



Effect of MIS and Knowledge Management on MSME Performance Mediated by Organizational Commitment in Majalengka

Suyanto^{1*}, Kusnadi², Willy Arafah³

^{1,3}Universitas Trisakti, Jakarta, Indonesia

²Sekolah Tinggi Manajemen IMMI, Jakarta, Indonesia

*Corresponding author: suyanto@stp-aviasi.ac.id |

Received: 20 August 2021 | Revised: 20 September 2021 | Published: 15 November 2021

Abstract

Purpose: This study aimed to investigate the effect of knowledge management systems on performance, mediated by Organizational Commitment to MSMEs in Majalengka.

Research Methodology: The methodology used in this study is hypothetical causality testing using cross-sectional data. Hypothesis testing decision-making based on data analysis from controlled and uncontrolled experiments on SMEs in Majalengka. The population is 6,376, with a sample of 377 respondents. Data collection using questionnaires and data analysis techniques using Path Analysis and PLS. The model proposed in this study shows the direct and indirect effect of Management Information System and Knowledge Management on MSME Performance Mediated by Organizational Commitment.

Results: This study shows that Management Information Systems, Knowledge Management, and Organization Commitment affect MSME Performance either directly or indirectly.

Conclusions: Management Information Systems and Knowledge Management do not significantly affect MSME performance, and Organizational Commitment does not mediate their relationship.

Limitations: This study examines management information systems and knowledge management with organizational commitment as a mediator of MSME performance, based on SMEs in Majalengka, Indonesia. The results may be biased and not generalizable beyond Indonesia.

Contributions: This research is a useful tool for improving MSME Performance by improving the Management Information System and Knowledge Management as well as Organizational Commitment. This research model purifies the overall understanding that there is a direct and indirect influence of the Management Information System and Knowledge Management on MSME Performance, mediated by Organizational Commitment.

Keywords: Knowledge Management, Management Information System, MSME Performance, Organizational Commitment

How to Cite: Suyanto, S., Kusnadi, K., & Arafah, W. (2021). Effect of MIS and Knowledge Management on MSME Performance Mediated by Organizational Commitment in Majalengka. *Journal of Economics, Management, Entrepreneurship, and Business (JEMEB)*, 1(2), 118–134.

<https://doi.org/10.52909/jemeb.v1i2.57>

1. Introduction

Entrepreneurship is the process of creating value by bringing together a unique set of resources to exploit entrepreneurial opportunities (Omisakin et al. (2016)). Entrepreneurship is considered as a major key in promoting economic growth, innovation, competitive advantage, and job creation (Johnson et al. (2015)), which later in the study found that entrepreneurship is as well as the skills needed by an

entrepreneur to achieve success. Previous studies and policies that have been made have focused on the conditions needed for entrepreneurship and the definition of new venture creation for good growth [Johnson et al. \(2015\)](#). The importance of entrepreneurship activities in society has been recognized in various entrepreneurship literatures [Omisakin et al. \(2016\)](#) and [Ricardianto et al. \(2021\)](#), where it is suggested that entrepreneurial strategies, especially in terms of entrepreneurial orientation, can make a major contribution to entrepreneurial performance (entrepreneurship performance) [Parmenas \(2021\)](#) and [Reynolds \(2000\)](#).

Entrepreneurship performance/MSME performance or entrepreneur performance/company performance is the focus of business studies [Gharakhani and Mousakhani \(2012\)](#) and [Susanto et al. \(2021\)](#). However, this phenomenon is complex and multidimensional. Performance can be characterized as a company's ability to create results and actions that are acceptable to all stakeholders [Gharakhani and Mousakhani \(2012\)](#) and [Susanto and Parmenas \(2021\)](#). For many organizations, improved performance depends not only on the successful application of tangible assets and natural resources but also on effective knowledge management [Lee and Sukoco \(2007\)](#).

