



DOI: <https://doi.org/10.38035/dijemss.v6i1>

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Analysis of Knowledge Sharing and Learning Organization on Employee Performance through Employee Engagement at PT Surabaya Industrial Estate Rungkut

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Abstract: Knowledge is a key strategic resource for organizations, knowledge facilitates transformation in the divisions of the company. Therefore, the implementation of an employee knowledge improvement program is important for the company. This study aims to examine the Influence of knowledge sharing and learning organization on employee performance through employee engagement at PT Surabaya Industrial Estate Rungkut. This research uses primary data through distributing questionnaires. This research involved 60 employees as respondent with a partial least square (PLS) based structural equation modeling (SEM) data analysis method through SmartPLS 4 software. The results showed that knowledge sharing significantly and positively impacts on employee performance and learning organization significantly and positively impacts on employee performance. Knowledge sharing significantly and positively impacts on employee performance through employee engagement and learning organization significantly and positively impacts on employee performance through employee engagement.

Keyword: Employee engagement, Employee performance, Knowledge sharing, Learning Organization

INTRODUCTION

Globalization accelerates technological development, make business environment high level of competition (Setyowati & Sukarno 2023), optimum resource allocation and competitive benefits by companies is a strategy to face business competition. Employees, the driving power of the firm, are the primary resource that determines the success of the company in business competition, employee performance is a benchmark for the extent to which employees are able to complete the assigned tasks (Al-Amin & Utami, 2021). Companies can implement knowledge sharing and learning organizations in the work environment to encourage employees to improve their abilities and collaborate between workers.

Knowledge is the main factor for companies to compete (Maharani et al., 2020), Employees with wide knowledge enable are able to act and think creatively (Maharani et al., 2020). According to (Quddus et al. 2020) knowledge sharing defined a process of activities that assist organizations or companies in obtaining, generating, finding, and organizing knowledge to be used and distributed among employees, sharing knowledge, information, experience and putting it to use in management tasks like planning, work procedures, and decision-making. The success of knowledge sharing is determined by employees in providing knowledge and information to other employees so that it becomes knowledge capital and company resources (Nadilla 2020). Nadilla (2020) and Al Akbar & Sukarno (2023) state that knowledge sharing affects performance. Learning organization is among the traits that 21st-century organizations have, organizations that can answer every problem and challenge faced and ensure the organization can continue to survive (Maguni, 2015).

Learning organization focuses on the opportunity to learn rather than the learning process (Setyowati & Sukarno, 2023). Learning organization is a company that gives people the best chance possible to reach their potential via education and knowledge exchange (Firmansyah et al., 2022) Companies that can consistently generate new knowledge, acquire and disseminate it and implement it quickly in their products and technology can be said to be successful companies (Martínez-Costa et al., 2019), therefore learning organization is a key factor in the development of innovation and company performance (Santa & Nurcan in (Martínez-Costa et al.2019). learning organization can improve employee performance (Setyowati & Sukarno, 2023; Nurcahyo & Wikaningrum, 2020; Pentury, 2023). The implementation of Knowledge sharing and learning organization in the company encourages involvement and interaction between the company and employees which will increase employee engagement in the company.

According to Chanana & Sangeeta (2021) employee engagement is an attitude in the workplace that encourages employees to work well every day and be committed to company goals and values. Research by Ardianto et al. (2021) states that the employee engagement variable significantly and positively impact on the employee performance variable. This research uses the object of the company at PT SIER or better known as SIER. PT SIER is engaged in the industrial estate management sector along with its supporting support, the industrial area under the management of PT SIER is located in Surabaya, Sidoarjo, and Pasuruan with a total area of 895 hectares, the Rungkut industrial area is occupied by 300 companies. Employee performance cannot be separated from the ability and knowledge possessed by employees to carry out their duties and obligations and employee engagement affects the enthusiasm and consistency of performance provided by employees.

Employee performance at PT SIER can be reflected in operating income for the last 4 years. company revenue which fluctuated in 2019-2022. PT SIER's operating income has fluctuated in the last 4 years, the growth value of operating income each year is unstable and in 2019 and 2020 PT SIER revenue has decreased significantly compared to prior years. The declining business income cannot be separated from the capabilities and knowledge of employees who are not optimal, it is necessary to increase the capabilities and knowledge of employees to answer the challenges that come and adapt to a dynamically changing business environment, knowledge sharing and learning organization can improve the ability of employees to face changes and challenges with the ability to think creatively so as to encourage innovation (Lee, 2018), and know the various risks that the company will experience (Maguni 2015). Knowledge sharing and learning organization activities at PT SIER need to be improved again.

