

The Effect of Knowledge Management on Employee Performance

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Abstract. *This study aims to explain the effect of knowledge management on employee performance at Bank Madina Syariah Yogyakarta. The dependent variable in this study is employee performance. While the independent variable in this study is knowledge management on employee performance. The population in this study were all employees of Bank Madina Syariah Yogyakarta. The sampling method used was a saturated sample or all members of the research population. Data collection was carried out through distributing questionnaires and interviews. The analysis used is multiple linear regression technique. The results of the analysis show that knowledge management has a positive effect on employee performance.*

Keywords: *Employee Performance, Knowledge Management, Empowermentz.*

Abstrak. Penelitian ini bertujuan untuk menjelaskan pengaruh knowledge management, terhadap employee performance Bank Madina Syariah Yogyakarta. Variabel dependen dalam penelitian ini adalah employee performance. Sedangkan variabel independen dalam penelitian ini adalah knowledge management terhadap employee performance. Populasi dalam penelitian ini adalah seluruh karyawan Bank Madina Syariah Yogyakarta. Metode pengambilan sampel yang digunakan adalah sampel jenuh atau seluruh anggota populasi penelitian. Pengumpulan data dilakukan melalui penyebaran kuesioner dan wawancara. Analisis yang digunakan adalah teknik regresi linear berganda. Hasil analisis menunjukkan bahwa knowledge management berpengaruh positif terhadap employee performance.

Kata kunci: Performa Karyawan, Manajemen Pengetahuan, Pemberdayaan.

INTRODUCTION

The banking system in Indonesia consists of conventional banking and Islamic banking. The emergence of the sharia banking system was motivated by the demands of the Indonesian people, who are predominantly Muslim, which is estimated to reach 86.4% of the total population by 2020 (www.globalreligious.org). The existence of sharia banking is expected to be able to have a large impact on the socio-economic community and be able to encourage the national economy.

Islamic banking has experienced good growth in recent years. This can be seen from the development of assets, financing growth, development of Third Party Funds (DPK) and several other factors owned by Islamic banking. Based on data from the Financial Services Authority, in 2014 the number of DPK accounts was 13,970 thousand, in 2015 it was 18,010 thousand, in

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2016 it rose to 22,199 thousand, then in 2017 it was 25,837 thousand, finally in 2018 it reached 29,068 thousand.

However, with the potential and development of Islamic banking in Indonesia at this time, there are several things that are the main task for banking in the future. According to Rozalinda (2014) the obstacle to the development of sharia banking is the problem of Human Resources (HR), which mostly come from non-sharia backgrounds so that the existing human resources are produced through short "karbitan" training. Not only that, Islamic banking human resources have not been supported with adequate capacity and human resource capabilities, thus triggering the emergence of problematic financing (www.infobank.com). This is also in line with the 2015-2019 sharia banking roadmap that the future challenges for sharia banking are related to the inadequate quality and quantity of human resources and information technology (IT) which has not been able to support the development of sharia banking products and services (www.ojk.go.id).

One way that can be done by Islamic banking in increasing its growth and development is that Islamic banking must have good capacity building. According to Rozalinda (2016) one of the things that can be done is the need for professional and quality human resources who are able to know not only conceptually but also at a practical level regarding Islamic economics.

Human resources have an important role in an organization or company. This is because human resources are potential which is wealth and functions as capital in the organization which can be realized into physical and non-physical potential. In every organization or company the human labor factor is an important part in achieving the company's goals because after all the company has sophisticated equipment with the existence of technology but humans are the driving force, which means that without the presence of humans the company will not function (Sapariah, 2015). Besides that, human resources can also create company productivity and effectiveness (Devita, 2017).

Within the organization there are several factors that affect performance both individually and in groups. An organization needs a good management so as to support the performance of the organization. According to Joseph (2012) Knowledge management is the process of planning and controlling the performance of activities regarding the formation of knowledge processes, namely processes that can assist organizations or institutions in selecting, obtaining, distributing, and sharing information that is considered important.

Based on the background above, the researcher is interested in examining the factors that influence employee performance with the title "The Effect of Knowledge Management on Employee Performance (Case Study at Bank Madina Syariah Yogyakarta)". The formulation of the problem raised in this study is how does knowledge management affect employee performance at Bank Madina Syariah Yogyakarta? While the purpose of this study was to explain the effect of knowledge management on employee performance at Bank Madina Syariah Yogyakarta.

