Mediation of Employee Competence in the Relationship Between Knowledge Sharing and Performance Improvement of Banking Company Employees

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Abstract—This study was conducted to determine if knowledge sharing and competence, has a positive and significant influence on employee performance in the Rural Bank Company in Indonesia. This study has three variables, namely knowledge sharing and competence as an independent variable and the performance of employees as the dependent variable. Data were obtained through interviews and questionnaires to employees in Rural Bank Company in Indonesia with a sample size of 145 people. This research method using descriptive method and the method of verification. Data processing is done by using path analysis. The results of this study indicate that Knowledge sharing positive effect of 28.9% in the form of employee performance, which means that with improvements in the implementation of knowledge sharing in Rural Bank Company, then it will be better the performance owned employee. Besides competence also have considerable influence, namely 10.2% in the form of employee performance.

Index Terms—Knowledge sharing, competency, employee performance

I. INTRODUCTION

At present there are already many large companies that have their own divisions to manage KM, one of which is a state-owned banking company, headquartered in Jakarta. The emergence of KM in the Banking Company began in 2004 marked by the creation of the championship portal, then in 2006 KM has even become part of the Banking Company business unit, which is then also applied to its subsidiaries because with the existence of this championship portal can facilitate the needs of employees in the three companies will acquire, share and utilize knowledge, which also functions as a knowledge center, competency center, and virtual discussion.

Banking companies can even be said to have a system that is included in KM best practices, one of which is to be a pioneer in creating a corporate university which is authentic evidence that the Banking Company truly appreciates KM as a very important part of the company. In fact, Telkom's commitment to the importance of dissemination, storage and application of knowledge for the advancement of the company's business is evidenced by the transfer of knowledge management from the Head Office under the Directorate of Human Capital and General Affairs - which is currently focused on the management of the Company's HR and the implementation of HR operations centrally through the Human unit Capital Center, as well as controlling the Indonesian Assessment Center and Community Development Center - to corporate universities.

In addition, many Knowledge Sharing activities are carried out in Banking Companies, not only limited to the use of information technology systems or online through Champions, but also through Knowledge Sharing offline. Starting from a bulletin called KILAU, a half-day discussion, Gathering 135 that is informal sharing sessions at the level of each business unit, then a knowledge day, which is held to share new knowledge or policies and related units are met. But not only this, so that Knowledge sharing can be a useful output, especially in improving performance, then innovation-based knowledge is continuously carried out by Banking Companies.

In 2018, banking companies must face an issue, where the performance of banking companies will decline, especially as seen in terms of financial performance. The Annual General Meeting of Shareholders (AGM) decided the distribution of dividends of Rp. 8.8 trillion for the 2017 fiscal year, which was recorded to decrease 11.11 percent from the previous year in 2013 at Rp. 9.9 trillion. But in contrast to the Banking Company, the subsidiary actually managed to book a net profit of Rp 19.4 trillion in 2017. The realization increased by 11.9 percent compared to the 2013 net profit which reached Rp 17.34 trillion.

The decline in overall company performance is assumed to be caused by a decline in employee performance, where in the past 2018, there were employee performance issues that can be seen from the decline in the appraisal summary figures presented in the table below

| Score | Percentage in 2017 | Percentage in 2018 |
|-------|--------------------|--------------------|
| < 60  | 11.41%             | 14.3%              |
| 60-69 | 32.83%             | 48.61%             |
| 70-79 | 39.44%             | 19.75%             |
| ≥ 80  | 16.32%             | 17.34%             |

Based on the data in table 1 it can be seen that the majority of employees in 2018 received an assessment of 60-69, while in 2017 the majority of employees received an assessment between 70-79. The decrease was based on the opinion of the Human Capital of the Banking Company, partly due to the large number of mistakes made by Telkom employees in carrying out their work.

Here an interesting phenomenon is seen where the Banking Company as a holding company, actually has experienced a decline in employee performance compared to the other two subsidiaries. In fact, if these three companies are reconnected with the application of knowledge management, it is precisely the Banking Company that can be said to be the best in implementing KM itself. Decline in employee performance will indirectly have a negative impact on company performance, and with declining
performance of the Banking Company, especially in financial terms, while the subsidiary of the Banking Company actually has increased financially, indicating that the performance of employees who have problems only occurs in the Banking Company.