Organizational commitment is often referred to as an antecedent of corporate growth, competitive advantage, and superior performance [Omisakin et al. \(2016\)](#). Previous research confirms that there is positive influence between Organizational Commitment and MSME Performance [Runyan et al. \(2008\)](#). The success of a company depends on organizational commitment and various other factors, including age, gender, culture, education, managerial knowledge, length of time, company size, capital, and network connections [Omisakin et al. \(2016\)](#). Organizational Commitment is an aspect of entrepreneurship that encapsulates successful strategies [Omisakin et al. \(2016\)](#) and [Setyawati et al. \(2021\)](#).

[Rauch et al. \(2009\)](#) conclude that Organizational Commitment represents the policies and practices that provide the basis for entrepreneurial decisions and actions. [Lumpkin and Dess \(1996\)](#) describe Organizational Commitment as a multi-dimensional process consisting of five dimensions, namely 1) Risk taking, meaning that in running their business, entrepreneurs even though they do not have sufficient capacity or experience, dare to take the risk of losing in order to seize open opportunities. 2) Competitive aggressiveness, namely in running their business, entrepreneurs tend to be passionate about competing to reach their customers; 3) Autonomous, meaning that entrepreneurs have independence in implementing policies and in making strategic decisions; 4) Proactive, namely the tendency of entrepreneurs to find out more about advantages -the advantages of competitors, as well as the desires of their customers; 5) Innovation, meaning that entrepreneurs always want to create a new product or service, different from those available in the market, and for that they have a tendency to continue to innovate.

In line with global economic developments, MSMEs continue to experience intense competition not only from local competitors but also from outside [Matlay and Westhead \(2005\)](#). Several studies have examined the factors that influence MSMEs. One of the variables studied for its influence on the performance of small medium entrpreneurs according to [Gharakhani and Mousakhani \(2012\)](#) is knowledge management. Since this research was conducted, the concept of Knowledge Management has been studied for the last two decades [Maddan \(2009\)](#). In their theory of knowledge-based organizations, [Nonaka and Takeuchi \(1995\)](#) emphasized the importance of knowledge. The essence of their research is that knowledge is a source of sustainable competitive advantage and the basic foundation for economic performance.

Knowledge is an important asset for MSMEs in this time of global competition [Gharakhani and Mousakhani \(2012\)](#). Knowledge can be said to be an important determinant of the success of MSMEs and is undoubtedly one of the sources of sustainable competitive advantage. Furthermore, [Gharakhani and Mousakhani \(2012\)](#) suggest that the Knowledge Management dimension consists of Knowledge Acquisition, Knowledge Sharing, and Knowledge Application. Knowledge acquisition is one dimension of Knowledge Management, which is defined as a critical knowledge management process to meet

existing needs, identify and exploit existing knowledge assets, and develop new opportunities [Quinstas et al. \(1997\)](#).

Knowledge acquisition is the process of acquiring knowledge [Huber \(1991\)](#). The knowledge gained can be tacit, explicit, or a combination of the two. Meanwhile, knowledge sharing is defined as a culture of social interaction, which involves the exchange of knowledge, experience, and skills of employees through departments or organizations [Gharakhani and Mousakhani \(2012\)](#). Knowledge sharing consists of a set of shared understandings related to providing employees access to relevant information and constructs and using knowledge networks within an organization [Hogel et al. \(2003\)](#). Knowledge sharing refers to collective beliefs or behavioral routines associated with the spread of learning among individuals or units within an organization [Moorman and Miner \(1998\)](#). It is about how individuals, groups, and organizations communicate and learn from each other [Gharakhani and Mousakhani \(2012\)](#).

