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The Impact of Knowledge Management on Organizational Performance through the Balanced Scorecard at Correctional Facilities in Central Java

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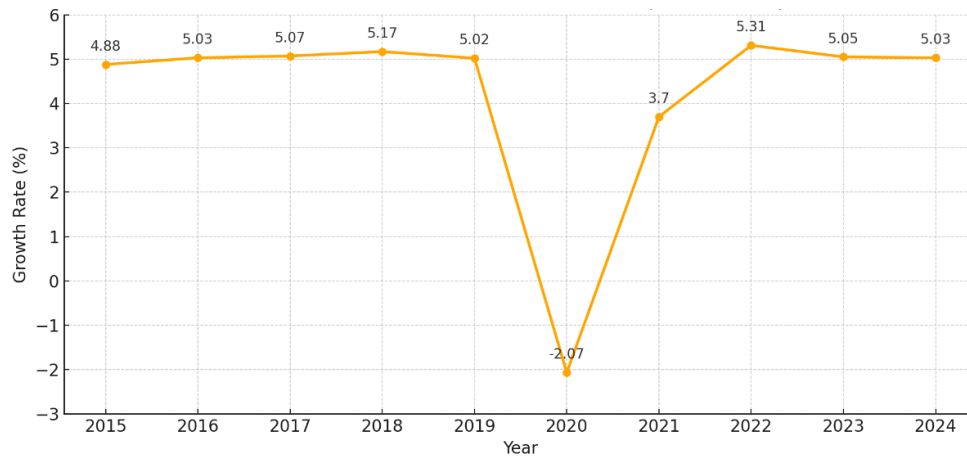
Abstract: Digital-based self-reliance development encourages Correctional Institutions (Lapas) in Central Java to improve organizational effectiveness through the implementation of integrated knowledge management. This study aims to examine the effect of knowledge management on organizational performance by using a balanced scorecard (BSC) approach, especially in supporting prisoner independence programs through digital marketing. Quantitative research methods were applied by distributing questionnaires to 159 staff members from the job training (Bimker) and production activities (Giatja) subsection in 28 correctional institutions in Central Java. Data analysis techniques include validity testing, reliability testing, coefficient of determination, Goodness of Fit model testing, F-Square testing, and path coefficient testing, processed using Smart-PLS version 4.1.1.2. The results showed that knowledge management has a positive and significant effect on organizational performance, with a path coefficient value of 0.857 and a p value of 0.000. R squared value of 0.735 indicates that knowledge management affects organizational performance as measured by the Balanced Scorecard of 73.5%. Each dimension of knowledge creation, adoption, adaptation, and embodiment of knowledge management plays an important role in supporting an organization's internal processes. This study provides empirical insight that strengthening technology-based knowledge management is a fundamental element in creating innovative, productive, and digitally responsive correctional institutions.

Keywords: Knowledge Management, Balanced Scorecard, Correctional Institution, Digital Marketing, Central Java

INTRODUCTION

Indonesia's economic growth has shown a steady recovery after experiencing a significant decline during the COVID-19 pandemic. According to BPS data (2024), the economy began to recover positively starting in 2022, following the implementation of the new normal period. This recovery is marked by the rise of technology-based businesses such as e-commerce, fintech, and digital startups. The government is also strengthening digital

infrastructure to support this growth, making digital transformation a cornerstone of national development in the modern era (Abdillah, 2024).



Source : BPS in 2024

Figure 1. Indonesia's Economic Growth Rate

This digital progress cannot be separated from the rampant penetration of internet access throughout Indonesia. As reported by APJI (2024), almost every region benefits from increased internet connectivity. The impact was especially noticeable in the e-commerce sector, which in 2023 recorded significant growth: 3.82 million businesses operated with a total transaction value of Rp1, 100.87 trillion (BPS, 2023). This growth not only impacts the private sector but also presents a great opportunity for public organizations, including prisons, to transform and contribute to the digital economy.

