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Influence of Knowledge Management and Innovation on Organizational Performance Enhancement

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Abstract
Purpose: The purpose of this study is to analyze the effect of knowledge management on organizational performance with innovation as a mediating variable. This research aims to understand how effectively managing knowledge can foster innovation and ultimately enhance performance within healthcare organizations.
Research Methodology: This study employs a quantitative approach, with data collected from 100 employees at the Tanjung Agung Health Center. The sample was selected using the Slovin formula to ensure representativeness. Data were gathered through structured questionnaires and analyzed using SPSS software to test the relationships between knowledge management, innovation, and organizational performance.
Results: The results show that knowledge management significantly and positively affects both innovation and organizational performance. Furthermore, innovation functions as a mediating variable, meaning that better knowledge management leads to increased innovation, which subsequently improves organizational performance. These findings are particularly evident among employees at Tanjung Agung Health Center, suggesting the critical role of internal knowledge systems in driving institutional success.
Conclusion: The study concludes that effective knowledge management is essential in fostering innovation, which plays a key role in enhancing organizational performance. Promoting a culture of knowledge sharing and learning can yield long-term benefits for institutional development.
Limitation: The research was limited to a single health center and focused only on two variables, which restricts the generalizability of the findings across different settings or sectors.
Contribution: This study provides valuable insights into how innovation strengthens the link between knowledge management and performance, offering a strategic direction for organizational improvement, especially in healthcare settings.

Keywords: *Innovation, Knowledge Management, Organizational Performance.*

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1. Introduction

Human beings are crucial to the success of development initiatives, and ensuring their health is paramount to fostering quality human resources. Thus, health development plays a central role in achieving this objective. To support this development, the government has established various health facilities along with their respective healthcare professionals. Among these, Health Centers (Puskesmas) are among the most widely used by the public. As the frontline of health services in Indonesia, Puskesmas requires continuous attention, particularly in relation to the quality of services provided. This is especially important for Puskesmas equipped with inpatient units, which must focus

on improving employee professionalism and upgrading their health facilities to meet the community's needs effectively.

According to Law Number 23 of 1992 on Health, health development is a national effort aimed at raising awareness, willingness, and the ability to live a healthy life among all residents, thus achieving optimal health (Badan Pusat Statistik, 2020). Health services provided by the Health Center generally include curative, preventive, promotive, and rehabilitative services, with additional offerings such as health certificates, payments, and referral letters (Ministry of Health of the Republic of Indonesia, 2014). These services are essential for maintaining public health and improving the overall quality of life in the community. Regulation No. 75/2014 emphasizes that Health Centers must prioritize promotive and preventive efforts to achieve the highest possible degree of health in their respective regions.

The Tanjung Agung Health Center, which was established in 1979 as part of the Baturaja City Health Center, now serves as the only health facility in West Baturaja District, covering 12 villages, including both rural and urban areas (Baturaja Health Office, 2021). This expansive area poses a challenge for the center in providing optimal health services. One potential solution to improve service delivery is through the adoption of innovation in health services, making the process more efficient and effective (Wang & Ahmed, 2021). Human resource management (HRM) is central to improving organizational effectiveness by leveraging employee contributions. Effective performance by employees directly influences overall organizational performance. In the context of healthcare, attracting and retaining qualified human resources is critical to ensuring high-quality services. HRM and organizational performance are inherently connected, and HRM significantly impacts the overall functioning of an organization (Armstrong, 2020). Organizational performance is an important metric used to assess a company’s success in creating and delivering value to its customers (Kaplan & Norton, 2020). Organizations must use their resources efficiently to achieve consistent performance (Peterson et al., 2016).

