

Analysis of Knowledge Management, Work Innovation on the Performance and Progress of Government Organizations of South Sulawesi Province

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ABSTRACT. This study aims to: 1) analyze the influence of knowledge management, work innovation and positive and significant performance on organizational progress; 2) to analyze the effect of knowledge management and work innovation on a positive and significant effect on performance, and 3) to analyze the positive and significant influence of knowledge management on work innovation—research location at the Provincial Government of South Sulawesi. The study population was 25,276 civil servants of the South Sulawesi Provincial Government. Furthermore, samples through the 10% Slovin formula were obtained as many as 100 respondents. The data from the questionnaire were analyzed using Path Analysis. The results of the study found: 1) knowledge management has a positive and significant effect on organizational progress. The application of knowledge management has been actualized, and it contributes significantly to improving organizational progress; 2) work innovation has a positive and significant effect on organizational progress. Work innovations that are applied are under the demands of work routines in improving organizational progress; 3) performance has a positive and significant effect on organizational progress. The performance achieved supports the improvement of organizational progress; 4) knowledge management has a positive and significant effect on performance. Knowledge management must be able to produce employees who perform well in their fields of work; 5) work innovation has a positive and significant effect on performance. Work innovation is continuously oriented towards performance achievement; 6) knowledge management has a positive and significant effect on work innovation.

Keywords: Knowledge Management; Work Innovation; Organizational Performance and Progress.

1. INTRODUCTION

Realizing good governance is the main reason for the South Sulawesi provincial government to realize progress in government organizations. It is realized that realizing organizational progress is not easy. The government must be required to provide the best service to the public. Denhardt and Denhardt (2015) good government always sided with the public to provide the best service. Gerald (2012) the essence of good governance is the realization of organizational progress.

Zuzanna (2015), organizational progress is an essential instrument for realizing good governance. Norman (2011) organizational progress is an essential requirement for the organization to realize its vision, mission, strategy and organizational goals. On this basis, the consideration of Aliece and Jean's (2019) questions to realize good governance requires organizational progress that is in line with the organizational vision that is easily actualized in the

organization's mission following the government's strategy to realize its goals.

The reality faced by the South Sulawesi Provincial Government at this time is that in order to realize good governance all the Regional Work Units (SKPD) of South Sulawesi Province. It is seen that not all SKPDs can actualize the vision that is in line with the mission they carry so that the government strategy is not yet oriented towards organizational goals. As a result, not all service activities to the public side with the public. It is a problem because it hinders the progress of the organization. Owens (2018) good governance is a government that prioritizes organizational progress in serving the public. Richard (2015) puts forward organizational progress as an essential element of public service.

The disparity in organizational progress of South Sulawesi Province has not been appropriately actualized due to employee work performance that has not been optimal and has not been implemented adequately according to knowledge management and

employee work innovation. Schermerhorn (2017) performing human resources based on knowledge management and work innovation that can realize organizational progress. Samina (2015) knowledge management and work innovation affect organizational performance and progress. It is a real gap because not all of the South Sulawesi Provincial Government employees have adequate knowledge management, productive work innovation and work performance-oriented towards organizational progress.

The fact shows that there are still many employees who have not been able to develop knowledge management based on insight, imagination, intuition, education, skills and experience in dealing with organizational dynamics. Ehsan (2013), the success of performing human resources is determined by knowledge management and innovation. Wasim (2015) indicators of knowledge management in the form of imaginative work insights based on the intuition that is under the level of education, skills and work experience of employees so that they influence organizational performance and progress. Henri (2018) indicators of innovation in the form of HR personnel, structure, task development and technology application directly affect organizational performance and progress.

Eugenie (2017) knowledge management plays an essential role in improving organizational performance and progress. Dimock (2012) work innovation requires a person's creativity in personnel, structure, task development and technology applications in carrying out activities under competitive work dynamics that demand performance and advance the organization. Teresa (2017) improves organizational challenges and opportunities in the government sector requiring performance-oriented knowledge management and innovation to realize organizational progress.

Directly or indirectly, it has implications for the performance and progress of the organization. They are highlighting the work performance of the South Sulawesi Provincial Government employees at this time the performance qualifications achieved were not as expected, above 90%, which was categorized as very good. Chung Jeng (2019) performance qualifications are always a consideration in determining organizational progress. This fact can be seen from the achievement of employee work results in terms of quantity, quality, efficiency and effectiveness, which still needs to be improved because there are still achievements in the quite good (<60%) and good (70%? 80%) categories. Stevant

(2016), a person's work performance is assessed from the realization of the expected targets in terms of quantity, quality, efficiency and effectiveness. Dev Raj (2019) performance optimization determines organizational progress.

