

# The Impact of Knowledge Management, Learning Organization, and Educations Organization on Organization Performance: A Case in Brawijaya University

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## Abstract

This study aims to investigate the impact of knowledge management, learning organization, and education organization on organization performance at University of Brawijaya. The Quantitative method was applied to conduct this study. A questionnaire of four dimensions with 41 items was distributed to the sample target of 140 administrative employees at University of Brawijaya. Structural Equation modeling was used to analyze the data. The results show that there are positive relationships between knowledge management and education organization, learning organization and education organization, as well as education organization and learning organization. And no significant negative effect on the education organization, where the stronger knowledge management, knowledge management directly and no significant negative effect on organization performance, the learning organization directly and not significant positive effect on organization performance, and that the learning organization directly and not significant positive effect on organization performance, in which the stronger learning organization tend to improve organization performance.

## Keywords

Knowledge management, learning organization, education organization and organization performance.

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## Introduction

Knowledge sharing is vital to the success of knowledge management practices in all organizations including universities. Effective knowledge sharing is essential for the organization to give benefit in

the form of knowledge transferred to its employees. In managing the valuable knowledge asset, organizations always seek help from technology to build sophisticated database to capture and store knowledge. This study investigated the role of knowledge management in

enhancing the organizational performance and addressed its relationship with performance improvement. The results revealed that there is positive correlation between Capture based KM, Learning based KM and organizational performance. (V. Rama Devi<sup>1\*</sup>, Mrs. P. Lakshmi Narayanamma. 2014).

Knowledge is developed to enhance the dignity of human life, as well as to improve human welfare. The problem is people often have a sense of greed, so it is uncommon to use science to fulfill their own interests even at the expense of others. It causes the abuse of knowledge. Therefore, knowledge should have ethics or codes of ethics of science. In studying ethics of knowledge, a problem of major concern is the issue of utilitarianism. Utilitarianism is the practical value of knowledge usefulness. In the context of utilitarianism, knowledge must be developed in order to give happiness and prosperity of all mankind. Thus, there is a need of having a sense of fairness in the application of knowledge.

Knowledge is a collection of facts that have benefits to human, social, and so on. While basic knowledge is the knowledge of social phenomena that arise and thrive in our environment by understanding facts, concept, or theory. Strictly speaking, basic social knowledge is expected to provide common understanding of the concepts developed to assess symptoms of social order responsiveness, perceptions and reasons.

The knowledge-based role of universities and other higher education institutes give opportunity of the following factors. The knowledge-based society of the 21st century makes the knowledge production which is the main profile of the higher education institutes. Mean while, the production of knowledge expands and

leaves fields of production. At the same time, it establishes a tight connection with the actual adaptation and possibilities on direct practices. The need for a lifetime education is connected to the previous phenomena. Need means the basis of a carrier and long term success for the individual. It is a fundamental condition for knowledge production for the organization. However, this latter one requires the expansion of the methodology of education with practice oriented and IT user approaches that can provide distance education.

It is certainly a fact that the modern utilization of university knowledge can become a new valuable asset to market clients. The feedback coming from the relation can be applied to enrich university education and to integrate the cutting-edge knowledge. It is an outstanding importance because the existing of knowledge becomes soon outdated. Therefore the permanent reformation of the university knowledge bases as well as the constant training of the individual are fundamental by following the latest results dealt with society development.

The importance of knowledge as a strategic source of competitive advantage (Appelbaum and Gallagher, 2000; Karma, 2006; Petruzzelli, 2008) has been steadily growing over the past two decades. Such growth has been complemented by the recognition that the ability to learn faster than competitors may be the only source of competitive advantage (De Geus, 1988: 71). Consequently, both researchers and practitioners have found that knowledge management and organizational learning have a significant influence on organizational performance and survival in the current dynamic business environment. Such finding is supported by Cavaleri's (2004:159) postulation that both concepts

“offer the potential to achieve high levels of effectiveness”. Whereas it seems clear that both knowledge management and organizational learning are critical to organizational performance as little previous research has been conducted into how such concepts interact with each other to deliver that performance in higher education context in the developing world. Cavaleri (2004:159), indeed, argues that “what is largely unknown is the effect that follows from integrating these two approaches into a unified system”. The current research does not, however, focus on how knowledge management and organizational learning influence the performance of organizations, but rather on the nature of interdependence between the two knowledge-based concepts in a higher educational setting in a developing country.

Universities are among the oldest institutions in the world. Until the last century their tasks remained unchanged: education and research. “Recently” a new task is added to this: service to the community, or outreach activities, or knowledge transfer, or research valorization. Not only has this “third task” many names, it also has many faces – old faces and new faces, because of the recent changes in society, from an information society into a knowledge society.