In health services, human resources, including both medical and non-medical staff, are key to performing essential management tasks such as planning, organizing, directing, and controlling (Davenport, 2019). For quality service delivery, health workers must possess a combination of intellectual, technical, and interpersonal skills, and must adhere to practice standards (Bauer & Erdogan, 2020). These competencies are vital for healthcare providers to ensure the appropriate handling of medical cases, with effective decision-making supported by knowledge management systems. Knowledge management (KM) plays a pivotal role in improving the performance of health organizations. The ability of the workforce at the Tanjung Agung Health Center to keep up with changes and innovations in their duties is directly influenced by their knowledge levels (Grant, 2018). A robust KM system enables the effective management of knowledge assets and supports organizational performance improvements (Nonaka & Takeuchi, 2019). Effective KM implementation in healthcare has been shown to enhance both innovation and operational efficiency, which is vital for continuous improvement (Alavi & Leidner, 2019).

In healthcare, collaborative innovation has become increasingly important for improving competitiveness and performance (Edvardsson & Tronvoll, 2013). Innovative resource management within service systems has the potential to significantly improve organizational outcomes (Ostrom et al., 2020). The healthcare sector, traditionally rigid and often inefficient, must evolve to embrace innovation. Cultivating a culture of continuous improvement through innovation is critical for the sustained success of healthcare organizations (Fadil et al., 2016). The Tanjung Agung Health Center has also taken steps to innovate in response to these demands. Several studies have explored the link between knowledge management and organizational performance. Empirical research by Al-Hakim and Hassan (2013) demonstrated that KM directly influences organizational performance and indirectly impacts it through innovation. This finding is supported by López-Nicolás and Meroño-Cerdán (2011), who emphasize the dual impact of KM on both innovation and organizational performance. Further research by Yeşil et al. (2013) explored the role of knowledge sharing in fostering innovation capabilities but found no direct link between knowledge sharing and innovation performance. Other

studies, such as those by Yeşil & Kaya (2012) and Noviyanti & Mulyanto (2015), have found that while KM affects innovation, the reverse effect on performance remains unclear.

Given these research gaps, particularly regarding the Tanjung Agung Health Center, this study aims to investigate the influence of knowledge management on organizational performance, with innovation as a mediating variable. The findings of this study will help determine how KM practices can be improved to enhance both innovation and organizational performance at the Tanjung Agung Health Center in West Baturaja District, Ogan Komering Ulu Regency.

2. Literature Review

2.1 Process Knowledge Management

The term knowledge management was first introduced in a management conference held in Europe. Knowledge management has many meanings depending on its viewpoints, principles, perspectives and parameters, and until now there has not been a single definition agreed upon by experts (Khoe & Tung, 2018). From a business perspective, knowledge management has many definitions, one of which is from Wiig (1993) who explained that knowledge management is an activity that focuses on how the organization develops knowledge to exploit and also invest for the sake of the organization. Therefore, in every strategic decision on products, services, alliances, acquisitions and divestments that will be carried out by the organization must always be well considered.

Another definition from Nonaka and Toyama (2003) explains that knowledge management is a tool for organizations to continue to evolve in order to be able to adapt to the circumstances for the sustainability of the organization and can also increase organizational capacity which can later create more effective organizational performance. The definition of knowledge management in the last business perspective comes from Thalib, Kumadji, Edis, and Saikim (2023) who said that knowledge management is an activity that maintains the sustainability of the organization to keep it running which gets explicit attention which will ultimately be seen in how the organization issues strategies, policies and practices from all lines of the organization. This is done by creating a direct relationship between knowledge assets, both visible and invisible, with the business results obtained by the organization.

From a management perspective, Debowski (2006) explained that knowledge management is an activity related to translating all information, both in the form of data and past experience, as the basis for decision-making in organizations. And of course, it must be well understood by individuals and can be applied properly. Still from the same perspective, Wiig (1993) explained that knowledge management is an activity that focuses on how to determine, direct, facilitate and monitor the knowledge needed in the practices and activities of all elements of the organization in an effort to determine decisions or prepare organizational strategies. Khobai, Mugano, and Le Roux (2017) stated that Process knowledge management is a series of activities to ensure that companies acquire, share, and utilize the best knowledge in all fields of work by embedding their knowledge in their operations. Process knowledge management has three main processes, which are as follows:

