



## **Effect of work environment and knowledge management on organizational performance through job satisfaction in PT. Bank mega TBK**

**Anggoro Nitiwidjojo<sup>1</sup>, Abdul Rivai<sup>2</sup>, Suharto<sup>3</sup>**

<sup>1-3</sup> Master of Management, Universitas Krisnadwipayana Jakarta, Jat Cm Jakarta, Indonesia

### **Abstract**

This study aims to determine the effect of the work environment and knowledge management on organizational performance, the influence of the work environment on organizational performance, the influence of knowledge management on organizational performance, the effect of job satisfaction on organizational performance and work environment and job satisfaction on organizational performance through organizational commitment.

The study was conducted at PT Bank Mega TBK Jakarta. Sampling using a random sampling involving 83 employees. Data analysis uses path analysis.

Based on the data analysis, it is known that the work environment and knowledge management variables influence the organizational performance, the work environment influences the organizational performance, job satisfaction affects the organizational performance, the work environment, and knowledge management influence the organizational performance through job satisfaction.

**Keywords:** work environment, knowledge management, job satisfaction, organizational performance

### **Introduction**

Organizational performance is something that is produced by the organization which includes results, namely financial performance such as profit as measured by return on assets, return on investment and so on, market performance such as market share expansion, and sales. In addition, the return from the shareholder is the return of the shareholder and the economic growth of the shareholder.

In some areas, organizational performance can also be measured from other things such as strategic planning, operations, finance, legal and organizational development. In developing institutions or organizations it is a must to survive in the competitive world climate. The performance of the organization is influenced by various factors namely the work environment, knowledge management, and job satisfaction.

The work environment is an internal or external condition that can affect morale so that the work can be expected to be completed faster and better. According to Sedarmayanti (2009: 12) <sup>[10]</sup>, the condition of the work environment is said to be good or appropriate if humans can carry out activities optimally, healthy, safe, and comfortable. The suitability of the work environment can be seen as a result of a long period of time. Furthermore, unfavorable work environments can require more labor and time and do not support obtaining an efficient work system design.

Another factor affecting organizational performance is knowledge management. Knowledge management is a series of activities used by organizations or companies to identify, create, explain, and distribute knowledge to be reused, known, and studied within the organization. This activity is usually associated with organizational objectives and is aimed at achieving a certain outcome such as shared knowledge, improved performance, competitive advantage, or a higher level of innovation.

The concept of knowledge management includes the management of human resources (HR) and information technology (IT) in order to achieve a better corporate organization so that it can win a business competition. The development of information technology does play an important role in the concept of knowledge management. Almost all activities of human life will be colored by the mastery of information technology, so when talking about knowledge management, it cannot be separated from management.

In this development shows the more rapid changes in all fields of life, due to the effects of globalization and the development of information technology that is very accelerating. This condition has clearly resulted in the need for new ways of addressing everything that happens in order to survive. Emphasis on the increasingly important quality of human resources (HR) is one of the responses in responding to these changes, and this, of course, requires efforts to improve and develop HR.

Job satisfaction also has an impact on organizational performance. Job satisfaction is one of the psychological aspects that reflects a person's feelings towards his work, he will feel satisfied with the suitability between abilities, skills, and expectations with the work he is facing. Satisfaction is actually a subjective condition which is the result of a conclusion based on a comparison of what employees receive from their jobs compared to what was expected, desired, and thought of as appropriate or entitled to it. Job satisfaction is an expression of one's feelings about welfare to do work that job satisfaction is one's attitude toward work. That attitude originates from their perception of work, that perception is a cognitive process (giving meaning) that is used by someone to interpret and understand the individual's perspective in seeing the same thing in a different way. Job satisfaction is also the result of

employees' perceptions of how well their work is and provides what is considered important.

## Literature review

### Work Environment

According to Nitisemito (2000: 159) <sup>[1]</sup>, the work environment is an internal or external condition that can influence work morale so that work can be expected to be completed faster and better.

According to Sedarmayanti (2009: 12) <sup>[10]</sup>, the condition of the work environment is said to be good or appropriate if humans can carry out activities optimally, healthy, safe, and comfortable. The suitability of the work environment can be seen as a result of a long period of time. Furthermore, unfavorable work environments can require more labor and time and do not support obtaining an efficient work system design.

The type of work environment is divided into two, namely: (a) The physical work environment is a physical form that is located around the workplace that can affect personal both directly and indirectly (b) Non-physical work environment is all the conditions that occur related to work relations, both relationships with superiors and with fellow co-workers, or with subordinates.

### Knowledge Management

Knowledge management is a series of activities used by organizations or companies to identify, create, explain, and distribute knowledge to be reused, known, and studied within the organization. This activity is usually associated with organizational objectives and is aimed at achieving a certain outcome such as shared knowledge, improved performance, competitive advantage, or a higher level of innovation.