In addition there are other interesting issues that were obtained during field observations in 2018, when there was a decline in profits, the level of employee involvement in sharing knowledge (knowledge sharing) through the repository contained in the Kampiun Portal also declined. This is evident from the secondary data obtained from 2015 to 2018, employees who contributed in the Kampiun portal experienced inconsistencies, but the lowest contribution percentage of 52.62% was in 2018. So based on this data the writer assumes that the lowest contribution among the last 4 years has also influenced the decline in performance of the Banking Company.

The implementation of Knowledge sharing in Banking Companies certainly cannot be separated from the role of superiors / leaders, and so far the role of superiors in Banking Companies according to the author is quite strategic, where the leaders at Telkom support and initiate a Human Capital Master Plan to optimize the potential of existing human capital by projecting the needs of human capital appropriately, both in terms of quantity and competence.

However, the human capital management system which is considered to be good, has not yet synergized optimally with the implementation of Knowledge sharing, which can be seen from the decrease in employee contributions in Knowledge Sharing activities as described above. This was stated by Trivellas et al. (2018) that the lower intensity of Knowledge sharing, it is feared will hamper the improvement of employee competency which results in the employee's performance being improved individually or as a whole.

Several previous studies have shown that when implementing knowledge management in which there is a knowledge sharing process, in a company it is considered not to have a significant impact on the progress of the company's performance, it is necessary to consider how well competencies employees have, and when these competencies can be formed by themselves as a result of the Knowledge sharing process, it will be easier for employees to improve their work performance. (Pringgabayu & Ramdlany, 2017).

Speaking of competencies, the authors also see an interesting matter where based on the data obtained by the author from the Banking Company that as much as 24% of employees are placed in fields or divisions that are not one dimensional with their educational background, it is feared that this will reduce competency of these employees even so far if viewed from its performance has not seen any significant problems.

In addition, issues related to competence, as conveyed by the Manager of Career Development of Banking Companies in Bandung, that evaluations of employee competency assessments after attending a series of education and training, sometimes experience incompatibility with targets, such as in 2018 where about 15% of employees have the post-test training value is smaller than the pre-test, whereas in 2018 the Banking Company targets a maximum of only 5% of employees included in these criteria. This indicates that there are still Telkom employees - although a minority - whose competence is considered lacking.

Based on empirical conditions and problems faced in the field, and based on previous studies, then such conditions are considered very important for further research, regarding Knowledge sharing and competence in improving employee performance (case study of Banking Companies)

II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

The Concept of Knowledge Sharing

According to Kessel, Kratzer, and Schultz (2012), Knowledge sharing is a process of interactive communication between individuals with each other in a group that creates interdependent relationships to achieve shared goals.

Other opinions suggest that Knowledge sharing is a process of social interaction, by establishing opportunities to share experiences, by building domains of informal relationships, by providing facilities to observe, listen and imitate best practices, which are reinforced by trust between individuals (Panahi, Watson, and Partridge, 2012).

Based on some understanding of Knowledge sharing above, the conclusion of the understanding of Knowledge sharing according to this research is the process of interaction carried out by individuals, with the trust between individuals to seek and develop knowledge and information so as to help create a new framework in creative solutions.

Panahi, Watson, and Partridge (2012) mention five dimensions of Knowledge sharing which consist of:
1) Dimensions of Social Interaction;
2) Experience Sharing Dimensions;
3) Informal Relationship Dimension;
4) Observation Dimension; and
5) Dimensions of Mutual Trust.

Carmeli, Gelbard, and Reiter-Palmon (2013) also directly outline Knowledge sharing into several indicators, namely: (i) The ability of a leader to motivate his subordinates to share information and knowledge; (ii) Ability to solve problems with creative solutions; (iii) Ability to absorb information and knowledge; and (iv) The ability to convey knowledge gained from internal and external companies.

Based on the dimensions and indicators stated above, this study draws a conclusion regarding the dimensions and indicators of Knowledge sharing as follows: (i) Dimensions of Communication; (ii) Dimensions of Social Interaction; (iii) Dimensions of Experience; (iv) Relationship Dimensions; and (v) Trust Dimensions.

Concept of Competency

According to Spencer and Spencer (1993: 113) that: "competence can be divided into 2 (two) categories namely (threshold) and (differentiating) according to the criteria used to predict the performance of a job". Threshold competencies are the main characteristics (usually basic knowledge or skills such as the ability to read) that must be possessed by someone in order to carry out their work. Whereas "Differentiating competencies" are the factors that differentiate high-performing and low-performing individuals.

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As according to Romley (2008) related to competence said that competencies are generally divided into two categories hard (soft) and soft (smooth). The crackdown is more clearly defined and straight forward, they are making or violating the requirements to be able to do the work. They are usually listed in the job description as desired requirements or qualifications for academic achievement, professional certification and licensing, years of experience, technical knowledge, and so on. Speaking languages, typing 50 words per minute and a master's program are examples.

