

## **Development of Knowledge Management Ability to Improve Public Service Performance**

**OnnoSahlania Hamzah**

*Lecturer of Public Administration and Management*

*Pejuang University of Makassar*

E-mail: onnosahlania@gmail.com

**Muh.Rum**

*Lecturer of Finance and Management*

*STIM Publik of Makassar*

E-mail: r12um@yahoo.co.id

### **Abstract**

The purpose of this study is to know the performance of public service in Makassar local government. More over to prove the human resource management to solve the the latest phenomena in delivering service in whole sector which requested by the public. This survey was distributed to a random sample of public officer and the staff who have experience and in charge of in public service. Sample data collected about 32 personal, as well as respondents. Applied technical research by Smart Partial Least Square. Our finding is that the wider the scope of the audit will be an effort to develop human resource in public sector by increase knowledge sharing, while in a case of knowledge sharing will suppress public service performance for their goal. As well as the capability management which is regarded to maintain the quality. The staff and officer in public service is required to focus on keep continuing develop the quality and competence of human resource in Makassar local government.

**Keywords:** Capability Management, Knowledge sharing, public service performance

### **Preliminary**

Employee productivity can increase if the organization's leadership is not only a motivator, and a stimulator, but also serves as a counterpart to its subordinates. Not all employees have the same potential and motivation, but with treatment in a very conducive working climate, all subordinates will behave in a uniform manner according to the ethics and norms of the organization. According to Wijono (2000) that there is influence between work motivation, affiliation motives and power with personality to work performance. Leaders function as a giver and creator of a conducive working atmosphere, such as harmonization of relationships between employees, the relationship between superiors with subordinates, the existence of a clear career system and not give different treatment to subordinates, and remunerate grants/ rewards balanced with achievement work.

Management and guidance of human resources of appropriate public services if contribute to the public service and increase its competitive power. Whereas in this aspect of human resources public service most highlighted as one source of problem weakness of existence of public service. Therefore the need for identification of human resource management problems public services as an initial step of improvement. Until now, public services have not been able to show a significant

contribution to the national economy. Identified 7 qualitative problems experienced by Indonesian public services, namely (1) image, (2) independence, (3) quality of human resources, (4) management, (5) availability and (6) access to capital, (7) business network (Deputy Field of Human Resource Development Ministry of Public Service and Small and Medium Enterprises of the Republic of Indonesia, 2010). Public service has an image as an organization because of lack of quality of human resources and incompetent managerial skills that most people look to the public view, whereas public service was established as a pillar of the national economy. Public services are associations of people and capital that have business and social objectives, in contrast to other business entities. Therefore, human resource management plays an important role in public services. Management human resources help to achieve the optimal goal of an organization to improve the effectiveness of human resources.

Assessment of employee performance for organization management is a work program to evaluate human resource management system and its contribution to organization. Delery and Doty (1996) say that employee performance is the result of a series of actions and treatment that have been given to employees. Mangkunegara (2000) said that the performance of employees is the result of work in quality and quantity that can be achieved. To conduct a performance appraisal, first establish a model or desire that will be achieved such as setting work targets, employee attendance targets, employee creativity, and adherence to the norms or rules of work within the organization. For that performance employees need to be evaluated to know how far the effectiveness of treatment that has been given by the organization.

Human Resource Management Practice is a management process designed to obtain qualified human resources. Practice is always done by recruiting, training and developing potential employees to have certain competencies in accordance with what the organization needs. Robbins and Cotler (2003) that in the practice of human resource management begins with the stages of needs planning, selection, and socialization prior to the formation of work motivation. Socialization is the process by which the organization intends to help new employees adjust to work motivation. Manpower must be empowered in accordance with the competence and needs of the organization and maintain it as an asset by providing rewards. It is possible to have a cyclical alternating effect between one variable over another (Ndraha, 2005), for example organizational culture was initially influenced by human resource management practices, and then over time reversed correction.