The concept of knowledge management includes the management of human resources (HR) and information technology (IT) in order to achieve a better corporate organization so that it can win a business competition. The development of information technology does play an important role in the concept of knowledge management. Almost all activities of human life will be colored by the mastery of information technology, so when talking about knowledge management, it cannot be separated from management.

In this development shows the more rapid changes in all fields of life, due to the effects of globalization and the development of information technology that is very accelerating. This condition has clearly resulted in the need for new ways of addressing everything that happens in order to survive. Emphasis on the increasingly important quality of human resources (HR) is one of the responses in responding to these changes, and this, of course, requires efforts to improve and develop HR.

In this connection, the role of science is becoming increasingly prominent, because only with knowledge all changes that occur can be addressed appropriately. This means education plays an important role in preparing quality and competitive human resources. The tight global competition, especially in the economic field, has made business organizations rethink their business management strategies, and qualified human resources with the mastery of their knowledge are important choices that must be made in this context.

### Job Satisfaction

Job satisfaction according to Martoyo (1992: 115) <sup>[13]</sup>, basically is one of the psychological aspects that reflects a person's feelings towards his work, he will feel satisfied with the suitability between abilities, skills, and expectations with the work he faces. Satisfaction is actually a subjective condition which is the result of a conclusion based on a comparison of what employees receive from their jobs compared to what was expected, desired, and thought of as appropriate or entitled to it. While each employee subjectively determines how the job is satisfying.

According to Tiffin (1988) in As'ad (2004: 104) <sup>[12]</sup> job satisfaction is closely related to the attitudes of employees towards their own work, work situations, cooperation between leaders and employees. Meanwhile, according to Blum (1986) in As'ad (1995: 104) <sup>[2]</sup> argues that job satisfaction is a general attitude that is the result of some special attitudes toward work factors, adjustment and social relations of individuals outside of work.

From the restrictions regarding job satisfaction, it can be concluded simply that job satisfaction is one's feeling towards his job. This means that the conception of job satisfaction sees it as the result of human interaction with the work environment.

In the opinion of Robbins (2010: 91) <sup>[8]</sup>, the term job satisfaction refers to an individual's general attitude towards the work he does. Someone with a high level of job satisfaction shows a positive attitude towards the work; someone who is dissatisfied with his work shows a negative attitude towards the job. because in general when people talk about employee attitudes, more often they mean job satisfaction.

Hasibuan (2012: 202) <sup>[7]</sup> job satisfaction is a pleasant emotional attitude and loves his job. This attitude is reflected by work morale, discipline, and work performance. Job satisfaction is enjoyed at work, outside of work, and a combination of the two. Rivai (2009: 475) <sup>[9]</sup> satisfaction is an evaluation that depicts a person's feeling of being happy or dissatisfied at work. Meanwhile, according to Cherirington (1995) "job satisfaction basically refers to how much an employee likes his job"

Work is an important part of one's life, so job satisfaction also affects one's life. Wether and Davis (2004) state that job satisfaction is part of life satisfaction. Job satisfaction also depends on intrinsic, extrinsic, and perceptions of the work holder's job, so job satisfaction is the level at which a person feels positive or negative about various aspects of work, workplace, and relationships with work colleagues (Gibson, 2006: 464-465) <sup>[6]</sup>.

The higher the assessment of the activity felt according to individual desires, the higher the satisfaction with the activity. So in general, job satisfaction can be interpreted as a pleasant or unpleasant thing where employees look at their workers.

### Organizational Performance

According to Richard *et al.* (2010) <sup>[4]</sup>, organizational performance is the thing that is produced by the organization which includes the results of financial performance such as profit as measured by return on assets, return on investment and so on, market performance (product market performance) such as expanding market share, and sales. In addition, the return from the shareholder

is the return of the shareholder and the economic growth of the shareholder.

In some areas, organizational performance can also be measured from other things such as strategic planning, operations, finance, legal and organizational development. In developing institutions or organizations it is a must to survive in the competitive world climate.

The purpose of productivity is related to the development of the organization (Shrestha, 2005) [11]. Small organizations have a desire to continue to grow and become big. The developing organization is in order to accommodate the development itself.