LITERATURE REVIEW

Employee Performance

According to Bangun (2012) Performance is the result of work achieved by someone based on predetermined work standards. Whether or not employee performance depends on the results of a comparison between work results and work standards. According to Wirawan (2009) performance is the output produced by the functions or indicators of a job or profession within a certain period of time.

According to Rivai and Basri (2005) in Kaswan (2012) performance is the level of success of a person as a whole in a certain period in carrying out tasks compared to various possibilities, such as work standards or targets or criteria that have been determined and mutually agreed upon.

Based on the above understanding, it can be concluded that performance is the result or achievement achieved by someone for the work that has been done in achieving the implementation of a certain program, vision and mission of the organization based on the responsibilities that have been given to him in a certain period.

Factors Affecting Employee Performance

1. Employee internal factors

Employee internal factors are factors that come from within employees which are innate factors from birth and factors that are acquired when they develop. These factors include knowledge, skills, work experience, work motivation, and work ethic.

2. Organizational internal factors

Internal organizational factors are factors that a person gets from the work environment such as the support he receives when he is working. Organizational internal factors such as organizational strategy, organizational climate, compensation.

3. Organizational external factors

Organizational external factors are events, circumstances or situations that occur in the organization's external environment that affect employee performance. Organizational external factors such as economic, financial, social and cultural conditions of society.

Employee Performance Assessment

Evaluation of employee performance is a process carried out by the organization in assessing and evaluating the level of success of employees in completing their duties and responsibilities by comparing the work results produced by employees with predetermined work standards (Bangun , 2012).

According to Bangun (2012) there are several benefits that an organization or company will get by conducting a performance appraisal, including: 1) Evaluation between individuals within the organization, 2) Self-development of each individual within the organization, 3) System maintenance, and 4) Documentation

Knowledge Management

According to Joseph (2012) knowledge management is the process of planning and controlling the performance of activities regarding the formation of knowledge processes, namely processes that can assist organizations or institutions in obtaining, selecting, distributing and sharing information that is considered important.

According to Indarti and Dyahjatmayanti (2015) knowledge management is the management of information in an organization by carrying out the strategy, structure, cultural system, capacities and attitudes of each individual in the organization related to the knowledge possessed.

According to Telkom in Tobing (2007) knowledge management is the management of corporate knowledge in creating business value and generating sustainable competitive advantage by optimizing the process of creating, communicating and applying knowledge required in order to achieve business goals.

Based on some of the definitions above, it can be concluded that knowledge management is an organizational information management strategy that covers all aspects of information owned by the organization so that it can optimize the potential of the organization as a whole.

Important Factors in the Implementation of Knowledge Management

According to Tobing (2007) there are several important factors in implementing knowledge management, including: 1) Human, 2) Leadership, 3) Technology, 4) Organization, and 5) Learning.

Benefits of Knowledge Management

According to Darudiato & Setiawan (2013) the benefits obtained through implementing knowledge management include: 1) Saving time and costs, 2) Increasing knowledge assets, 3) Improving decision making, 4) Improving efficiency and processes, and 5) Improving the ability to innovate products and services.

Research conducted by Kandou, et al. (2016) which states that knowledge management affects employee performance. Knowledge management assists companies in managing company information so as to improve work planning and control (Joseph, 2012). Research conducted by Torabi, et al. (2016) who examined the effect of knowledge management on performance, stated that knowledge management variables had an effect on performance. However, research conducted by Lao, et al. (2016) states that the knowledge management variable does not have a significant effect on performance.

From the several differences (gaps) in the research above, the authors are interested in conducting research on employee performance using independent variables. The independent variable used is knowledge management. This research was conducted at Bank Madina Syariah Yogyakarta which is one of the companies engaged in Islamic banking. Bank Madina Syariah Yogyakarta is an Islamic bank with a good number of third party funds in the last few years.

RESEARCH METHODS

The type of research used in this research is quantitative research. The data source used in this research is primary data. Primary data sources in this study were obtained from questionnaires and interviews. Meanwhile, the population in this study were all employees of Bank Madina Syariah Yogyakarta. While the sample that will be used as the object of research is Bank Madina Syariah Yogyakarta employees with a total of 31 employees. In this study, the independent variable used is knowledge management. Knowledge management is an

organizational information management strategy that covers all aspects of the information owned by the organization so as to optimize the potential of the organization as a whole.