Service is one of the public services that help the economy of Makassar city, especially in small and micro business, so it requires adequate human resources to support the main purpose of the public service. The public service has a function and a role in building and developing the economic potential and ability masyarakat society in particular and in general to improve the economic and social welfare. To achieve these objectives, public services are required to increase their independence. The independence of public services can be achieved by developing profitable business activities with the support of competent human resources. Public service is regarded as business that is run by many public services. In addition to beneficial, this activity is considered to help the community in terms of finances and encourage the spirit to save. Berger and Luckmann (1966) to develop knowledge in organizations requires externalization, objectification and internalization. Externalization of knowledge is the process by which the exchange of personal knowledge exists, so that knowledge is communicated among the masses. Knowledge objectification is the process by which knowledge becomes an objective reality, so that knowledge is recognized by the organization. Internalization of knowledge is the process by which the objective knowledge is used by the person in the context of their socialization. Internalization of knowledge is done through search activities and rediscover the knowledge stored in the organization. Innovation results from a combination of personal knowledge, shared knowledge by groups, and organizational knowledge. The roses also describe the sharing of knowledge. The same thing proposed by Moorhead and Ricky (2013) should be done knowledge exchange, knowledge retrieval, and knowledge creation.

The design of this study is reviewed from the research objectives, it is included in descriptive associative research, which seeks influence and explain the relationship between exogenous variables

consisting of Capability Management, and Knowledge Sharing Culture, toward the Performance of public services.

The unit of analysis of this research is the human resources of the public sector in Makassar. This descriptive and associative research design begins with a description of some of the phenomena concerning the performance of public services within the scope of Makassar. This study uses multiple linear regression analysis to measure the level of influence, and test the reliability, validity, and goodness and fit of the model and the data that has been prepared in the conceptual framework of this study. According to Hair, et.al (2010) that this descriptive associative research aims to answer some research hypotheses arising from the main problem of research, then take the theory and findings as the basis of comparison as a reference to be verified against the existing phenomenon.

Based on the background and motivation of research that has been disclosed, can be prepared formulation of the problem or development research capabilities management and knowledge sharing has a positive and significant impact on the performance of public services Public services in Makassar?.

## **Theoretical Background**

### **a. Theory of Human Resource Management**

The role of employees as contributors to the achievement of organizational goals by Robert Owen in Pace, Wayne, and Don (2005) that employees as "life machines" within the organization. Means the organization will run quickly if the motoring by employees who are educated, disciplined, and creative. Fayol (2010) looks at staff as an extension of the manager's work. The closer the work communication between managers and employees, the stronger the range of managers.

Bakke in Behling and McFillen (1996) that the function of human resources within an organization is empowered in balance with other resources. Unbalanced resource management will cause losses on the one hand. Waldman (1993) human resource management becomes part of the strategy as a basis for influencing decisions on employees in terms of employment law, employee recruitment, retirement plans, occupational safety and health.

The human resource theory proposed by Herzberg et.al in Luthans (2002) that the high attitudes and experience of a person determine the quality of his work. Factors identified as work context are hygiene (preventive) factors: supervision, interpersonal relationships, physical work conditions, salary, organizational policy, administration, profit and safety. If these factors fall below what the workers perceive to a point, it will lead to dissatisfaction. Conversely, if factors increase, job satisfaction will be achieved, so it grows as a "motivator" i.e factors such as achievement, recognition of challenging work achievements, increased responsibilities, and opportunities to grow and develop.

### **b. Job Performance Theory**

According to Dessler (1997) performance appraisal performance is an employee performance appraisal process conducted by organizational leaders systematically based on work assigned to him. According Handoko (2001) performance appraisal is the process of evaluating and assessing employee performance. This activity can improve personnel decisions and provide feedback to employees about their job performance. According to Stoner and Shore (1996) performance appraisal is a process that includes: (1) determination of standards of work performance; (2) assessment of the actual work performance of employees in relation to these standards; and (3) provide feedback to employees with the aim of motivating the person to eliminate deterioration in work performance. While the meaning of the work dimensions according to Gomes (2000) expand the dimensions of employee performance based on:

- 1) Quantity work; the amount of work performed within a specified time period.
- 2) Quality of work; quality of work based on terms of conformity and readiness.

- 3) Job knowledge; the breadth of knowledge about his work and skills.
- 4) Creativeness; Authenticity of emerging ideas and action actions to resolve emerging issues.
- 5) Cooperation; loyalty to cooperate with others
- 6) Dependability; awareness and trust in terms of attendance and work completion.
- 7) Initiative; the spirit to carry out new tasks and in enlarging his responsibilities.
- 8) Personal qualities; concerning personality, leadership, hospitality, and personal integrity.

### **c. Behavior of Sharing Knowledge Sharing Science**

Knowledge Sharing is a work behavior between employees or between managers and employees to exchange or share knowledge between two individuals, where one person communicates his knowledge to others while the other assimilates the knowledge he has acquired (Jacobs, 2003). The main focus of knowledge sharing from each individual that is able to explain, encode and communicate knowledge to others, groups, and especially to the organization. Knowledge sharing can occur between individuals, within and between teams, between organizational units, and between organizations (Glassop, 2002). The above definition is further extended to the assertion that knowledge sharing is a process whereby individuals collectively and iteratively refine a thought, idea, or suggestion according to the guidance of individual experience (West and Mayer, 1997).

