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## **The Influence of Knowledge Conversion Knowledge Application and Islamic Leadership Style on Employee Performance with Organizational Commitment as an Intervening Variable**

**Surya Nanda Santika<sup>1</sup>, Alifah Ratnawati<sup>2</sup>**

<sup>1,2</sup> Sultan Agung Islamic University Semarang, Central Java 50112, Indonesia

Email: surya.nanda1609@gmail.com

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### *Abstract*

*This research is intended to identify how the influence of knowledge conversion to work performance, knowledge application to work performance, Islamic leadership style to work performance and commitment organization on to work performance. Also, to identify how the influence of knowledge conversion, knowledge application, Islamic leadership style to work performance with commitment organization as intervening variable. The population in this study were employee of PT KPJB with included 7 division and employment status permanent and non-permanent. The sample studied in this study were 102 responden who were determined through the Maximum Likelihood (ML) estimation method and purposive sampling. Analysis of research data using SMART – PLS software and partial least square analysis with result of research analysis showing that knowledge conversion is able to influence work performance but not able to influence commitment organization. Knowledge application is able to influence work performance and commitment organization. Islamic leadership style is not able to influence work performance to work performance and commitment organization.*

**Keywords:** Knowledge Conversion; Knowledge Application; Islamic Leadership Style; Organizational Commitment; Work Performance

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## **INTRODUCTION**

The Tanjung Jati B Units 3 and 4 coal-fired power station, which is situated in Tubanan Village, Kembang District, Jepara, is operated and maintained by PT. KPJB. The ownership structure consists of 51% held by Komipo (South Korea) and 49% by PJB (Indonesia). KPJB employs 250 permanent staff and 350 outsourced workers. According to the business processes of PT. KPJB, there are two working hours: shift work (consisting of three shifts: morning, afternoon, and night) for operational tasks, and regular working hours (8 hours) for maintenance and administrative tasks. The ownership composition results in different authorities and work cultures.

In a company, employees are individuals who provide services (both intellectual and physical) and receive compensation, the amount of which has been predetermined (Hasibuan, 2002). Employees have responsibilities such as complying with company regulations, maintaining the company's reputation, fostering good communication among colleagues, and ensuring stable work performance. In a company, Human Resources Management (HRM) functions to manage human resources. Effective human resource management ensures the sustainability of an organization; if human resources are managed well, the organization can achieve its goals effectively. The success of an organization or company can be measured by employee performance (work performance). According to Marlitan (2018), employee performance is a crucial issue in interpersonal relationships within an organization. Bernardin & Russel (2016), declare that the results attained from a particular work function or within a given time frame constitute the measure of an employee's performance. These experts' thoughts lead to the conclusion that an employee's

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success is determined by how well they carry out the responsibilities set by their supervisor and behave correctly at work. In today's competitive environment, a company needs employees who exhibit high work performance and strong organizational commitment.

Employee performance is a common issue in organizations and can significantly impact the overall condition of an organization. Employee performance is influenced by several external and internal factors. While external elements are related to an individual's performance and come from their surroundings, such as attitudes, behaviours, and actions toward leaders, coworkers, and subordinates as well as the work environment and facilities, internal factors are tied to an individual's qualities (Lewa, 2018). A person's performance can be considered optimal if the employee can perform their duties and fully utilize their potential. When an employee works optimally, it can drive the company towards success. Employee performance is influenced by a number of variables, such as devotion to financial elements, career growth, physical job conditions, work atmosphere, leadership style, job satisfaction, stress levels, and other behaviours (Handoko, 2016).

Based on the factors influencing employee performance mentioned above, one of them is leadership style, which is a direct cause-and-effect relationship within the organization or company and its leader. Leaders determine their leadership styles, which encompass work culture, tolerance among employees, and motivation towards employees (Igbaekemen & Odivwri, 2015). Another factor is the work environment, which refers to daily efficiency in work and productivity, how work is done, where it is done, and when it is done. All elements related to the job must fall under the work environment (Jena & Pradhan, 2014). Leadership styles implemented in organizations vary. Some organizations use authoritarian, democratic, charismatic, diplomatic leadership styles, and others even employ Islamic leadership styles to enhance company performance. Islam is a religion of mercy for all worlds, bringing blessings to the entire universe. In Islam, all human affairs, including leadership, are regulated in the Quran and Hadith. According to Alabed (2017), Islam provides guidance for choosing leaders with the qualities of Prophet Muhammad SAW, namely shiddiq (truthfulness), fathonah (intelligence), amanah (trustworthiness), and tabligh (conveying commands and prohibitions). In Islam, leadership must have responsibility and exert a positive influence on the organization (Cismas et al., 2016). With the responsibilities given to leaders, it is expected that they will advance the organization to become more active and constructive, including resolving organizational issues (Cismas et al., 2016).