A knowledge society creates shares and uses knowledge for the prosperity and well-being of its people. In such a society universities operate. Traditionally speaking the role of a university is to create knowledge, but it has lost its prerogative as the sole contributor to knowledge production and to share knowledge via education. The use of knowledge is, traditionally, the prerogative of industry – and that has changed too. Universities face new challenges and opportunities

of in the knowledge society. There are several, just to name some of them. There is a growing competition for students between universities; not all universities are the same and not at every university has the same emphasis. There is a need to increase the amount of external funding for all university tasks, e.g. curriculum reform toward competencies instead of “just” knowledge there is a general expectation that universities contribute to the innovation system and processes on regional, national and international levels; Universities are seen as the incubators for entrepreneurship and disruptive innovation (often referred to as commercializing research results and/or research valorization).

As one significant producer of knowledge universities are also in centre of innovation systems, but there are also many other large producers of knowledge like for example large global firms. Also small firms, particularly knowledge intensive ones, are considered to be important actors in innovation networks as well, just as consultants and private research organizations have their role. For universities the question is not only how to create usable research knowledge or find the needed knowledge, but how to become a partner and act in dynamic innovation networks and how to combine knowledge from several sources and co-create it with other organizations to contribute into innovations of industry and society as whole.

All over the world, universities play a vital role for active participation in the knowledge societies which ultimately leads towards faster economic growth. Because universities in many country develop human capital (students) for not only better contribution in different professions but in society as whole.

They are responsible for successful development of an open and democratic civil society, universities where they give their students deep insight of specific subject knowledge; they also provide the social norms of communication and interaction. A quality education providing institute has always proven to be a model for modern civil society.

Although universities are always run by both teaching faculty and administrative staffs yet the major responsibility of developing students as professionals comes in teacher's hand. To achieve world class standards, effective performance management of university teachers has always become major concern in any university. A sustainable and progressive performance evaluation mechanism for teaching faculty of the universities ultimately benefits major stakeholders who are students in terms of enhancement of employment opportunities, improvement of education and training of upcoming human capital, flourishing the learning environment and enriches academic and intellectual knowledge management of university as a whole. Quality of higher education in universities cannot be achieved without continuous assessment and improvement of teacher's performance.

A teacher's primary task or generally known function is teaching, which itself is not an easy task. It involves student learning, creating context in which they learn, and providing feedback on their strengths and weaknesses in a positive and encouraging manner. In this modern age teacher is not only supposed to do teaching but also many other tasks. Today's world of knowledge where explosion and information flood is everywhere, university teacher has to be an active learner and an organizer of

knowledge. Now university teachers are responsible for creating knowledge through research, get it published in journals, making interrelation between academic and professional world in order to share ideas and advancement of knowledge, review and update curriculum and create its relevancy with practical field. They are also expected to offer mentoring for his junior faculty members. Their research skills should be as much polished which not only help them in their research but also their students and peers for undertaking required research initiatives. By achieving these tasks university teachers can develop their students for taking active participation in administration and governance with considerable knowledge of relevant theory and context. This matrix of tasks for university teachers makes their job more demanding, changing, growing and creative. Thus, professional development of university teachers requires an effective performance evaluation system throughout their professional career, by which teachers not only informed by the fact that what they are expected to do, but also what resources they have to achieve their tasks and how their performance will be evaluated.

Vera and Crossan (2012) show that knowledge and learning are linked in a circular relationship. Learning is the process through which knowledge is created and developed. Current knowledge impacts future learning. Then the co-alignment between a firm's learning/knowledge strategy and its business strategy positively moderates the relationship between leaning/knowledge and performance. Liao and Wu (2009) find the influence of the firm's knowledge management to organizational performance is significant. Then the positive influence of knowledge management to organizational learning is

also supported by their findings. While they have expected to find a positive relationship between the firm's organizational learning and its organizational performance. The findings yield a non-significant relationship between these two constructs. In the model, financial performance, marketing performance, and partnership performance are included in organizational performance. They test the path between organization learning and three dimensions of each organizational performance. The path between organization learning and partnership performance is significant positive. But the path between organisation learning and financial performance and marketing performance are non-significant positive. Therefore, the findings partially support the relationship between the firm's organisation learning and its organizational performance.

Furthermore, a study conducted by Fattahiyan *et al.* (2013) presents that some knowledge resources (e.g. organizational structure, knowledge application) are directly related to organizational performance, while others (e.g. technology, knowledge conversion), though important preconditions for knowledge management, are not directly related to organizational performance. Moreover, Rong Du *et al.* (2007) finds that there are contingent factors influencing the relationship between knowledge sharing and performance. First, integration of activities is the most important factor, which mediates the knowledge sharing-performance relationship. Second, structure of organization is another important contingency, which moderates the relationship between knowledge sharing and performance. Third, characteristic of top management team is a contingent factor that interacts with knowledge sharing. While, environmental munificence depends on knowledge sharing when influencing performance.