Some other studies mean knowledge sharing as the initial gas can be progressively modified or rejected continuously until a common perspective emerges. While Ireland, Hitt and Vaidyanath (2002) define it as a process of developing, transferring, integrating and using knowledge effectively and efficiently. Hooff and Ridder (2004) provide an understanding of knowledge sharing as a process whereby individuals mutually exchange their knowledge (both tacit and explicit knowledge), and ultimately in an integrated manner can create new knowledge. So in this case can be taken conclusion that knowledge sharing is a process of sharing knowledge between individuals, as well as organizations, to create common goals for organizations that want to use their knowledge assets to achieve competitive advantage. Knowledge sharing can be tacit and explicit knowledge.

Knowledge sharing defined as an exchange of knowledge between two individuals; one person communicating knowledge, the other assimilating that knowledge (Jacobson, 2006). Other studies interpret knowledge sharing as " the exchange or transfer process of fact, opinions, ideas, theories, princesses and models within and between organizations, including trial and error, feedback, and mutual adjustment of both the sender and receiver of knowledge " (Szulanski, 1996). The above definition is further extended to the assertion that knowledge sharing is a process whereby individuals collectively and iteratively refine a thought, idea, or suggestion according to the guidance of experience (Wasley, 2006). Gasasan can initially be progressively modified or rejected continuously until a common perspective emerges. Ireland, Hitt and Vaidyanath (2002) define it as a process of developing, transferring, integrating and using knowledge effectively and efficiently.

The population of this study is all public service employees in Makassar. The sample of this research is structural civil servants have a more dynamic character, mindset and wider perception, as well as the wider dimension of its activities. Sampling technique based on nonrandom sampling or nonprobability sampling that every element of the population does not have the same possibilities to be sampled. Included in nonprabability sampling is convenience sampling, as the sampling technique used in this study. Convenience sampling is also known as accidental sampling, the technique of selecting samples from the population elements whose data are easily obtained by researchers and researchers have the freedom in choosing the sample to be used (Indriantoro and Supomo, 2002 in Yaya et.al. , 2008)

The classification variables, the main variables and latent variables can be seen in Table 1 as follows:

**Table1:** Main Variables and Variable Indicators

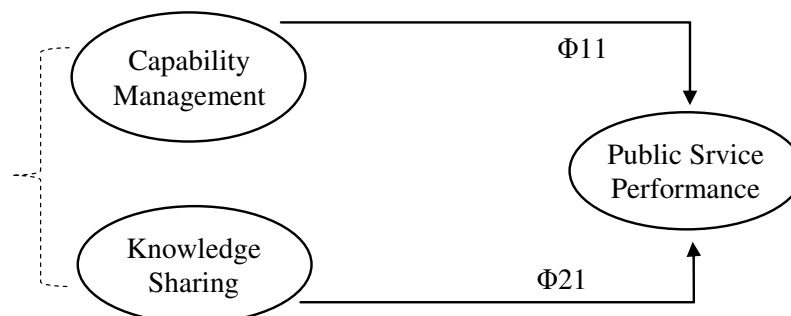
Main Variables And Indicators	
<b>a. Capability Management</b>	
1.	The development of talent
2.	Innovative power
3.	Abilities ,
4.	Implementation of work,
5.	Skills ( skill )
<b>b. Knowledge Sharing</b>	
1.	Internalization of knowledge
2.	Knowledge exchange
3.	Knowledge retrieval
4.	Knowledge creation.
5.	Knowledge self-efficacy
<b>c. Public Service Performance</b>	
1.	Level of quality of work.
2.	Level of quantity of work result.
3.	Level of ability to cooperate.

## Data Analysis Procedures

This research implements a number of statistical techniques and procedures that help to examine research hypotheses. These techniques include reliability and validity test, frequency analysis, independent sample t-test, descriptive statistics, correlation matrix, linear regression, and simple regression. All statistical procedures were estimated using path analysis with Smart PLS implemented properly.