Employee performance is also influenced by knowledge management, which is the behaviour of leaders interested in managing knowledge to improve competence in the modern business era. Knowledge management can positively impact employee performance (Azizi et al., 2016). Knowledge management plays a significant role in an organization. Takeuchi (1998), Honeycutt (2005), and Debowski (2006) state that knowledge is divided into tacit knowledge (personal thoughts from the combination of experiences, information, and insights) and explicit knowledge (knowledge that is recorded and modified in documents and accessible to everyone). Three processes are involved in knowledge management: knowledge conversion (turning implicit knowledge into explicit knowledge), knowledge application (using knowledge to help people solve problems or make decisions), and knowledge acquisition (getting knowledge). The organizational commitment of leaders and employees is necessary to support the knowledge management process.

To improve employee performance, it is crucial to have employee commitment to continually contribute to their organization or company. Khan et al. (2010) state that organizational commitment significantly affects employee performance. According to Robbins (2008), organizational commitment is the desire of employees or organization members to remain with the company or organization and actively contribute to achieving the organization's goals. Workers who are highly committed to the organization will carry out their duties in a way that best serves the needs of the business or organization. An

intermediary variable that mediates the relationship between knowledge management and employee performance and Islamic leadership style is organizational commitment. In this study, organizational commitment is used as an intervening variable to examine the effects of Islamic leadership style, knowledge conversion, and knowledge application on employee performance. This is particularly relevant as most employees at PT. KPJB are Muslim and wish to implement the teachings of Islam by following the leadership style exemplified by Prophet Muhammad SAW. There is a notable difference in leadership styles between KOMIPO and PJB at PT. KPJB. KOMIPO employs an authoritarian leadership style and is inactive in providing guidance on work procedures (resulting in poor knowledge conversion and knowledge application), focusing solely on outcomes rather than work processes. In contrast, PJB operates with a democratic leadership style, where leaders actively guide work procedures and mentor subordinates (ensuring effective knowledge conversion and knowledge application).

In contrast to the democratic leadership style, which incorporates subordinates in all decision-making processes, the authoritarian leadership style concentrates authority, with the leader controlling followers and making choices without first consulting them. According to Cahyono et al. (2014), some South Korean expatriates perceive local employees as lacking and often making mistakes, thus requiring strict supervision. Due to this perception, expatriate leaders use the same leadership style as in their home country, disregarding Indonesian culture and norms. Additionally, Indonesian culture emphasizes collective welfare and humanistic orientation. These differing leadership styles create a cultural work gap, affecting employee productivity and leading to low organizational commitment among employees. In previous research, there is a controversy (research gap) where most studies base leadership styles on Protestant work ethics or conventional ethics (Rizk, 2008) which can pose serious problems when applied to halal industry organizations due to employees' religious diversity. A study by Hadisi (2014) explains that the work cultures of capitalism and socialism represent a regression in Islamic leadership styles and therefore do not significantly affect employee performance. Conversely, a study by Octaviani & Muhandi (2022) titled "The Influence of Islamic Leadership Style, Work Discipline, and Islamic Work Ethic on Employee Performance" found that Islamic leadership style does not impact employee performance. However, the Islamic leadership style fosters a culture of discipline among employees, which then influences work ethic and employee performance.

Furthermore, a study by Christin & Nugroho (2020) titled "Analysis of the Influence of Knowledge Management and Leadership Style on Organizational Performance" concluded that knowledge management does not significantly impact organizational performance. However, knowledge management is a process for developing employees' potential in advancing their careers. Another study by Saputro, Rifa'i, & Susanti (2023), titled "The Influence of Leadership Style and Job Satisfaction on Employee Performance with Organizational Commitment as an Intervening Variable, a Case Study at Ayam Goreng Nelongso Restaurant," found that leadership style does not affect employee performance and organizational commitment. Additionally, organizational commitment cannot mediate the relationship between leadership style and job satisfaction on employee performance. However, job satisfaction influences employee performance, and organizational commitment affects employee performance.