The importance of employee work performance of the South Sulawesi Provincial Government to continue to be improved along with the support of knowledge management and employee work innovation to realize organizational progress. Stephan (2019), organizational progress is needed as a reflection that the government runs following the shared vision, mission, strategy and goals. Maja (2012), organizational progress is a goal orientation of good governance.

2. THEORETICAL REVIEW AND HYPOTHESIS

A. Knowledge Management

The study of knowledge management refers to the basic theory, namely the theory of tofu, introduced by Max Weber. Maria (2011) Max Weber understands that every human being has a curiosity. This curiosity must be managed to become a brilliant idea or insight to solve organizational problems. The view of knowledge management is inseparable from the theory of progress from Walton (2015). The reference for progress is based on the knowledge that is managed constructively and objectively.

Knowledge management is an effort to generate value from an organization's intellectual property through the creation, storage, dissemination and application of knowledge to achieve organizational goals. Groff and Jones (2014) knowledge management is taken as a tool, techniques, and strategies to retain, analyze, organize, improve and share business expertise. Sambot (2013) knowledge management is a tool, technique, strategy for storing, analyzing, organizing, increasing and sharing experiences according to one's knowledge level.

Liebowitz (1999) knowledge management is the systematic, explicit and g, renewal and application of knowledge to maximize an enterprise knowledge-related effectiveness and return from its knowledge assets. Knowledge management is the systematic insight, updating and application of knowledge to maximize the effectiveness and profitability of knowledge assets.

Beekman (2017) knowledge management is the formalization of and access to experience, knowledge and expertise that create new capabilities, enable supervisor performance, encourage innovation and enhance value. In this view, knowledge management

is the formalization of access to experience, the knowledge that can create new capabilities, superior performance, increase innovation and work value.

Tiwana (2015) states that knowledge management enables the creation, communication and application of knowledge to achieve organizational goals. There are four essential things in knowledge management, namely: 1) knowledge management is a system, a tool for organizing intangible resources to achieve organizational goals; 2) knowledge management input is an intangible organizational such as insight; 3) the knowledge management process consists of creating, sharing or communicating and applying insights; and 4) the output of knowledge management is new capabilities, superior performance, innovation and increasing the value of knowledge.

B. Work Innovation

The study of work innovation is supported by the theory of change and added value. Dunga (2018) that changes always prove the occurrence of innovation. The change in question is the occurrence of differences based on size, assumptions, qualitative and quantitative in the application of work innovations. Change based on the size of innovation is a measure of progress, with the assumption that the more innovative it is, the more advanced it is. Qualitative assessment of innovation is seen from the quality of the work obtained and quantitatively the achievement of the amount of work achieved.

Lemmond and Jones (2014) introduce the theory of added value from innovation with a posture that is built, the more innovative work results, the greater the added value achieved. This added value is essential for every organization to implement innovations in the face of organizational dynamics. William (2018), innovation is essential in providing added value to organizational dynamics. Herstond (2012), at the core of work innovation, is the creation of added value for the organization.

Understanding an innovation, according to Aliance (2014), creates motives and opportunities for success according to organizational goals. Therefore, organizations always consider work innovation necessary. The more the use of innovation in an organization, the more creative it will be in realizing work performance. Stuggart (2013) understands innovation as an essential part of organizational dynamics.

Jurgenson (2015) globalization and government transformation always require the development of work innovation in every organization, which are demands that cannot be avoided. It means that the development of work innovation should be a process

that is natural, natural, and becomes part of the organizational development program. Hasfitz (2015) work innovation is an actualization of the dynamics that continue to advance and develop to make changes and adjustments as well as being able to develop excellence-oriented work innovations.

Innovation according to Santoso (2012) contains the following meanings: (1) new subjective, namely something that is considered new to the local environment, maybe in other places it is something that is not new; (2) is of quality in obtaining results; and (3) relating to efforts to solve local problems, namely problems that occur in one's environment (independent problems).

C. Performance

The essential reference for understanding performance can be seen based on the theory of results. Furtwengler (2018) proposes a results theory that every person who performs always gets the maximum results. The results of this work are considered as success or commonly known as performance. The strength of performance depends mainly on the theory of success. Helen and Walker (2016) actualization of performance is a success. Dolly (2012), success is always achieved by performance. Performance becomes essential for the organization. Because of the progressive organization in it, many people perform well.

Work performance as quality and quantity is always related to efficiency and effectiveness in working for the achievement of tasks, whether carried out by individuals, groups and organizations (Schemerhorn, Hunt and Osborn, 2017). Work performance is an integral part of the relationship between the organization, human resources and work results. The better the organizational support in human resource development, the more maximum work results as a reflection of work performance activities. Aspects of work performance that are applied in an organization cannot be separated from the theory of the result introduced by Hunt (2017) that work actualization is the result of reflecting individual work performance. This result theory has a robust implementation in that individual work performance appraisers have the same context as assessing work performance activities.