The number of MSME actors in Majalengka Regency until the end of 2016 amounted to 27,528 business units. It consists of 24,195 micro-enterprises, 2,684 small businesses, and business actors (Radar Majalengka, 2017). This should be able to move the wheels of the economy in the Majalengka Regency. Because the number of business actors is 27,528 units, the percentage has exceeded 2 percent of the population of Majalengka Regency. However, according to the data presented by the Majalengka Regency Government in the 2016 fiscal year accountability report, the economic growth rate in Majalengka Regency in 2016 only reached 5.05 percent. Meanwhile, the Regional Medium-Term Development Plan for the economic growth of Majale Rewatecy is 5.80 percent. This shows that MSMEs in the Regency have not contributed optimally to economic growth, meaning that the performance of MSMEs in the Regency is still less than optimal.

Referring to the background and limitations of previous research, the problems that will be discussed in this research are as follows: Is there an influence of Management Information System on Organizational Commitment? Does Knowledge Management influence Organizational Commitment? Does the Management Information System influence UMKM Performance? Does Knowledge Management influence MSME Performance? Does organizational commitment influence MSME performance? Is there an indirect influence of Management Information Systems on UMKM performance mediated by Organizational Commitment? Is there an indirect effect of the Management Information System on MSME Performance mediated by Organizational Commitment?

This study aimed to research and analyze. Among others: To analyze the influence of Management Information System on Organizational Commitment, To analyze the influence of Knowledge Management on Organizational Commitment, To analyze the influence of Management Information System to MSME Performance, To analyze the influence of Knowledge Management to MSME Performance, To analyze the influence of Organizational Commitment to MSME Performance, To analyze the indirect effect of Management Information System on MSME Performance mediated by Organizational Commitment, To analyze the indirect effect of Management Information System on MSME Performance mediated by Organizational Commitment.

2. Literature Review & Hypothesis Development

2.1 MSME Performance

Performance or performance aims to determine how a company achieves its goals or objectives ([Okeyo et al., 2016](#)). In business research, the definition depends on the discipline or field of study in question. [Wu and Zumbo, 2009](#) relates performance to the value of customers and other stakeholders of a company. Performance means achieving stakeholder interests in a way that is superior to competitors ([Okeyo et al., 2016](#)). Therefore, superior performance requires an organization to achieve its goals effectively

and efficiently (Gathungu et al., 2014). Efficiency and effectiveness have become popular measures, and a series of measures in manufacturing, finance, and marketing have been used in the past. In manufacturing, Kombo et al. (2015), Atalay et al. (2013), Wu Wu and Zumbo (2009), have advocated measuring five key dimensions consisting of reliability, quality, product price or cost, and flexibility to determine performance. The aim is to use a multidimensional approach that considers the combination of various factors that affect performance, thereby combining the interests of shareholders and stakeholders (Okeyo et al., 2016).

The operationalization of performance remains a problem in academic research. Information is usually considered a contextual issue. Therefore, the measurement becomes more of a factor than what is being determined and even where and when it is measured. In business in general and in more specific fields such as entrepreneurship, there is a general consensus that the main concern of a company is performance (Gathungu et al., 2014). Despite this consensus, there is no agreed-upon performance metrics. According to Odhiambo Odhiambo (2015), research has been conducted to justify the selection of indicators to measure performance to follow tradition. Performance measurement has changed in the last few decades from purely financial indicators to non-financial performance (Okeyo et al., 2016).

2.2 Management Information System

In today's business environment, an increasing number of organizations are using information technology to improve their competitive position (Martinez & Cagarra, 2010). Information Communication Technology Readiness is a term that is usually applied to assess the development of Management Information Systems (Spinelli et al., 2013). This study uses the concept of Spinelli et al. (2013) to focus on the development of Management Information System infrastructure at the MSME level. Management Information System Readiness means the presence of a series of strategies, organizational and structural features that are prerequisites for MSMEs to fully utilize the potential of the Management Information System (Dyerson & Spinelli, 2011). In other words, this study explores the extent to which small companies can reap the rewards of the strategy through previous investments in Management Information System (MIS) infrastructure and Management Information System capabilities. Operationally, this translates into whether the company has access to an up-to-date Management Information System and, importantly, understands what to do with technology. Haug et al. (2011) argue that although many studies have explored the decision to adopt a Management Information System in MSMEs, empirical facts show that attention has been lacking (Spinelli et al., 2013).