The performance report of PT. KPJB, as the operation and maintenance company of the Tanjung Jati B Unit 3&4 coal-fired power plant, which has been operational for 11 years since 2011, consistently meets the set electricity production targets. However, in the past three years, there have been frequent operational and maintenance issues caused by human error and a high employee turnover rate. Many employees who decided to leave PT. KPJB moved to other power plants with better welfare offers and promising career

prospects. The departing employees are typically senior staff with over five years of service and extensive training in power plant equipment operations. This situation has disrupted the succession planning and knowledge conversion processes at PT. KPJB because the experienced senior employees do not provide guidance to new employees. Consequently, new employees must take over the responsibilities of the senior staff, leading to operational issues due to the new employees' inability to apply knowledge effectively, resulting in a high rate of human error. Additionally, there is employee dissatisfaction regarding the performance appraisal system, which tends to be subjective rather than objective, influencing whether an employee receives a promotion.

From the issues outlined above, it can be concluded that knowledge management at PT. KPJB has not been implemented effectively, and the current leaders are unable to delegate responsibilities and make decisions properly, leading to a lack of organizational commitment among employees and affecting their performance. Based on the background information provided, the study's objectives are to examine the relationship between knowledge conversion and organizational commitment among PT. KPJB employees, the relationship between knowledge application and organizational commitment among PT. KPJB employees, the relationship between Islamic leadership style and organizational commitment among PT. KPJB employees, the relationship between knowledge conversion and employee performance at PT. KPJB, the relationship between Islamic leadership style and employee performance at PT. KPJB, and the analysis of the relationship between organizational commitment and employee performance at PT. KPJB.

## **RESEARCH METHODS**

The approach is a means of resolving an issue. Explanatory research is the type of study that was employed in this instance. According to Hasa (2021), explanatory research is conducted to explain why certain phenomena occur by attempting to link different variables to understand the relationships between them based on the proposed hypotheses. Explanatory research always begins with exploration, followed by descriptive research, and then explanatory research. The variables used in this study include knowledge conversion, knowledge application, Islamic leadership style, and employee performance. In this research, hypotheses will be tested for their validity. These hypotheses describe the relationship between two variables to determine whether one variable is associated with another, or whether one variable is caused or influenced by another variable (Sani & Maharani, 2013).

Primary and secondary data are the two categories of sources for research data. Primary data is the primary information used in research that is gathered from respondents chosen using interview techniques and given a prepared list of questions (questionnaires). The Tanjung Jati B Unit 3&4 power plant staff are the target respondents. The data collected includes knowledge conversion, knowledge application, Islamic leadership style, organizational commitment, and employee performance. Secondary data is data or information that supports, complements, and strengthens research obtained from institutions that support the research.

According Satori & Komariah (2011), to obtain the necessary data for a scientific study, data collection is required. This research utilizes a data collection method through questionnaire distribution, which involves directly posing questions to the respondents. The questionnaire in this study is used to gather responses from the respondents regarding the variables of Islamic Leadership Style, Knowledge Conversion, Knowledge Application, Organizational Commitment, and Employee Performance. The questionnaire is delivered directly to the respondents in the form of a Google Form, which allows respondents to fill in their personal information and answer the questions directly on the form. Afterward, respondents can directly submit all their answers. This approach ensures confidentiality. Population refers to all individuals who are to be studied (Gravetter & Wallnau, 2016).

Individuals here do not only refer to humans but can also include animals. As a population, respondents must possess certain characteristics or traits, such as similarity in the workplace. The population in this study consists of employees of the Tanjung Jati B Unit 3&4 power plant, with a total population of 260 permanent employees of PT KPJB and 350 outsourcing employees. Meanwhile, the sample size in this study is 19 (total number of indicators)  $\times$  5 = 95 respondents.

Sugiyono (2018) explains that data analysis is a process of data processing that requires creative thinking, broad knowledge, and hard work. According to Tukey (2012), data analysis is a technique in analysing research data, planning data collection techniques according to applicable procedures. According to Moleong (2014), data analysis is research conducted by examining all research instrument data such as records, documents, test results, and recordings. When analysing data with non-linear data, PLS-SEM analysis is utilized. The structural equation model, or SEM, is a data analysis method used to examine the relationships that exist between variables in a model, including those that exist between constructions and between indicators and their constructions because PLS (Partial Least Square), also known as soft modelling, does away with the presumptions of OLS (Ordinary Least Square) regression, such as the requirement that the data be multivariate normally distributed and that there be no issues with multicollinearity between exogenous variables, it is a useful and highly appropriate analysis technique (Ghozali & Latan, 2015). The measurement model, also known as the outer model, and the structural model, often known as the inner model, are the two sub-models that typically make up a PLS-SEM analysis. The measurement model will demonstrate how visible or observed variables will represent latent variables that are measured.