Birasnav (2014) indicates that transformational leadership has strong and positive effects on KM process and organizational performance after controlling for the effects of transactional leadership. Further, knowledge management process partially mediates the relationship between transformational leadership and organizational performance after controlling for the effects of transactional leadership. Implications and directions for future research are also discussed by Liu (2011). Among these CSFs, support from senior managers, corporate vision, reengineering of corporate flows and project management, selection of appropriate consulting firms and software suppliers, the identification of suitable employees to take part in enterprise resource planning introduction, proper training and education programs have positive influences on management performance. In the multiple regression analysis, all of the individual constructs are positively and significantly correlated. Tseng (2014) shows that knowledge management capabilities (KMC) has a positive influence on corporate performance, while SRM is the partial intervening variable between KMC and corporate performance.

Fattahiyan *et al.* (2013) indicate that there is a meaningful relationship (about 99%) between different kinds of organizational knowledge strategy and six dimensions of knowledge Management. Furthermore, Jamalzadeh (2012) show that there is a positive and meaningful relationship between knowledge management's elements and organizational learning. In addition, Ghorbani *et al.* (2011) clearly show that there is a meaningful relation between organizational structure dimensions and knowledge management. Therefore, there is a relation between organizational formality and knowledge

management. Moreover, there is a relation between organizational focus and knowledge management. The last recognized result was the relation between organizational complexity and knowledge management. Qawasmeh and Al-Omari (2013) find a positive correlation exists among the seven learning organization dimensions as well as organizational performance

The focus of this study is the fact that the convergence of knowledge management and organizational learning has been taken for granted in the relevant literature, with the exact nature of the interdependence of the concepts which have not been yet clearly understood. In addition, previous research into the concepts has mainly focused on business enterprises, rather than on a sector like higher education. Relatively few studies have focused on knowledge management in the higher education sector in the context of a developing country (Kumar and Idris, 2006). Accordingly, an empirical study which is aimed at determining the interdependence of knowledge management, organizational learning, educational organization, and organizational performance within the context of a higher education setting has been deemed necessary, resulting in the current study.

This study was conducted on the administrative staffs in Brawijaya University in Indonesia in which samples were taken by distributing the questionnaire to them. This university was taken as the place where the research was conducted since this university has capabilities to carry out the study and link relationships with universities at home and abroad and the establishment of scientific conferences, seminars and hosting researchers available from foreign universities, and are available in which

the administrative systems for the flow of knowledge democratic climate between managers and employees and dominated this makes it easier for the researcher conducting the study at this university.

## **Review of Related Literature and Conceptual Model**

### **Knowledge Management and Organizational Learning**

The linkage between knowledge management and organizational learning calls for examination, especially in line with such an issue being the key concern of the present study. Pasteur, Petit and Schagan (2006) argue that, though the ultimate objective of knowledge management and organizational learning might be quite similar, the paths and methods by means of which to achieve such objectives vary greatly in both thinking and practice. The application of different strategies in each intervention might explain why a number of knowledge management initiatives and organizational learning strategies undertaken in organizations over the past two decades have failed to deliver the desired results. Whereas reference to the concept of organizational learning first appeared in the 1960s, becoming more common in the 1980s (Argyris and Schön, 1978), concern with knowledge management only emerged in the 1990s (Pasteur et al., 2006). If both knowledge management and organizational learning have essentially the same objectives, as the latter researchers propose, the field of knowledge management would not have attracted so much attention during the past few decades.

Some authors, such as Wiig et al. (1997), consider organizational learning to be a knowledge management strategy; whereas others assert that knowledge

management is an implementation strategy for organizational learning. Other authors, such as Vera and Crossan (2003), confuse the issue still further by arguing that practitioners are the main promoters of knowledge management, whereas organizational learning is concerned with the process of knowing, and is, therefore, theoretically oriented. Such a view is supported by such writers as Easterby-Smith and Lyles (2003), as is explained later.

Essentially, organizations can only be competitive if they “continuously learn and upgrade their knowledge assets in order to respond to the changing environment” (Appelbaum and Gallagher, 2000: 40). Such continuous learning and upgrading requires that those organizations which are in pursuit of a competitive advantage should implement knowledge management initiatives and pursue strategies that will make them learning organizations, thus underpinning the interconnection between the two strategies.

In terms of Fiol’s (1994) perspective, organizational learning is considered to be a process of achieving changes in states of knowledge. Such learning involves the following processes:

- 1) knowledge acquisition.
- 2) knowledge dissemination.
- 3) knowledge creation and refinement; and
- 4) knowledge implementation.

Arguing along similar lines, Huber (1991: 90) stresses that organizational learning consists of the following four constructs:

- 1) knowledge acquisition.
- 2) information distribution.
- 3) information interpretation; and
- 4) organizational memory.

Knowledge acquisition can be seen as a process by means of which knowledge is obtained, whereas information distribution is defined as a process by means of which information from different sources is shared, in such a way as to lead to the development of new information and understanding. In contrast, information interpretation consists of sharing a common understanding regarding information in an organization.