According to Yuliansyah (2023), the use of knowledge is related to the use and application of knowledge in organizational functions or business processes to carry out the activities of a company. In addition, the utilization of knowledge is also not focused on one field only, because the utilization of knowledge is a combination of social, technological and operational aspects, because each plays its own role in the utilization of knowledge, while technology can enable and facilitate access to knowledge repositories. According to Obeidat, Al-Suradi, Masa'deh, and Tarhini (2016) argue that information technology and its flexibility are triggering factors to achieve the desired competitive advantage, considered as a strategic weapon and as an important support for the process of a company's operational activities The five items listed reflect a framework for measuring the utilization of knowledge within an organization, based on studies by Choo (2013), Chuen Huang and Shih (2011), Azzam (2010) and The first item emphasizes the presence of incentive and benefit policies that encourage employees to contribute new ideas, indicating the organization's efforts to motivate knowledge sharing. The second item focuses on the necessity and use of workflow diagrams in performing tasks, suggesting that these diagrams are crucial for standardizing processes and improving task execution. The third item assesses

the company's ability to effectively manage various sources and types of knowledge, highlighting the importance of organizing and storing knowledge so it can be easily accessed and applied. The fourth item looks at how the organization uses its available knowledge to enhance customer services, emphasizing a customer-focused approach where knowledge is directly applied to improve service quality. Finally, the fifth item evaluates the broader impact of knowledge utilization on organizational performance, suggesting that the company uses its knowledge to drive strategic, operational, and financial improvements. Together, these items form a comprehensive measure of how well an organization manages, applies, and benefits from its knowledge resources.

2.2 Conception of Innovation

Kotlers (2009) stated that innovation can be in the form of new products, services, ideas, and perceptions from a person. Innovation is a product or service that is viewed by consumers as a new product or service. In other words, innovation can be interpreted as a breakthrough related to new products. However, innovation is not only limited to the development of new products or services. Innovation also includes new business thinking and new processes. Innovation is also seen as a way for companies to adapt to the ever-changing environment. Therefore, companies must create new thoughts, new ideas that offer innovative products and provide satisfactory service for customers. In addition, innovation is considered important because it is a tool to maintain the survival of the company but also to excel in competition.

Du Plessis (2007) further stated that innovation can be defined as the creation of new knowledge and ideas to facilitate new business outcomes, which aims to improve internal business processes and structures and to create market-driven products and services. Innovation includes both radical and additional innovations. Innovation is an important aspect that organizations must consider when developing their business strategy to build and maintain a competitive advantage. Tether∗ (2003) further pointed out that companies strive to innovate their services for various purposes such as improving service quality, opening new markets, expanding service coverage, increasing flexibility, reducing labor costs, replacing old services and reducing environmental damage and use

2.3 Conception of Organizational Performance

Wibowo (2017) stated that performance comes from the meaning of performance, which means work results or work achievements. Performance is related to doing work and the results achieved from a job. In addition, performance is the result of work that has a strong relationship with the organization's strategic goals, consumer satisfaction and contributes to the economy. Suhag, Solangi, Larik, Lakho, and Tagar (2017) stated that organizational performance is a very broad concept that includes various dimensions of management, operational and competitive excellence of an organization and its activities. In performance appraisal, there are several methods or indicators that can be used, such as financial performance and several other performance indicators outside of finance, such as market performance and customer satisfaction. In other words, organizational performance is a measure that can be used to assess how well an organization performs its tasks within a certain period of time to achieve its goals.

Organizational performance is an overview related to the level of achievement and implementation of an activity in order to realize the goals, objectives, missions and visions of the organization contained in the strategic planning of an organization Mahsun (2006). The term performance is often used to refer to the achievement or level of success of individuals or groups of individuals. Performance can be known only if an individual or group of individuals has a set success criteria. These success criteria are in the form of various goals or certain targets that will be achieved.