## RESULTS AND DISCUSSION

### Model Accuracy Test (Inner Model Test)

To examine the connections between constructs, significant values, and the research model's R-square, the accuracy test of the inner model is carried out. The coefficient of determination test (Adjusted R-Square), predictive relevance test (Q-Square), and goodness of fit test (GoF) are the accuracy tests of the inner model utilized in this investigation.

#### 1. Coefficient of Determination Test

The results of the coefficient of determination test analysis are explained in the table below:

**Table 1. Results of Coefficient of Determination Test**

Construct Indicators	R-square	Adjusted R-square
Employee Performance_(Y)	0,730	0,719
Organizational Commitment_(XI)	9,448	0,432

Source: Processed primary data, 2024

Based Employee Performance\_(Y) sed on Table 1's results of the coefficient of determination test, it can be observed that the Adjusted R-Square value for the variable "employee performance" is 0.730 or 73%. This indicates that the overall predictors, including knowledge conversion, knowledge application, and Islamic leadership style, can predict the employee performance variable by 73%, while the remaining 27% is explained and predicted by other variables outside the scope of this study. Meanwhile, the Adjusted R-Squared value for the variable "Organizational Commitment" is 0.448 or 44.8%, indicating that the organizational commitment variable as an intervening variable in this research model is capable of influencing the predicted outcomes of employee performance.

#### 2. Predictive Relevance Test

Based on the equations above, the calculation of the predictive relevance test is conducted, and the results are illustrated in the table below:

**Table 2. Predictive Relevance Test Result**

Construct Indicators	SSO	SSE	Q <sup>2</sup> (= 1-SSE/SSO)
Knowledge Conversion_(X1)	206	206	0
Knowledge Application_(X2)	309	309	0
Islamic Leadership Style_(X3)	515	515	0
Organizational Commitment_(XI)	309	231,022	0,252
Employee Performance_(Y)	515	242,412	0,529

Source: Processed Primary Data, 2024

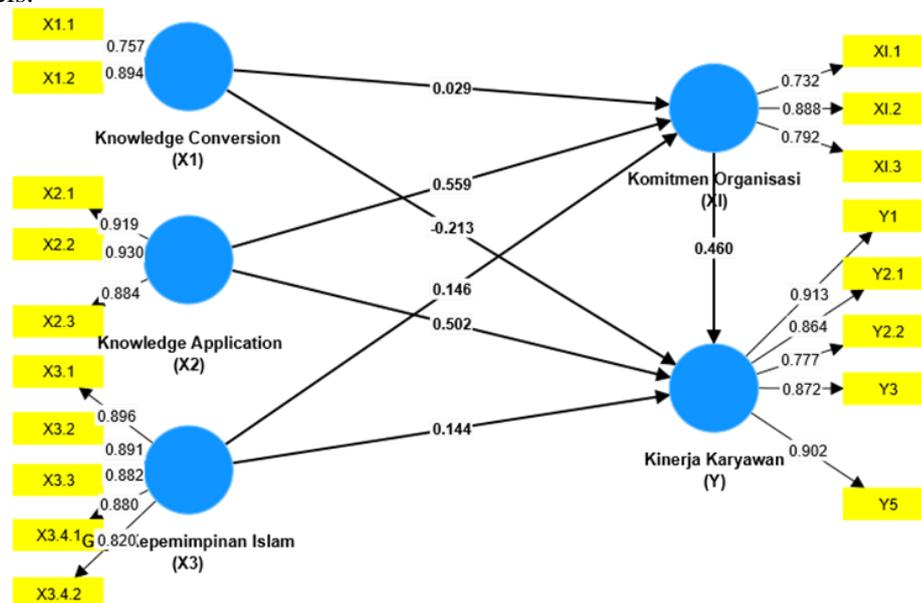
Referring to table 2, the results of the predictive relevance test indicate that the Q-Square value obtained is 0.529 for Employee Performance and 0.252 for Organizational Commitment. A Q-Square value approaching 1.00 indicates that the research model used is very good.

### 3. The Goodness of Fit

Test results indicate that the goodness of fit value for the research model is 0.582, which falls within the range between 0 and 1. Meeting the criterion of GoF > 0.36 (large GoF), it can be concluded that the empirical test model used is robust or fit and is suitable for being used as the research model.