To emphasize the focus on the decision-making process, Haug et al. (2011) use the term Management Information System Readiness, which refers to the relevant operational processes both in selecting Management Information System projects and in making companies willing to accept and implement Management Information System projects. These factors include external pressure for change and experience and support for the Management Information System by senior managers and employees. However, Haug et al. (2011) were limited to three longitudinal case studies. Similarly, the notion of Management Information System Readiness is also evident in the analysis of Chen et al. (2006) about the adoption of web services, where in this case the simulation is used. Johnston and Carrico (1998) suggested that organizational readiness should include both leadership within the managerial team and the development of an internal knowledge base as a precursor to the strategic integration of Management Information Systems. In contrast, Daniel et al. (2004) view Management Information System Readiness as varying depending on the culture and strategic goals of individual companies.

2.3 Knowledge Management

Knowledge management is a combination of values, experiences, contextual information, and expert views that form a framework for evaluating and combining new experiences and information. In organizations, knowledge is often adapted to norms, practices, and processes (Ke & Wei, 2007). This

construct recognizes that knowledge is an important strategic resource for a company to maintain its competitive advantage. Knowledge is an asset that must be managed properly (Davenport & Prusak, 1998). Knowledge Management is an emerging concept in the field of management and is widely adopted in organizations in developed countries to improve Organizational Performance (Gharakhani & Mousakhani, 2012). It is promoted as an important foundation for companies to develop a sustainable competitive advantage and stay at the forefront of excellence in the marketplace.

Knowledge Management can be conceptualized as explicit control and knowledge management in an organization that aims to achieve company targets (Liebowitz & Wilcox, 1997). Employees are often unwilling or unable to share their knowledge and expertise with others because of self-interest and a lack of trust (Currie & Kerrin, 2003). Thus, it is important for companies to take advantage of employee involvement and participation through Knowledge Management. Knowledge Management is an approach that actively utilizes knowledge and expertise to create value and increase organizational effectiveness (Scarbrough, 2003). Knowledge Management provides a new way for organizations to achieve explicit and tacit knowledge sharing. Knowledge Management affects company performance by developing intellectual assets that are a source of competitive advantage (Ndlela & du Toit, 2001). To remain competitive, an organization must be effective in creating, obtaining, documenting, transferring, and applying knowledge to solve problems and take advantage of opportunities (Sambamurthy & Subramani, 2005).

There are three dimensions of Knowledge Management based on research by (Gharakhani & Mousakhani, 2012). First, Knowledge acquisition or knowledge acquisition. Knowledge acquisition is the process of acquiring knowledge (Huber, 1991). The knowledge gained can be tacit, explicit, or a combination of both. Knowledge Management and organizational performance result from knowledge acquisition performance obtained from individual participation and interaction with tasks, technology, resources, and people in certain contexts (Tsoukas, 1996).

2.4 Organizational Commitment

Organizational commitment (organizational commitment) is defined as a condition in which an employee sides with a particular organization and its goals and desires to maintain membership in the organization. High job involvement means siding with an individual's particular job, while high organizational commitment means siding with the organization that recruits the individual (Robbins, 2008). According to Gibson (2008), commitment to the organization involves three attitudes: 1) identification with organizational goals, 2) feelings of involvement in organizational tasks, and 3) feelings of loyalty to the organization. Therefore, it is interpreted that organizational commitment is a form of identification, loyalty, and involvement expressed by employees towards the organization.