According to George (2021), basically the concept of performance can be assessed from two sides, including individual employee performance and organizational performance which includes all members of the organization. Employee performance is the result of work in a certain period of each member of the organization, while organizational performance is the overall performance of various members of the organization to include performance between fields in the organization. Employee performance and organizational performance have a strong bond with each other because the achievement of organizational goals cannot be separated from the performance of individual employees

who are committed to achieving organizational goals. Organizational performance is essentially the collective responsibility of every individual within the organization. When each individual performs well, the overall performance of the organization will improve. Therefore, organizational performance can be seen as a reflection of individual performance.

2.4 Measure of Organizational Performance

Robbins and Coulter (2009) highlight several measures that can be used to assess organizational performance. These measures include organizational productivity, effectiveness, and industry rankings. Organizational productivity refers to the amount of goods or services produced, which is then divided by the inputs required to generate those outputs. Organizational effectiveness is a measure of how well an organization's goals align with its operations and how those goals can be evaluated. Industry and company rankings are determined by specific performance metrics, which may vary across different lists, providing a benchmark for assessing performance and comparing it to other companies. Additionally, Mahsun (2006), identifies four performance measurement approaches that are applicable to public sector organizations, further expanding the understanding of performance evaluation in different contexts.

2.5 Framework of Thought

The research thinking framework that affects the performance of employees of the Tj Agung Health Center, West Baturaja District is Knowledge Management (X) and Innovation (Z) The theoretical thinking framework is shown as follows:

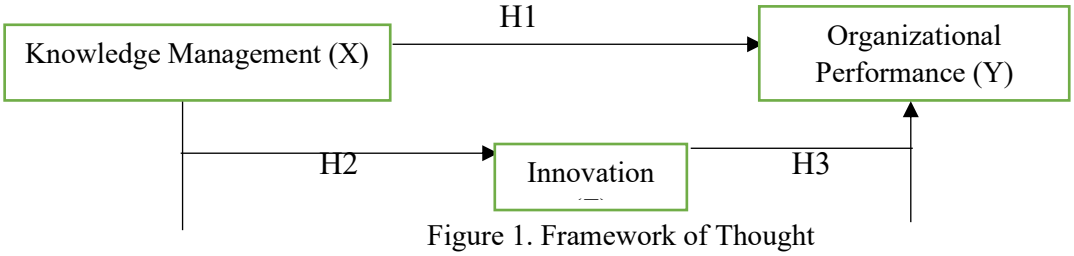

Figure 1. Framework of Thought

2.6 Hypothesis

Sugiyono (2016), stated that the hypothesis is a provisional answer to the formulation of the research problem, where the research formulation has been stated in the form of a statement sentence. Based on this framework of thinking, the hypothesis proposed in the study is

H1 : It is suspected that there is a direct influence of knowledge management on organizational performance

H2 : It is suspected that there is a direct influence of knowledge management on innovation at the Tanjung Agung Health Center

H3: It is suspected that there is an indirect influence of knowledge management on organizational performance through innovation.

3. Methodology

3.1 Types and Data Sources

The type of data in this study is quantitative data, namely data that can be input into statistical measurement scales. The facts and phenomena in this data are not stated in natural language but numbers (numeric) sourced from primary data, namely data collected by the researcher himself by means of interviews and distributing a closed questionnaire in the form of a questionnaire to the subjects, in this case Tanjung Agung Health Center employees. The data collection technique used in this study is using a questionnaire technique.

3.2 Population

According to Sugiyono (2016), population is a generalization area consisting of objects or subjects that have certain quantities and characteristics that are applied by researchers to be studied and then drawn conclusions. In this research, the number of employees at the Tanjung Agung Health Center, Ogan Komering Ulu Regency is 134 people.

4. Result and discussions

In this section, we will present the results and discussions based on the data collected from the respondents. This includes an analysis of their characteristics, which provides important context for understanding the findings of the study.