### Outer Model and Inner Model Equations Modelling

The modelling of the outer model and inner model equations can be organized as follows based on the findings of the research analysis of the analysis of the outer and inner models:



**Figure 1. Results of Outer Model and Inner Model Modeling Analysis**

The outer model modeling scheme in Figure 1 using the PLS-SEM method and the inner model calculated using the bootstrapping method yielded path coefficients as shown in Table 1 below.

**Table 3. Direct Effect**

Construct Indicators	Original Sample (O)	Rata-rata sampel (M)	Standar deviasi (STDEV)	T statistik ( O/STDEV )	P values	Remarks
Knowledge Conversion_(X1) -> Employee Performance_(Y)	-0,213	-0,197	0,09	2,384	0,017	H4 Accepted
Knowledge Conversion_(X1) -> Organizational Commitment_(XI)	0,029	0,034	0,126	0,231	0,817	H1 Rejected
Knowledge Application_(X2) -> Employee Performance_(Y)	0,502	0,49	0,085	5,889	0	H5 Accepted
Knowledge Application_(X2) -> Organizational Commitment_(XI)	0,559	0,551	0,122	4,581	0	H2 Accepted
Islamic Leadership Style_(X3) -> Employee Performance_(Y)	0,144	0,146	0,08	1,786	0,074	H6 Rejected
Islamic Leadership Style_(X3) -> Organizational Commitment_(XI)	0,146	0,156	0,1	1,456	0,145	H3 Rejected
Organizational Commitment_(XI) -> Employee Performance_(Y)	0,46	0,455	0,083	5,527	0	H7 Accepted

Source: Processed primary data, 2024

Based on the analysis of the outer and inner model as shown in Figure 1, the equation values are obtained as follows:

ξ1: Knowledge Conversion

ξ2: Knowledge Application

ξ3: Islamic Leadership Style

η1: Organizational Commitment

η2: Employee Performance

e: Error term

**Equation 1:**

$$\eta_1 = 0.029 \xi_1 + 0.559 \xi_2 + 0.146 \xi_3 + e$$

Interpretation of Equation 1:

- a. The coefficient value of the influence of knowledge conversion (ξ1) on organizational commitment (η1) is obtained as 0.029 positive. This indicates that

the influence provided by knowledge conversion on organizational commitment is proven to be positive, so the better knowledge conversion conducted by employees and supported by management, the higher the organizational commitment of employees.

- b. The coefficient value of the influence of knowledge application ( $\xi_2$ ) on organizational commitment ( $\eta_1$ ) is obtained as 0.559 positive. This indicates that the influence of knowledge application on organizational commitment is proven to be positive, so the better knowledge application conducted by employees and supported by management, the higher the organizational commitment of employees.
- c. The coefficient value of the influence of Islamic leadership style ( $\xi_3$ ) on organizational commitment ( $\eta_1$ ) is obtained as 0.146 positive. This indicates that the Islamic leadership style provided to organizational commitment is proven to be positive, so the better Islamic leadership style applied by management, the higher the organizational commitment of employees.

**Equation 2:**

$$\eta_2 = -0.213\xi_1 + 0.502\xi_2 + 0.144 \xi_3 + 0.46 \eta_1 + e$$

Interpretation of Equation 2:

- a. The coefficient value of the influence of knowledge conversion ( $\xi_1$ ) on employee performance ( $\eta_2$ ) is obtained as -0.213 negative. This indicates that the influence provided by knowledge conversion on employee performance is not significantly affected, so knowledge conversion needs more support from management and employees in the process of socializing knowledge conversion programs through forums or sharing knowledge to ensure a smooth knowledge transfer process among employees and improve employee performance.
- b. The coefficient value of the influence of knowledge application ( $\xi_2$ ) on employee performance ( $\eta_2$ ) is obtained as 0.502 positive. This indicates that the influence of knowledge application on employee performance is proven to be positive, so the better knowledge application conducted by employees and supported by management, the higher the employee performance.
- c. The coefficient value of the influence of Islamic leadership style ( $\xi_3$ ) on employee performance ( $\eta_2$ ) is obtained as 0.144 positive. This indicates that the Islamic leadership style provided to employee performance is proven to be positive, so the better Islamic leadership style applied by management, the higher the employee performance.
- d. The coefficient value of the influence of organizational commitment ( $\eta_1$ ) as an intervening variable on employee performance is obtained as 0.46 positive. This indicates that organizational commitment as an intervening variable successfully influences the variables of knowledge conversion, knowledge application, and Islamic leadership style to improve employee performance.