## Models

The categorical nature of the dependent variable leads to inefficient OLS parameter estimates due to heteroscedasticity of the OLS residuals (Maddala,1983). Therefore, we examine the association between financial statement restatements and indirect measures of public service performance using multivariate logistic regressions. The models based on figure 1 are estimated using the restatements sample and all another firm- year observations with available. This methodology is consistent with that employed in Richardson (2008) and avoids the problem of non-random matched samples for infrequent events described in Palepu (2000) and Zmijewski (1984).

**Figure 1:** Conceptual Framework Research-Based Model Equations Structural

The model is estimated separately for each indirect audit risk measure.  $\eta_1 = \Phi_1 \xi_1 + \Phi_2 \xi_2 + \zeta_1$  or Public Service Performance =  $\Phi_1$  Capability Management +  $\Phi_2$  Knowledge Sharing +  $\zeta_1$ . Partial Least Square (PLS) Estimation Parameters Estimation parameters of structural equation modeling with partial

least square approach was obtained through a three-stage process of iteration and at every stage of producing estimates. The first phase resulted in estimated weight  $w_{jh}$ . Weight estimation of  $w_{jh}$  weights obtained through two ways, namely mode A and mode B. Mode A is designed to obtain the estimated weight of the types of indicators reflexive, whereas the B mode is designed to obtain the estimated weight of the types of indicators formative.

In mode A weights  $w_{jh}$  is the regression coefficient of  $Z_j$  in simple regression models  $X_{jh}$  on inner estimation  $Z_j$ ,  $X_{jh} = w_{jh} Z_j + e_{jh}$ . Estimates for the model 1 is obtained through OLS in a way to minimize the sum of squared  $e_{jh}$ , as follows:  $e_{jh} = X_{jh} - w_{jh} Z_j$ ,  $\sum_{h=1}^J e_{jh}^2 = \sum_{h=1}^J (X_{jh} - w_{jh} Z_j)^2$ . Then the sum of the squares  $e_{jh}$  lowered to the face  $w_{jh}$  in order to obtain weights for mode A:  $\hat{w}_{jh} = \frac{\text{Cov}(X_{jh}, Z_j)}{\text{Var}(X_j^2)}$ . Mode 2 of the weighting vectors  $w_j$  of  $w_{jh}$  is the regression coefficient vector of  $Z_j$  at the center of the manifest variables  $(X_{jh} - \bar{X}_{jh})$  are connected to each other latent variables  $\xi_j$ :  $Z_j = w_j X_j + \varepsilon_j$  and  $\varepsilon_j = Z_j - w_j X_j$ . Generating of  $\varepsilon_j^T \varepsilon_j$ :  $\varepsilon_j^T \varepsilon_j = (Z_j - w_j X_j)^T (Z_j - w_j X_j) = Z_j^T Z_j - 2w_j X_j^T Z_j + w_j^T w_j X_j^T X_j$ . Then  $\varepsilon_j^T \varepsilon_j$  lowered to  $w_{jh}$  in order to obtain weights for mode B:  $\hat{w}_j = (X_j^T X_j)^{-1} X_j^T Z_j$ , Where  $X_j$  is a matrix with columns defined by the manifest variables  $(X_{jh} - \bar{X}_{jh})$  linking  $\xi_j$  latent variable  $j$ . Inner weight vector model is a  $w_{jh} = (\text{Var}(X_j))^{-1} \text{Cov}(X_{jh}, Z_j)$  with  $\text{Var}(X_j)$  is covariance matrix Of  $X_j$  and  $\text{Cov}(X_{jh}, Z_j)$  Is the column vector between variables of  $X_{jh}$  and  $Z_j$ . The second stage produces estimates obtained path through the model inner and outer estimation models.

- Inner Model Estimation

By following the PLS algorithm of Wold (1985) and which has been improved by Lohmoller's (1989), the estimated inner  $Z_j$  models of standardized latent variables  $(\xi_j - m_j)$  is defined by  $Z_j \propto \sum_{i: \xi_j} \text{connected to } \xi_j e_{ji} Y_i$ . Wherein the weight inner  $e_{ji}$  models can be selected via three schemes, namely:

- Outer Model Estimation

Estimates outer models  $Y_j$  of standardization latent variables  $(\xi_j - m_j)$  with mean = 0 and standard deviation = 1, obtained by a linear combination of the variables center manifest by the following equation  $Y_j \propto \pm [\sum_{h=1}^J w_{jh} (X_{jh} - \bar{X}_{jh})]$ . Where the symbol  $\alpha$  means that the variable left represents the right of the standardized variables. Standardisation latent variables can be written by the following equation:  $Y_j = X_{jh} + e_j$  With  $X_{jh} = w_{jh} Z_j + e_j$  dan  $Z_j = X_{jh} - \bar{X}_{jh}$  So that  $\bar{Y}_j = \sum_{h=1}^J \tilde{w}_{jh} (X_{jh} - \bar{X}_{jh})$ . The Coefficient of  $w_{jh}$  and  $\tilde{w}_{jh}$  both of regarded as outer mode weighted. The third stage produces Mean estimates obtained and constant parameter. In This stage, estimation procedure based on main matrix and weight estimation and second stage coefficient, in order to count mean and constant parameter.