Data from 2019-2022 related to the number of hours of employee development programs for executive positions with a total of 20,877 hours in that period. The provision of programs to executive positions since 2019-2022 has decreased quite a lot, in the data above it can be seen that in 2020 there was a decrease of 1,587 hours or around 20% and in 2021 the

number of program hours provided decreased by 3,316 or around 51% more than half compared to last year and in 2022 there was an increase but not significant, only 121 hours or an increase of 4% compared to last year. According data, PT SIER have to improve the provision of facilities and opportunities such as providing programs to putting workers to use as a type of learning organization. The application of information exchange and learning organization in the company encourages involvement and interaction between the company and employees which will increase employee engagement in the company.

Employee engagement at PT SIER can be seen from the age of employees, most of them are between the ages of 20 and 30 and there are still employees who have PKWT status, research conducted by Douglas & Roberts (2020) and research by Kováčová (2022) states that senior or older employees have higher employee engagement than junior employees. According to Dale Carnegie Training in Destika (2022) states that employment status can affect employee engagement, this can be an indication that employee engagement is still low at PT SIER. The objective of this study is to be able to assess the impact of learning organizations and knowledge sharing on employee performance, mediating role by employee engagement.

METHOD

The study's was carried out at PT Surabaya Industrial Estate Rungkut or better known as SIER, this research has 2 independent variables, namely knowledge sharing with 5 indicators including social interaction, relationships, communication, trust, and practice, on the 2nd independent variable, namely learning organization with 5 indicators including personal mastery, shared vision, mental models learning team, and system thinking. There is one intervening variable, namely employee engagement which has 3 indicators, namely, , vigor, and dedication, then the last variable employee performance is the dependent variable. with 4 indicators, namely, quality, quantity, responsibility, and task execution. The population of this research is the executive position workforce of PT SIER which amounts to 146 executive position workers. To ensure that every person of the population has an equal chance of being a sample, the sampling approach use probability sampling with a straightforward random sampling technique. The Slovin formula, which displays the researches need of 60 respondents, it used to calculate the required number of samples. This research employs a quantitative methodology, gathering data by the distribution of questionnaires, researchers distributed questionnaires to research subjects, namely the workforce of PT SIER. Respondents will fill out a questionnaire containing statements that represent indicators on each variable and variable measurements using a Likert scale of 1-5. Using SmartPLS 4 software, the data analysis approach applies structural equation modeling (SEM) based on partial least squares (PLS).

RESULTS AND DISCUSSION

Inner Model

Tabel 1 R-Square

| Variabel | R-square | R-square adjusted |
|----------------------|----------|-------------------|
| Employee Engagement | 0.348 | 0.325 |
| Employee Performance | 0.796 | 0.785 |

Source: Data processed

The employee performance variable has an R-Square value of 0.798, this can be explained that knowledge sharing, learning organization, and employee engagement can provide an explanation for the phenomena of employee performance. by 79% and 21% of the explanation of the phenomenon can be explained by other variables and factors not included in this research. The R-Square value on the employee engagement variable as an intervening

variable has a value of 0.348, it can be interpreted that the phenomenon on employee engagement can be described or explained by the knowledge sharing and learning organization variables with a value of 34% and the other 66% of the explanation of the phenomenon can be explained by other variables and factors not included in this research.

PLS Model

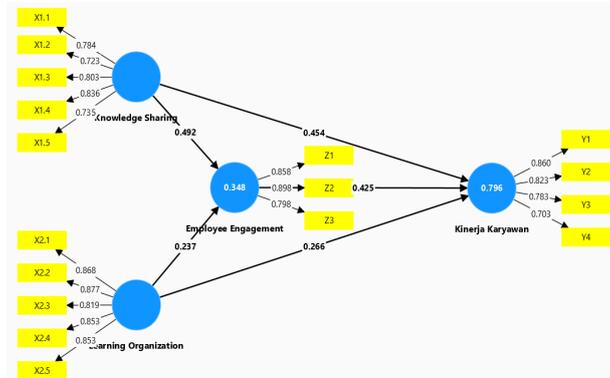


Figure 1. PLS Model

Source: Data processed

The results of the Algorithm calculation show that the trust indicator (X1.4) in knowledge sharing makes the largest contribution, in the learning organization the shared vision indicator (X2.2) makes the largest contribution, dedication (Z.2) makes the largest contribution, and the quality (Y.1) indicator on employee performance makes the largest contribution.