Based on some of the opinions mentioned above, in general competencies are divided into several categories, namely basic competencies that reflect the knowledge and physical skills of HR, competence subtly shows intuition, sensitivity of HR, and social competencies that demonstrate skills in HR social relations or produce output.

In general, competencies are categorized into six groups, and each competency is elaborated so that 20 competencies are obtained which have 41 dimensions / dimensions (Spencer & Spencer, 1993). These competencies include:

1. Ability to achieve (plan and implement):
   a. Achievement orientation
   b. Concern for order, quality and accuracy
   c. Initiative
   d. Information seeking

2. Ability to serve
   a. Interpersonal understanding
   b. Customer service orientation

3. Lead ability
   a. Impact and influence
   b. Organizational awareness
   c. Relationship building

4. Ability to manage
   a. Developing others
   b. Directiveness
   c. Teamwork and cooperation
   d. Team leadership

5. Thinking ability
   a. Analytical thinking
   b. Conceptual thinking
   c. Technical professional managerial expertise

6. Adult ability
   a. Self control
   b. Self confidence
   c. Flexibility
   d. Organizational commitment

Employee Performance Concept

Mangkuprawira & Hubeis (2007: 160) state that employee performance is influenced by employee intrinsic and extrinsic factors. Intrinsic factors that affect employee performance consist of education, experience, motivation, health, age, skills, emotions and spirituality. While extrinsic factors that affect employee performance consist of physical and non-physical environment, leadership, vertical and horizontal communication, compensation, control in the form of supervision, facilities, training, workload, work procedures, punishment system and so on.

From the opinion above, it can be explained that performance is the work that can be achieved both individuals and groups in a company in accordance with their respective responsibilities in order to achieve the objectives of the company concerned. The performance of Telecommunications Company employees is an important part of overall company performance, in addition to improving the performance of its employees is intended so that the company can run and achieve its vision and mission. Gomes (2005: 142) suggests the following dimensions of performance:

1. Quantity of work, i.e. the amount of work done in a specified period of time.
2. Quality of work, which is the quality of the work achieved based on the conditions of suitability and readiness.
3. Job knowledge, which is the breadth of knowledge about the job and its skills. The knowledge possessed by each employee in carrying out a job so that it can run effectively and efficiently.
4. Creativeness, namely the authenticity of the ideas raised and actions to resolve the problems that arise.
5. Cooperation, namely the willingness to cooperate with other people (fellow members of the company)...
6. Dependability, which is awareness and can be trusted in terms of work attendance and completion.
7. Initiative, which is universal to carry out new tasks in enlarging their responsibilities. The ability to act is not dependent, Develop a series of activities and determine new ways or innovations.
8. Personal quantity, which is related to personality, leadership, hospitality and personal integrity, the behavior (attitude) of employees in the company will influence it in the way work is carried out.

Based on the opinion above regarding employee performance indicators used in this study, it can be concluded that in achieving good employee performance must be seen from indicators such as Quantity of work, quality of work, job knowledge, Creativeness, Cooperation, Dependability, Initiative, Personal quantity.

Based on the above framework, the research hypotheses are as follows:

1. Verification Hypothesis:
   Employees have a good perception of Knowledge sharing, superior competence and employee performance.

2. Partial Hypothesis:
   • Knowledge sharing has a positive effect on improving the performance of employees directly
   • Knowledge sharing has a positive effect on improving the performance of employees indirectly through competence

III. RESEARCH METHOD

The research method used is descriptive verification research, because in this study a description and description of each variable will be sought and test the effect of these variables. In this research, the writer wants to test the effect of Knowledge sharing and competence implementation variables on employee performance, especially in Banking Companies.
Based on information from Banking Company, it is known that the number of employees who become the population is 229 people who will then be used as the population in this study. According to the Taro Yamane formula, to calculate the determination of the sample, the following formula is used:

\[ n = \frac{N \cdot (d^2 + 1)}{N - 1} \]

Where:
- \( n \) = number of samples
- \( N \) = Number of population
- \( d \) = precision set (5%)

So for a population of 229 people, the number of samples is rounded to 145 employees.

**IV. RESULT AND DISCUSSION**

In this part, the authors will describe the result of the research using statistical analysis and also discuss the result further.