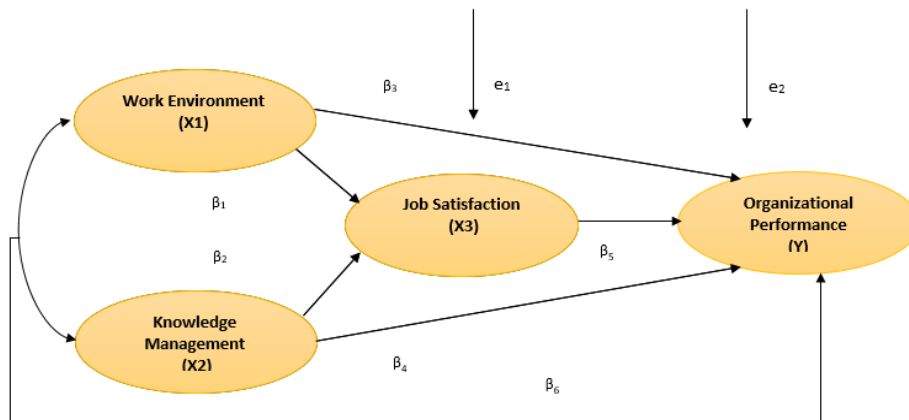
Measuring organizational performance according to the PBM SIG (the performance-based management special

interest group concept) is by monitoring and reporting the program being run, and paying attention to the objectives achieved. The measured performance is based on the process of activities in the program being run, the products produced, and the services produced.

**Research methods**

**Research Design**

This research uses the Explanatory analysis approach. This means that each variable presented in the hypothesis will be observed through testing the causal relationship of the independent variable to the dependent variable. Relationships between variables can be described in the form of path analysis diagrams as follows:



**Fig 1:** Overall Path Analysis

**Object of Research**

The study was conducted on PT. Mega Bank. The company is located in Jakarta and is engaged in savings, credit and financial services.

**Population and Sample**

The population is a generalization area consisting of objects/subjects that have certain quantities and characteristics determined by researchers to be studied and then conclusions are drawn (Sugiyono, 2013). The sample is pulling a portion of the population to represent the entire population, (Surakhmad, 2010). The sample used by the authors in this study was company employees.

The total number of employees is 500 people in the organizational field. Employees are taken using the Slovin formula as many as  $n = 500 / (1 + 0.12 * 500) = 83$  people. The sample was taken by simple random sampling.

**Research results and discussion**

**1. Effect of Work Environment and Knowledge Management on Organizational Performance**

Based on the results of the study note that the f-calculated value of 54.972 and a significance of 0.00. This value is smaller than 0.05. This means that the work environment and knowledge management variables affect the organization's performance simultaneously. The magnitude of the influence of the independent variable on the dependent variable can be seen that the r-squared value of 57.9% means that the work environment and knowledge management variables affect the performance of the organization by 57.9% while the rest is influenced by other

variables not included in the equation model.

**2. Effect of Work Environment on Organizational Performance**

The results of the analysis of the influence of the work environment on performance are known that the coefficient of the work environment is 0.487. T value of 5.013. The significance value is 0.00. This significant value is smaller than 0.05. This means that the work environment variables partially influence organizational performance. The magnitude of the influence of the work environment on organizational performance has a known r-squared value of 0.237. This means that the influence of work environment variables on performance by 23.7% and the rest is influenced by other variables not included in the equation model.

**3. Effect of Knowledge Management on Organizational Performance**

The results of the analysis of the influence of knowledge management on organizational performance note that the knowledge management coefficient is 0.630. T value of 7.310. The significance value is 0.00. This significant value is smaller than 0.05. This means that knowledge management variables partially affect organizational performance. The magnitude of the influence of knowledge management on organizational performance can be a known r-square value of 0.397. This means that the influence of knowledge management variables on organizational performance by 39.7% and the rest is influenced by other variables not included in the equation model.

**4. Effect of Job Satisfaction on Organizational Performance**

The results of the analysis of the effect of job satisfaction on performance are known that the coefficient of job satisfaction is 0.850. T value of 14.514. The significance value is 0.00. This significant value is smaller than 0.05. This means that job satisfaction variables partially affect organizational performance. The magnitude of the effect of job satisfaction on organizational performance has a known r squared value of 0.722. This means that the effect of job

satisfaction on organizational performance by 72.2% and the rest is influenced by other variables not included in the equation model.

**5. Effect of Work Environment on Organizational Performance through Job Satisfaction**

Based on the partial path analysis above, it can be described as follows. The analysis is an analysis of the pathway with the following substructural images.



**Fig 2:** Path analysis of the effect of X1 on Y through X3

Based on the picture above it can be seen that the influence of the work environment on organizational performance is 0.487. The influence of the work environment on performance through knowledge management is  $0.609 \times 0.850 = 0.517$ . In this case, the indirect effect is greater than the direct effect so it can be said that the job satisfaction variable is an intervening variable.

**6. The Influence Of Knowledge Management On Organizational Performance Through Job Satisfaction Variables**

Based on the partial path analysis above, it can be described as follows. The analysis is an analysis of the pathway with the following substructural images.



**Fig 3:** Path analysis of the effect of X2 on Y through X3

Based on the picture above it can be seen that the direct effect of knowledge management on organizational performance is 0.630. While the influence of knowledge management on organizational performance through job satisfaction is  $0.776 \times 0.850 = 0.659$ . In this case, the direct effect is smaller than the indirect effect so it can be said that the job satisfaction variable is an intervening variable.