Organizational memory refers to the means by which knowledge is stored. Huber (1991) acknowledges having used the concepts of ‘knowledge’ and ‘information’ interchangeably, so that, according to his outlook, whatever pertains to information features also pertains to knowledge.

The current study draws meaningful inferences from Huber’s (1991) framework, in terms of which the present researcher infers that the organizational learning process constitutes knowledge acquisition, information interpretation, information distribution and organizational memory. In addition, the study draws lessons from Lyles’ (1988) finding that organizations learn when there is a change in their state of knowledge, which occurs by means of knowledge acquisition, dissemination, creation, refinement and implementation. When the perspectives of Huber (1991) and Lyles (1988) are contrasted with that of Davenport and Prusak (1998) and Filius *et al.* (2000), the interrelationship between organizational learning and knowledge management can clearly be seen.

Davenport and Prusak (1998) discuss understanding knowledge requirements, creating new knowledge, integrating knowledge created externally, applying existing knowledge, and reusing knowledge, whereas Filius *et al.* (2000) focus on knowledge acquisition, documentation, transfer, creation

and application. Such an apparent interconnection of organizational learning perspectives with the processes of knowledge management demands empirical investigation.

H.1. Knowledge management positively influences learning organization at faculties in Brawijaya University.

### **Knowledge Management in Higher Education Institutions**

Knowledge management has its origins in the corporate business world and consultancy firms, which recognised the central significance of intellectual capital to the success of their businesses. Rowley (2000: 325) argues that higher education institutions are in the knowledge business, since they are involved in knowledge creation, knowledge dissemination and learning. Kidwell, Linde and Johnson (2000), who stress that using knowledge management techniques and technologies in higher education institutions is as vital as it is in the corporate sector, identify some of the benefits which might accrue to higher education institutions if they apply knowledge management techniques. Such benefits include enhanced decision-making capabilities, reduced production cycle development (such as curriculum development and research), and improved academic and administrative services and related costs. According to Davenport and Prusak (1998), knowledge management is concerned with the exploitation and development of the knowledge assets of an organization, with the view to further organizational objectives. In view of such thinking, therefore, higher education institutions, whose main preoccupation is to ensure that knowledge is shared among lecturers, researchers and students, should be the leading advocates of knowledge management, as their

objectives so clearly fall within the realm of knowledge management. According to Rowley (2000: 329), "higher education institutions have significant level of knowledge management activities, and it is important to recognize these, and use them as a foundation for further development, rather than invent a whole new paradigm". The need for effective knowledge management practices in higher education institutions cannot be over-emphasised. Higher education institutions operate in a knowledge-bound context within a global context, in which both increased competition for students and funding, as well as the need to offer best-quality education to clients set the parameters for knowledge management. Such a scenario, coupled with the need to obtain sufficiently high international ratings as academic institutions, dictates that higher education institutions manage their knowledge resources better than they did in the past, or else risk becoming irrelevant. The 2002 World Bank report titled *Constructing Knowledge Societies: New Challenges for Tertiary Education*, indicates two central issues which underline the importance of knowledge management in higher education. Firstly, tertiary education is necessary for effective creation, dissemination, and application of knowledge, as well as for building technical and professional capacity. Secondly, both developing countries, as well as those which are in transition, are at risk of being further marginalised in a highly competitive world economy, as their tertiary education systems are not adequately prepared to capitalise on the creation and use of knowledge. In support of such findings, Kumar and Idris (2006:96) argue that most higher education institutions have come to realise that to meet unprecedented demands of knowledge and other ever



changing educational needs of a globally competitive society, they must manage their knowledge better. Such improved management of their resources will only be possible if knowledge management is placed high on the agenda of higher education institutions. Higher education institutions, undoubtedly, have significant opportunities for applying knowledge management practices to support every part of their mission, whether it be in training, research or consultancy work. As Kidwell et al. (2000:33) observe that knowledge management should not be treated as a new idea to higher education institutions; rather it is the main reason of their existence.

H.2. Knowledge management positively influences education organization at faculties in Brawijaya University.

### **Mohammad Jamalzadeh (2013)**

Jamalzadeh was done with their research in 2012 with title "The Relationship between Knowledge Management and Learning Organization of Faculty Members at Islamic Azad University, Shiraz Branch in Academic year (2010-2011)". This research investigate the relationship between knowledge management of the faculty members of the Islamic Azad university, Shiraz Branch and organizational Learning. For this purpose the researchers used two kinds of questionnaires, namely, knowledge management suggested by Bokoteiz and William (1999) and the validity and Reliability of the questionnaire was calculated by the Researchers and the Result was acceptable according to Cronbach alpha and the correlation coefficient was about 74% and the second questionnaire was organizational Learning proposed by Anona Armstrong and Patrick fouly (1988). This questionnaire also showed

acceptable reliability and validity. The Researchers Analyzed the Relationship between all elements of knowledge management (Knowledge achievement, Knowledge application, Knowledge evaluation, Knowledge creation, and confirmation) and organizational learning. The statistical population of this Research was 261 members from which 155 were participated and 140 ones totally answered the questionnaires' items. In both, inferential and descriptive statistics were used in this research. The Results show that there is a positive and meaningful Relationship between knowledge management's elements and organizational learning. Base on the research method and the nature of the study, the present research is descriptive kind of correlation and also the Person correlation was used.