Cleveland (2018) assessment of cooperation performance by assessing the quality of work achieved. The assessment of the quality of work results is assumed to be based on the satisfaction of the work carried out based on units of action or changes that occur from job appraisals. This view has relevance to the quality theory, according to Ohara

(2014) that quality is evidence of sustained work performance.

According to Donnelly, Gibson and Ivancevich (2014), work performance is assessed based on the results achieved according to the unit of time, which results in work efficiency. Activities carried out efficiently constitute an assessment of the results of work performed following the quantity and quality of working time.

Stevant and Golt (2016) work performance is an assessment of the benefits of the work achieved. The form of benefits from work performance activities is assessed based on practical activities. Means that work effectiveness is the result of work performance appraisal. The theory of benefits put forward by Gunds and Loury (2016) work performance is a useful work result. The greater the benefits of the activities carried out, the more it shows the achievement of work performance.

The description above is an understanding of work performance and work performance appraisal based on the relevance of theory so that work performance in an organization is the result of a prospective assessment of the importance of work performance in advancing the organization. The work performance of individuals, activities and organizations is one unit that is assessed based on the results achieved.

D. Organizational Progress

Norman (2011) organization is a container (vehicle) for activities rather than people who work together to achieve goals. In this activity forum, each person must have exact duties, authorities and responsibilities, relationships and work procedures. The organization is static because it only looks at its structure. Onneil (2015) provides an understanding of organizations that are dynamic in terms of their dynamics, activities or actions rather than the relationships that occur within the organization, both formal and informal. For example, the activity of relationship management between superiors and subordinates. Successor failure of the goals to be achieved in the organization depends entirely on human factors.

According to Mc. Farland (2018) states that the notion of an organization is a recognizable group of people who contribute their efforts towards achieving a goal. The definition of the organization according to Dimock (2012), namely organization is a systematic combination of interdependent or related parts to form a unified unity through authority, coordination and supervision to achieve the goals that have been found.

Hasibuan (2013) the progress of an organization is determined by the realization of the vision, mission, strategy and goals of the organization. Jhurgen (2012) organizational progress can be seen from the actualization of the vision, mission, strategy and goals of the organization. Organizational progress is undoubtedly an essential consideration in the implementation of organizational activities of organizational members to achieve organizational goals. Lukas (2018) organizational progress is the ultimate goal of a growing organization.

Sambousse (2017), the dynamics of the organization, the bureaucracy always takes into account the form of responsible tasks and functions. This primary function refers to the functional design and strategic design for the progress of the organization to be socialized and accounted for according to the vision and mission. Harnezt (2016) organizational progress is the achievement of results according to organizational goals.

E. Research Model

The research used to test knowledge management, work innovation and performance on organizational progress. The research model is more clearly described as follows:

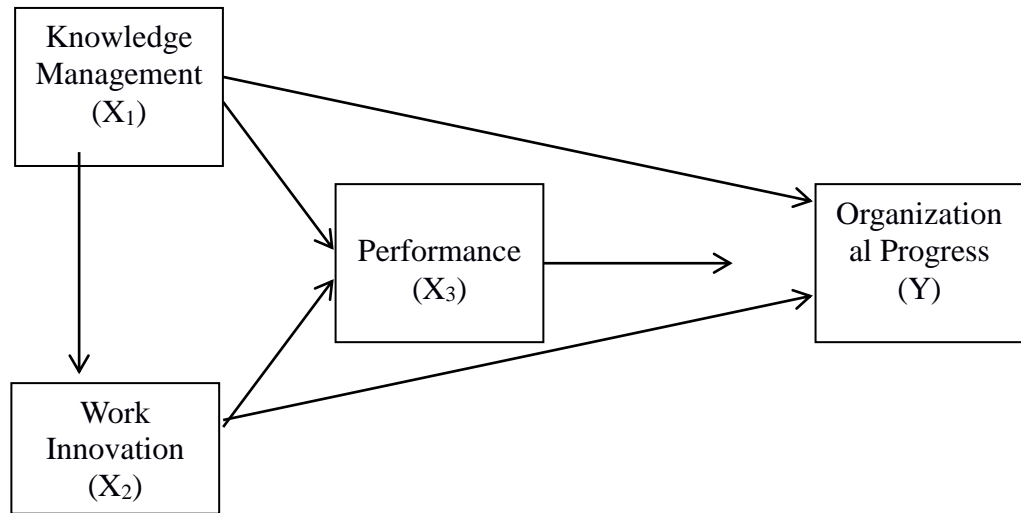


Fig 1. Research Model

Based on the research model and the description above, the hypotheses in this study are:

F. Knowledge Management and Innovation and Performance on Organizational Progress

It means that knowledge management, in its contribution to the organization, becomes essential. Alenso (2015), increasing the knowledge of organizational members determines the progress of the organization. Knowledge is an intangible asset to an organization. Thorough knowledge of the capabilities of the organization, external conditions and changes that have been, are and will be anticipated with knowledge. Sturgart (2013) science is a solution for organizations. Liebowitz (1999) knowledge used in organizations is an interaction between two components, namely human capital and information. Haaritz (2012) Human capital is thought and character which consists of human competencies which are determined by insight, imagination, corruption, education, skills and experience which are essential parts of knowledge that must be managed.

H1: Knowledge management and work innovation and performance have a positive and significant effect on organizational progress;

G. Knowledge Management and Innovation on Performance

Work performance is one of the total collections of work that is within the worker. Goals influence work performance. Work performance is a manifestation of the results achieved (Mondy and

Premeaux, 2016). To complete a task or job, a person must have a degree of willingness to achieve the work result. A person does not have work performed without a clear understanding of what to do and how to do it to produce something that can be assessed (Hersey and Blanchard, 2017).

According to Donnelly, Gibson and Ivancevich (2014), work performance refers to the level of success in carrying out tasks and the ability to achieve predetermined goals. Work performance is declared excellent and successful if the desired goals can be adequately achieved according to the assessed results. The achievement of predetermined goals is one of the benchmarks for individual work performance. There are three criteria for assessing individual work performance, namely individual tasks, individual behaviour and individual characteristics (Robbins, 2016). Nelson's view (2017) states that four indicators are assessing the work performance of individual activities in the organization, namely quantity, quality, efficiency and effectiveness.

H2: Knowledge management and work innovation have a positive and significant effect on performance;

H. Knowledge Management for Innovation

Owens and Steinhoff (2018) argue that work innovation can include organizational change efforts in the following four dimensions: 1) personnel dimensions, this develops ideas that can be directed at changes in attitudes and perceptions, mastery and integration of knowledge, broadening of insights and

refining knowledge, use of knowledge meaningfully, as well as habits of productive thinking and expectations; 2) structural dimensions, changes can be made by rearranging the internal organizational system, such as work organizing patterns, work mechanisms, communication networks, management and supervisory hierarchies; 3) the task dimension, changes in this component lead to the rearrangement of the fields and workload, authority and responsibility; either for professional tasks or technical tasks; and 4) the technological dimension, in the form of the use of facilities, tools and media or other forms of engineering that allow the nature of work services and organizational productivity to increase.

H3: Knowledge management has a positive and significant effect on work innovation.

3. RESEARCH METHODS

A. Research Design and Approach

This research is designed to answer the problems that have been formulated and the objectives to be achieved and to test the hypothesis. The research approach used is exploratory, ex post facto and causal studies.

B. Types and Sources of Data

The type of data in this study consisted of primary and secondary data. Primary data is data obtained from observations, questionnaires, interviews and documentation. Secondary data is data obtained from the provincial government of South Sulawesi.

C. Population and Sample

The population in this study were all employees of the South Sulawesi Provincial Government Office as many as 25,276 people. Determination of the research sample by Slovin 10% obtained 100 respondents.

D. Data Collection or Retrieval Procedures

Data collection and data collection procedures (instruments) used were observation, interviews and documentation. Observation is a research activity by going directly to make observations in the field according to the object being observed related to research data. The questionnaire is a list of statements that are distributed and given to respondents to answer questions by checking the weight according to category assumptions. The questions or statements in the questionnaire are measured using a Likert scale as follows: score / value 1 to 5 which means the value 1 = strongly disagree, 2 = disagree, 3 = disagree, 4 = agree and 5 = strongly agree. The interview is a

question and answer; in this case, the researcher confirms the object of research.

E. Data analysis technique

The data analysis technique used is descriptive analysis and path analysis, which aims to see the path of knowledge management, work innovation on the performance and progress of the South Sulawesi provincial government organization.

4. RESULTS AND DISCUSSION

The results of the analysis show that testing the validity and reliability of the questionnaire instrument is carried out to ensure that the research instrument used is accurate and reliable, as well as reliable when used as a tool in data collection.

A. Validity and Reliability Test

To test the validity of a questionnaire, the SPSS statistical method can be used. The result of data processing shows that the questionnaire instrument is generally very valid. It is indicated by the value of r product-moment r table greater than 0.3 (positive). The validity provision of an instrument has met the minimum r requirement of 0.3 as an instrument that is considered valid. For clarity, a summary of the results of the validity test can be seen in the validity test table.