The Acceleration Program of the Ministry of Immigration and corrections in 2025 also emphasizes the development of MSME products produced by prisoners as part of a digital-based productivity strategy. But in practice, the current independence training programs in various correctional institutions throughout Central Java are still dominated by conventional skills such as batik, agriculture, fisheries, and laundry. Digital innovation and modern marketing strategies remain minimal (Ni Made Serlia Udayani, 2021). Meanwhile, data from the Regional Office of the Ministry of Law and Human Rights in Central Java (2025) shows that around 75% of correctional officers are in the productive age range (17-36 years old), a demographic that is very capable of being a digital facilitator. This younger workforce is generally more responsive to technological developments and, with the right training, can lead efforts in e-commerce, digital branding, and online marketing.

Table 1. Age Distribution of Correctional Institution Employees in Central Java

| No | Age | Amount |
|--------------|-------|-------------|
| 1. | 17-26 | 926 |
| 2. | 27-36 | 600 |
| 3. | 37-46 | 422 |
| 4. | 47-56 | 348 |
| Total | | 2296 |

Source : <https://jateng.kemenkumham.go.id> (22 February 2025)

To support more relevant training programs that are in line with the times, the systematic application of knowledge management (KM) is essential in correctional organizations. KM plays an important role in capturing, disseminating, and applying institutional knowledge to enhance collaboration, innovation, and data-driven decision-making (Melati et al., 2020).

Without effective knowledge management, it is difficult for institutions to adapt their training strategies to the demands of today's technology. KM is particularly relevant for correctional institutions that seek to prepare inmates for reintegration into a digitally driven workforce.

This is evidenced by the strong relationship between KM and BSC in improving organizational performance. Effective Knowledge Management supports all four perspectives of the BSC. For example, KM improves internal processes and organizational learning, facilitating more responsive and accurate decision making (Gold et al., 2001; Lee & Lai, 2007). Also showed that KM significantly affects organizational performance measured through BSc indicators (Chopra & Gupta, 2020). Karasneh (2022) emphasizes that KM can mediate the relationship between intellectual capital and organizational performance, so that KM not only supports the implementation of BSC but also enhances its effectiveness. Furthermore, the study found that KM plays an important role in integrating technology-based strategies such as artificial intelligence (AI) into organizational performance measurement through BSC (Mahboub & Ghanem, 2024). In this context, KM acts as a strategic knowledge base that supports the optimal implementation of BSC.

Unfortunately, the promotion and distribution of inmate products is still done through conventional means that lack engagement and interactivity. Digital platforms such as social media, e-commerce sites, and official websites have not been fully utilized to improve product marketing and branding (Poltak et al., 2021). In fact, with the right digital marketing strategy, inmate-made products can reach a wider market, contribute significantly to non-tax revenue, and be an effective part of the rehabilitation process equipping inmates with market-relevant skills for their post-release lives.

With this background, a study was conducted entitled "The impact of Knowledge Management on organizational performance through Balanced Scorecard in correctional institutions in Central Java". This study aims to analyze the extent to which knowledge management affects organizational effectiveness, particularly in implementing digital marketing strategies in inmate independence training. This research is based as a system renewal and also focuses on the implementation of independence building activities based on digital marketing. It is expected that the results of this study can be a foundation for developing organizational strategies that are more adaptive, efficient, and future-oriented in the context of digital transformation.

METHOD

This study provides a comprehensive discussion of quantitative research methods using Smart-PLS application with PLS-SEM approach to assess the effect of knowledge management on organizational performance through a balanced scorecard approach in correctional institutions in Central Java. SmartPLS with PLS-SEM approach was chosen because it is able to analyze the relationship between latent variables flexibly even though the data is non-normally distributed and the sample size is relatively small. The research is deductive in nature and based on measurable empirical data to generate objective conclusions (Creswell John and Creswell David, 2023). The problem is formulated through a literature review and analyzed using statistical methods, with a representative sample and validated instruments (Creswell, J.W. and Creswell, 2018). The research design employed is a survey with a cross-sectional approach, meaning that data was collected at a single point in time to capture the characteristics and opinions of respondents (Creswell, J.W. and Creswell, 2018). A questionnaire was used as the primary instrument, which had previously been tested for validity and reliability. Data analysis was conducted using simple linear regression to examine the relationship between two main variables: knowledge management as the independent variable (X) and balanced scorecard as the dependent variable (Y).

