE)
Knowledge Management (X)	0,709
Employee Performance (Y)	0,615

Source: Results of Research Data Processing 2024

Based on the table above, all variables in the AVE value are in accordance with the standard value, which is > 0.5. Thus, all variables can be declared valid. In addition, discriminant validity testing is carried out to test validity, which can be seen in the following description:

Table 4. Discriminant Validity Testing

Description	Y	X
Knowledge Management (X)	0,955	0,842
Employee Performance (Y)	0,784	

Source: Results of Research Data Processing 2024

As for the results of Discriminant Validity testing through the Fornell-Larcker Criterion in the table above, where the Fornell-Larcker Criterion value is > 0.5 or close to 1 which states that the coefficient of determination is getting stronger. Based on the table above, it is stated that the Fornell-Larcker Criterion value on the Knowledge Management variable is 0.972, where this value is greater than the correlation value with the Employee Performance variable which has a value of 0.784. In addition, each variable has a value on the Fornell-Larcker Criterion close to 1 and greater than 0.7. This shows that the requirements for the value of discriminant validity have been met and can be accepted.

In addition, this study conducted reliability testing using Composite Reliability and Cronbach's Alpha which is explained as follows:

Table 5. Composite Reliability Testing

Description	Composite Reliability
Knowledge Management (X)	0,936
Employee Performance (Y)	0,946

Source: Results of Research Data Processing 2024

Reliability on Composite Reliability requires that each variable must have a value > 0.7 in order to be declared reliable. Based on the table above, it can be concluded that each variable has a value that exceeds 0.7 so that it can be stated that all variables are reliable.

Table 6. Cronbach's Alpha Testing

Description	Cronbach's Alpha
Knowledge Management (X)	0,917
Employee Performance (Y)	0,937

Source: Results of Research Data Processing 2024

In addition to reliability in Composite Reliability testing, the Cronbach's Alpha method requires that each variable must have a value of > 0.5 in order to be declared reliable. Based on the table above, it can be concluded that each variable has a value that exceeds 0.5 so that it can be stated that all variables are reliable.

Furthermore, this section describes the relationship between Knowledge Management and Employee Performance by measuring the Inner Model and testing the hypotheses tested using testing using SmartPLS software version 3.2.9 with the Structural Equation Modeling - Partial Least Square (SEM-PLS) method with the PLS Algorithm and Bootstrapping functions which are explained as follows:

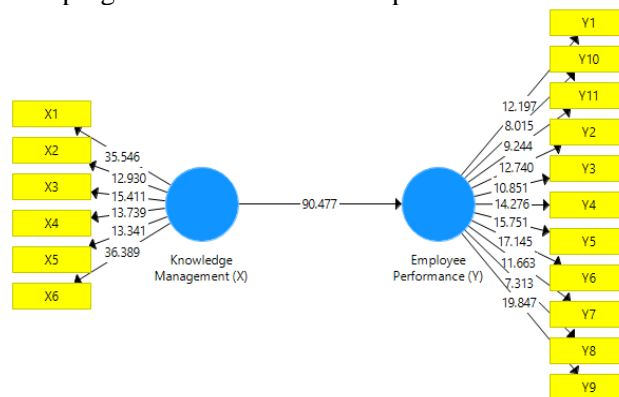


Figure 2. Inner Model Processing Diagram

Table 7. Relationship between Knowledge Management (X) and Employee Performance (Y)

Variables	r_s	f_s	P values	T statistics	Hypothesis	Degrees Variable Closeness	Coefficient Determination
X and Y	0,911	0,745	0,000	90,477	Ha accepted	Strong	95,5 %

Source: Results of Research Data Processing 2024

From the table above, it can be seen that the R-Square test was carried out to test the magnitude of the simultaneous influence of the variables. In accordance with the provisions, if the variance R-Square value > 0.75 , it can be declared strong. Based on the table above, the variance R-Square value is 0.957 which illustrates that the predictive power of the model is strong, indicating that the strength of the Knowledge Management variable and the Employee Performance variable influence each other simultaneously.

