

**THE INFLUENCE OF KNOWLEDGE MANAGEMENT AND NON-PHYSICAL  
WORK-ENVIRONMENT ON BUSINESS PERFORMANCE OF TOFU PRODUCING  
MSMEs IN SUMEDANG**

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**ABSTRACT**

*The development of times and technology has driven the business ecosystem to become more dynamic. The ease of carrying out operations and business activities is a great opportunity for companies and entrepreneurs. A sustainable strategy is needed to ensure the long-term sustainability of business activities. The findings from this study are expected to determine whether there is influence of knowledge management, non-physical work environment, and organizational culture on business performance in the MSME industrial sector. From the results of this study, as for what the authors can conclude from several discussions, partially there is a significant influence and a very low relationship between Knowledge Management (X1) on Business Performance (Y), which is equal to 0.0650 or 6.5%, between Work Environment (X2) and Business Performance (Y), which is 0.0936 or 9.36%, between Organizational Culture (X3) and Business Performance (Y), which is 0.1705 or 17.05%. Simultaneously there is a significant influence and a strong relationship between Knowledge Management (X1), Non-Physical Work Environment (X2) and Organizational Culture (X3) on Business Performance (Y) with a contribution of 0.701 or 70.1%, and the rest has an influence other factors that can affect business performance is equal to 29.9%.*

**Keywords:** *knowledge management, non-physical work environment, organizational culture, business performance*

**INTRODUCTION**

The business and business environment in Indonesia, especially the growing MSME's, is starting to need to think about adopting knowledge management, ideal working conditions and understanding of organizational culture in order to support good business performance. As an example, one of the MSME industrial sectors that is currently still in great demand and growing is the

Sumedang tofu business. This business is indeed quite old because it has been around for a long time. However, until now there is still a demand for Sumedang tofu products which has made many MSME's selling Sumedang tofu still in operation.

The findings from this study are expected to determine whether there is influence of knowledge management, non-physical work environment, and organizational culture on business performance in the MSME industrial sector. These results will

then be used as a basis for recommendations for choosing a business strategy for MSME owners in the hope of realizing the prosperity of this industry in the future.

## **METHOD**

Sugiyono stated: "Research Method is a scientific way to obtain data with specific purposes and uses" (2015:2). Sugiyono stated: "The quantitative research method can be interpreted as a research method based on the philosophy of positivism, used to examine certain populations or samples, collecting data using research instruments, data analysis is quantitative/statistical in nature, with the aim of testing established hypotheses" (2015: 8).

### a) Descriptive Method

In this study, researchers used a descriptive method to describe a phenomenon being investigated. The descriptive method according to Sugiyono (2015: 35), namely: "A formulation of the problem relating to the question of the existence of independent variables, either only on one variable or more independent variables. So in this study did not make comparisons of these variables in other samples".

### b) Verificative Method

Sugiyono stated: "The verificative method is defined as research conducted on certain populations or samples with the aim of testing established hypotheses" (2014: 8).

### Population and Sample

Sugiyono stated: "Population is a generalization area consisting of objects or subjects who have certain characteristics set by researchers to study and then draw conclusions" (2009:80). The population in this study are some of the MSME tofu producers in Sumedang. It was recorded that there were 74 Sumedang tofu producers throughout the Cadas Pangeran, Pasanggrahan till Prabu Geusan Ulun area, Sumedang city.

Sugiyono stated that: "The sample is part of the number and characteristics possessed by the population" (2017: 81). If the population is large, and does not allow the researcher to study everything in the population, there may be some constraints and limitations of the authors such as time, manpower and also funds, for this reason the researcher only uses research samples that the authors can take from the population in company. Therefore the sample to be taken for research from the population must be truly representative (representing the entire population). If the

sample under study is not representative, then there will be the possibility of making wrong conclusions regarding both the subject and the object being studied. Determining the sample size in this study uses the Slovin formula in (Sugiyono 2014, 116), namely :

Formula 1. Slovin formula

Information :

$n$  : Number of Samples

$N$  : Total Population

AND : Fault Tolerance Limit

Sample calculation :

$$n = \frac{74}{1 + 74 (0.05)^2}$$

$$n = \frac{74}{1 + 0.185}$$

$$n = \frac{74}{1.185}$$

$$n = 62.4472$$

Thus, based on the formula above, it can be concluded that the required sample is 62,4472 or which can be rounded up to 63 respondents.

#### Data Collection Techniques

A data collection technique is a method used by a researcher to obtain the necessary information. In a study, if you do the right data collection method, it will be possible to get valid and accurate data. Data collection techniques used by the authors in this study are as follows :

Primary data collection techniques include:

- a. Direct observations were made to test the objectivity of the data obtained from MSME's selling tofu sumedang.
- b. Questionnaires or questionnaires are data collection techniques that are carried out by providing questions or written statements to be answered.