**Table 4. Results of Hypothesis Testing for Indirect Effects**

Construct Indicators	Original Sample (O)	Sample Average (M)	Standar deviasi (STDEV)	T statistik ( O/STDEV )	Nilai P (P values)
knowledge Conversion_(X1) -> Organizational Commitment_(Z) -> Employee Performance_(Y)	0,012	0,017	0,056	0,208	0,835
Knowledge Application_(X2) -> Organizational Commitment_(Z) -> Employee Performance_(Y)	0,258	0,253	0,073	3,528	0
Islamic Leadership Style_(X3) -> Organizational Commitment_(Z) -> Employee Performance_(Y)	0,066	0,069	0,051	1,311	0,19

Source: Processed primary data, 2024

Based on the results in Table 4, the magnitude of the indirect effects of each construct indicator can be calculated as follows:

**1. The effect of knowledge conversion on employee performance through organizational commitment**

The T statistic for knowledge conversion is 0.208, and the P value is 0.835. Based on the P value test, the hypothesis is accepted if the P value  $< 0.05$ . Since the P value is  $0.835 > 0.05$ , knowledge conversion does not have a significant effect on employee performance through organizational commitment. According to the T statistic test, the hypothesis is accepted if the T statistic  $> T$  table. The T table value is determined manually for a two-tailed test with an  $\alpha$  value of 0.05 and a degree of freedom (df) of 5000, resulting in a T table value of 1.96. The research results show that the T statistic of  $0.208 < 1.96$ , thus knowledge conversion does not have a significant effect on employee performance through organizational commitment. The results of the T statistic and P value tests are consistent, so it can be concluded that the eighth hypothesis (H8), which states that knowledge conversion positively affects employee performance through organizational commitment, is rejected.

**2. The effect of knowledge application on employee performance through organizational commitment**

The T statistic for knowledge application is 3.528, and the P value is 0.000. Based on the P value test, the hypothesis is accepted if the P value  $< 0.05$ . Since the P value is  $0.000 < 0.05$ , knowledge application has a significant effect on employee performance through organizational commitment. According to the T statistic test, the hypothesis is accepted if the T statistic  $> T$  table. The T table value is determined manually for a two-tailed test with an  $\alpha$  value of 0.05 and a degree of freedom (df) of 5000, resulting in a T table value of 1.96. The research results show that the T statistic of  $3.528 > 1.96$ , thus knowledge application has a significant effect on employee performance through organizational commitment. The results of the T statistic and P value tests are consistent, so it can be concluded that the ninth hypothesis (H9), which states that knowledge application positively affects employee performance through organizational commitment, is accepted.

### **3. The effect of Islamic leadership style on employee performance through organizational commitment**

The T statistic for the Islamic leadership style is 1.311, and the P value is 0.19. Based on the P value test, the hypothesis is accepted if the P value  $< 0.05$ . Since the P value is  $0.19 > 0.05$ , the Islamic leadership style does not have a significant effect on employee performance through organizational commitment. According to the T statistic test, the hypothesis is accepted if the T statistic  $> T$  table. The T table value is determined manually for a two-tailed test with an  $\alpha$  value of 0.05 and a degree of freedom (df) of 5000, resulting in a T table value of 1.96. The research results show that the T statistic of  $1.311 < 1.96$ , thus the Islamic leadership style does not have a significant effect on employee performance through organizational commitment. The results of the T statistic and P value tests are consistent, so it can be concluded that the tenth hypothesis (H10), which states that the Islamic leadership style positively affects employee performance through organizational commitment, is rejected.

## **Discussion of Research Analysis Results**

### **1. The Effect of Knowledge Conversion on Organizational Commitment**

The hypothesis testing analysis conducted proves that knowledge conversion does not influence the value of organizational commitment. It can be concluded that employees feel that the company does not provide support for the knowledge conversion processes at PT. KPJB, resulting in knowledge conversion not having a positive and significant impact on organizational commitment. Knowledge conversion is the process by which an employee adds or shares their knowledge through socialization and knowledge transfer. It is hoped that PT. KPJB can provide more support by organizing knowledge transfer forums or knowledge discussions so that employees acquire new knowledge. PT. KPJB employees are also expected to actively participate in the knowledge conversion process by actively learning new knowledge about equipment operation and troubleshooting in the PT. KPJB environment, as well as actively sharing knowledge and experiences with fellow employees to foster a sense of attachment and ownership with PT. KPJB.