Three separate dimensions of organizational commitment expressed by Robbins (2008) are: 1) Effective commitment is an emotional feeling for the organization and belief in its values. For example, a Pecto employee may have an active commitment to his company because of his involvement with animals 2) Continuance commitment is the perceived economic value of staying in an organization compared to leaving the organization. An employee may be committed to an employer because he is highly paid and feels that leaving the company will destroy his family 3) Normative commitment is the obligation to remain in the organization for moral or ethical reasons. For example, an employee who is spearheading a new initiative might stay with an employer because he feels "leaving someone in a difficult situation" when he leaves.

2.5 Framework

A framework of thought is needed to provide a clear and focused picture of the research. The framework of this study is as follows.

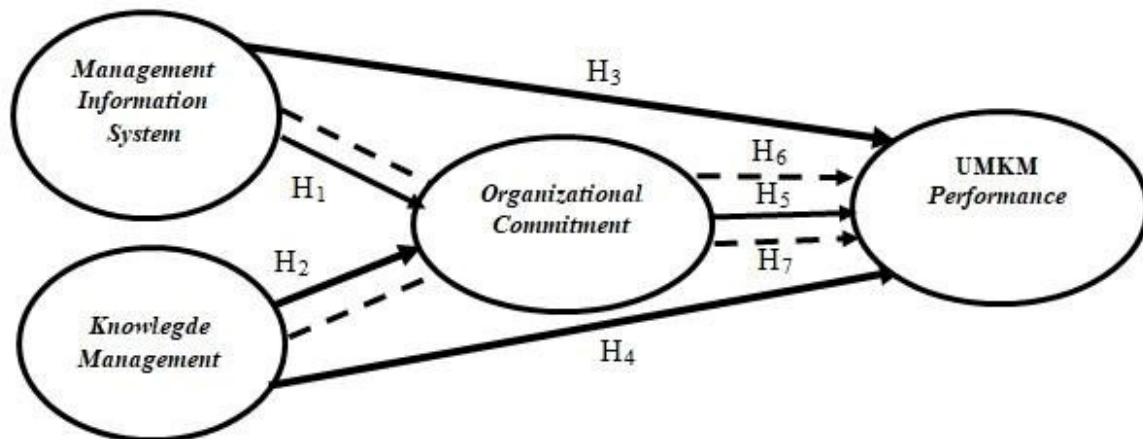


Figure 1. Conceptual Framework

2.6 Hypothesis Development

Based on the problem formulation and conceptual framework, the developments in this study are:

- H_1 : There is a positive influence of Management Information System on Organizational Commitment.
- H_2 : There is a positive influence of Knowledge Management on Organizational Commitment.
- H_3 : There is a positive influence of Management Information System on MSME Performance.
- H_4 : Knowledge management positively influences UMKM performance.
- H_5 : Organizational commitment positively influences UMKM performance.
- H_6 : There is an indirect influence of the Management Information System on UMKM Performance, mediated by Organizational Commitment.
- H_7 : Management information systems indirectly influence MSME performance through Organizational Commitment.

3. Methodology

This study uses a survey research design with an individual unit of analysis and a cross-sectional approach, where data were collected once through questionnaires distributed from September to October 2017 (Sekaran & Bougie, 2013). The population consists of 6,376 MSMEs in Majalengka, with a sample of 377 respondents determined using the Slovin formula and proportionate stratified random sampling technique. Primary data were obtained directly from respondents through questionnaires. Data analysis was conducted using path analysis with Eviews 7, supported by classical assumption tests to ensure the validity of the regression model, including normality, multicollinearity, and heteroscedasticity tests, as well as hypothesis testing using t and f tests.

3.1 Research Design

Based on the strategy of conducting research, this study uses a survey (survey research), which uses data collection techniques by compiling questions and asking the respondents (Sekaran & Bougie, 2013). Based on the unit of analysis, this study uses an individual analysis unit to collect data from each individual (Sekaran & Bougie, 2013). Based on time, this research uses cross-sectional studies, which

are conducted with data collected only once in a daily, weekly, or monthly period to answer research questions (Sekaran & Bougie, 2013). The questionnaire was distributed from September to October 2017. This study also uses explanatory research, which analyzes the concepts and problems studied to see causality, and then explains the variables causing the problems studied.