Outer Model

This test aims to determine the extent to which indicators can explain latent variables, a good value or charge is $\alpha > 0.7$, the value or charge shows that it can explain more than 50% of the variable, if the charge value is squared, it will show the percentage of influence.

Tabel 2 Outer Loading

| Indikator | Outer Loading |
|-----------|---------------|
| X1.1 | 0.784 |
| X1.2 | 0.723 |
| X1.3 | 0.803 |
| X1.4 | 0.836 |
| X1.5 | 0.735 |
| X2.1 | 0.868 |
| X2.2 | 0.877 |
| X2.3 | 0.819 |
| X2.4 | 0.853 |
| X2.5 | 0.853 |
| Y1 | 0.860 |

| | |
|----|-------|
| Y2 | 0.823 |
| Y3 | 0.783 |
| Y4 | 0.703 |
| Z1 | 0.858 |
| Z2 | 0.898 |
| Z3 | 0.798 |

Source: Data processed

The outer loading value can be seen in the original sample (O) column. The results of the load on each indicator of the knowledge sharing variable, learning organization, employee engagement, and employee performance totaling 17 indicators As can be observed, the load or value of all indicators is greater than 0.7 ($\alpha > 0.7$). Based on these results, it shows that the data has met the Convergent Validity test and all indicators can explain or represent more than 50% of the variables

Composite Reliability

Tabel 3 Composite Reliability

| Variabel | Average variance extracted (AVE) |
|-----------------------|----------------------------------|
| Employee Engagement | 0.814 |
| Employee Performance | 0.805 |
| Knowledge Sharing | 0.838 |
| Learning Organization | 0.907 |

Source: Data processed

According to the data in the table shown above the reliability value of each variable X1, X2, Z, and Y has a smaller value ($\alpha > 0.7$), which is in the range of values 0.8-0.9 so that it can be stated that the measuring instrument used is reliable and passes the test.

Discriminant Validity

Tabel 4 Discriminant Validity

| Variabel | Employee Engagement | Employee Performance | Knowledge Sharing | Learning Organization |
|-----------------------|---------------------|----------------------|-------------------|-----------------------|
| Employee Engagement | | | | |
| Employee Performance | 0.889 | | | |
| Knowledge Sharing | 0.628 | 0.863 | | |
| Learning Organization | 0.380 | 0.610 | 0.247 | |

Source: Data processed

The HTMT value is used to verify discriminant validity. The findings above demonstrate that the data passes the test since each variable's constructions are distinct from one another and have lower values ($\alpha < 0.9$).

Hypothesis Testing

Tabel 5 Direct Effect

| | Original sample (O) | Sample mean (M) | Standard deviation (STDEV) | T statistics (O/STDEV) | P values |
|---|---------------------|-----------------|----------------------------|--------------------------|----------|
| Knowledge Sharing -> Kinerja Karyawan | 0.454 | 0.463 | 0.083 | 5.480 | 0.000 |
| Learning Organization -> Kinerja Karyawan | 0.266 | 0.271 | 0.079 | 3.376 | 0.001 |

Source: Data processed

According to the data in the table shown above, the hypothesis on the direct variable relationship can be interpreted that, (1) knowledge sharing significantly and positively impacts on employee performance, the P value is $0.000 < 0.05$ and the T-Statistic value of $5.48 > 1.96$, then the hypothesis is accepted and has a significant (positive) effect. (2) Learning organization significantly and positively impacts on employee performance, the P value of $0.001 > 0.05$ and the T-Statistic value of $3.37 > 1.96$, so the hypothesis is accepted and has a significant (positive) effect.

Tabel 6 Specific Indirect Effect

| | Original sample (O) | Sample mean (M) | Standard deviation (STDEV) | T statistics (O/STDEV) | P values |
|--|---------------------|-----------------|----------------------------|--------------------------|----------|
| Knowledge Sharing -> Employee Engagement -> Kinerja Karyawan | 0.209 | 0.204 | 0.056 | 3.766 | 0.000 |
| Learning Organization -> Employee Engagement -> Kinerja Karyawan | 0.101 | 0.099 | 0.048 | 2.111 | 0.035 |

Source: Data processed

According to the data in the table shown above, the hypothesis on the indirect variable association is that, (3) knowledge sharing significantly and positively impacts on employee performance through employee engagement, the P value is $0.000 < 0.05$ and the T-Statistic value is $3.766 > 1.96$, so the hypothesis is accepted and has a significant (positive) effect. (4) Learning organization significantly and positively impacts on employee performance through employee engagement, the P value of $0.035 < 0.05$ and the T-Statistic value of $2.111 > 1.96$, so the hypothesis is accepted and has a significant (positive) effect.

