

The Effect of Knowledge Management and Organizational Learning on Organizational Performance with Innovation as a Mediation Variable at AngkasaPura II ACEH

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ABSTRACT: This research aims to test Knowledge Management and Organizational Learning influence on Innovation and its impact on Organizational Performance. The population was all employees of AngkasaPura II Aceh company, as many as 168 people. The sample was determined by census technique where the entire population members were used as the sample. Data were tested through the SEM-AMOS and Sobel calculator. The result concludes that in AngkasaPura II Aceh, Knowledge management affects innovation, Organizational learning affects innovation, Knowledge management affects AngkasaPura II Aceh Performance, Organizational learning affects AngkasaPura II Aceh Performance, Innovation affects AngkasaPura II Aceh Performance, Knowledge management affects AngkasaPura II Aceh Performance through Innovation, and Organizational learning affects AngkasaPura II Aceh Performance through Innovation. These findings explain that Innovation in this research model is proven to function as a partial mediator. So the overall results explain that the model for improving the organizational performance of AngkasaPura II Aceh is a function of increasing Knowledge Management and Organizational Learning methods to make them better, as well as strengthening innovation that can have a big effect.

Keywords: Knowledge Management, Organizational Learning, Innovation, Organizational Performance

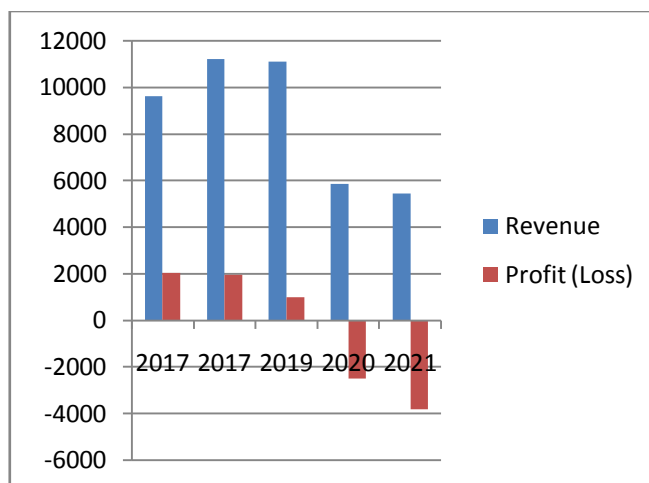
I. Introduction

It is currently known that the world is facing the emergence of the Corona Virus Disease (Covid-19) Pandemic, which has a significant impact on changing the world. Starting from economic, and social, to daily life aspects, almost no one can avoid the emergence of this virus, and public services in Indonesia are no exception since this virus first appeared at the end of December 2019. This public service restriction has been carried out by the Indonesian government since mid-March 2020 which started by dismissing school children to study at home and then appealing to employees to do Work From Home (WFH).

One of the companies that have been greatly affected by the Covid-19 pandemic is AngkasaPura II. AngkasaPura II is an Indonesia State-Owned Enterprise (BUMN) engaged in the business of airport services and airport-related services. AngkasaPura II has shown progress and rapid business improvement in the airport services business where currently AngkasaPura II has managed 19 airports and has succeeded in obtaining various awards from various agencies. This achievement certainly cannot be separated from one of the determining factors, namely the human resources of the company which is also following the purpose of the establishment of AngkasaPura II, namely to carry out management and business in the field of airport services and airport-related services by optimizing the empowerment of the potential of its resources and implementing good corporate governance practices.

The unresolved Covid-19 pandemic has kept the Indonesian aviation industry experiencing turbulence. This condition is also experienced by AngkasaPura II, a BUMN engaged in airport services with a focus on the western part of Indonesia. The performance of the aviation industry, including airports, will still be difficult this year. Moreover, during minimal passenger traffic and aircraft movements, the fixed cost component continues. AngkasaPura II, often mentioned as AngkasaPura II, posted revenue from the aeronautics segment of IDR 942.7 billion in the first six months

of 2021. A decrease of 29.8% compared to semester I-2020 which amounted to IDR 1.34 trillion. Revenue from the segment comes from passenger services, landing services, use of counters, use of aviobridges, placement services, and parking surcharge services. Meanwhile, non-aeronautical revenue slightly decreased from IDR 1.87 trillion to IDR 1.83 trillion in Semester I-2021. Services from this segment come from concessions, space rental, utilities, installation of billboards, vehicle parking, land leases, cargo services, and others. Specifically for cargo services, there was a significant increase, namely 43% with IDR 384.09 billion. From the bottom line side, the decline in revenue has also made ANGKASA PURA II's losses swell. Throughout the first semester of 2021, AngkasaPura II posted a loss attributable to owners of the parent entity of IDR 1.6 trillion, a 91.5% jump from the same period last year, amounting to IDR 838.26 billion (industri.kontan.co.id). The following is the performance of AngkasaPura II for 2017-2021.