The data sources consist of primary data obtained directly through questionnaires distributed to correctional officers in the work guidance (bimker) and work activities (giatja) sections, as well as secondary data drawn from scientific references such as books, journals, and legal documents. Secondary data was used to support the analysis and reinforce findings from the primary data. The research population includes all staff members from the work guidance and activity sections across 28 correctional institutions in Central Java, totaling 159 individuals (Creswell, J.W. and Creswell, 2018). The sample was selected using a probability sampling technique, specifically stratified random sampling, to ensure accurate representation. Based on the Krejcie and Morgan formula, the sample size required for this study was determined to be 113 respondents.

Validity testing was conducted prior to the main distribution of the questionnaire by piloting the instrument with 30 officers at the Class IIA Detention Center in Pekalongan. The instrument was considered valid if the calculated r-value exceeded the critical r-value, which in this case was > 0.361 . The instrument included 16 items for knowledge management (Karasneh & Al-zoubi, 2019) and 13 items for the balanced scorecard (Mehralian et al., 2018), all of which met the validity criteria. Reliability testing was conducted using Cronbach's Alpha, with a threshold value of > 0.6 . The results indicated that all items on both variables met the reliability standard, meaning the instrument is suitable for further use (Creswell, J.W. and Creswell, 2018). The measurement instruments were based on Karasneh (2019) for the knowledge management variable, which consists of four dimensions: knowledge creation, adoption, adaption, and embodiment. For the balanced scorecard variable, the study followed Mehralian et al. (2018), which includes the dimensions of financial, customer, internal process, and learning & growth. The instruments were measured using a 5-point Likert scale, ranging from "strongly disagree" to "strongly agree." Data collection techniques involved distributing questionnaires to respondents and conducting literature studies to gather relevant theories and secondary data (Creswell, 2013). The questionnaire served as the primary tool for obtaining quantitative data directly from the field.

Furthermore, the model evaluation in SmartPLS involves two main stages: the evaluation of the measurement model (outer model) and the structural model (inner model). The outer model evaluation is conducted to assess the validity and reliability of the indicators used in the research. The validity test is divided into convergent validity, discriminant validity, and a reliability test. Convergent validity is assessed through two key indicators: loading factor and average variance extracted (AVE). Meanwhile, discriminant validity is evaluated using the Heterotrait-Monotrait Ratio (HTMT) value. For the reliability test, two measures are used: composite reliability and Cronbach's Alpha, both of which indicate the consistency of the instrument in measuring the constructs.

In addition to the outer model, the inner model or structural model is evaluated to assess the relationship and influence between latent variables. The criteria used in this evaluation include R-square, Goodness of Fit (GOF), F-square, and path coefficients (direct effect values). To address the research problem and objectives, a research hypothesis is formulated. This hypothesis is grounded in the research background described in the introduction and is constructed based on the relationship between the two main variables in the study. Two types of hypotheses are presented one that assumes a significant effect and another that assumes no significant effect. The hypotheses are as follows:

H_a: There is a significant the impact of knowledge management on organizational performance through the balanced scorecard at correctional facilities in central java

H_o: There is no significant the impact of knowledge management on organizational performance through the balanced scorecard at correctional facilities in central java

RESULTS AND DISCUSSION

In this study, the measurement model used serves to determine the quality of indicators or instruments employed to assess feasibility based on the research method. The measurement in this study presents the testing results using the SmartPLS application with structural equation modeling (SEM) analysis. This measurement is divided into two parts: the outer model and the inner model. Table 2 presents the outer model test results for the two research variables as follows:

Table 2. Outer Model Result Test

| Research Variables | Indicator | Loading Factor | Indicator | Loading Factor | AVE | CA | CR |
|----------------------|-----------|----------------|-----------|----------------|-------|-------|-------|
| | X_1 | 0.905 | X_9 | 0.899 | | | |
| | X_2 | 0.896 | X_10 | 0.908 | | | |
| | X_3 | 0.943 | X_11 | 0.911 | | | |
| Knowledge Management | X_4 | 0.906 | X_12 | 0.918 | 0.888 | 0.958 | 0.969 |
| | X_5 | 0.855 | X_13 | 0.924 | | | |
| | X_6 | 0.868 | X_14 | 0.908 | | | |
| | X_7 | 0.837 | X_15 | 0.878 | | | |
| | X_8 | 0.927 | X_16 | 0.820 | | | |
| | Y_1 | 0.933 | Y_8 | 0.913 | | | |
| | Y_2 | 0.929 | Y_9 | 0.892 | | | |
| | Y_3 | 0.901 | Y_10 | 0.852 | | | |
| Balance Scorecard | Y_4 | 0.861 | Y_11 | 0.847 | 0.886 | 0.947 | 0.969 |
| | Y_5 | 0.860 | Y_12 | 0.849 | | | |
| | Y_6 | 0.929 | Y_13 | 0.832 | | | |
| | Y_7 | 0.892 | | | | | |

Based on Table 2, sixteen indicators were used to test variable X which is knowledge management, and sixteen indicators were used to test variable Y which is a balanced scorecard with thirteen indicators. The total number of indicators tested overall was twenty-nine, all of which were measured to determine the validity and reliability of each indicator. The results of the validity test can be seen from the loading factor value criteria (greater than 0.70). Thus, of the two variables consisting of a total of twenty-nine indicators declared valid and nothing needs to be improved because it is at a value between 0.80-0.90. Furthermore, for AvE values (greater than 0.50) and for knowledge management and balance scorecard variables are at 0.888 and 0.886. Therefore, all indicators show valid results. Valid indicators indicate that the instrument is of good quality and suitable for use in research. In addition to validity tests, reliability tests also need to be carried out.

The reliability test results are evaluated through the values of Cronbach's Alpha (CA) and Composite Reliability (CR). These values are considered reliable if they exceed 0.70. The measurement results indicate values that meet the criteria for both CA and CR, and it can be concluded that the research indicators are reliable. These reliability values reinforce the consideration that both validity and reliability must meet the required criteria; if either criterion is not met, remeasurement must be conducted. From the measurements in the table above, it is also possible to identify which indicators have the highest and lowest values. These highest and lowest values are classified based on the research variables, namely variable X (knowledge management) and variable Y (balanced scorecard). The highest value for variable X is found in the third indicator, and the lowest is in the sixteenth indicator. Meanwhile, for variable Y, the highest indicator value is in the first indicator, and the lowest is in the thirteenth instrument.

Table 3. Inner Model Result Test

| Knowledge Management → Balance Scorecard | |
|---|-------|
| <i>Heterotrait-Monotrait Ratio (HTMT)</i> | 0.893 |
| <i>R-Square</i> | 0.735 |
| <i>R-Square Adjusted</i> | 0.733 |
| Model Fit Test (<i>SRMR-Saturated Model</i>) | 0.041 |
| Model Fit Test (<i>SRMR-Estimated Model</i>) | 0.041 |
| <i>F-Square Test</i> | 2.772 |
| <i>P Values</i> | 0.000 |

Furthermore, in measuring structural models (deep models), several evaluation criteria are considered. R-Square Test value is used to determine the influence between variables. The evaluation criterion is that a value greater than 0.50 indicates a moderate influence, as shown in Table 2, which presents an R-squared value of 0.735 and is declared moderate influence because it is not yet greater than 0.75. For Heterotrait-Monotrait Ratio (HTMT), meets below the value of 0.90 and for the value is at 0.893. For, the value of SRMR less than 0.10 indicates the suitability of hypothesis testing, with the results of this study showed a value of 0.041. The magnitude of the influence between variables can also be assessed using the F-Square test. According to the criteria, F-Squared values between 0.02 and less than 0.15 indicate a small effect, values between 0.15 and less than 0.35 indicate a moderate effect, and values greater than 0.35 are considered strong or large. Therefore, the influence of variables in this study can be categorized as strong, because the assessment results show a value of 2,772. To determine the significance of the relationship between variables used path coefficient test, where the value of p is less than 0.05 indicates a significant relationship. As shown in Table 3, the p-value is 0.000, which indicates a statistically significant relationship between the variables.

