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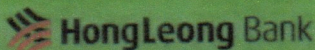


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KNOWLEDGE SHARING IN ISLAMIC BANK: A MODEL OF HUMAN RESOURCES PERFORMANCE ENHANCEMENT

Arizqi

Department of Economics, Universitas Islam Sultan Agung (UNISSULA), Jl. Raya Kaligawe Km. 4 PO Box. 1054, Semarang 50112, Indonesia, Telp: 024-6583584, Fax: 024-6582455

Email: arizqi@unissula.ac.id

Abstract

Knowledge is a key to achieve success and sustainability of an organization, because the ultimate goal of utilizing knowledge is performance. One of the processes of knowledge management which becomes something important in an organization is encouraging individuals to have knowledge sharing. The important factors affecting knowledge sharing activity are factors of individuals and organization. This study aims to examine the effect of exogenous variable consisting of organizational dimension including organizational learning culture, support from top management, and individuals namely openness in communication in affecting knowledge sharing of individuals. Besides, this study also examined how the role of knowledge sharing in improving human resource performance at Sharia Banking. This study was conducted through SEM (Structural Equation Modeling) test by using SmartPLS, a statistical software. The study was done through survey method by distributing questionnaire to 66 employees from several departments at one of Sharia banks in Semarang. To determine a number participant to be a sample, Slovin formula was conducted by using proportional random sampling technique. The findings of this study showed that two organizational dimensions (Organizational Learning Culture and Top Management Support) have significant effect on the improvement of knowledge sharing. While Openness in Communication, the individual dimension, could not determine the improvement of knowledge sharing. Then, the improvement of human resource performance at sharia banking could be done by improving knowledge sharing.

Keywords: Knowledge Sharing, Work Performance, Sharia Banking.

I. INTRODUCTION

In the era of economic knowledge, knowledge based jobs will replace the conventional one (not based on knowledge), due to work demand and uncertainty which is getting higher, and complex (Shieh-Cheih et al in Kharabsheh, 2007). In this era, knowledge becomes an important source for economic knowledge generation; this is supported by a statement from Syed-Ikhsan, Rowland, Alavi, Leidner, Van den Hooff, De Ridder, and Cheng (2009) that knowledge is an important asset for individuals or organization in order to achieve high performance and competitive advantage. Besides, information in knowledge must be analyzed and followed up accurately so that later it will become references for enterprises or organizations in making decision. Nowadays, it becomes a key for success and sustainability of enterprises (Aulawi, 2009). Therefore, the implementation of Knowledge management (KM) is necessary for enterprises.

Many strategies can be applied in an organization to manage their employees' performance. One of them is what-so-called knowledge sharing. This is because if someone has more knowledge about his job, and knowledge beyond, while he can manage his knowledge well, so it is possibly to affect his performance. By implementing knowledge sharing in an organization, it is expected that employees can add and manage their knowledge well so that it will lead to the improvement of their performance quality in their organization. The study conducted by (Rong Du *at al* 2007) which was conducted in Xian city, China concluded that knowledge sharing is the best way conducted by management in improving their enterprise performance because the implementation of knowledge sharing in their enterprises would lead to positive effect on their enterprises.

One problem in sharia banking is the limit of qualified human resources, in order to raise sharia banking which is professional, good, and right. This phenomenon is shown by the service of sharia banking tends to have lacking of several Islamic aspects. Another problem which often occurs is a huge number of sharia banking human resources who don't have proper knowledge and experience in operating sharia banking. They are often found to be lack of giving accurate explanation as it is. So that it will lead to hesitation for customer candidate to use their product and services of sharia banking. Furthermore, careless explanation leads to invalid assumption about sharia banking, so that it will affect sharia banking image.

Therefore, this study aims to analyze the effect of knowledge sharing in improving human resource performance at one of the Sharia banks. Besides, this study also tries to examine the effect of organizational dimension including organizational learning culture and support from top management, and individual dimension namely openness in communication, on knowledge sharing of human resource.

II. LITERATURE REVIEW

Organizational Learning Culture

Organization Learning refers to all activity of an organization in creating a using knowledge to improve organizational competitive advantage (Calcantone, et al, 2002). Organization Learning means a process to improve better action through knowledge and understanding (Fiol and Lyles, 1985). Among of the dimensions of Organization Learning are (1) commitment to learn, (2) open-mindedness, and (3) vision sharing. To support organizational learning culture, an organization must provide good trustful communication media.