- Mean estimation of  $m_j$

Mean obtained as quotations as  $\xi_j = Y_j + m_j + e_j$  and  $\xi_j - m_j = Y_j + e_j$  with  $Y_j = \sum_{h=1}^J \tilde{w}_{jh} (X_{jh} - \bar{X}_{jh})$  then  $\xi_j - m_j = \sum_{h=1}^J \tilde{w}_{jh} (X_{jh} - \bar{X}_{jh})$ . Equations analog as:  $\xi_j = \sum_{h=1}^J \tilde{w}_{jh} X_{jh} = Y_j + \hat{m}_j$  So that:  $\hat{m}_j = \sum_{h=1}^J \tilde{w}_{jh} \bar{X}_{jh}$ . Where  $\tilde{w}_{jh}$  is defined as the weight of the outer models, with all the manifest variables that observations on the same scale of measurement. According to Fornell (1982), says that if the estimation of latent variables on the original scale  $\xi_j^* = \frac{\sum_{h=1}^J \tilde{w}_{jh} X_{jh}}{\sum_{h=1}^J \tilde{w}_{jh}}$ . The above equation is possible when all the weighting of the outer positive model. Often in real applications, the estimation of latent variables require scale

0-100 scale in order to have a benchmark to compare with an individual score. So in the case of the I series observation, the easily obtained through the transformation as follows:  

$$\xi_j^{0-100} = 100 \times \frac{\xi_j - x_{\min}}{x_{\max} - x_{\min}}$$
Where  $x_{\min}$  And  $x_{\max}$  are the minimum and maximum values of the common measurement scale for all variables manifest.

• Parameter Constant

In general, the path coefficient  $b_{ji}$  is multiple regression coefficient of  $Y_j$  endogenous latent variables were standardized in the explanatory latent variables (Exogenous)  $Y_i$ ,  $Y_j = \sum_{i=1}^J b_{ji} Y_i + e_j$ . At the time of converging latent variables (non-centered)  $\xi_j$  is equal to  $Y_j + \hat{m}_j$ . The regression equation when the latent variable  $\xi_j$  not converge is:  

$$\hat{\xi}_j = b_{j0} + \sum_{i=1}^J b_{ji} \hat{\xi}_i + e_j$$

$$e_j^2 = (\hat{\xi}_j - (b_{j0} + \sum_{i=1}^J b_{ji} \hat{\xi}_i))^2 = \hat{\xi}_j^2 - 2\hat{\xi}_j b_{j0} - 2\hat{\xi}_j \sum_{i=1}^J b_{ji} \hat{\xi}_i + (b_{j0}^2 + 2b_{j0} \sum_{i=1}^J b_{ji} \hat{\xi}_i + \sum_{i=1}^J b_{ji}^2 \hat{\xi}_i^2)$$

$$\cdot \frac{\partial e_j^2}{\partial b_{j0}} = \hat{b}_{j0} = \hat{\xi}_j - \sum_{i=1}^J b_{ji} \hat{\xi}_i$$
with  $b_{j0} = \hat{m}_j - \sum_i b_{ji} \hat{m}_i$ . So the location parameter is a constant  $b_{j0}$  for endogenous latent variables and the average  $\hat{m}_j$  for exogenous latent variables.

## Results

The following sections shed some lights on the concept of each statistical procedure used in the research. In this research will be testing the validity and reliability on each latent variable is the variable capability management and knowledge sharing toward public service performance by using statistical software SmartPLS. Size reflexive individual is said to be valid if it has a value of loading ( $\lambda$ ) with latent variables to be measured  $\geq 0.5$ , if one indicator has a value of loading ( $\lambda$ )  $< 0.5$ , the indicator should be discarded (dropped) because it would indicate that the indicator is not good enough for measure latent variables appropriately. Here are the results of structural equation path diagram output in the PLS using SmartPLS software.