This study aims to determine the extent of the influence of knowledge management on organizational performance in Correctional Institutions in Central Java, using the Balanced Scorecard approach as a tool to measure organizational performance. The use of a quantitative method with SEM-PLS analysis allows the researcher to observe both direct and indirect effects between variables, as well as analyze the relationships based on the main dimensions in the model used. Based on data processing results, it was found that knowledge management has a positive and significant effect on organizational performance. These findings strengthen the initial hypothesis that effective knowledge management will encourage improved institutional performance across the financial, customer, internal process, and learning dimensions.

In the field context, the knowledge management variable is divided into four main dimensions: knowledge creation, knowledge adoption, knowledge adaption, and knowledge embodiment. These four dimensions provide a comprehensive picture of how knowledge is created, adopted, adapted, and codified within the correctional environment. The knowledge embodiment dimension scored the highest, indicating that documentation and archiving of knowledge are dominant practices. This is evident from the number of correctional institutions that have compiled written SOPs for inmate independence programs and stored them either digitally or manually. Institutions such as Class I Correctional Facility Semarang and Open Correctional Institution Kendal have integrated documentation systems for inmate work programs to ensure continuity despite staff rotation or policy changes.

One of the highest indicators in the knowledge embodiment dimension is the statement that employees feel that all processes and outcomes of the coaching programs are well-documented and can be accessed when needed. This indicates that the organizational culture has begun forming a strong organizational memory. However, challenges remain, particularly regarding standardization across institutions, which is still inconsistent. Some institutions still use conventional documentation methods such as manual note-taking, which risks being lost

or not properly archived. Therefore, digitalization and integration of information systems across units are essential strategies that must be prioritized to improve the efficiency and effectiveness of knowledge embodiment within the correctional system.

Meanwhile, knowledge creation showed the lowest score among KM dimensions, although it still falls into the category of high statistics. This reflects that the innovation creation process is still limited, mainly due to the lack of utilization of young employees. The Data shows that most of the employees are in the young age range (17-26 years old), which shows great potential in terms of technology and creativity. These young employees are often the driving force in conducting digital skills training for inmates, such as promotional content creation, digital catalog design, and social media account management for inmate-produced goods. However, their limited involvement in strategic decision-making is one of the barriers to accelerating innovation in the workplace. Knowledge creation is expected to rise in number with innovation in both product manufacturing and digital marketing in correctional institution activities involving correctional officers which will certainly be given to inmates.

The results of further testing showed that the indicator X. 3 has the highest loading factor on the dimension of knowledge creation, referring to statements about the work environment that supports creativity and innovation. It highlights the importance of an organizational atmosphere that encourages the exploration of ideas to ensure the successful fostering of prisoners' independence. An innovation-driven work environment facilitates the development of digital-based Inmate entrepreneurship. However, the indicator X. 2, which has the lowest loading factor, reveals that not all employees feel that their opinion is valued. This is closely related to the rigid hierarchy in some institutions, where young staff members are often not heard.

The application of knowledge adoption has also been widely implemented in the field. For example, the Class IIA Women's Correctional Facility in Semarang actively adopts training programs from the Department of Cooperatives and SMEs and digital marketing communities. Inmates are trained to understand the basics of online product marketing, including how to utilize platforms such as Instagram and Shopee. This activity shows that knowledge originating from outside the institution has been successfully absorbed and adapted within the correctional context. However, regular training for employees remains a challenge, as it still depends heavily on central funding and policy. Most training initiatives are locally driven and are sometimes not nationally integrated. This adoption demonstrates that inmates are not merely recipients of information but are also actors capable of adjusting and applying the knowledge to suit their needs and economic potential. The success of knowledge adoption is highly dependent on the relevance of the training material and a collaborative environment, thereby increasing the effectiveness of rehabilitation programs and the economic independence of inmates.

In the knowledge adaption dimension, it is evident that correctional institutions in areas with different local characteristics are able to adjust inmate training methods (Gorrdard et al., 2016). In the Purwokerto Correctional Facility, for example, inmates develop bamboo handicrafts tailored to digital market trends. Coaching officers adjust the marketing strategy to be more visual and thematic to attract attention on social media. This reflects the ability to adapt external knowledge to local realities within each institution. Adjustments also occur in the delivery of material, where coaching officers emphasize practical and visual approaches due to the low educational background of many inmates.