Secondary data collection techniques include literature review in which the collection process is obtained from reference books and previous research results. Literature review or library research is a data collection technique used by authors by opening guidelines, scientific papers, articles and other materials related to the issues discussed in order to complement the data obtained.

Validity test is used to measure the validity or invalidity of a questionnaire. Research questionnaire data can be said to be valid if it has statements or questionnaire questions that are able to reveal something that will then be measured by the questionnaire. Tests to determine significant or not significant by comparing the value of  $r_{count}$  with the value of  $r_{table}$ , using the Software Statistical Package Social Science (SPSS).

Reliability test is the process of measuring the accuracy (consistency) of a variable. This test is intended to ensure that the

variable used is a variable that is reliable, consistent, and stable so that when it is used many times it can produce the same data.

The criteria for determining reliability are as follows :

- a. When the value of Cronbach's Alpha > 0.70, it can be concluded that the data is reliable.
- b. If the value of Cronbach's Alpha < 0.70 then it can be concluded that the data is not reliable.

Multiple linear regression analysis functions to be able to find out how much influence there is in several independent variables on dependent variables and can predict the values contained in dependent variables if all independent variables have known values. Therefore, researchers use multiple linear in order to analyze the relationship and also the influence of one dependent variable with two or more independent variables.

Hypothesis Testing

T Test (Partial)

To test the truth of the existing hypothesis, the test is carried out by comparing the calculated t value with the t table value with the following criteria :

- a. If the value of t count < t table, then Ho is accepted and Ha is rejected.
- b. If the t count > t table, then Ho is rejected and Ha is accepted.

The significant column is used for probability testing with the following criteria :

- a. If the probability value < 0.05 then Ho is rejected and Ha is accepted.
- b. If the probability value > 0.05 then Ho is accepted and Ha is rejected.

F Test (Significant)

The F test is used to determine how much influence the independent variables work environment, compensation, and organizational culture have on the dependent variable, namely the employee's work ethic together.

Coefficient of Determination (R)

If it turns out that the above hypothesis testing area is rejected, then the coefficient of determination is calculated to determine the contribution of variable X to variable Y.

## RESULT AND DISCUSSION

### Validity Testing

X1 Knowledge Management

**Table 1 X1 Validity Test**

Statement	R Count / Pearson Correlation	R Table	Results
1	0,545	0,2500	VALID
2	0,574		
3	0,630		
4	0,347		
5	0,511		
6	0,524		
7	0,755		

8	0,580		
9	0,726		
10	0,668		

**X2 Non-Physical Work Environment**

**Tabel 2 X2 Validity Test**

Statement	R Count / Pearson Correlation	R Table	Results
1	0,416	0,2500	VALID
2	0,549		
3	0,668		
4	0,463		
5	0,664		
6	0,663		
7	0,626		
8	0,535		
9	0,658		
10	0,677		

**Tabel 4 Y Validity Test**

Statement	R Count / Pearson Correlation	R Table	Results
1	0,572	0,2500	VALID
2	0,610		
3	0,434		
4	0,633		
5	0,475		
6	0,515		
7	0,638		
8	0,454		
9	0,601		
10	0,683		

Based on the validity test table above, it can be seen that all statements submitted to respondents were declared valid by comparing the value of  $r_{count} > r_{table}$ , namely 0.2500.

**X3 Organizational Culture**

**Tabel 3 X3 Validity Test**

Statement	R Count / Pearson Correlation	R Table	Results
1	0,533	0,2500	VALID
2	0,532		
3	0,523		
4	0,495		
5	0,685		
6	0,590		
7	0,675		
8	0,522		
9	0,599		
10	0,659		

**Reliability Test**

**Tabel 5 Reliability Test**

Variable	Cronbach's Alpha	N of Item
Knowledge Management	.786	10
Non-Physical Work Environment	.789	10
Organizational Culture	.776	10
Business Performance	.757	10

Based on the reliability test table above, it can be seen that the Cronbach's

1. Y Business Performance

Alpha value is > 0.70, so it can be concluded that the data is reliable.

### Multiple Linear Regression Analysis

Figure 1. Multiple Linear Regression

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.161	3.352		.645	.522
	Knowledge Management	.255	.086	.260	2.973	.004
	Lingkungan Kerja Non Fisik	.306	.081	.325	3.775	.000
	Budaya Organisasi	.413	.091	.424	4.516	.000

a. Dependent Variable: Business Performance

#### Analysis

Based on the results of data processing from SPSS 21.0 on, then the results of the regression equation are obtained as follows:

$$Y = 2.161 + 0.255 X1 + 0.306 X2 + 0.413 X3$$

From the regression equation model shows the meaning that :

1. Constant = 2.161 If the variables of knowledge management, non-physical work environment and organizational culture are assumed to be constant, then business performance will increase by 2.161.
2. Knowledge Management Coefficient (X1), the value of the knowledge management coefficient is 0.255. Stating that every time there is an increase of 1 score for knowledge management, there will be an increase in business performance of 0.255.
3. Coefficient of Non-Physical Work Environment (X2), the coefficient

value of non-physical work environment is 0.306. Stating that every time there is an increase of 1 score for the non-physical work environment, there will be an increase in business performance of 0.306.