4.1 Characteristics of Respondents

Table 1. Respondent characteristics

Education level	Number of Employees	Percentage
High School / Vocational School	1	1%
D.3	69	69%
D.4	3	3%
S.1	27	27 %
Sum	100	
Age	Number of Employees	Percentage
20 – 29 years old	18	18%
30 – 39 Years	37	37%
40 – 49 years old	31	31%
>50 Years	14	14%
Sum	100	100%
Gender	Number of Employees	Percentage
Male	10	10 %
Woman	90	90 %
Sum	100	100 %

4.2 Research Results

4.2.1. Validity and Reliability Test

1. Validity Test

An instrument is said to be valid if it meets the following criteria for acceptance/rejection:

a. Reject H0 if the calculated probability value ≤ the set probability of 0.05 (Sig. 2-tailed ≤α0.05), is declared valid.
b. Accept H0 if the calculated probability value > the set probability of 0.05 (Sig. 2-tailed >α0.05), is declared invalid.

The validity test was processed with SPSS 22 and the results can be seen in the table below

Table 2. Validity Test Results

Knowledge Management Process (X)				
No.	Statement	Probability Value	Sig Value.	Sig≤0.05 Valid Sig≥0.05 Invalid
1	MP1	0,415	0,000	Valid
2	MP2	0,361	0,000	Valid
3	MP3	0,455	0,000	Valid
4	MP4	0,557	0,000	Valid
5	MP5	0,424	0,000	Valid
6	MP6	0,388	0,000	Valid
7	MP7	0,266	0,008	Valid
8	MP8	0,601	0,000	Valid

9	MP9	0,446	0,000	Valid
10	MP10	0,518	0,000	Valid
11	MP11	0,478	0,000	Valid
12	MP12	0,623	0,000	Valid
13	MP13	0,562	0,000	Valid
14	MP14	0,647	0,000	Valid
15	MP15	0,526	0,000	Valid
16	MP16	0,623	0,000	Valid
Organizational Performance (Y)				
No.	Statement	Probability Value	Sig Value.	Sig≤0.05 Valid Sig≥0.05 Invalid
1	KO1	0,708	0,000	Valid
2	KO2	0,515	0,000	Valid
3	KO3	0,676	0,000	Valid
4	KO4	0,570	0,000	Valid
5	KO5	0,728	0,000	Valid
6	KO6	0,655	0,000	Valid
7	KO7	0,712	0,000	Valid
8	KO8	0,631	0,000	Valid
9	KO9	0,639	0,000	Valid
10	KO10	0,685	0,000	Valid
11	KO11	0,682	0,000	Valid
12	KO12	0,470	0,000	Valid
13	KO13	0,364	0,000	Valid
14	KO14	0,443	0,000	Valid
15	KO15	0,532	0,000	Valid
16	KO16	0,751	0,000	Valid
Innovation (Z)				
No.	Statement	Probability Value	Sig Value.	Sig≤0.05 Valid Sig≥0.05 Invalid
1	IN1	0,687	0,000	Valid
2	IN2	0,788	0,000	Valid
3	IN3	0,771	0,000	Valid
4	IN4	0,743	0,000	Valid
5	IN5	0,761	0,000	Valid
6	IN6	0,708	0,000	Valid

Source : primary data, 2024 (processed)

Based on table 2, it can be seen that the value of sig. From each of the statement items is the SIG value. < 0.05, then it can be concluded that each statement item used is valid.

2. Reliability Test

The reliability test is used to determine the consistency of the measuring instrument on the questionnaire, meaning whether the measuring instrument will get consistent measurements if the measurement is repeated again (Ndoh & Umbugadu, 2024). A research instrument is indicated to have an adequate level of reliability if *the Cronbach Alpha coefficient* is greater than or equal to 0.70.

Table 3. Reliability Test Results

No.	Variable	*Cronbach's Alpha*	Information
1.	Knowledge Management Process	0,786	Reliable
2.	Organizational Performance	0,882	Reliable
3.	Innovation	0,831	Reliable

Source : Primary Data, 2024 (processed)

Based on table 3, it can be seen that the *Cronbach's Alpha* value for each variable is above 0.70. This means that all items of the statement are reliable and all tests are consistent because they have strong reliability.