Apart from looking at the percentage variance value of R - Square, it can also be seen with the f-Square function, where f-Square is used to determine the amount of partial influence. If the variance f-Square value if > 0.02 is declared small, > 0.15 is declared moderate or medium, and > 0.35 is declared large. Based on the table above, the variance f-Square value of the Knowledge Management variable on Employee Performance is 0.775 which illustrates that the strength of the model is of great value or mutual influence.

This study also tested the variance f-Square value to test how much partial influence the Knowledge Management variable has on Employee Performance. Based on the calculation of the variance f-Square value on the Knowledge Management variable on Employee Performance, it is 0.775, which illustrates that the strength of the model influences each other, or it can be stated that Knowledge Management has a significant and positive effect on Employee Performance.

This is supported by research Auliana & Achmad (2023), Dini (2023), and Pinasti & Nurdin (2022), which states that Knowledge Management has a positive and significant effect on Employee Performance. This statement, shows that Knowledge Management has a good influence on employees at work because Knowledge Management can provide encouragement to work well, meaning that the higher the knowledge management, the higher the employee performance.

Furthermore, in testing the coefficient of determination on discriminant validity of 95.5%, which shows that the higher the Knowledge Management in a company, the positive impact on Employee Performance itself. This statement is in line with what was stated by Pinasti & Nurdin (2022), which states that knowledge management is the driving factor behind employee performance. This means that the higher the knowledge management, the higher the employee performance.

Furthermore, based on the results of hypothesis testing, the t-statistic value shows a value of 90.477 which is > 1.96 and a p-value of 0.000 which is < 0.05 , it can be said that the hypothesis is accepted. This means that H_0 is rejected while H_a is accepted or Knowledge Management has an effect on Employee Performance, which shows that Knowledge Management has a partially significant effect on Employee Performance at PT Berlio Anugrah Putra.

Based on the description above, in this study it can be stated that Knowledge Management has a significant and positive effect on Employee Performance. Although overall Knowledge Management has been implemented well, it needs to be improved again in order to improve the quality of work of PT Berlio Anugrah Putra employees, because this can improve employee performance and benefit employees and the company.

As described in the descriptive statistical analysis of each indicator that has been explained well, namely the total score of the Knowledge Management and Employee Performance variables obtained from PT Berlio Anugrah Putra employees reached a value of 2,360 and 4,338 with a percentage reaching 88.39% and 89.62. This shows that, Knowledge Management and Employee Performance are classified into the "Very Good" category, where the implementation of the Knowledge Management dimension includes autonomy, job challenges, commitment to the profession rather than the organization, channeling ideas in the organization, community, and work practices which reflect that these values have been carried out very well.

However, of course in this study, the measurement of knowledge management variables still has shortcomings that can be seen in the indicators of this study, namely in the autonomy indicator which has the lowest score of 391 with a percentage of 88.03%. Therefore, PT Berlio Anugrah Putra needs to provide adequate space to express themselves for employees at work because employees who are able to have autonomy at work will be able to develop and enjoy their knowledge and skills. In addition, to gain a better understanding and experience of complex tasks, employees must be able to work in teams to combine their skills and intellectual abilities.

5. CONCLUSION

Based on the discussion above, this study can state that Knowledge Management affects Employee Performance at PT Berlio Anugrah Putra, where the higher the implementation of Knowledge Management, the higher the Employee Performance itself. Based on this statement, shows that the higher the Knowledge Management in a company, the positive impact on Employee Performance. In addition, Knowledge Management has a good influence on employees at work because it can provide encouragement to work well.

In addition, based on the research that has been conducted above, research suggestions can be given to PT Berlio Anugrah Putra, namely it is hoped that the company will be able to provide adequate space to express themselves for employees at work because employees who are able to have autonomy at work will be able to develop and enjoy the knowledge and skills they have. Then, it is also expected that PT Berlio Anugrah Putra can take a collaborative approach to employees, in order to improve the ability to work together on work teams, expand the network between fellow employees involved and better understand complex tasks.

The theoretical suggestions, especially for future researchers, are that they should pay attention to measuring each variable because this study has not revealed all the existing variables, so it is necessary to explore more deeply each research variable. In addition, future researchers need to pay attention to all the advantages and disadvantages of this study because the results of several other studies have different results.

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