The Influence of Knowledge Sharing on Employee Performance

Knowledge sharing significantly improves employee performance at PT SIER according to the results of the hypothesis test. This finding indicates a connection between knowledge sharing and performance employee on office, when knowledge sharing has good quality, it will improve the quality of employee performance at PT SIER. Outer loading analysis shows that in the knowledge sharing variable, the trust indicator is the metric that most significantly affects performance of PT SIER employees. Employee trust in the information and knowledge they get or share, improving the quality or credibility of information and knowledge both tacit and explicit might be a top focus for raising the

standard of knowledge exchange inside the organization. The findings of this researches hypothesis testing are consistent with earlier researches carried out by Setyowati & Sukarno (2023) and Meher & Mishra studies indicate knowledge sharing significantly and positively impacts on employee performance variables.

The Influence of Learning Organization on Employee Performance

Based on the outcomes of data analysis, the Learning organization significantly and positively impacts on employee performance at PT SIER can be accepted. This finding indicates a connection between learning organizations and worker performance, when the firm offers a great learning organization, employee performance at PT SIER will increase. The outer loading analysis shows that in the learning organization variable, the indicator with the influence given to the largest employee performance variable among other indicators is shared vision. the importance of planting and strengthening goals, vision and mission of the company's to employees so that they can work according to their goals and develop their abilities in line with company goals through the positions they occupy. Shared vision will provide guidance and goals to be achieved so that companies and employees have a clear view of what needs to be developed in achieving these goals. This study's results were consistent with earlier studies conducted by (Cik et al., 2021) concluded that learning organization influence employee performance.

The Influence of Knowledge Sharing on Employee Performance Through Employee Engagement

According to the result, knowledge sharing significantly and positively impacts on employee performance through employee engagement at PT SIER. This result can be interpreted as an increase in knowledge sharing at PT SIER will increase employee engagement so that the performance of the employees provided will increase. The indicator that has the greatest influence is dedication/dedication, the desire of employees to give all their efforts and time to the company and the indicator of trust in knowledge sharing is the indicator that has the greatest influence. When employees trust each other and feel safe to share information, the information sharing process runs better. Trust is the foundation that allows employees to freely share their thoughts, experiences, and knowledge without worrying about consequences. This dedication encourages them to be more proactive in seeking and utilizing knowledge and more collaborative in working with colleagues. Trust-based knowledge sharing has the potential to increase distribution the network of information. and will make it easier for employees to provide high dedication thereby creating superior performance. The study's findings are consistent with previous research carried out by Engidaw et al. (2024) stated that knowledge sharing affects employee performance through employee engagement.

The Influence of Learning Organization on Employee Performance Through Employee Engagement

According to the findings of the data analysis, learning organizations have a strong impact on employee performance through employee engagement at PT SIER. This result indicates that increasing the learning organization at PT SIER will promote employee engagement, which will lead to improved employee performance. The shared vision indicator on learning organization provides the largest influence and the dedication indicator on employee engagement provides the largest influence. These findings suggest that the greater and better the opportunity and provision of learning facilities to develop employees will foster and increase employee dedication to the company to provide maximum effort and time so that the performance provided will increase and quality. Planting and strengthening the company's goals and vision and mission for each employee will provide clear direction and

guidance that the dedication employees provide will help the company achieve common goals so that employees will improve their performance from all aspects. The findings of this study are consistent with studies undertaken by Mohammad (2019) which states that learning organization affects employee performance through employee engagement.

CONCLUSION

Based on the previously reported study findings, this study concludes that knowledge sharing has an influence on employee performance at PT SIER. The results of the analysis of other direct effects show that learning organization can influence employee performance at PT SIER. The results of indirect effects show that knowledge sharing can influence the performance of employees of PT SIER through employee engagement. This research also produces learning organization can contribute to the performance of employees of PT SIER through employee engagement. We hope that companies can implement programs such as vision and mission alignment workshops. This program is designed to ensure employees understand, align with, and internalize the company's vision. Researcher provide suggestions for the organization to boost employee engagement through initiatives like as involving employees in decision-making, especially those that have a direct impact on their work. It is expected that companies can improve employee performance through knowledge sharing and learning organization. The program can be in the form of forming a peer mentor network, employees have a place to share tacit and explicit knowledge, building a sustainable feedback system. Researchers recommend employing other factors in future studies to understand which variables might impact employee performance.

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