**TABLE 2. THE INFLUENCE OF KNOWLEDGE SHARING AND COMPETENCE ON WORK PERFORMANCE**

| Model | R    | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|------|----------|-------------------|---------------------------|
| 1     | 0.747 | 0.557    | 0.551             | 2.88844                   |

a. Predictors: (Constant), KOMP, KS

**ANOVA**

| Model | Sum of Squares | df | Mean Square | F     | Sig. |
|-------|----------------|----|-------------|-------|------|
| 1     | Regressi on    | 2  | 1491.658    | 745.829 | 89.395 | .000* |
| Residual | 1184.715 | 142 | 8.343 |
| Total | 2676.372 | 144 |

a. Predictors: (Constant), KOMP, KS
b. Dependent Variable: KP

d. To obtain an outcome that is employee work performance automatically he will be easier to complete his work, and in the end will have a positive impact on improving the performance he has. This was conveyed by Dharma (2006: 99) that competence always contains a purpose or goal, which is an impetus for motives or traits that cause an action to obtain an outcome that is employee work performance.

The next regression test is to determine the effect of Knowledge sharing on employee competencies. The following are the results:

**TABLE 3. KNOWLEDGE SHARING REGRESSION TEST ON COMPETENCY**

| Coefficients | Unstandardized | Standardized |
|--------------|----------------|--------------|
| B            | Std. Error     | Beta         | t   | Sig. |
| Model 1 (Constant) | 44.697         | .9.143       | .000 |
| KS          | .855           | .124         | .500 | .6.913 | .000 |

a. Dependent Variable: KOMP

Table 3 above shows the R square value of 0.250 or 25% which means that the Knowledge sharing variable affects employee competence by 25%, while the remaining 75% is influenced by other variables not discussed in this study. Then it can also be seen that the calculated t value for the Knowledge sharing variable is 6,913 which is greater than the t table value (1,982) with a significance value (0,000) smaller than 0.05, which means that Knowledge sharing has a positive and significant effect on employee competency.

**TABLE 4 RESULTS OF DIRECT / INDIRECT EFFECTS**

| Variable | Direct influence on performance | Direct influence on competence | Indirect effect on performance |
|----------|--------------------------------|--------------------------------|-------------------------------|
| Knowledge sharing | 0.538 | 0.500 | (0.500 x 0.538) - 0.269 |
| Competency | 0.314 |

From the results in table 4 it can be analyzed that Knowledge sharing directly has a significant influence in shaping work performance with a correlation value of 0.538, while for indirect effects through Competence, only getting a correlation value of 0.269. Therefore it can be said that Knowledge sharing owned by banking companies, has a direct influence on improving the performance of the employees themselves. Whereas if you have to go through Competency beforehand, Knowledge Sharing does not actually have a significant effect.

**V. CONCLUSION**

Based on data analysis of the results of research that has been done and developed, it can be concluded as follows:

1. The culture of knowledge sharing in banking companies get a "good" rating from respondents, this result shows that at this time knowledge sharing has become a kind of habit for banking company employees, so that consciously or
unconsciously, they have done knowledge sharing in their daily activities, work.

2. Employee performance appraisal has been in the "Good" category; therefore it can be concluded that individually, Banking Company employees have good performance at work, so that it can help improve overall company performance.

3. Knowledge sharing has a positive effect of 28.9% in shaping employee work performance, which means the better the implementation of knowledge sharing in banking companies, the better the employee's performance will be. In addition, competence also has a significant influence, namely 10.2% in shaping employee work performance, which means that employee competence can indeed affect employee performance positively. But between these two variables, knowledge sharing has a greater effect on improving the performance of Banking Company employees.

4. Knowledge sharing that is owned by the Banking Company, has a direct influence that can improve the performance of employees themselves. Whereas if you have to go through Competency beforehand, Knowledge Sharing does not actually have a significant effect.

**Suggestion**

Based on the research results outlined above, the researchers provide the following suggestions:

1. To enhance the culture of knowledge sharing in the Banking Company, employees and their superiors must be able to continue to improve cooperation between divisions or between divisions, in order to strengthen employee working relationships that are part of knowledge sharing, besides discussion forums can also be held more often so that employees can be more often also get new knowledge.

2. To improve employee competency, the Banking Company may hold training and education sessions specifically for employees of each division. The training can be in the form of employee participation in workshops related to their respective work.

3. Employee performance can be further enhanced if relations between fellow employees and superiors are also improved, so as to increase employee work motivation which ultimately has a positive impact on employee performance. In addition, superiors can also encourage their subordinates to be able to innovate and express their creativity in work so as to bring up new ideas in the completion of their respective jobs.

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