TABLE I. Validity Test Results

Research Instruments	Pearson Correlation	r Product Moment r table	Information
X1	0.568	0.3	Valid
X2	0.665	0.3	Valid
X3	0.709	0.3	Valid
Y	0.557	0.3	Valid

Based on the output above, it is known that the calculated r-value (Pearson Correlation) of each of the research variable indicators shows that the statements from X1, X2, X3 and Y are valid because the calculated r-value is more significant than r table 0.3, which means that it can be included for further testing.

To test the reliability is done by using a Reliability Coefficient (Cronbach Alpha) of at least 0.6. The results of the questionnaire instrument reliability test, as contained in the attachment, can be summarized in Table II below:

TABLE II. Reliability Test Results

Research Instruments	Cronbach ?? Alpha	At least Cronbach's Alpha	Information
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X1	0.729	0.6	Reliable
X2	0.688	0.6	Reliable
X3	0.694	0.6	Reliable
Y	0.785	0.6	Reliable

Based on the results of the reliability test above, it is known that the Cronbach Alpha number for each variable instrument is X1 of 0.729, X2 of 0.688, X3 of 0.694 and Y of 0.785, all of which indicate a Cronbach Alpha value that is greater than the nominal value of 0.6. Therefore it is concluded that the research instrument used to measure can be said *reliable* or *reliable*.

B. Classic assumption test

Classical assumption test to diagnose multiple regression equation models based on normality, multicollinearity, autocorrelation and heteroscedasticity. Normality test to detect data with normal distribution or not. The following shows the results of the normality test through a standard probability plot:

Standard PP Plot of Standardized Residual Regression
Dependent Variable: Organizational Progress (Y)

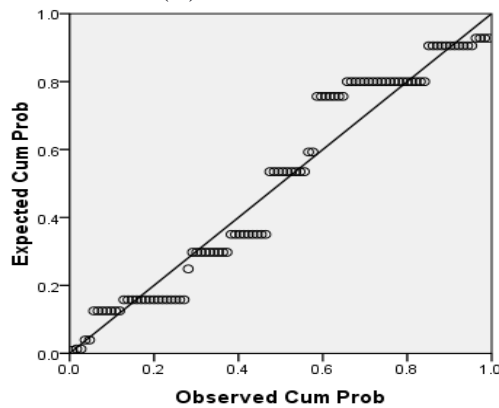


Fig 2. Normal Probability Plot

The output chart above shows that the points always follow and approach the diagonal line. It means that the residual values are normally distributed so that the formality requirements of the residual values for regression analysis can be fulfilled.

Multicollinearity test to find out that the regression model has a strong correlation between the dependent

variables. The multicollinearity test results are shown in the table below.

TABLE III. Multicollinearity Test Results

Variable	B	Collinearity Statistic		Collinearity Diagnostic	
		Tolerance	VIF	Eigenvalue	Condition Index
Organizational Progress (Y) / Constant	2,521			2,965	1,000
Knowledge Management (X1)	0.335	0844	1,184	0.034	11,134
Work Innovation (X2)	0.210	0844	1,184	0.021	16,610
Performance (X3)	0.310	0844	1,184	0.031	12,330

Based on the results of the output, it shows that the partial regression coefficient is reliable and robust or immune to changes that occur in other variables in the regression model. Autocorrelation test to see if there is a strong and positive relationship with the observed variables. The results of the autocorrelation analysis are shown in the Durbin-Watson model summary as follows:

TABLE IV. Model Summary ?? Durbin Watson

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.885a	.783	.711	.54198	2,291

The output results show the Durbin Watson value of 2,291. This value is compared with the significance table value of 5%, namely the du value of 1.579. The Durbin Watson value of 2,291 is greater than the upper limit (du) of 1,579, so it is concluded that there is no autocorrelation.

Heteroscedasticity test to test the regression model there is an inequality of the variance of the residuals. The results of the heteroscedasticity test analysis are as follows:

TABLE V. Heteroscedasticity Test Results

Variable	B	t	Sig.
RES2 (Y) / Constant	0.212	3,172	0.000
Knowledge Management (X1)	0.201	3,765	0.004
Work Innovation (X2)	0.209	3,348	0.009
Performance (X3)	0.202	3,552	0.003

Based on the table above, it shows that the variable significance value (X1) of 0.004 is smaller than 0.05, meaning that there is heteroscedasticity in the variable (X1). Meanwhile, the significance value for the variable (X2) is 0.009 less than 0.05, which also means heteroscedasticity occurs at (X2). Likewise, the significance value for the variable (X3) is 0.003 smaller than 0.05, which also means heteroscedasticity occurs at (X3).