4.3 Classical Assumption Test

4.3.1 Normality Test

The use of the Kolmogorof-Smirnov test or the K-S test is included in the non-parametric group because the researcher does not know whether the data used is paramaemetric data or not. In the K-S test, the data is said to be normal if the Sign value > 0.05. (Lupiyoadi & Ikhsan, 2015)

Table 4. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	2.16801436
Most Extreme Differences	Absolute	.077
	Positive	.046
	Negative	-.077
Test Statistic		.077
Asymp. Sig. (2-tailed)		.148c
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Based on table 4, it shows that the sig value > 0.05 or 0.148 > 0.05 so it can be concluded that the data is said to be normal.

4.4 Heterokedasticity Test

In this study, to test heteroscedasticity, the researcher used a glacier test with the criterion that if the value of Sig. > 0.05 indicates that the model is free from symptoms of hethoroskedasticity. (Lupiyoadi & Ikhsan, 2015).

Table 5. Heterokedasticity Test

Coefficientsa						
Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.382	2.082		-1.144	.255
	Knowledge Management Process	.041	.040	.134	1.036	.303
	Innovation	.061	.071	.112	.862	.391
a. Dependent Variable: abs_res1						

Based on the regression output between residual and variable – independent variable shows a significant value > 0.05, so it can be concluded that the model is free from heteroscedasticity symptoms.

4.5 Path Analysis

4.5.1 The path coefficients of the first model

Based on table 6. then the regression equation is as follows:

$Z = 0.559 + 0.364\ X$

Table 6. The path coefficients of the first model

Coefficientsa						
Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.559	2.963		.189	.851
	Knowledge Management	.364	.044	.645	8.355	.000
a. Dependent Variable: Innovation						

The regression equation above can be described as follows:

1. A constant value of 0.559 is a positive value, meaning that if the value of knowledge management (X) is equal to zero, then innovation (Z) is equal to the constant value of 0.559.
2. The regression coefficient of knowledge management (X) of 0.364 has a positive value, meaning that if the value of knowledge management (X) increases by one unit, then innovation (Z) will increase by 0.364.

4.5.2 Second model path coefficient

Based on table 7, the regression equation is as follows:

$$Y = 9{,}022 + 1{,}603\ Z$$

Table 7. Second model path coefficient

Coefficientsa						
Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.022	3.466		2.603	.011
	Knowledge Management	.266	.067	.221	3.996	.000
	Innovation	1.603	.118	.751	13.568	.000
a. Dependent Variable: Organizational Performance						

The regression equation above can be described as follows:

1. A constant value of 9.022 is positive, meaning that if the innovation value (Z) is equal to zero, then the organizational performance (Y) is equal to the constant value of 9.022.
2. The innovation regression coefficient (Z) of 1.603 has a positive value, meaning that if the innovation value (Z) increases by one unit, then the organizational performance (Y) will increase by 1.603.

4.6 Path Analysis

Based on the results of the regression analysis, it can be seen that the influence of knowledge management on organizational performance mediated by innovation at the Tanjung Agung Health Center can be seen in figure 2.