Source: AngkasaPura II Annual Report 2021

Figure 1 Performance of AngkasaPura II for 2017-2021

Based on Figure 1, it is known that the performance of AngkasaPura II has experienced a decrease in revenue from 2017 to 2021. The decline also occurred in the company's profits whereas in 2020 and 2021 AngkasaPura II experienced large losses. The initial survey found the overall performance of AngkasaPura II Aceh is not good with an average score of 3.08 (3.08 < 3.41). This shows that the company's performance has not been maximized as expected. One of the factors that influence organizational performance is innovation.

AngkasaPura II has so far made many innovations in the world of the aviation business. AngkasaPura II introduced several innovations last year during the pandemic, including the Airport Health Center, which is a health facility that is one of the backbones of AngkasaPura II airports and responds to prospective airplane passengers who wish to take a COVID-19 test at the airport. Through this health facility, prospective airplane passengers can easily fulfill health protocols, especially those related to the COVID-19 test requirements, be it a rapid antigen test or a PCR test. Furthermore, a digital platform where through the Ministry of Health's eHAC application, the results of the COVID-19 test issued by the Airport Health Center at AngkasaPura II Airport can be checked digitally, making it easier for prospective airplane passengers to travel while adhering to the protocol.

AngkasaPura II also applies Biosafety and Biosecurity Management where AngkasaPura II airport strengthens health protocols with Biosafety and Biosecurity Management to provide a healthy, clean, and hygienic airport for travelers, airport visitors, and workers at the airport. Furthermore, Video Customer Assistant (VICA), for travelers who need direct service at the terminal with two-way communication, AngkasaPura II introduces VICA. This facility provides services like a customer assistant, but it is done via video to reduce face-to-face interaction during a pandemic. The last innovation is Travel Advisory Information where the flight requirements that must be met by travelers on domestic and international routes are very dynamic amid the COVID-19 pandemic. Because of that, these innovations are certainly expected by the company to improve company performance. The research by (Narastika & Yasa, 2017) found that innovation has a positive and significant effect on organizational performance. (Nduati, 2020) and (Sain, 2019) stated that innovation significantly can affect organizational performance. (Karabulut, 2015) also stated that product innovation positively can affect organizational performance. (Utaminingsih, 2014) and (Naqbi, Alshurideh, Alhamad, & Kurdi, 2020) also stated that innovation has a positive effect on organizational performance. The initial survey reveals the overall innovation of AngkasaPura II Aceh (located in Aceh Province) is not good with an average score of 3.36 (3.36 < 3.41). This shows that employee and company innovation has not been maximized as expected.

Knowledge is the main asset apart from that intangible in an organization. The success of an organization depends on knowledge management in dealing with environmental changes. An organization's sustainable competitive advantage stems from the uniqueness of its valuable, scarce, imperfect, and non-substitutable resources. The results of (Abbas & Sağsan, 2019), (Martins, Rampasso, Anholon, & Quelhas, 2019), and (Kim, Choi, Lee, & Sambamurthy, 2021) show that Knowledge Management affects organizational performance where better knowledge management will improve organizational performance. The initial survey appears that the overall Employee Knowledge Management of Angkasa Pura II Aceh is not good with an average value of 3.27 (3.27 < 3.41). This shows that knowledge management is not optimal as expected.

The next factor is organizational learning. (Ratna, Khanna, Jogishwar, Khattar, & Agarwal, 2014) in his research found that organizational learning has a positive effect on organizational performance but at a very limited level. (Nafei, 2015) has the result that organizational learning has a significant direct relationship with organizational performance. Furthermore, (Ramírez, García-Morales, Morales, & Martín-Rojas, 2011) has the result that organizational learning affects organizational performance. Organizational learning enables organizations to improve the quality and quantity of their performance and to achieve competitive advantage. The initial survey also appears that overall Organizational Learning in Angkasa Pura II Aceh is not good with an average value of 3.23 (3.23 < 3.41). This shows that organizational learning is not maximal as expected.