H.3. Knowledge management positively influences organization performance at faculties in Brawijaya University.

### **The Relationship between Learning Organization and Education Organization**

What is a relationship, and what special qualities are present in social pedagogy and informal education? We suggest that the focus on learning, mutuality and the emotional bond between people are important features of the sorts of relationships that social pedagogues and informal educators are involved in.

There is, and has been, a lot of talk about relationship in community learning and development youth work and informal education. Two themes emerge with some regularity. These are education for relationship. The ability to develop good and satisfying interpersonal relationships is seen as the main, or a major reason for

fostering learning. This has been one of the main themes lying behind many informal educators concern with social education.

Education through relationship. Our relationships are a fundamental source of learning. By paying attention to the nature of the relationship between educators and learners, it is argued, we can make a significant difference. In particular, the quality of the relationship deeply influences the hopefulness required to remain curious and open to new experiences, and the capacity to see connections and discover meanings (Salzberger-Wittenberg et al. 1983: ix).

Here we are going to explore what we mean by 'relationship', some particular features of the relationships between Learning Organization and Education Organization.

- H.4. Learning organization positively influences education organization at faculties in Brawijaya University.
- H.5. Education organization positively influences learning organization at faculties in Brawijaya University.

### **The Relationship between Learning Organization and Organization Performance**

Shu-hsien Liao and Chi-chuan Wu (2009) mention all hypothesis showing the influence of the firm's knowledge management to organizational performance (H1) which is significant. Then the positive influence of knowledge management to organizational learning (H2) is also supported by their findings. While they have expected to find a positive relationship between the

firm's organizational learning and its organizational performance (H3), their findings yield a non-significant relationship between these two constructs. In our model, financial performance, marketing performance, and partnership performance are included into organizational performance. This study tries to find the reason why H3 is non-significant supported by our data. They test the path between OL and three dimensions of organizational performance each. The path between OL and partnership performance is significant positive. But the path between OL and financial performance and marketing performance are non-significant positive. Therefore, the findings partially support the relationship between the firm's OL and its organizational performance (H3). Under this path analysis, we test the mediation effect of OL. The results of path analysis indicate an adequate fit: GFI=0.98, AGFI=0.96, RMSEA=0.017, NFI=0.98 and CFI=0.99. OL plays a complete mediation role between OL and partnership performance in our model. Norashikin Husseina (2014), learning organization culture have direct effects on organizational performance and organizational innovation, potentially leads to long-term organizational success. Farid M. Qawasmeh, Ziad S. Al-Omari (2013), state a positive statistical correlation exists among the seven learning organization dimensions as well as a positive statistical correlation with organizational performance.

- H.6. Learning organization positively influences organization performance at faculties in Brawijaya University.

## **Education Organization Functions (DR Y. A. FASASI 2011)**

**Planning:** This is a process of decision-making in advance on activities to be performed, workers to be involved and materials to be utilized in an organization. It also implies decision-making on when and how actions are to be taken. In planning, the manager looks into the future and makes necessary preparations for discharge of his responsibilities. The ultimate is to achieve educational objectives effectively. Hence, rational decisions are made on actions to be taken so that resources will be judiciously utilized, and maximum benefits would be attained.

**Controlling:** A process of ensuring that educational activities are conducted as already planned. It involves regulating, curbing and checking the excesses of members of the organization, so that things are done in accordance with established rules. Supervision, budgeting, records keeping, periodic meetings, informal discussions and evaluation, constitute different aspects of control mechanism in educational institutions.

**Organizing:** This is the process of arranging human and material elements appropriately to specific function and position. It also implies identification of jobs within an educational organization, classification of jobs and assignment of employee to specific jobs. Organizing as a managerial function could facilitate a structure and a hierarchy of authority for effective administration.

**Staffing:** This is an aspect of personnel services which includes supplying, training and motivating the teaching and non-teaching staff. It is meant to ensure that a right employee occupies a right post.

It focuses on the workers' recruitment, welfare and retirement.

**Leading:** This refers to an act of influencing employees in a manner that they will work towards the achievement of organizational goals. The manager as a leader serves as a link between the workers and the organizational goals. Using an effective channel of communication, he guides, motivates and directs the workers, so that the organizational goals will be realized.

**Co-coordinating:** This is the process of conducting works in different departments, sections and units at the same time without one disturbing another. It is also a process of ensuring that different groups of workers in the educational organization utilize the same facilities at different times without one clashing or conflicting with another. The manager harmonizes all activities and channels them towards desired outcome.