RESULTS AND DISCUSSION

General Description of the Research Object

The objects in this study were employees of Bank Madina Syariah Yogyakarta which is located on Jalan Ringroad Selatan Dongkelan, Panggungharjo, Sewon-Bantul, Yogyakarta. Bank Madina Syariah Yogyakarta was established on December 3 2017. For now Bank Madina Syariah Yogyakarta is still in the form of Rajyat Syariah Financing Bank (BPRS). The total number of employees at Bank Madina Syariah Yogyakarta is 31 people.

The researcher distributed the questionnaires on December 26, 2020. There were 35 questionnaires distributed and 31 questionnaires collected, of which 31 questionnaires met the criteria and 4 questionnaires did not return.

Validity test

Validity test is a test used to measure whether or not a questionnaire is valid. A questionnaire is said to be valid if the questions on the questionnaire are able to reveal something that will be measured by the questionnaire. The validity test wants to measure whether the questions in the questionnaire that have been made can actually measure what you want to measure (Ghozali, 2013: 52). The questionnaire is said to be valid if the value of $r_{count} > r_{table}$ (Sujarweni & Endrayanto, 2012). Following are the results of validity testing in this study:

Table 1. Knowledge Management Validity Test Results

No	Question	<i>Pearson Correlation</i>	Value <i>r</i> table	Information
1	Bank Madina Syariah Yogyakarta employees are quick to respond to available information	0.738	0.3550	Valid
2	Bank Madina Syariah Yogyakarta employees have the ability to transfer experience in organization	0.719	0.3550	Valid

3	Superiors always inspire their subordinates to realize the company's vision through the knowledge they have	0.784	0.3550	Valid
4	Superiors always provide support to employees to carry out work-related discussions	0.867	0.3550	Valid
5	Bank Madina Syariah Yogyakarta managing the management mechanism with a computer system	0.824	0.3550	Valid
6	Existing internet facilities are very helpful in the work processes of BTN Syariah KC Solo employees in terms of transferring knowledge and information	0.845	0.3550	Valid
7	Bank Madina Syariah Yogyakarta able to adjust to changes that occur both in terms of technology and information from time to time	0.781	0.3550	Valid
8	Bank Madina Syariah Yogyakarta able to reorganize knowledge as a basis for employee data	0.760	0.3550	Valid
9	Bank Madina Syariah Yogyakarta always provide	0.894	0.3550	Valid

	directions that can bring up new ideas and knowledge				
10	Bank Madina Syariah Yogyakarta provide opportunities for employees to develop creative ideas through various creative methods	0.733	0.3550	Valid	

Source: SPSS data processing 20 (2021)

Based on the table above, it shows that the results on the Pearson correlation (r^{count}) is greater than r_{table} , namely 0.3550. The r_{table} value is obtained through the r table with a significance level for the two-way test of 0.05 and df ($31-2 = 29$), so a value of 0.3550 is obtained. This shows that the respondents' answers in all the knowledge management variable question items are valid and have met the validity requirements and are able to measure accurately.

The Influence of Knowledge Management on Employee Performance of Bank Madina Syariah Yogyakarta

Based on the results of data processing, stated that the first hypothesis (H1) has a positive effect between knowledge management on employee performance of Bank Madina Syariah Yogyakarta employees. Based on the results of the regression analysis, the t_{count} value of the knowledge management variable is greater than t_{table} ($4.578 > 2.05553$). While the value of Sig. smaller than 0.05 ($0.000 < 0.05$). Thus, by increasing knowledge management, it will improve the performance of Bank Madina Syariah Yogyakarta employees. Conversely, if knowledge management experiences a decline, it will reduce employee performance.

This research is in line with research conducted by (Kandou, Lengkong, and Sendow (2016) entitled "The Influence of Knowledge Management, Skill, Attitude on Employee Performance (Study at PT. Bank Sulutgo Headquarters in Manado)". The results of the study state that knowledge management has a positive effect on employee performance. The same thing is also found in research Torabi, Kyani, and Falakinia (2016) entitled "An Investigation of the Impact of Knowledge Management on Human Resource Performance in Management of Keshavarzi Bank Branches in Tehran". The results of this study indicate that knowledge management has a positive effect on HR performance.