Based on the explanation of the various phenomena mentioned above, the writer is interested in conducting comprehensive research regarding Knowledge Management, Organizational Learning, Organizational Performance, and Innovation at Angkasa Pura II Aceh.

II. Literature

Organizational Performance

Organizational performance according to (Thoha, 2012) is conceptualized as the level of achievement of the goals of the organization concerned. The level of organizational performance describes how far a private or business organization is, so determining indicators that are built is relatively easier than public organizations, because business organizations usually aim to get the maximum profit. Therefore the dimension used to measure business performance is how much profit it gets. The measure of the level of performance of a public organization according to (Dwiyanto, 2012) in full as follows:

1. Productivity.
2. Service quality
3. Responsiveness to meet community needs.
4. Accountability.

Innovation

(Hittmár, Varmus, & Lendel, 2014) define innovation as a basic tool that determines the direction of business innovation based on business strategy and strategic objectives. (Kazinguvu, 2016) argues that strategic innovation is the creation of growth strategies, new technologies, new services, new ways of doing things, or a business model that changes the game and generates a significant new value for consumers and customers. According to (Perwiranegara, 2015), strategic innovation uses the following indicators.

1. Market Leadership Orientation
2. Followership Innovation
3. Innovation Source
4. Investment rate

Knowledge Management

(Tobing, 2007) argues that knowledge management is the management of company knowledge in creating business value and generating sustainable competitive advantage by optimizing the process of creating, communicating, and applying all knowledge needed to achieve business goals. The American Productivity and Quality Center (APQC) in (Tobing, 2007) defines knowledge management as systemic approaches that help emerge and flow information and knowledge to the right people at the right time to create value. According to (Nonaka & Takeuchi, 1995), knowledge management has four indicators, namely as follows:

1. Socialization
2. externalization
3. Combination
4. Internalization

Organizational Learning

According to (Nurharyani & Sulistio, 2018), a learning organization is an organization that creates a supportive atmosphere and provides the widest possible opportunities for individuals in it to learn, both individually and in groups, then apply it to organizational processes and activities to provide benefits. Learning resources can be obtained from internal and external. In learning organizations, leaders prioritize employee empowerment and encourage collaboration at all levels and organizational units, also implement information openness, exchange of critical ideas, and total collaboration of all members and stakeholders with the main goal being problem-solving. The Learning Organization indicators as stated by (Nurharyani & Sulistio, 2018), are:

1. Systems Thinking
2. Mental Models
3. Personal Mastery
4. Team Learning
5. Shared Vision

Hypothesis

After understanding the literature, the authors formulated the hypothesis for this study as follows.

H1 : Knowledge management affects innovation

H2 : Organizational learning affects innovation

H3 : Knowledge management affects AngkasaPura II Aceh Performance

H4 : Organizational learning affects AngkasaPura II Aceh Performance

H5 : Innovation affects Organizational Performance

H6 : Knowledge management affects AngkasaPura II Aceh Performance thru Innovation

H7 : Organizational learning affects AngkasaPura II Aceh Performance thru Innovation

III. Method

In this study, the population was all employees of AngkasaPura II Aceh, totaling 168 people. Because all members of the population were taken as respondents, the sample was determined using the census method. Data collected for this study was primary data. The data were tested thru SEM-AMOS and Sobel calculator. SEM-AMOS consisted of a measurement test (CFA) as the first step to see the loading factors and GoF, and a structural test as the second step to see the direct effect results in the model. And the Sobel calculator was also used to see the indirect effect results in the model.

IV. Result

After measurement test requirements have been accepted, the structural test has been done providing the result as follows.

Table 1 Standardized Regression

	Influence	Estimates	SE	CR	P
Innovation	<--- Knowledge Management	0.544	0.101	6,718	0.000
Innovation	<--- Organizational Learning	0.284	0.098	3,191	0.001
Organizational Performance	<--- Knowledge Management	0.318	0.105	3,748	0.000
Organizational Performance	<--- Organizational Learning	0.477	0.090	5,748	0.000
Organizational Performance	<--- Innovation	0.382	0.095	3,962	0.000

Source: Primary Data Processed, (2023)

H1 : Knowledge Management on Innovation

Testing the Knowledge Management role in Innovation obtains CR 6.718 with a significance level of 0.000, stating that Knowledge Management influences Innovation. The influence size of Knowledge Management on Innovation is 0.544 or 54.4%. This reveals the better Knowledge Management will strengthen innovation.