Organization learning is something new which is sometimes still misunderstood only becoming efforts of training or developing organizational ability and employees. In fact, organizational learning brings a mission where learning which is conducted is emphasized more on human essence or individuals to be aware of their potencies. Sustainable learning becomes the core of organizational learning. Besides, in one word, it must reflect from their selves. In another word, there is no instant learning which can be applied to all parties. There are three indicators of organizational learning culture, namely: (1) reward of change and employees' innovation, (2) support on knowledge sharing of employees, and (3) care with ideas and their new knowledge.

Top Management Support

Every enterprise to achieve their goals, and in a measurement how far their successful which can be achieved, needs support from top management. The support according to Hashmi (2004) is "Parties who are responsible for providing general guideline for employee activities in their organization. The level of their support can be one of the important factors in determining the success of all activity related to their employees' work".

The support is parties who are responsible for providing guideline with commitment about time, cost, and source to support organization activity. The indicators of Top Management Support in this study are: (1) emphasizing the importance of knowledge sharing, (2) Supporting kinds of knowledge, and (3) Attempting to be consistent in encouraging knowledge sharing culture.

Openness in Communication

Communication is an interaction of contact among humans either individual or group. Each individual in an organization needs to interact and communicate well, so that aimed purposes can be achieved effectively and efficiently. So, it is needed in every organization or individual to have openness in communication. Opened communication will tighten harmonic relationship among individuals. Devito (2011) pointed out that open minded is a kind of communication where we can express information relating to ourselves that we usually hide. It is considered as an important tool for someone's life. Without its existence, so humans will get obstacles in communication. With it, individual's intimacy to another can be closer. Then, the indicators in this study are: (1) Willingness to have discussion about works, (2) Willingness to share important information, and (3) Openness in communication.

Knowledge Sharing

Tobing (2011) knowledge sharing is a systemic process in sending, distributing, and disseminating knowledge and multidimensional context among individuals or organizations through various methods or media. Knowledge sharing is a step for spreading/disseminating knowledge so that it could be accessed for employees who need it. Reid in Lin (Lin, 2007) stated that knowledge sharing can create a chance to improve organizational ability in order to fulfill the need and help to be a solution and efficiency so that competitiveness will be created. Most of knowledge is embedded on humans, and this becomes one of invisible resources (*intangible asset*) for an organization. Knowledge, whether is shared or not, depends on individuals. Connelly and Kelloway in Lin (Lin, 2007) stated that an enterprise can be successful in promoting knowledge sharing culture not only by directly connect knowledge management to their

strategic business, but also by changing employees' attitudes and habits to promote desire and consistency of knowledge sharing implementation. Therefore, factors of individual and organization become *enabler* in the activity of *knowledge sharing*. Individual is an object and also subject for sharing knowledge, while organization takes role as a supporter to create environment and culture which can affect the implementation of knowledge sharing. The indicators of knowledge sharing in this study are: (1) sharing information about works, (2) sharing new knowledge, (3) caring to colleagues, (4) sharing stories about works.

Goodman and Tsai's study in 1998 found that Learning Culture in an organization can promote knowledge sharing among members in organization who believe that learning by sharing knowledge will improve performance.

Afterwards, a support from top management is really important in the development of knowledge sharing, such as attracting participation from employees to start and spreading important knowledge about works (Chkravathy, 1999) and (O'Dell, 1998).

Marquardt (1994) and Szulanski (1996) pointed out that opened intimate communication is an important antecedent of knowledge sharing. Mainly, Marquardt and Peynolds (1994) stated that openness in communication has positive effect on knowledge sharing, with a reason that skepticism in communication takes role as a main obstacle in building learning culture.