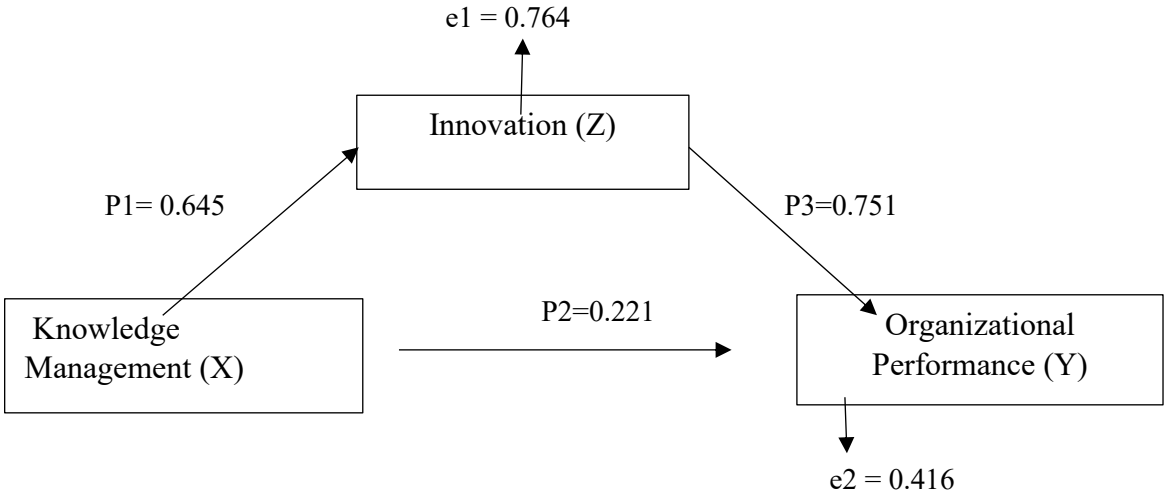

Figure 2. Path Analysis

Table 8. Coefficient Summary Output Between X, Z, and Y Variables

Variable	Standardized Coefficient Beta	Sig.	Information
X→Y	0,221	0,000	Significant
X→Z	0,645	0,000	Significant
Z→Y	0,751	0,000	Significant

Source : processed data (2024)

Based on the summary of the table above, the results are obtained, the magnitude of the direct influence of X on Y is 0.221 and significant, the magnitude of the indirect influence of X on Y is 0.484 obtained from X→Z and Z→Y (0.645 x 0.751). And the total magnitude of the influence is 0.221 + (0.645 x 0.751) = 0.705. The influence of X on Y is significant and when going through the innovation variable, X to Z is significant or successful and Z to Y is significant or successful. The *innovation variable path* analysis (Z) mediates between the knowledge management process (X) and organizational performance (Y) through *partial mediation*. It is said to *be partial mediation* because it occurs when the mediator variable reduces the strength between the independent variable and the dependent variable, but the direct relationship between the independent variable and the dependent variable remains significant. In this case, the effect of the independent variable on the dependent variable occurs partly through the mediator, and partly directly. Furthermore, a mediation test was carried out using *a sobel test* with the following equation:

Table 9. Reference for calculating the sobel test

Variable	Unstandardized	Std. Error
Knowledge Management Process Towards Innovation	0.364(a)	0.044 (sa)
Innovation for Organizational Performance	1,603 (b)	0.118 (SB)

Source : primary data, 2024 (processed)

$$Sat = \sqrt{b^2 Sa^2 + a^2 Sb^2 + Sa^2 Sb^2}$$
$$Sat = \sqrt{(1{,}603^2 \, x \, 0{,}044^2) + (0{,}364^2 x \, 0{,}118^2) + (0{,}044^2 x \, 0{,}118^2)}$$
$$Sat = \sqrt{0{,}004974763 + 0{,}001844874 + 2{,}69569}$$
$$Sat = \sqrt{0{,}006846594}$$
$$Sat = 0.082744149$$
$$Z = \frac{ab}{Sab}$$
$$Z = \frac{0{,}364 \, x \, 1{,}603}{0{,}082744149}$$

$$Z = \frac{0{,}583492}{0{,}082744149}$$
$$Z = 7.051761$$

Information:
Ab : the indirect effect coefficient obtained from the direct a coefficient and coefficient direct b
a : independent direct effect coefficient (X) to the mediator (Z).
b : the coefficient of the mediator (Z) to the dependent (Y).
Sa : standard error of coefficient a.
Sb : standard error of coefficient b.

Based on the calculation of the equation of *the sobel test* with the manual, the magnitude of the Z value is 7.051761, which means > 1.96.

The Z value can be confirmed by using a *sobel test calculator.* The following are the results of the z calculation using *the sobel calculator.*

Table 10. calculation Sobel Test

Input:			Test statistic:	Std. Error:	*p*-value:
a	0.364	Sobel test:	7.06568491	0.0825811	0
b	1.603	Aroian test:	7.05176145	0.08274415	0
s_a	0.044	Goodman test:	7.07969117	0.08241772	0
s_b	0.118	Reset all	Calculate		

Primary :d source, 2024 (processed)

The magnitude of the value obtained from the calculation results of the sobel test is 7.06568491 while the Z value with the calculation of the sobel test equation is 7.051761. Calculation through *the sobel test calculator* obtained the z statistic (p-value) is 0.0000 which means < 0.05. From the results of *the sobel test*, it can be explained that the indirect influence of the knowledge management process (X) on organizational performance (Y) mediated through innovation (Z) is successful and significant. The results obtained through the path analysis test and *sobel test,* it can be said that all hypothesis tests that have been carried out prove that the hypothesis (H3) is accepted.