Results of testing that the whole independent variables showing positively associated with the likelihood of public service performance. The value of loading ( $\lambda$ ) to be valid if it has a latent variable to be measured  $\geq 0.5$ , that way in Table 2, the whole indicators apparently valid to continue as good indicator to support latent variable.

**Table 2:** ValidityTest

Indicator To Latent Variable	Loading ( $\lambda$ )	Sample Mean	Standard Error	T Statistics	Validity
Capbmen1 <- Capability Management	0.193838	0.175509	0.088174	2.198362	Valid
Capbmen2 <- Capability Management	0.280627	0.287826	0.065556	4.280728	Valid
Capbmen3 <- Capability Management	0.252683	0.244809	0.03108	8.130151	Valid
Capbmen4 <- Capability Management	0.253265	0.245845	0.029003	8.732351	Valid
Capbmen5 <- Capability Management	0.221413	0.254713	0.134899	1.641327	Valid
Knows1 <- Knowledge Sharing	0.27213	0.264309	0.025163	10.814667	Valid
Knows2 <- Knowledge Sharing	0.223945	0.217445	0.032926	6.801373	Valid
Knows3 <- Knowledge Sharing	0.221133	0.222927	0.050939	4.34115	Valid
Knows4 <- Knowledge Sharing	0.276539	0.270186	0.018757	14.743339	Valid
Knows5 <- Knowledge Sharing	0.256746	0.222402	0.199461	1.287201	Valid
Pubmance1 <- Public Service Performance	0.234187	0.22238	0.133688	1.751742	Valid
Pubmance2 <- Public Service Performance	0.234187	0.22238	0.133688	1.751742	Valid
Pubmance3 <- Public Service Performance	0.766622	0.658793	0.368267	2.081704	Valid

Source: Output of Test of Bootstrapping Smart PLS

### Reliability Test and Structural Evaluation Model (Inner Model)

Research reliability if meet the construct reliability or Cronbach's Alphas more than 0,6. Which the output of SmartPLS described on the next table.

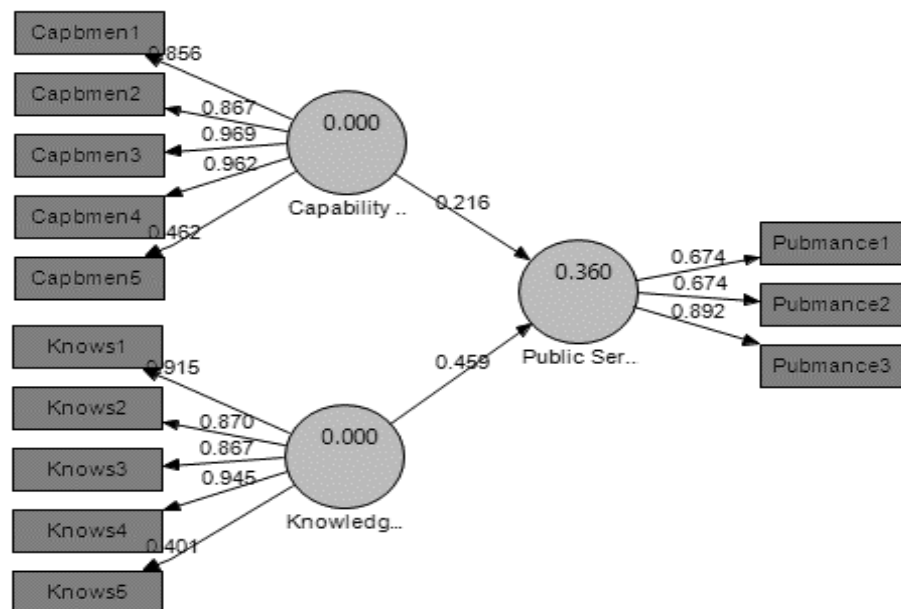
**Table 3:** Reliability Test

	AVE	Composite Reliability	Cronbachs Alpha	R Square
Capability Management	0.712363	0.921751	0.881916	0.36
Knowledge Sharing	0.680061	0.90905	0.859376	
Public Service Performance	0.568625	0.795123	0.759203	

Source: Output of Test of Bootstrapping Smart PLS

Based on Table 3, a latest variable has  $AVE > 0.5$  and  $\rho_c \geq 0.7$  as well as public service performance has an  $AVE > 0.5$  and  $\rho_c \geq 0.7$ . Based on the bootstrapping test in Table. 3, that no need to abolish the indicator variables. Then proceed to the next second step in figure 4 as follows:

**Figure 2:** Estimation Model of Equations Structural



### Hypotheses Tests

Based on Table 3 and Table 4. Results of testing Hypothesis 1, that Capability Management positively affect and associated with public service performance with estimated path coefficient 0, 2157. Hypothesis 2: Knowledge sharing positively affect and associated with public service performance with estimated path coefficient 0, 4591.