The Balanced Scorecard (BSC) approach itself is a strategic framework that measures organizational performance through four perspectives: financial, customer, internal business processes, and learning and growth. These dimensions allow organizations to evaluate success not only from a financial standpoint but also in terms of service delivery, process efficiency, and organizational readiness to face long-term challenges. A financial perspective assesses how

well institutions utilize resources efficiently and generate economic value. Corresponds to the indicator Y.1 which is the highest indicator in the balance scorecard variable in the correctional context, this includes optimization of rehabilitation budgets, increased cost-effectiveness of independence training programs, and management of inmate production outcomes. Some institutions, such as the Pekalongan class IIA Correctional Institution, report increased cost-effectiveness for skills programs based on data-driven evaluations, suggesting that financial management can be improved through documentation of prior knowledge and best practices.

The customer perspective reflects how well the organization serves and meets the needs of its key stakeholders at inmates and their families. Research findings show this dimension gets the highest score for dimension and on the indicator Y.6. For example, Sragen's class IIA prison focuses on meeting the needs and satisfaction of inmates as recipients of rehabilitation services. The independence Program in Sragen is geared towards developing entrepreneurial skills, especially in digital marketing. Inmates are trained to market handicrafts made from coconut fiber and processed food products through social media and e-commerce platforms.

The internal business process perspective assesses how well internal organizational processes function to achieve efficiency and desired results. In Purwokerto, this includes the management of job training programs, distribution of goods produced by prisoners, and SOP documentation mechanisms. The integration of knowledge management is proven through the strengthening of standardized and systematic procedures in the implementation of training, such as the use of output-based performance indicators for inmate programs, both in the form of goods and services. In accordance with the results of research with a high value on Y.8 that this internal agreement allows training to run smoothly and provides relevant digital marketing skills, so that inmate-made products can be introduced to a wider market, increase revenue, and support inmate economic independence after serving time.

The learning and growth perspective focuses on developing human resource capacity and infrastructure to support innovation and organizational sustainability. This dimension ranks lowest including with its indicator at Y.13 based on measurement results but very important for the future of the organization. Many employees have not received advanced training in Information Technology or digital marketing. The application of knowledge management in this dimension can be seen from the efforts of several institutions to initiate internal training or peer-to-peer mentoring. For example, the Semarang class I Correctional Institution organizes peer-to-peer training on social media content management as a form of knowledge management adaptation to support the growth of collective competence. This approach is in line with modern rehabilitation principles that are not only rehabilitative but also transformative in helping inmates build a new identity as productive individuals ready to reintegrate into society.

The findings in this study are in line with several previous studies that have shown knowledge management positively affects organizational performance as measured using a Balanced Scorecard approach. Karasneh (2022), in his study entitled "Revitalizing BSC through knowledge management: the mediating role of intellectual capital", asserts that effective knowledge management can improve internal efficiency and organizational learning. His study showed that knowledge management affects the Balanced Scorecard by 63%. Another study by Rasha Mahboub and Mohamed Gaber Ghanem (2024), in the context of banking in the MENA region, also concluded that knowledge management and the Balanced Scorecard play essential roles in improving organizational performance. They found that the impact of knowledge management on the Balanced Scorecard reached 83.5%, reinforcing the importance of KM integration in performance improvement strategies, particularly in organizations undergoing transformation. Furthermore, Meenu Chopra and Vikas Gupta (2020) demonstrated that a culture of knowledge sharing and knowledge-based human resource management significantly influences the four performance dimensions in the Balanced

Scorecard (financial, customer, internal process, and learning and growth). Lastly, research by Zul Azmi, Nuraima, and Fadrul (2021) in the health sector in Pekanbaru found that knowledge management enablers and knowledge management processes (based on the SECI model: socialization, externalization, combination, and internalization) significantly influence hospital performance. Their contributions to BSC-based performance were 49% and 39%, respectively.