4.7 Statistical Test

4.7.1 Test t

1. Effect of X on Y
   In table 4.9, the significance value of the variable of knowledge management process (X) organizational performance (Y) was obtained as 0.000 < 0.05. So it is concluded that there is a direct significant influence between knowledge management (X) on organizational performance (Y).
2. Effect of X on Z
   In table 4.9, the significance value of the variable of knowledge management process (X) on innovation (Z) was obtained of 0.000 < 0.05. Therefore, it is concluded that there is a direct significant influence between knowledge management (X) and innovation (Z).
3. Effect of Z on Y
   In table 4.9, the significance value of the innovation variable (Z) of organizational performance (Y) was obtained at 0.000 < 0.05. So it is concluded that there is a direct significant influence between innovation (Z) and organizational performance (Y).

4.7.2 Test F

The results of the simultaneous test calculation (F) can be shown in the table below:

Table 11. Results of simultaneous test calculation (F)

ANOVAa						
Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3002.539	2	1501.269	231.158	.000b
	Residual	629.971	97	6.495		
	Total	3632.510	99			
a. Dependent Variable: Organizational Performance						
b. Predictors: (Constant), Innovation, Knowledge Management Process						

The results of the F test in table 11 show the results of simultaneous testing of all parameters, showing that the significant value of F is 0.000 < 0.005. Therefore, it can be concluded that the variables of knowledge management (X) and innovation (Y) together have a real effect on organizational performance (Y).

4.7.3 Coefficient of Determination

4.7.3.1 First Regression Equation

The results of the determination coagulation data processing can be seen in table 12 as follows:

Table 12. First Regression Equation

Model Summary				
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.645a	.416	.410	2.17905
a. Predictors: (Constant), Knowledge Management Process				

Based on the results of processing the first regression data in table 12, the value of *the R Square determination coefficient* was obtained of 0.416. This means that the percentage of contribution of knowledge management's influence to innovation is 41.6% while the remaining 58.4% is influenced by other variables outside the variables in this study, such as organizational learning (Jyoti, Chahal, & Rani, 2017).

4.7.2 Second Regression Equation

The results of the determination coagulation data processing can be seen in table 12 as follows:

Table 12. Second Regression Equation

Model Summary				
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.909a	.827	.823	2.54844
a. Predictors: (Constant), Innovation, Knowledge Management				

The results of the determination coefficient analysis test can be seen in table 12 Based on the calculation results, the R Square value is 0.827. The R2 value means that the contribution of the knowledge management process (X) and Innovation (Z) to organizational performance (Y) is 82.7% while the remaining 17.3% is the contribution of other variables that have not been studied, such as organizational learning variables (Jyoti et al., 2017).

5. Conclusion

5.1 Conclusion

Based on the analysis and discussion, These findings highlight the importance of effective knowledge management in fostering innovation, which in turn contributes to enhanced organizational performance.

5.2 Limitations

The limitations of this study are as follows:

1. Limited Sample: This study was conducted only at the Tanjung Agung Health Center, which is the only health center in the West Baturaja District of Ogan Komering Ulu Regency. Therefore, the findings of this study may not be generalizable to other health centers in different regions.
2. Variables Tested: This study focuses only on the impact of knowledge management and innovation on organizational performance using a few existing variables from the literature. It does not examine other factors that may influence organizational performance, such as organizational culture, technology, or external factors.
3. Time and Resources: This study was conducted within a limited time frame and with limited resources, which may have constrained the depth of the analysis and the scope of data obtained.

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