H1 : *Organization Learning Culture has significant effect on Knowledge Sharing*

H2 : *Top Management Support has significant effect on Knowledge Sharing*

H3 : *Openness In Communication has significant effect on Knowledge Sharing*

Knowledge Sharing and Work Performance

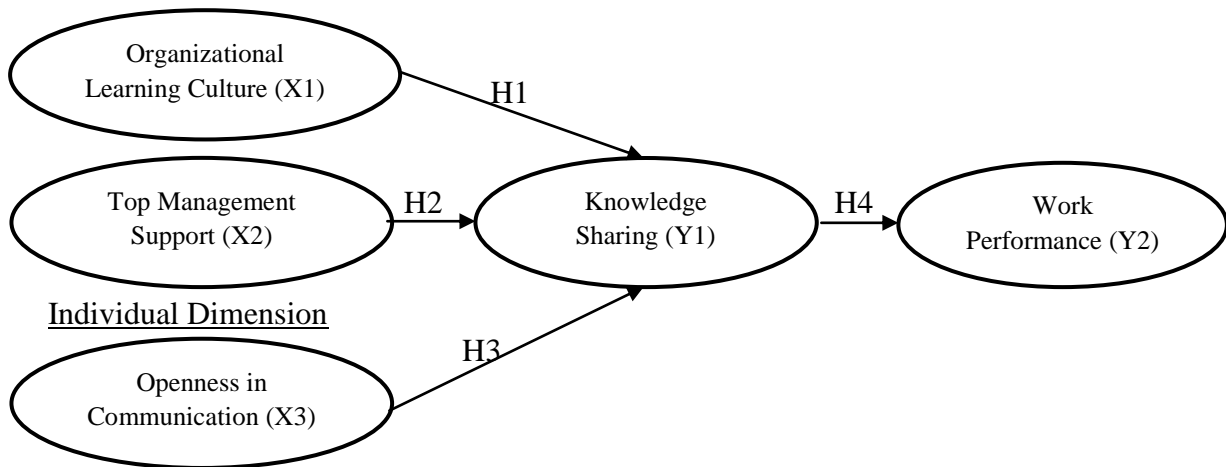
Human resource performance according to Faustino in (Mangkunegara 2009) is an expression such as output in the form of efficiency and effectiveness which are always related to productivity. While according to (Mangkunegara 2000), the result of work (quality and quantity) which has been achieved by someone in conducting tasks and responsibility that have been occupied to an employee. While according to (Meoheriono 2009), it is a description of achievement level on implementing a program of activity or policy in creating target, purpose, vision and mission, and organization which is expressed through strategic plan of an organization. According to Bernadin (1993), he stated that there are six criteria which can be used to measure how far employee performance will be. While the indicators used in this study are: (1) work quality, (2) work quantity, (3) knowledge on work, (4) personal quality, and (5) cooperation.

The study of Rong Du *et al* (2007) which was conducted in Xian city, China concluded that knowledge sharing is the best way conducted by management in improving their enterprise performance because the implementation of knowledge sharing in their enterprises would lead to positive effect on their enterprises. Based on the previous studies, it is found that there is significant effect of the implementation of knowledge sharing on performance. One of the studies was conducted by (Saraswati 2010), who stated that in her study at PT (Limited Company) *Pembangkitan Jawa Bali*, especially Gresik generator unit found that there was a significant effect of knowledge sharing enabler on employee performance.

H4 : *Knowledge Sharing has significant effect on Work Performance*

Empirical Model of the Study

Organizational Dimension



III. RESEARCH METHOD

This study is explanatory research which tries to determine the correlation among variables of this study. This study is categorized into causal correlation among variables through hypotheses testing. The source of the data was from respondents and literatures / books / journals. The data of this study were primary and secondary. The data collection was conducted through questionnaire. The population in this study was the employees, especially front-liners marketing division at Sharia Bank in Semarang. The study was conducted through survey by distributing the questionnaire to 66 employees as respondents at one of Sharia Banks. To determine the number of sample, this study used *Slovin* formula by employing proportional random sampling technique.

IV. FINDINGS AND DISCUSSION

It distributed 66 questionnaires, and all of them were returned, so that there were consistently 66 questionnaires or 100%.

4.1 The Result of Outer Model

Based on the convergent validity test, it can be found that Convergent Validity from the indicators of Organizational Learning Culture, Top Management Support, Openness in Communication, Knowledge Sharing, and Work Performance have outer loading score $> 0,5$ therefore, all of them are **valid**.

Table 1. Convergent Validity of Research Variables

	original sample estimate	mean of subsamples	Standard deviation	T-Statistic
Organizational Learning Culture				
X1.1	0.910	0.922	0.021	42.567
X1.2	0.919	0.927	0.025	37.282
X1.3	0.803	0.820	0.046	17.310
Top Management Support				
X2.1	0.774	0.788	0.049	15.863
X2.2	0.727	0.688	0.132	5.519
X2.3	0.702	0.677	0.141	4.978
Openness in Communication				
X3.1	0.658	0.627	0.158	4.171
X3.2	0.956	0.957	0.021	45.882
Knowledge Sharing				
Y1.1	0.814	0.814	0.046	17.835
Y1.2	0.850	0.850	0.045	18.959
Y1.3	0.804	0.806	0.047	17.258
Y1.4	0.670	0.640	0.116	5.754
Work Performance				
Y2.1	0.735	0.749	0.073	10.006
Y2.2	0.966	0.950	0.016	62.149
Y2.3	0.975	0.968	0.009	104.153
Y2.4	0.970	0.962	0.011	85.805
Y2.5	0.977	0.975	0.007	138.578