In relation to previous research and the study conducted in this thesis, it can be stated that knowledge management influences organizational performance based on the Balanced Scorecard. According to previous studies, the relationship between the two variables is positive, in line with the findings of this thesis. The factors within the dimensions of each variable show significant relationships. In the context of knowledge management, planning, organizing, motivation, people control, process control, and resource control in Correctional Institutions in Central Java can manifest in organizational performance measured through the Balanced Scorecard. This includes elements such as support, commitment, strategy, objectives, data, human resources, and technological flexibility, all aimed at achieving the organization's vision and mission particularly in optimizing the independence training of inmate-produced goods aligned with digital transformation and further enhanced through digital marketing activities.

The strategy for implementing digital marketing in the inmate self-reliance development program at correctional institutions in Central Java is carried out through the integration of e-commerce, social media, and digital platforms as the primary means of promoting and distributing inmates' products. This approach aims not only to expand market reach and increase the economic value of the products, but also to encourage active participation of inmates within the digital ecosystem. However, this transformation process faces several challenges, including limited technological infrastructure, low digital literacy among both staff and inmates, and resistance to change from conventional rehabilitation systems. Therefore, intensive training, progressive policy support, and the strengthening of digital-based knowledge management are needed to ensure this transformation proceeds effectively and sustainably.

CONCLUSION

This study aims to examine the influence of knowledge management on organizational performance using the Balanced Scorecard approach in correctional institutions across Central Java. By employing a quantitative approach, simple regression analysis techniques, and the assistance of SmartPLS (Partial Least Squares), the research involved 113 respondents drawn from a total population of 159 employees working in the work guidance (bimker) and work activities (giatja) sections across 28 correctional institutions in Central Java. Based on the quantitative analysis using regression methods through the SmartPLS approach, it can be concluded that knowledge management (KM) has a significant influence on organizational performance as measured by the Balanced Scorecard perspective. This indicates that the better the implementation of KM, the more optimal the organizational performance in correctional institutions. This is evidenced by a path coefficient value of from T statistics 26.799 and a significance value (T-statistics) of $>1,69$, indicating a statistically significant effect. Additionally, the R-Square (R^2) value of 0.735 implies that 73,5% of the variability in organizational performance can be explained by the knowledge management variable. Meanwhile, the f^2 (effect size) value of 2.772 indicates a strong effect of the independent variable on the dependent variable, according to the guidelines by (Sarstedt et al., 2021).

Thus, it can be concluded that a higher level of knowledge management implementation corresponds to improved organizational performance across the four perspectives of the Balanced Scorecard: finance, customers, internal processes, and learning and growth. This shows that effective knowledge management is a strategic factor that supports the achievement

of better performance in public sector organizations, including correctional institutions. First, Based on the results obtained that knowledge management has a positive impact on organizational performance in implementing the Balanced Scorecard, there are several strategic suggestions that can be applied. First, the development of e-commerce integrated with infrastructure needs to be a priority so that the results of sustainable development of assisted citizens can be marketed digitally. This effort aims to improve good understanding through the application of technology and the process of knowledge adoption and knowledge creation, so as to improve the perspective towards achievement and achievement in the Balanced Scorecard. Second, prisons and regional offices are considered to be more active in carrying out external activities involving cooperation with related agencies and stakeholders, as well as Inter-prison internal exhibitions. Through structured Achievement Research, these promotional activities can improve network marketing significantly improving customer perspectives and internal business processes.

Third, improving the performance of Public Relations and all management elements in accordance with the application of knowledge creation as a marketing medium needs to be done through strengthening employee competence and utilizing digital publication media so that information reaches the work of fostered citizens can be more effective for the community. This step not only improves the image of the institution, but also enhances the learning perspective and impact in the Balanced Scorecard. Fourth, certification knowledge on prisoners as a form of appreciation for their work needs to be developed as a form recognition application. As a manifestation of knowledge, this certification program will increase motivation and sustainability, product quality, and competitiveness of assisted residents, thereby increasing the perspective of development and Community Empowerment.

Overall, the purpose of this advice is the real implementation of the research findings that knowledge management plays an important role in improving organizational performance. Through digital innovation, collaboration with stakeholders, publication authorities, and government assessments of assisted citizens, government agencies can obtain sustainable performance assessments in accordance with the Balanced Scorecard indicator.

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