**Directing:** Tailoring workers' activities towards organizational goals. The manager must make and implement decisions which will assist in tailoring workers' personal objectives towards those of the educational organization. There should be no deviation between workers' efforts and organizational expectations. Otherwise, the organization will fail to achieve its objectives. This will have adverse effects on the organization and subsequently on its members.

H.7. Education organization positively influences organization performance at Faculties in Brawijaya University.

Based on the explanation above, this study is regarded as important to conduct. The concept of this study can be seen in the Figure 1

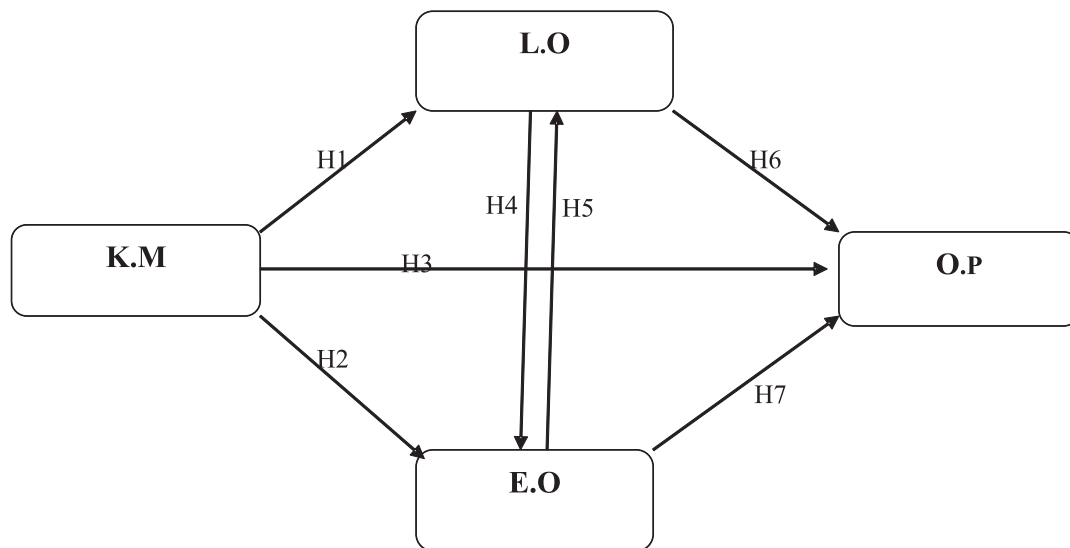


Figure 1. The Concept of Study

## Methodology

This study tests the causal relationships among variables including knowledge management, learning organization and organization performance at faculties in Brawijaya University.

## Population and Sampling

The target population in the current study used sample from the administrative staffs in Brawijaya University faculties in which knowledge management and organizational learning practices are being measured indirectly by means of assessing the perceptions of such staff members. Such staff was deemed to be fully conversant with the phenomena being investigated, due to the fact that they are either influenced or affected by, those knowledge and learning processes which occur in higher education institutions.

For purposes of the current research, the term 'higher education' refers to universities. As previously stated, the current study was designed to collect information from staff management in Brawijaya University in Indonesia.

## Data Collection

The data of this research are collected through references, documents and prepare a questionnaire distributed to the population of the study through direct distribution and then gathered after the preparation of the study population by the researcher and he can sit sometimes with them to clarify some things to increase the response rate and to ensure the completion of the form is complete.

## Data Analysis

Prior to PLS analysis (Partial Least Square) because the variables examined are the latent variables is a variable material (Latent Variable, Unobservable Variable, Construct) that is observed in the real world. Thus a variable which is not measured directly but is formed through many observed dimensions. The program package Smart (PLS) is used before testing the validity and reliability by using SPSS with the purpose to know the validity and reliability of indicators used. The indicator is not valid and cannot be issued from reliability construct, so that only valid indicators of reliability and that's what PLS analysis.

## Hypothesis Test

Hypothesis test is made based on research purposes. Hypothesis test is used to determine whether a latent variable charge indicators is significant or not. Further, it is used to find out whether there is an influence of (significant) or not between the exogenous latent variables to endogenous latent variables. To test the significance of the t-test statistics, trust level used is 95%, thus limit of inaccuracy or precision ( $\alpha$ ) = 5% or equal to 0.05. It results in t table value of 1.96. Therefore:

- If t-statistic < 1.96, then H0 is accepted while Ha is rejected
- If t-statistic > 1.96, then H0 is rejected while Ha is accepted.

## Result and Analysis

Hypothesis testing are used to test the hypothesis developed in the model, namely the influence of exogenous variables on endogenous variables. Testing criteria states that it happens if the value of T-statistics is greater than 1.96. On the other hands, the existence of a significant effect of exogenous variables on the endogenous variables on each hypothesis is predetermined. Hypothesis testing can be known through the T-statistics.