According to Joseph (2012) Knowledge management is the process of planning and controlling the performance of activities regarding the formation of knowledge processes, namely processes that can assist organizations or institutions in selecting, obtaining, distributing and sharing information that is considered important. *Knowledge management* able to teach organizations from all levels of the organization, from leaders to subordinates regarding how to produce and optimize the potential possessed by the organization (Sangkale, 2007).

This research is in accordance with this theory, with a positive influence between knowledge management on employee performance, increasing or decreasing knowledge management will affect performance optimization. Based on the interview results, Bank Madina Syariah has a forum, namely sharing season which functions to share knowledge and experience between employees. This is done when several employees are appointed to participate in training and development, then after the training and development a sharing season is opened with employees who have attended training and development as speakers, so that by holding this sharing season the process of sharing knowledge can improve employee performance optimization.

The following is a summary table of the answers to the employee questionnaire at Bank Madina Syariah Yogyakarta on the knowledge management variable:

Table 2. Detailed Answers to the Knowledge Management Variable Questionnaire

Variable	Question Items	Respondents Answer				Amount
		SS	S	TS	STS	
<i>Knowledge Management(X1)</i>	X1.1	7	24	0	0	31
	X1.2	3	28	0	0	31
	X1.3	8	22	1	0	31
	X1.4	8	23	0	0	31
	X1.5	8	23	0	0	31
	X1.6	8	23	0	0	31
	X1.7	8	23	0	0	31
	X1.8	7	24	0	0	31
	X1.9	10	21	0	0	31
	X1.10	10	21	0	0	31
Total Answers		77	232	1	0	310

Percentage	24.9%	74.8%	0.3%	0%	100%
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Source: SPSS data processing 20 (2021)

Based on the table above, a summary of the answers to the knowledge management variable questionnaire, a total of 31 employees of Bank Madina Syariah Yogyakarta, who filled out the questionnaire statements, 24.9% of employees answered strongly agree, 74.8% answered agree, 0.3% answered no agree, and 0% answered strongly disagree. The results of this study indicate that the majority of employees (99.7%) consider knowledge management to be good for both employees and the company.

This shows that employees are capable of implementing knowledge management. Among other things, employees are able to transfer knowledge obtained, are able to adapt to changes that occur both in the fields of technology and information, besides that management is also capable of implementing knowledge management which can be seen through the provision of good internet facilities so as to speed up the process of transferring information between employees. provision of sharing season facilities, as well as leaders being able to inspire and direct employees to realize company goals and employees are able to come up with new ideas and knowledge to support company performance.

Besides that, as much as 0.3% of employees answered that they did not agree with the superior's ability to always inspire subordinates. This shows that employees think that the boss does not continuously provide inspiration but at certain times.

Based on the statement items on the questionnaire, Bank Madina Syariah Yogyakarta employees in terms of receiving information and transferring knowledge are said to be good. This shows that the quality of human resources is good in terms of knowledge and ability. The use of technology such as internet facilities can help the work process in terms of transferring information and knowledge. In addition, Bank Madina Syariah Yogyakarta is able to keep abreast of information technology developments by always improving technology-based work systems.

CONCLUSION

Based on the results of data analysis and discussion that has been carried out regarding knowledge management, self-efficacy, social media, and empowerment on employee performance of Bank Madina Syariah Yogyakarta employees, it can be concluded that the knowledge management variable has a positive effect on employee performance of Bank Madina Syariah Yogyakarta. This is due to the transfer of knowledge between employees so

as to optimize employee performance. Based on the results of the research and conclusions, then the researcher will provide suggestions that may benefit the parties involved in the results of this study. The suggestions made are as follows:

1. For Bank Madina Syariah Yogyakarta

It is hoped that it will be able to improve the quality of its resources through better management, more good relations and communication between leaders and employees as well as between employees. In addition, employees are expected to be able to maintain good quality performance and be able to maximize their performance.

2. For further research

For researchers who will conduct similar research, it is hoped that they will be able to add research respondents, so that the level of research credibility will increase. In addition, the variables used are expected to be able to add variables that further strengthen the relationship between the independent and dependent variables. In addition, for analysis, you can use different models in order to compare the results of your research.

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