**Table 4:** Path Coefficients

		$\delta$	M	$\sigma$	$\varepsilon$	T Statistics
Capability Management ->	Public Service Performance	0.2157	0.2369	0.1568	0.1568	1.3756
Knowledge Sharing ->		0.4591	0.4549	0.1441	0.1441	3.1852

Source: Output of Test of Bootstrapping Smart PLS



### **Determinants Model (R Square)**

The estimated coefficients for public service performance are 36%, we attribute the lack of significance in Model 1.

### **Findings**

Our finding is that the wider the scope of the public service will be an effort to develop human resource development, so that the quality of public service is much more increased, while in a case of knowledge sharing will suppress public service performance for their capability management.

### **Discussion**

Which is under discussion is knowledge sharing practically can determine the quality of the public service performance, then the staff of public officer who have practiced and has competence in the field. Empirical evidence on management and performance was obtained from 'large n' statistical studies of organizational outputs and outcomes in the public sector. This type of evidence was chosen for two main reasons. First, because the aim here is to establish whether the managerial strategies that have been identified the competence of the staff and officer are effective in public organizations. Secondly, because it is important to identify whether 'management matters' when other influences are held constant, which is more easily achieved through statistical models than case studies (Boyne, 2002). Nevertheless, some qualitative evidence on the impact of a knowledge sharing of the organization is available (Rainey and Steinbauer, 1999). The empirical studies were identified from a previous review of the determinants of public service performance (Boyne, 2003).

Before turning to a discussion of the empirical studies of the impact of public management, it is important to consider briefly the mean of 'public service performance'. This is inherently political and contestable (Boyne, 2003). The performance of public service providers is judged by multiple constituencies (e.g. consumers, taxpayers, staff, and politicians). Furthermore, each of these constituencies may use different criteria to judge the standard of public services and may apply different weights to the same criterion (Rainey, 2003). It follows that there is no fixed and universally applicable set of criteria for evaluating whether performance is high or low. Nevertheless, public services have tangible elements (e.g. quantity, speed of delivery, effectiveness) that are likely to be valued by all constituencies, even if the valuations differ between groups or over time. Thus performance does not consist simply of the subjective and irreconcilable impressions of different stakeholders.

### **Conclusions**

We are unable to support the hypotheses that public service performance by capability management and knowledge sharing. The positive association between capability management and knowledge sharing is urgently to develop and implementing in public organization. The demands we place upon our public services are many and multi-dimensional, so it is unsurprising that accurately measuring their output is very difficult indeed. Outputs that society values, such as fire prevention, health care, educational administration, and licensing administration are not easy to quantify.

Using the national statistical measures, the output of the health and education sectors has been rising because of the competence of the staff and officer, as increases in the volume of inputs have outstripped measured output growth. The National statistic output measures are unlikely to be accurately capturing changes in the quality of services. Adjustments for quality change in these sectors typically increase measured output growth, but the exact magnitude of changes appears to be quite sensitive to the specific quality adjustment chosen. However, it is possible that increased output might

be desirable even in the absence of productivity gains, and further productivity growth might be difficult to achieve in some sectors.