C. Path Analysis Model

After the data is obtained, processed and reviewed through various required tests, the next stage in testing the causality model is to conduct path analysis on knowledge management, work innovation on the performance and progress of the organization of the South Sulawesi Provincial Government. Based on the theoretically formed causal model, a path analysis diagram will be obtained, and a calculation of the coefficient values for each path.

D. Model Relationship Path between Variables in Substructure 1

The relationship model between substructure 1 variables consists of one endogenous variable, namely organizational progress (Y) and three exogenous variables, namely knowledge management (X1), work innovation (X2) and performance (X3). Based on this relationship, the path model in substructure 1 is as follows:

$$Y = \beta_{y1}x_1 + \beta_{y2}x_2 + \beta_{y3}x_3 + \epsilon_Y$$

The results of calculations through SPSS 19 obtained path coefficient on substructure 1 are presented in the following table:

TABLE VI. PATH COEFFICIENT VALUE ON SUBSTRUCTURE 1

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
(Constant)	1,450	,361		4,013	,000
Knowledge Management (X1)	0,799	,215	,200	3,716	,000
Work Innovation (X2)	0,584	,252	,151	2,317	,022
Performance (X3)	0,621	,218	,198	2,848	,015

Dependent variable: Organizational Progress (Y)

TableVI above shows the path model in substructure 1, then the empirical causal relationship framework of variables X1, X2, X3 to Y in substructure 1 is as follows:

$$Y = 0.200X_1 + 0.151X_2 + 0.198X_3$$

Meanwhile $R^2_{YX321} = 0.786$. The magnitude of the influence of other variables outside X1, X2, X3 on Y is $\epsilon_Y = 0.237$. The results of the empirical model are presented in table 2:

TABLE VII. Summary Of Empirical Results On Substructure 1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.887a	0.786	0.623	0.27368

a. Predictors: (Constant), Performance (X3), Work Innovation (X2), Knowledge Management (X1)
Dependent Variable: Organizational Progress (Y)

Structure path diagram 1 is presented in Figure 3 below:

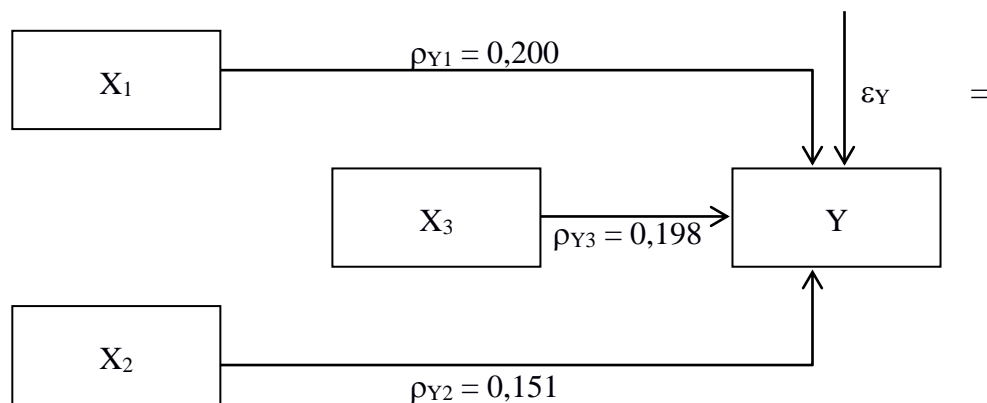


Fig 3. Empirical Causal Relationship Model between X1, X2, X3 against Y

E. Model Relationship Path between Variables in Substructure 2

The relationship model between substructure 2 variables consists of one endogenous variable, namely performance (X3) and two exogenous variables, namely knowledge management (X1) and work innovation (X2). Based on this relationship, the path model in substructure 2 is as follows:

$$X_3 = \beta_{31}x_1 + \beta_{32}x_2 + \epsilon_3$$

The results of calculations through SPSS 19, obtained by the path coefficient on substructure 2, are presented in the following table:

TABLE VIII. Path Coefficient Value On The Substructure 2

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
(Constant)	1,067	,230		4,641	,000
Knowledge Management (X1)	,652	,221	,541	2,950	,016
Work Innovation (X2)	,531	,194	,487	2,737	,021

Dependent variable: Performance (X3)

Table VIII above can be shown the path model in substructure 2, then the empirical causal relationship framework of variables X1, X2 to X3 in substructure 2 is as follows:

$$X_3 = 0.541X_1 + 0.487X_2$$

Meanwhile $R^2_{X321} = 0.719$. The magnitude of the influence of other variables outside X1, X2 on X3 is $y = 0.281$. The results of the empirical model are presented in table IX:

TABLE IX. Summary Of Empirical Results On Substructure 2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.848a	0.719	0.654	0.18566

a. Predictors: (Constant), Knowledge Management (X1), Work Innovation (X2)
Dependent Variable: Performance (X3)

Path diagram Structure 2 is presented in Figure 4 below:

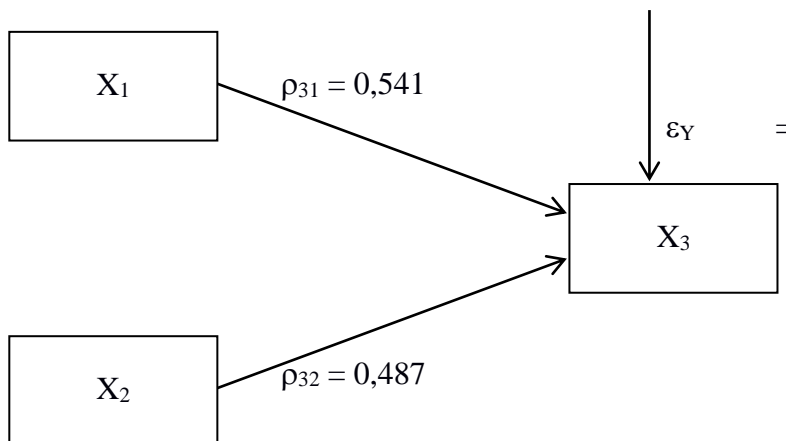


Fig 4. Empirical Causal Relationship Model between X1, X2 and X3

F. Model Relationship Path between Variables in Substructure 3

The relationship model between substructural variables 3 consists of one endogenous variable, namely work innovation (X2) and one exogenous variable, namely knowledge management (X1).

Based on this relationship, the path model in substructure 3 is as follows:

$$X_2 = \beta_{21}x_1 + \epsilon_2$$

The results of calculations through SPSS 19 obtained path coefficients on substructure 3 are presented in the following table:

TABLE X. Path Coefficient Value On The Substructure 3

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	□	Std. Error	Beta		
(Constant)	1,266	,167		7,589	,000
Knowledge Management (X1)	,610	,140	,583	4,357	,000

Dependent variable: Work Innovation (X2)

Table X above can be shown the path model in substructure 3, then the empirical causal relationship framework of variable X1 to X2 in substructure 3 is as follows:

$$X2 = 0.583X1$$

Meanwhile $R^2_{X21} = 0.693$. The magnitude of the influence of other variables outside X1 on X2 is $y = 0.307$. The results of the empirical model are presented in table 11:

TABLE XI. Summary Of Empirical Results On Substructure 3

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.833a	0.693	0.597	0.15736

a. Predictors: (Constant), Knowledge management (X1)
Dependent Variable: Work innovation (X2)

Structure path diagram 3 is presented in Figure 5 below:

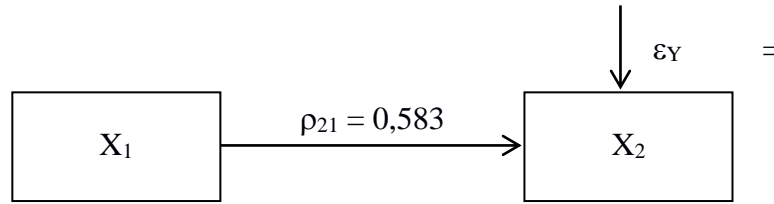


Fig 5. Empirical Causal Relationship Model between X1 and X2

In accordance with what is written in the table above, as well as those presented in Figure 2 to Figure 3 show that of the 6 (six) coefficients studied, it turns out that all path coefficients are identified as

significant in $\alpha = 0.05$. The empirical research path diagram can be seen in Figure 6:

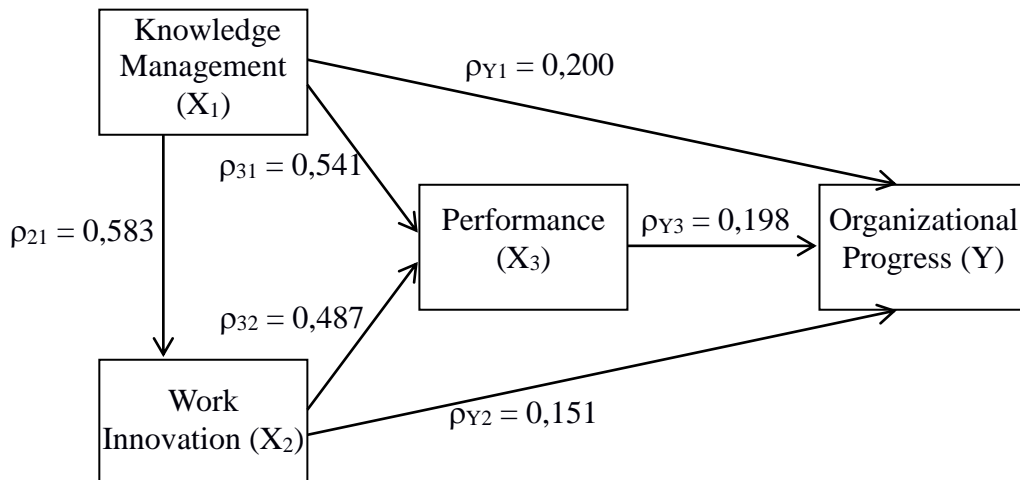


Fig 6. Coefficient of Path Analysis for Knowledge Management, Work Innovation against Organizational Performance and Progress

The following shows a recapitulation of the results of hypothesis testing in Table XII:

TABLE XII. Recapitulation Of Hypothesis Testing Results

Variable	Path Coefficient	T count	t table ($\alpha = 0.05$)
X ₁ against Y	$\beta_{y1} = 0.200$	3,716	1.65
X ₂ against Y	$\beta_{y2} = 0.151$	2,317	1.65
X ₃ against Y	$\beta_{y3} = 0.198$	2,848	1.65
X ₁ against X ₃	$\beta_{31} = 0.541$	2,950	1.65
X ₂ against X ₃	$\beta_{32} = 0.487$	2,737	1.65
X ₁ against X ₂	$\beta_{21} = 0.583$	4,357	1.65

G. Discussion

Based on the research results, it shows that: 1) X₁ against Y indicates H₀ is rejected, H₁ is accepted. There is a direct influence of knowledge management (X₁) which is positive and significant on organizational progress (Y), so the development of knowledge management needs to be maintained; 2) X₂ against Y indicates that H₀ is rejected, H₁ is accepted. There is a direct effect of work innovation (X₂) which is positive and significant on organizational progress (Y) so that work innovation is needed to be continuously improved; 3) X₃ against Y indicates H₀ is rejected, H₁ is accepted. There is a direct effect of performance (X₃) which is positive and significant on organizational progress (Y), so that performance needs to be maintained and further improved; 4) X₁ against X₃ indicates H₀ is rejected, H₁ is accepted. There is a direct influence of knowledge management (X₁) which is positive and significant on performance (X₃). So that existing knowledge management is continuously improved; 5) X₂ against X₃ indicates H₀ is rejected, H₁ is accepted. There is a direct effect of work innovation (X₂) which is positive and significant on performance (X₃) so that employees must continue to perform and make work innovations; and 6) X₁ against X₂ indicates that H₀ is rejected, H₁ is accepted. There is a direct influence of knowledge management (X₁) which is positive and significant on work innovation (X₂), so it is essential to maintain knowledge management in accordance with employee work innovation. Moreover, 6) X₁ against X₂ indicates that H₀ is rejected, H₁ is accepted. There is a direct influence of knowledge management (X₁) which is positive and significant on

work innovation (X₂), so it is essential to maintain knowledge management in accordance with employee work innovation. Furthermore, 6) X₁ against X₂ indicates that H₀ is rejected, H₁ is accepted. There is a direct influence of knowledge management (X₁) which is positive and significant on work innovation (X₂), so it is essential to maintain knowledge management in accordance with employee work innovation.

5. CONCLUSIONS

Based on the problems and hypotheses proposed, the conclusions of this study are: 1) knowledge management has a positive and significant effect on organizational progress. The application of knowledge management has been actualized, and this has contributed significantly to the improvement of organizational progress; 2) work innovation has a positive and significant effect on organizational progress. Work innovations that are applied are in accordance with the demands of work routines in improving organizational progress; 3) performance has a positive and significant effect on organizational progress. The performance achieved supports the improvement of organizational progress; 4) knowledge management has a positive and significant effect on performance. Knowledge management must be able to produce employees who perform well in their fields of work; 5) work innovation has a positive and significant effect on performance. Work innovation is continuously oriented towards performance achievement; 6) knowledge management has a positive and significant effect on work innovation. Applied knowledge management must match work innovation. Based on the research results as a whole, it can be suggested for interested parties in this research. This study has limitations that can serve as an illustration for future research. The suggestions that are taken into consideration are: 1) The South Sulawesi Provincial Government must develop knowledge management and work innovation for every civil servant in order to realize organizational progress; 2) Civil servants are required to improve their performance through knowledge management and work innovation continuously; 3) The success of the achievement of performance determines the progress of the organization. Therefore

employees must be required to synergize with the achievement of maximum work results;

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