4. Organizational culture coefficient (X3), the value of 0.413. Stating that every time there is an increase of 1 score for organizational culture, it will be followed by an increase in business performance of 0.413.

### Hypothesis Test

#### 1. T Test (Partial)

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.161	3.352		.645	.522
	Knowledge Management	.255	.086	.260	2.973	.004
	Lingkungan Kerja Non Fisik	.306	.081	.325	3.775	.000
	Budaya Organisasi	.413	.091	.424	4.516	.000

a. Dependent Variable: Business Performance

Figure 2. T Test (Partial)

Based on the provisions in the T test, the stages in the t test consist of :

- a. Determining the t table value uses an error rate (1-a) of 5% and degrees of freedom Degree Of Freedom or (df) n-k so that the calculation df = 63 - 3 = 60 with a t table value of 2,000 is obtained.
- b. Based on the results in table 7, the Knowledge Management variable (X1) has a t count value of 2.973 > t table 2.000 and a probability

value of  $0.004 < 0.05$  so it can be concluded that  $H_0$  is rejected and  $H_a$  is accepted which means that there is an influence of Knowledge Management (X1) on Business Performance (Y).

- c. Based on the results in table 7, the Non-Physical Work Environment variable (X2) has a t count value of  $3.775 > t$  table  $2.000$  and a probability value of  $0.000 < 0.05$  so it can be concluded that  $H_0$  is rejected and  $H_a$  is accepted which means there is an influence of the Non-Physical Work Environment (X2) to Business Performance (Y).
- d. Based on the results in table 7, the Organizational Culture variable (X3) has a t count value of  $4.516 > t$  table  $2.000$  and a probability value of  $0.000 < 0.05$  so it can be concluded that  $H_0$  is rejected and  $H_a$  is accepted which means there is an influence of Organizational Culture (X3) on Business Performance (Y).

**2. F Test (Significant)**

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	577.915	3	192.638	49.459	.000 <sup>b</sup>
	Residual	229.800	59	3.895		
	Total	807.714	62			

a. Dependent Variable: Business Performance  
b. Predictors: (Constant), Budaya Organisasi, Lingkungan Kerja Non Fisik, Knowledge Management

Figure 3. F Test (Significant)

Based on the F test table above, there is an f count of 49,459 with a significant level of 0.000 where the calculated f value will be compared to the f table value. Determination of f table can be done by calculating  $f$  table =  $(k ; n-k)$  with a probability of 5% where k is the number of independent variables and n is the number of samples so that  $(3 ; 63-3) = (3 ; 60)$  is obtained and the value obtained f table of 2.76.

Based on the discussion above, it can be identified that the calculated f value is  $49.459 > f$  table 2.76 and the probability is  $0.000 < 0.05$  so it can be concluded that  $H_0$  is rejected and  $H_a$  is accepted, which means that there is a significant influence simultaneously or jointly between knowledge management, environment work, and organizational culture on business performance.

**Coefficient of Determination (R)**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.846 <sup>a</sup>	.715	.701	1.974

a. Predictors: (Constant), Budaya Organisasi, Lingkungan Kerja Non Fisik, Knowledge Management  
b. Dependent Variable: Business Performance

Figure 4. Coefficient of Determination (R)

Based on the Coefficient of Determination table above, it can be identified that the value of R Square is the value of the Coefficient of Determination (KD) / R2 which is equal to 0.701. So it can

be concluded that the contribution of Knowledge Management (X1), Non-Physical Work Environment (X2) and Organizational Culture (X3) to Work Ethics (Y) simultaneously is 0.701 or 70.1%.

### **Conclusion**

From the results of this study, there are things that the writer can conclude from some of these discussions, and the conclusions are as follows :

1. Partially, there is a significant influence and a very low relationship between Knowledge Management (X1) and Business Performance (Y) in MSME's selling tofu sumedang, which is equal to 0.0650 or 6.5%.
2. Partially, there is a significant influence and a very low relationship between the Work Environment (X2) and Business Performance (Y) in MSME's selling tofu sumedang, which is equal to 0.0936 or 9.36%.
3. Partially, there is a significant influence and a very low relationship between Organizational Culture (X3) and Business Performance (Y) in MSME's selling tofu sumedang, which is equal to 0.1705 or 17.05%.

4. Simultaneously there is a significant influence and a strong relationship between Knowledge Management (X1), Non-Physical Work Environment (X2) and Organizational Culture (X3) on Business Performance (Y) in MSME's selling tofu sumedang with a contribution of 0.701 or 70.1%, and the rest are influenced by other factors that can affect business performance, namely 29.9%.

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