Based on the analysis results, the hypothesis tested in previous research, such as the first study by Razzaq et al. (2018), the second study by Natoil, Hartarini, & Warsilan (2023), and the third study by Ouedraogo & Ouakouak (2018), which stated that knowledge conversion has a positive and significant effect on organizational commitment, does not align with the findings of this study.

### **2. The Effect of Knowledge Application on Organizational Commitment**

The hypothesis testing analysis conducted proves that knowledge application can influence the value of organizational commitment. It can be concluded that PT. KPJB employees can apply the knowledge gained from previous work experiences or from the knowledge conversion process, enhancing their skills and knowledge, thereby increasing their commitment to work with loyalty and integrity at PT. KPJB. Knowledge application is the process of applying knowledge in knowledge management within the company to enhance effectiveness and

performance with the support of organizational commitment from employees. In practice, knowledge application involves oversight from Human Resources Management to ensure the process is well-documented.

Poor knowledge application by employees will lead to lower organizational commitment, while better knowledge application will increase organizational commitment. This research finding aligns with previous studies, such as the first study by Sinclair, Leo, & Wright (2005), the second study by Chiu & Chen (2016), and the third study by Razzaq et al. (2018), which stated that knowledge application has a positive and significant effect on organizational commitment, consistent with the results of this study.

### **3. The Effect of Islamic Leadership Style on Organizational Commitment**

The hypothesis testing analysis conducted proves that the Islamic leadership style does not have a significant effect on organizational commitment. It can be concluded that the Islamic leadership style implemented at PT. KPJB does not increase employees' commitment to give their best abilities to PT. KPJB. One reason is the cultural differences in management between PT. Komipo (from Korea) and PT. PJB (from Indonesia). These differences are one of the reasons why the Islamic leadership style cannot be fully implemented in PT. KPJB's management. The Islamic leadership style is a model or style of leadership that emulates the qualities and leadership style of the Prophet Muhammad in leading the Muslim community. Since the implementation of the Islamic leadership style does not enhance organizational commitment and employee engagement at PT. KPJB, further research is needed on other leadership styles, such as transformational leadership, which may address the cultural differences at PT. KPJB.

This finding does not align with previous research conducted by Fyrda Elsintania, Putri Archianti (2016), Nur Hanifah (2017), and Tatik Suryani and Reno Triyono (2022), which concluded that the Islamic leadership style has a positive and significant effect on organizational commitment.

### **4. The Effect of Knowledge Conversion on Employee Performance**

The hypothesis testing analysis conducted proves that knowledge conversion significantly and directly affects employee performance. It can be concluded that PT. KPJB's management support for the knowledge conversion process in the work environment successfully enhances employee performance. PT. KPJB strives to improve employees' knowledge and skills by providing domestic and international training. This strategy, including overseas training as a reward for high-performing employees, serves as both a reward and a form of training. Employees who receive this training are required to share their knowledge with others, which motivates other employees to improve their performance to receive similar rewards.

Employee performance is the result or level of success an employee achieves in performing their duties based on set standards, targets, and criteria (Al Mehrzi and Singh, 2016). Previous research, such as the first study by Dr. Ignatius Jeffry and Reisza Vellewey Dantes (2017) and the second study by Ngatimun, Muhammad Elmas, Seger Priantoro (2019), stated that knowledge conversion

positively and significantly affects employee performance, which is consistent with the findings of this study.

### **5. The Effect of Knowledge Application on Employee Performance**

The research analysis conducted proves that knowledge application has a direct and significant effect on employee performance. Employee performance will improve if their knowledge management improves. It can be concluded that PT. KPJB management's support, giving employees the freedom to apply their knowledge in their work processes, receives positive attention from employees. Additionally, employees' high enthusiasm for applying their knowledge fosters a sense of attachment and ownership at PT. KPJB, leading to greater commitment and integration in addressing issues at PT. KPJB effectively.

Employee knowledge management includes knowledge identification, creation, collection, organization, and storage. Effective knowledge application enhances employee knowledge through knowledge management systems accessible to all employees. Adequate employee knowledge leads to improved performance, enabling employees to solve workplace problems effectively. This finding aligns with previous studies by Masa'deh, Ra'ed; Shannal, Rifat; Maqableh, Mahmoud; Tarhini, Ali (2017), and Schmidt, Frank L; Hunter, John E; Outerbridge, Alice N (1986), which concluded that knowledge application affects employee performance.