H2 : Organizational Learning on Innovation

Testing the Organizational Learning role in Innovation produces CR 3.191 with a significance level of 0.001, describing that Organizational Learning affects increasing Innovation. The influence size of Organizational Learning on Innovation is 0.284 or 28.4%. This reveals the better Organizational Learning will further strengthen Innovation.

H3 : Knowledge Management on AngkasaPura II Aceh Performance

Testing the Knowledge Management role in AngkasaPura II Aceh Performance obtains CR 3.748 with a significance level of 0.000, explaining the Knowledge Management affects Organizational Performance. The influence size of Knowledge Management on Organizational Performance is 0.318 or 31.8%. This proves the better Knowledge Management will further improve AngkasaPura II Aceh Performance.

H4 : Organizational Learning on AngkasaPura II Aceh Performance

Testing the Organizational Learning role in AngkasaPura II Aceh Performance provides CR 5.748 with a significance level of 0.000, proving that Organizational Learning influences Organizational Performance. The influence size of Organizational Learning on Organizational Performance is 0.477 or 47.7%. This figures the better Organizational Learning will further improve AngkasaPura II Aceh Performance

H5 : Innovation on AngkasaPura II Aceh Performance

Testing the Innovation role in AngkasaPura II Aceh Performance produces CR 3.962 with a significance level of 0.000, stating that innovation influences organizational performance. The influence size of Innovation on Organizational Performance is 0.382 or 38.2%. This reveals the stronger Innovation will increase AngkasaPura II Aceh Performance.

H6 : Knowledge Management on AngkasaPura II Aceh Performance through Innovation

Sobel test provides the value 3.222 with p 0.000, meaning Innovation functions as a mediation between Knowledge Management and AngkasaPura II Aceh Performance. So, because Knowledge Management significantly can affect AngkasaPura II Aceh Performance directly (H3 test result), then the Innovation role in mediating in the H6 model is partial. Partial mediation means the Knowledge Management significantly can affect the AngkasaPura II Aceh Performance directly or can be mediated by Innovation.

Table 2.H6 model test

Input:		Test statistic:	Std. Error:	p-value:
a	0.544	Sobel test: 3.2221613	0.06449336	0.00127227
b	0.382	Aroian test: 3.1870829	0.0652032	0.00143716
s _a	0.101	Goodman test: 3.25842407	0.06377562	0.00112033
s _b	0.095	Reset all	Calculate	

H7 : Organizational Learning on AngkasaPura II Aceh Performance through Innovation

Sobel test provides the value 2.351 with p 0.018, meaning Innovation functions as a mediation between Organizational Learning and AngkasaPura II Aceh Performance. So, because Organizational Learning significantly can affect AngkasaPura II Aceh Performance directly (H4 test result), then the Innovation role in mediating in the H7 model is partial. Partial mediation means the Organizational Learning significantly can affect the AngkasaPura II Aceh Performance directly or can be mediated by Innovation.

Table 3.H7 model test

Input:		Test statistic:	Std. Error:	p-value:
a	0.284	Sobel test: 2.35101651	0.04614515	0.0187222
b	0.382	Aroian test: 2.30458042	0.04707495	0.02119008
s _a	0.098	Goodman test: 2.40037768	0.04519622	0.01637816
s _b	0.095	Reset all	Calculate	

V. Conclusion

The result concludes that in AngkasaPura II Aceh, Knowledge management affects innovation, Organizational learning affects innovation, Knowledge management affects AngkasaPura II Aceh Performance, Organizational learning affects AngkasaPura II Aceh Performance, Innovation affects AngkasaPura II Aceh Performance, Knowledge management affects AngkasaPura II Aceh Performance thru Innovation, and Organizational learning affects AngkasaPura II Aceh Performance thru Innovation. These findings explain that Innovation in this research model is proven to function as a partial mediator. So the overall results explain that the model for improving the organizational performance of AngkasaPura II Aceh is a function of increasing Knowledge Management and Organizational Learning methods to make them better, as well as strengthening innovation that can have a big effect. This tested model is a premise that can become the basis for further academic theory development. For practitioners, especially research subjects, namely AngkasaPura II Aceh, this model can be used as material for (re)considering the next strategy. Several recommendations for AngkasaPura II Aceh were successfully generated from survey data.

- 1) To improve Knowledge Management, company employees must often socialize and share information or knowledge with colleagues.
- 2) In improving Organizational Learning, employees must have a conceptual framework that is used to make work patterns clearer.
- 3) In increasing Innovation, companies can invest in service development research and enterprise.

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