The first hypothesis states the influence of knowledge management on the learning organization. it can be seen that the value of knowledge management Statistics towards learning organization is 5.409 (> 1.96). This means, it directly gives significant effect on knowledge management learning organization. Thus the first hypothesis is fulfilled.

The second hypothesis states if knowledge management influences education organization. it can be seen that the value Statistics between knowledge

management to education organization is 0.490 (<1.96). This means, knowledge management directly gives no significant effect on education organization. Thus the second hypothesis is not fulfilled.

The third hypothesis states the influence on the organization of knowledge management performance. it can be seen that the value Statistics between knowledge management to organization performance is 1.520 (<1.96). This means, knowledge management directly gives no significant effect on organization performance. Thus the third hypothesis is not fulfilled.

The fourth hypothesis states the influence on education organization on learning organization. it can be seen that the value of the learning organization Statistics towards education organization is 7142 (> 1.96). This means that learning organization directly gives a significant effect on education organization. Thus the fourth hypothesis is fulfilled.

The fifth hypothesis stated the influence of education organization on organization performance. it can be seen that the value Statistics between education organization to organization performance is 0407 (<1.96). This means, that education organization gives no direct significant effect on organization performance. Thus the fifth hypothesis is not fulfilled.

The sixth hypothesis states the effect of education on the learning organization. it can be seen that the value Statistics between education organization towards learning organization is 5405 (> 1.96). This means that education organization gives direct significant influence on the learning organization. Thus the sixth hypothesis is fulfilled.

The seventh hypothesis states the effect of education organization to organization

performance. it can be seen that the value Statistics between education organization to organization performance is 0739 ( $<1.96$ ). This means that education organization gives no significant effect on organization performance. Thus the seventh hypothesis is not fulfilled.

## Discussion

### The Effect of Knowledge Management on Learning Organization

Based on the results of the analysis, it is concluded that knowledge management gives direct positive and significant impact on the learning organization, in which the stronger knowledge management, the better is the learning organization. The hypothesis formulated in this study showed results which are consistent with research conducted by Liao and Chi-chuan Wu (2009) which states that there are positive influences of knowledge management to organizational learning. It is also inconsistent with the research conducted by Mohammad Jamalzadeh (2012), who says that there are positive and meaningful relationship between knowledge management and organizational learning's elements.

Based on the result of the analysis, it is concluded that there is also the ability to learn from the colleagues staff of Brawijaya University as they have the ability to know what is going on around them on things related to the administrative work and the existence of a desire to learn and this supports the fact that there is a relationship between learning and knowledge management.

### The Effect of Knowledge Management on Education Organization

Based on the result of the analysis, it is concluded that knowledge management gives no direct and no significant positive effect on the education organization. There is a fact stating that the stronger knowledge management tend to improve education organization, however; the increase was not significant. The hypothesis formulated in this study showed results which are consistent with the research conducted by Mahmood Ghorbani, Mohammad Javad Tavasoli Noghabi and Nikoukar (2011) which states that there is a meaningful relation between organizational education and knowledge management.

The hypothesis showing the weakness of the relationship between knowledge management and education organization (UB) observed in this study reveals the fact that knowledge management is not integrated into the university curriculum, especially in the field of management, economics and business administration. The introduction of knowledge management programs to be integrated in a university curriculum plays an important role as nowadays there is a growing number of interest in the world of economics and management.

### The Effect of Knowledge Management Organization on Organization Performance

Based on the result of the analysis, it is concluded that knowledge management gives no direct and significant negative effect on organization performance, in which the stronger knowledge management, the organization performance tends to be

lowered. However, the decrease was not significant. The hypothesis formulated in this study showed the results which are consistent with research conducted by Dusya Vera and Mary Crossan (2012) which states that there are relationships between leaning / knowledge / IC and performance. It is also inconsistent with the research conducted by Shu-hsien Liao and Chi-chuan Wu (2009), who presented the results that the influence of the firm's knowledge management to organizational performance is significant. Then, it is also not in line with Shu-Mei Tseng's (2014) study which states that knowledge management capabilities (KMC) has a positive influence on corporate performance.

By conducting this study, the relationship between knowledge management and organizational performance hypothesis (UB) is clear. The decline is not great, in this case the University needs to adopt training courses in the field of knowledge management to support the staff management and inform them the role of knowledge management to increase the performance of the university to compete with other universities in terms of organizational performance.

### **The Effect of Learning Organization on Education Organization**

Based on the result of the analysis, it is concluded that the learning organization is directly positive and gives significant impact on the education organization. In other words, it can be said that the stronger learning organization is, the better is the education organization. Other previous studies have never addressed relevant and reliable hypothesis as this research did.

The reliability and validity of this hypothesis in this study indicate the fact that the role of training after the end of

education can increase the experience of the faculty staffs and this is very much shown in the behavior shown by the staffs who wants to always increase their experiences and performances by learning any new programs which can support the university in developing the administration procedures. This finding is confirmed by the finding found during the research was conducted which thus gives a clear evidence that the selection of staff to work tin the university has been done in accordance with the appropriate selection criteria.