Then, based on the result of SmartPLS output, all of the constructs have composite reliability score more than 0,7. So that it can be concluded that all of the variables in this study are **reliable**. Following is the table of composite reliability score:

Table 2. Composite Reliability

	Composite Reliability
Organizational Learning Culture	0.910
Top Management Support	0.779
Openness in Communication	0.800
Knowledge Sharing	0.866
Work Performance	0.969

4.2 The Result of Inner Model

Scoring inner model was done by considering the correlation among latent constructs through knowing the estimation result of the coefficient of path parameter and its significant level (Ghozali, 2008). The basis used in testing the hypotheses is the score on the output result of inner weight as can be seen on picture 2 below:

Table 3. The Result of Inner Weight

	original sample estimate	mean of subsamples	Standard deviation	T-Statistic
Organizational Learning Culture -> Knowledge Sharing	0.606	0.562	0.112	5.423
Top Management Support -> Knowledge Sharing	0.380	0.422	0.136	2.785
Openness in Communication -> Knowledge Sharing	-0.005	0.003	0.078	0.068
Knowledge Sharing -> Work Performance	0.724	0.737	0.082	8.806

Organizational Learning Culture has significant effect on Knowledge Sharing. This is proven from the coefficient parameter value's 0.606 and the significant of **t-statistic** was **5.423 > t-table 1.999**. Therefore, the hypothesis 1 which states that Organizational Learning Culture has significant effect on Knowledge is **accepted**.

Top Management Support has significant effect on Knowledge Sharing. This is proven from the parameter coefficient value's 0.380 and the significant value of **t-statistic** was **2.785 > t-table 1.999**. Therefore, the hypothesis 2 which states that Top Management Support has significant effect on Knowledge is **accepted**.

Openness in Communication has negative effect on Knowledge Sharing. This is proven from the parameter coefficient value's -0.005 and **the significant value of t-statistic** was **0.068 < t-table 1.999**. Therefore, the hypothesis 3 which states that Openness in Communication has significant effect on Knowledge Sharing is **rejected**.

Knowledge Sharing has significant effect on Work Performance. This is proven from the parameter coefficient value's 0.724 and the significant value of **t-statistic** was **8.806 > t-table 1.999**. Therefore, the hypothesis 4 which states that Knowledge Sharing has significant effect on Work Performance is **accepted**.

Table 4. R-Square

	R-square
Organizational Learning Culture	0.000
Top Management Support	0.000
Openness in Communication	0.000
Knowledge Sharing	0.891
Work Performance	0.525

Table 5 shows that R Square score for Knowledge Sharing is 0,891. This means that Organizational Learning Culture, Top Management Support, and Openness in Communication can determine Knowledge Sharing as much as 89,1%, while the rest was determined by other variables. Then, R Square score for Work Performance is 0,525. It means that Knowledge Sharing can determine Work Performance as much as 52,5% while the rest was determined by other variables.

4.3 Discussion

Organizational Learning Culture has significant effect on Knowledge Sharing. This finding rejects two findings of previous studies conducted by Iriani (2012) and Jin Kang et al (2008) where the findings found that Organizational Learning Culture had no significant effect on the improvement of human resource's knowledge sharing. Reward on change and innovation conducted by sharia bank to their employees makes them get motivated in accomplishing their work. The change which happens in work is so dynamic, including industrial banking one of which is sharia bank. Therefore, human resources in it must have a change following the dynamic change so that they will not be lose in competing with other banks. Afterwards, the finding also found that sharia bank gives support on knowledge sharing conducted by their employees such as through giving hard skill training about product knowledge sustainably, and periodically conducting discussion on problem faced in the field, and giving soft skill provision to their employees. Besides, ideas and new knowledge proposed by the employees aslo must be appreciated by the organization, one of them is through giving praise. The praise is one of motivations given by the organization in order to be consistently creative to stimulate ideas, new suggestions, as well as consistently improve knowledge and conduct knowledge sharing.