### **6. The Effect of Islamic Leadership Style on Employee Performance**

The analysis conducted proves that the Islamic leadership style does not have a positive and significant effect on employee performance. The findings are similar to Hypothesis 3, with one reason being the cultural differences in management at PT. KPJB between Korea and Indonesia. These cultural differences require a leadership style that can facilitate the two cultures, such as transformational leadership, which motivates and empowers subordinates to take greater responsibility and perform well to achieve the company's vision and mission. This finding contrasts with previous studies, such as the first study by Febriani Rizki, Thoyib Armanu, Surachman, Rofiaty (2017), the second study by Andi Makkulawu Panyiwi, Wisda Zulaeha Suwardi, Afiah Mukhtar, A. Asmawiyah (2022), and the third study by Zulfadli Hamzah, Yuswar Zainal Basri, Zulhelmy (2021), which concluded that the Islamic leadership style has a positive and significant effect on employee performance.

### **7. The Effect of Organizational Commitment on Employee Performance**

The analysis conducted proves that organizational commitment has a significant and positive effect on employee performance. This means that employees' integrity and loyalty significantly affect their performance. The higher the employees' organizational commitment, the higher their performance, and vice versa. PT. KPJB employees have been proven to possess high integrity towards PT. KPJB, as evidenced by consistently achieving company targets, making PT. KPJB a reliable power plant operation and maintenance company. This finding aligns with previous research conducted by Ranty Sapitri and Suryalena (2016), Khairatun Hisan, Zikriani, and Abdul Hamid (2021), and Rahmad Fey Saputro (2023), which

concluded that organizational commitment has a significant and positive effect on employee performance.

### **8. The Effect of Knowledge Conversion on Employee Performance through Organizational Commitment**

The research results show that knowledge conversion does not have a significant indirect effect on employee performance through organizational commitment. This indicates that the knowledge conversion process conducted by PT. KPJB's management, if aimed at enhancing employees' integrity and attachment to PT. KPJB to achieve high employee performance, is not positively valued. However, if the knowledge conversion process is directly aimed at improving employee performance to meet set targets, it will be positively valued. From this analysis, it can be concluded that PT. KPJB employees assume that improving their knowledge and skills is part of enhancing their own capabilities, making them more attractive to other companies if they leave PT. KPJB. The lack of organizational commitment among employees leads to high turnover rates at PT. KPJB.

### **9. The Effect of Knowledge Application on Employee Performance through Organizational Commitment**

The research results show that knowledge application has a significant indirect effect on employee performance through organizational commitment. This indicates that the process of employees applying the knowledge they have gained from personal or others' experiences through knowledge sharing in the work environment can increase their attachment and integrity to PT. KPJB, thereby enhancing their performance. This is due to the efforts of PT. KPJB's management to reward employees with good performance and commitment with individual KPI indices. The rewards motivate employees to solve operational and maintenance problems with their best abilities, ensuring the company meets its targets.

### **10. The Effect of Islamic Leadership Style on Employee Performance through Organizational Commitment**

The research results show that the Islamic leadership style does not have a significant indirect effect on employee performance through

## **CONCLUSION**

Knowledge conversion does not positively influence organizational commitment. Thus, improvements in knowledge conversion efforts by PT. KPJB management to support knowledge transfer processes within PT. KPJB's environment do not impact employees' organizational commitment, and vice versa. Knowledge application positively influences organizational commitment. Therefore, the better PT. KPJB management applies knowledge in the operation and maintenance processes of the power plant, the more it will positively impact employees' organizational commitment, and vice versa. The Islamic leadership style does not positively influence organizational commitment. Hence,

regardless of how well leaders emulate the qualities of the Prophet Muhammad (SAW), it does not impact employees' organizational commitment, and vice versa.

Knowledge conversion positively influences employee performance. Therefore, the better PT. KPJB management supports knowledge transfer processes within PT. KPJB's environment, the more it will positively impact employee performance, and vice versa. Knowledge application positively influences employee performance. Thus, the better PT. KPJB management applies knowledge in the operation and maintenance processes of the power plant, the more it will positively impact employee performance. The Islamic leadership style does not positively influence employee performance. Hence, regardless of how well leaders emulate the qualities of the Prophet Muhammad (SAW), it does not impact employee performance, and vice versa.

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