## References

- [1] Behling, O., & McFillen. J.M.1996.A Syncretical Model of Charismatic/ Transformational Leadership”, *Group & Organizational Management*, 21: 163-191.
- [2] Berger, L. Peter dan Luckmann, Thomas. 1966. *The Social Construction of Reality*. Unites States: Anchor Book.
- [3] Boyne, G.A. and J. Gould-Williams.2003 ‘Planning and Performance in Public Organizations: An Empirical Analysis’ *Public Management Review* 5, 115-32.
- [4] Delery. J.E. and Doty. D.H. 1996. Modes of theorizing in strategic human resource management. Tests of universalistic. Contingency, and configurational perspectives. *Academy of Management Journal*. 39. 802-805.
- [5] Deputy Field of Human Resource Development Ministry of Public Service and Small and Medium Enterprises of the Republic of Indonesia.2010.“Manajemen Koperasi”.<http://www.smeccda.com>.
- [6] Desseler, Gary.1997.Manajemen Sumber daya Manusia. Edisi Indonesia. PT.Prenhallindo. Jakarta.
- [7] Fayol, Henry.2010.*Manajemen Public Relation*.Jakarta.PT.Elex Media
- [8] Glassop, L.I. 2002. The Organizational Benefits of Teams. *Human Relations* 55 (2), 225–249.
- [9] Gomes, Foustino Cordoso,2000. Manajemen Sumber Daya Manusia. Cetakan Kedua. Andi Offset. Yogyakarta.
- [10] Hair, Jr., J.F., R.E. Anderson, R.L. Tatham, & W.C. 2010. *Multivariate Data Analysis*, Seventh Edition. Pearson Prentice Hall.
- [11] Handoko.Hani.2001.*Manajemen Personalia dan Sumber Daya Manusia*. Yogyakarta. BPFE.
- [12] Hooff, Bart van den dan Jan A. de Ridder.2004. *Knowledge sharing in context: the influence of organizational commitment, communication climate and CMC use on knowledge sharing* (8/6) p.117 Retrieved From Emerald Group Publishing Limited Database.
- [13] Ireland, R. D, Hitt, M. A, and Vaidyanath, D.2002. Alliance Management as a Source of Competitive Advantage. *Journal of Management*, 28, 413-446.
- [14] Jacobs. R. L.2003.*Structured on-the-job training. Unleashing employee expertise in the workplace*.San Francisco. Berrett-Koehler.
- [15] Luthans. 2002. *Performance and Motivation*. New York: Prentice Hall.
- [16] Maddala, G. S. 1983. *Limited-Dependent and Qualitative Variables in Econometrics*. Cambridge University Press. Cambridge.
- [17] Mangkunegara, Anwar P. 2000. Manajemen Sumber Daya Manusia. Edisi Keempat. Gajah Mada University Press. Yogyakarta.
- [18] Moorhead, Gregory and Ricky W. Griffin.2013.*Perilaku Organisasi Manajemen Sumber Daya Manusia dan Organisasi*, Jakarta : Salemba Empat.
- [19] Ndraha, Taliziduhu, 2005. *Kybernologi Sebuah Rekonstruksi Ilmu Pemerintahan*.Rineka Cipta, Jakarta.
- [20] Palepu, K., Healy, P., Bernard, V., 2000. *Business Analysis and Valuation: Using Financial Statements*. South Western College Publications.
- [21] Rainey, H. and P. Steinbauer.1999.Galloping Elephants: Developing Elements of A Theory of Effective Government Organizations’ *Journal of Public Administration Research and Theory* 9, 1-32.
- [22] Rainey, H.2007.*Understanding and Managing Public Organizations* San Francisco, Jossey-Bass.

- [23] Richardson, Will. 2008. *Building Your Own Personal Learning Network* Massachusetts Computer Using Educators Inc
- [24] Robbins, Stephen P, and Coulter, Marry. 2003. *Management*. 9th ed. Prentice-Hall International, Inc. New Jersey,.
- [25] Stoner, L.M., Barksdale K., and Shore T.H., 1996. Work Environment and Job Satisfaction in Human Services Organization. *Academy of Management Journal*, vol. 36, pp. 151-169.
- [26] Waldman. D.A. 1993. A theoretical consideration of leadership and total quality management. *Leadership Quarterly*. 41. 65-79
- [27] Wasley. Paula. 2006. Accreditor of education schools drops controversial social justice standard for teacher candidates. Washington. DC. *Chronicle of Higher Education*. 5241. A13.
- [28] Yaya, Rizal. Ahim Abdurrahim dan Peni Nugraheni 2008. *Kesenjangan Harapan Antara Nasabah dan Manajemen Terhadap Penyampaian Informasi Keuangan dan Non Keuangan Bank Syariah. Studi Empiris Bank Syariah di Yogyakarta dan Surakarta*. Simposium Nasional Akuntansi 11. Pontianak.
- [29] Pace, R. Wayne dan Don F. Faules. 2005. *Komunikasi Organisasi, Strategi Meningkatkan Kinerja Perusahaan*. Editor: Dedy Mulyana. PT. Remaja Rosdakarya. Bandung.
- [30] Wijono, S. 2000. Hubungan Antara Motivasi Berprestasi Dengan Prestasi Kerja Di Sebuah Perusahaan. *Jurnal Psikologi*, 6(2):30-41.
- [31] Zmijewski, Mark, E. 1984. Methodological Issues Related To The Estimation of Financial Distress Prediction Model. *Journal of Accounting Research* Vol. 22, pp 59-80