Top Management Support has significant effect on Knowledge Sharing. This finding is in line with the study which was conducted by Jin Kang et al (2008) which resulted that support from top management has positive effect on human resource's knowledge sharing. Many things can be done by organization, especially sharia bank as concerned in this study, in order to create their human resource's knowledge sharing. Among those is that it can be done by emphasizing the importance of knowledge sharing either for internal unit or inter unit of work, giving support on knowledge sharing, and trying to be consistent in developing knowledge sharing culture among human resources in organization.

Openness in Communication has negative effect on Knowledge Sharing. This finding rejects the study which was conducted by Jin Kang et al (2008) which found the opposite finding that Openness in Communication has positive and significant effect on Knowledge Sharing. So, in this case, individual factor becomes a problem in improving knowledge sharing in organization. This means that the organizational dimension or the parties of organization has supported in order that knowledge sharing can be improved and developed, but the human resources are lack to support. This finding also supports the phenomenon that still many human resources of sharia bank who have no good knowledge and experience in running the operational of sharia bank. In fact, one of the factors is due to the human resources themselves. The human resources in organization of sharia bank can be said to have no openness in communication. Among them are having discussion about works, lack of willingness to share important information, and openness in communication. Meanwhile, banking enterprises is a service business where the output is service to their customer, and it needs cooperation among teams of

divisions in that bank. Important and updated information should be able to shared one to each other so that all organization's human resources can service their customer well.

Knowledge Sharing has significant effect on Work Performance. This finding is in line with the study which was conducted by Hendri (2012) and Jin Kang et al (2008) who both stated that knowledge sharing has significant effect on the improvement of human resources in an organization. After being affected by several factors which can improve human resources' knowledge sharing HR, which is in this study includes organizational dimension namely Organizational Learning Culture and Top Management Support, human resources' knowledge sharing HR at sharia bank is proven to be able to improve the human resource performance in an organization. So, the attempt or activity conducted by the human resources such as sharing information about works, sharing new knowledge, caring to colleague, and sharing story about works, finally can improve: 1) performance quality of human resources at sharia bank, such as in terms of giving service to customers and solving problems about works. 2) Work quantity, target is a result which must be achieved by human resources employed in bank; the same is true at sharia bank. By knowledge on work owned by sharia bank's human resources, in fact, makes them try to solve tasks according to the target given. 3) Knowledge on work, with the knowledge owned by sharia bank's human resources, they feel to have more knowledge needed to solve problem in their work, for instance, a problem which appears because of complaint from customers, and sometimes conflict with colleagues. With the knowledge, the human resources can also give more Islamic service to their customers and can give explanation correctly and accurately. So that it will not lead to hesitation for customer candidates to use the product and service of sharia bank. 4) Personal quality, knowledge on work owned by the human resources of sharia bank makes them have new innovation, better attitudes, and improve their competence needed in the competition of banking industries which is getting tighter. 5) Cooperation, knowledge on work owned by the human resources of sharia bank makes them can give support to their colleagues in doing their works, solving problem about works, trying to avoid conflict with their colleagues, and can cooperate with their team, either the team of their unit or the team of other units.

V. CONCLUSION

The improvement of human resource performance at sharia bank can be enhanced through the improvement of knowledge sharing, where the improvement of knowledge sharing has been affected by organizational dimension among which are Organizational Learning Culture and Top Management Support. Therefore, the stronger Organizational Learning Culture and Top Management Support conducted by sharia bank, the higher support of knowledge sharing role in improving the performance. Besides, individual dimension namely openness in communication can not determine the improvement of knowledge sharing.

VI. LIMITATIONS AND FURTHER STUDIES

This study is limited only to a sharia bank. It is better to conduct it at several sharia banks. Then, the result of testing using Partial Least Square (PLS) method, showed that R-square score for knowledge sharing was 0.891 or could predict the model reaching 89,1% while the rest (10,9%) was caused by other variables outside this model, this shows that there are still other variables outside this study which affects it, so that, it still needs other relevant variables.

Further studies are suggested to cover some of these followings: (1) a study which is not only limited to one bank, but also some of sharia banks, (2) additional variables either from organizational dimension or from individual which can also affect the improvement of knowledge sharing such as organizational structure, employee training, and reward systems for organizational dimension. Then, cooperative relationship is for individual dimension. Furthermore, it can insert other dimensions which are possible to improve knowledge sharing such as clarity of knowledge and usefulness of knowledge.

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