### **The Effect of Learning Organization On Organization Performance**

Based on the results of the analysis, it is concluded that the learning organization gives no direct significant positive effect on organization performance. In this case, the stronger learning organization is, the better the organization performance. However, the increase was not significant. Other previous studies have never addressed relevant and reliable hypothesis as this research did.

Assumed that there will be a relationship between learning organization and organizational performance, but in this study, it seems that the relationship is not strong, and in this case should be coordinated in how to increase awareness among the staff in how learning to performance and career are this through motivations and training.

### **The Effect of Education Organization on Learning Organization**

Based on the result of the analysis, it is concluded that the education organization directly gives positive and significant impact on the learning organization, in which the stronger the organization of education, it tends to improve learning

organization. The hypothesis formulated in this study showed the results which are consistent with a research conducted by Liao and Chi-chuan Wu (2009) which states that there is a positive relationship between the firm's organizational learning and its organizational performance. It is also consistent with research conducted by Farid M. Qawasmeh, Ziad S. Al-Omari (2013), who state that there is positive statistical correlation exists among the seven dimensions of learning organization as well as a positive statistical correlation on organizational performance. Then, it is also in line with Norashikin Husseina's (2014) research which states that the learning organization culture has direct effects on organizational performance. In this case in Brawijaya University with an interest in this aspect, helps its staffs to have a knowledge on management tasks.

### **The Effect of Education Organization on Organization Performance**

Based on the results of the analysis, it is concluded that the education organization does not have direct significant positive effect on organization performance, in which the stronger the organization of education, the better the organization performance. However, the increase was not significant. None of the previous findings of the previous research address relevant and reliable hypothesis as what this research did.

The performance can be seen from the performance shown by students and faculty members in their daily interaction. In seeing this further study needs to be conducted to see the relationship education and the Organization performance which the members are students and faculty members.

### **Practical Implications**

The main trust of the current study, as stated in chapter one, is grounded in the fact that the impact of knowledge management, learning organization, and educational organization on organization performance concepts, as covered in the existing literature, have been treated independently by some authors, and the interactions between the concepts have been taken for granted. Such coverage has resulted in increased ambiguity surrounding the interrelationship of the four concepts. In addition, the focus is put too much on business organizations, while other sectors of the economy, such as education, which is continuously preoccupied with knowledge and learning activities, has not received much attention. Focusing on that fact, a central concern then is taken has been taken by the researcher by addressing broad issues, namely the determination of the influence of knowledge management on organizational learning, and the identification of the dimensions of interdependence between knowledge management and organizational learning in higher education on organizational performance in university context.

Based on the results of the study it becomes clear that there is a positive relationship between education and the learning organization and knowledge management, learning organization and the education organization.

There is no positive relationship between education organization and organizational performance, knowledge management and organizational education, knowledge management and organizational performance, learning organization and organizational performance.



## Conclusions

The institutions of higher educations and the nature of the role assigned to them and the responsibilities placed on are very important as a media of exercise once there is urgent need for the application of knowledge management development. Those will be realized once it is supported by higher education institutions which has good human resources, technology, information systems. It is done by giving contribution in community service organizations which later produce knowledge that are more ready than others in adopting knowledge management.

The application of knowledge management requires a combination of components, the most important - the organizational culture supports the exchange and disseminates the knowledge, and IT infrastructure which can support the knowledge of management processes. To realize it, it requires the support and commitment from senior management to project knowledge stimulate and encourage individual initiatives and collect support and subsidize the concept of knowledge management.

The application of knowledge management in a number of areas of higher education institutions (scientific research, libraries, administrative services, the development of faculty members, improve the educational process, student services, e-learning .... etc) all contribute to the construction of knowledge.

## Contribution of the Research

In terms of policy, the major contribution made by the current study deals with the provision of the correlation between knowledge management practices and

organizational learning, Organization of education, in organizational performance (university).

When higher education is facing some of the challenges that threaten its sustainability and development, including the decline in government funding and increasing competition both at home and abroad, there is a need of applying effective management of knowledge in higher education in the institutions which can provide platforms to build their competitiveness and sustainability. This study contributes to the provision of this framework in terms of which it can help achieving such platform.

## Recommendations

By referring to the previous explanation of the study and its findings, the researcher proposes a number of recommendations which will hopefully contribute to the promotion of the concept, and activate the self knowledge in a positive way which are elaborated as follows:

1. Educational institutions need to work based on the development of specific goals regarding the application of knowledge management at Brawijaya University which later can guarantee the effort of achieving the best returns in the positive development of work by proposing well-defined strategic plan, and raise educational and research outputs.
2. Educational institutions need to reconsider the rehabilitation of information to keep abreast of developments in the yard of knowledge and take an advantage of them in the application of modern concepts of knowledge in Brawijaya University.

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