**Conclusions and suggestions**

**Conclusion**

Work environment and knowledge management variables influence simultaneously organizational performance. The calculated f value is 54.972 and the significance is 0.00. This value is smaller than 0.05. R squared value of 57.9% means that the work environment and knowledge management variables affect the performance of the

organization by 57.9% while the rest is influenced by other variables that are not included in the equation model.

Work environment variables affect partially organizational performance. T value of 5.013. The significance value is 0.00. This significant value is smaller than 0.05. The value of r squared is 0.237. This means that the influence of work environment variables on performance by 23.7% and the rest is influenced by other variables not included in the equation model.

Knowledge management variables affect partially organizational performance. T value of 7.310. The significance value is 0.00. This significant value is smaller than 0.05. The value of r squared is 0.397. This means that the influence of knowledge management variables on organizational performance by 39.7% and the rest is influenced by other variables not included in the equation

model.

Variable satisfaction partially influences organizational performance. T value of 14.514. The significance value is 0.00. This significant value is smaller than 0.05. The value of r squared is 0.722. This means that the effect of satisfaction variables on organizational performance is 72.2% and the rest is influenced by other variables not included in the equation model.

The influence of the work environment on organizational performance is 0.487. The influence of the work environment on performance through knowledge management is  $0.609 \times 0.850 = 0.517$ . In this case, the indirect effect is greater than the direct effect so it can be said that the job satisfaction variable is an intervening variable.

The direct effect of knowledge management on organizational performance is 0.630. While the influence of knowledge management on organizational performance through job satisfaction is  $0.776 \times 0,850 = 0.659$ . In this case, the direct effect is smaller than the indirect effect so it can be said that the job satisfaction variable is an intervening variable.

### Suggestion

Organizational performance needs to be improved by improving the work environment and improving employee knowledge management. The work environment is an internal or external condition that can affect morale so that the work can be expected to be completed faster and better. This attitude can be enhanced by improving the conducive working atmosphere, increasing harmony with colleagues, and providing good facilities for employees to work.

Improving organizational performance can also be done by increasing employee knowledge management. Knowledge management is a systematic approach used to manage intellectual assets and other information so as to provide a competitive advantage to the organization. This element can be improved by mapping the knowledge that has been carried out by employees, identifying expertise networks. Job satisfaction also needs to be improved. Job satisfaction is an assessment, feeling or attitude of a person or employee towards their work and is related to the work environment and so on. This can be done by paying attention to salary, work itself, promotion opportunities, supervision and increasing good relations with coworkers.

### References

1. Alex Nitisemito S. *Manajemen Personalialia: Manajemen Sumber Daya Manusia*, Ed. 3. Ghalia Indonesia, Jakarta, 2000.
2. As'ad, Moh. *Psikologi Industri: Seri ilmu Sumber Daya Manusia*, Penerbit Liberty, Yogyakarta, 2004.
3. Cherrington David J. *The Management of Human Resources (4th Edition)*. New Jersey: Prentice Hall Inc, 1995.
4. Daft, Richard L. *Manajemen*. Edisi Kelima Jilid Satu. Jakarta : Erlangga, 2010.
5. Davis, Keith John Stroom W. *Organizational behavior, Human Behavior at Work*, 10<sup>th</sup> Edition, International Edition, McGraw-Hill, New York, 2004.
6. Gibson James L, John Ivancevich M, James Donnelly H. *Organization Behavior-Structure-Process*, 7<sup>th</sup> Edition, Erwin Homewood, Boston, 2006.
7. Hasibuan H, Malayu SP. *Manajemen Sumber Daya*

- Manusia, Edisi Revisi Kedua, Penerbit BPFE-UGM, Yogyakarta, 2012.
8. Robbins Stephen Coulter P. *Manajemen*, Edisi 10, Jilid 1 dan 2, Penerbit Erlangga. Jakarta, 2010.
9. Rivai, Veithzal. *Manajemen Sumber Daya Manusia untuk Perusahaan dari Teori ke Praktik*. Jakarta: PT. Raja Grafindo Persada, 2009.
10. Sedarmayanti. *Sumber Daya Manusia dan Produktivitas Kerja*. CV Mandar Maju. Bandung, 2009.
11. Shrestha S, Jose P. Knowledge and practice of nursing ethics and laws. *Journal of Universal College of Medical Sciences*, 2014, 02/No.03.
12. Sugiyono. *Metode Penelitian Manajemen*. Bandung : Alfabeta, 2013.
13. Susilo Martoyo. *Manajemen Sumber Daya Manusia*. Jakarta : BPFE, 1992.
14. Winarno Surakhmad. *Pengantar Penelitian Ilmiah Dasar Metode Teknik*. Bandung: Tarsito, 2010.