3.2 Data Collection

The population in this study is limited to MSMEs in Majalengka, which is 6,376 MSMEs. Based on the Slovin formula with a confidence level of 90% (significance level of 0.10). Considering the statement above, because the population is more than 100 people, the sampling in this study used proportionate stratified random sampling (Novak & Bojnec, 2005). With the sampling technique using the formula from Taro Yamane or Slovin Gupta et al. (2000), from the results of the calculation of the sample in this study, there were 377 MSME entrepreneurs in Majalengka to become the object of this research through the distribution of questionnaires that were selected randomly proportionally (proportionate stratified random sampling technique).

The sources of data used in this study are primary data. Primary data are obtained or collected directly in the field by the person conducting the research or the person concerned who needs it. In this study, primary data were obtained from the respondents' answers or questionnaires given to MSMEs in Majalengka.

3.3 Data Analysis

In this study using path analysis techniques (path analysis) with the help of eviews 7. Path analysis is a statistical analysis technique that is a floating multiple regression analysis. A classical assumption test is also used, which aims to provide certainty that the regression equation obtained has accuracy in estimation, is unbiased, and is consistent. A multiple linear regression model can be called a good model if the model meets the assumptions and is free from classical statistical assumptions, such as normality, multicollinearity, and heteroscedasticity. To answer this question, the t and f hypothesis tests were also used.

4. Results and Discussion

4.1 Results

Structural Equation I - Hypothesis Test I

Dependent Variable: OC

Method: Least Squares

Date: 03/10/20 Time: 15:02

Sample: 1 377

Included observations: 377

Table 1. Structural Equation I

Variable	Coefficient	Std. Error	t-statistic	Prob
C	20.75485	1.645014	12.61682	0.0000
MIS	0.723674	0.071214	10.16193	0.0000
KM	0.480713	0.065307	7.360873	0.0000
R-Squared	0.640499	Mean dependent var		62.78780
Adjusted R-squared	0.638576	S.D. dependent var		7.482430
S.E. of regression	4.498327	Akaike info criterion		5.853214
Sum squared resid	7567.869	Schwarz criterion		5.884505
Log likelihood	-1100.331	Hannan-Quinn criter		5.865634
F-statistic	53.31651	Durbin-Watson stat		1.737671
Prob(F-statistic)	0.000000			

The t-statistical test basically shows how far the influence of one independent variable is partially in explaining the dependent variable. The strength of the relationship that occurs between each independent variable on the dependent variable is as follows:

- a) In the table above, it can be seen that the management information system variable has a t-count value (10.1619) greater than the t-table (1.96) and a significance value of 0.000 is obtained which is smaller than a significance level of 0.05 ($0.000 < 0.05$). Therefore, it can be concluded that the management information system has a significant effect on organizational commitment, so H01 is rejected and Ha1 is accepted.
- b) In the table above, it can be seen that the knowledge management variable has a t-count value (7.3608) which is greater than the t-table (1.96) and a significance value of 0.000 is obtained which is smaller than a significance level of 0.05 ($0.000 < 0.05$). Therefore, it can be concluded that knowledge management has a significant effect on organizational commitment, so H01 is rejected and Ha1 is accepted.

The F significance test basically shows whether all the independent variables referred to in the model have a joint effect on the dependent variable. Based on table 4.12, it can be seen that the F-count has a value of 53,316 which is greater than the F-table which is 3.04 and a significance value of 0.000 ($p < 0.05$). Thus, it can be said that the management information system variable and the knowledge management variable simultaneously affect the organizational commitment variable.

Structural Equation II - Hypothesis Test II

Dependent Variable: UP

Method: Least Squares

Date: 03/10/20 Time: 13:46

Sample: 1 377

Included observations: 377

Table 2. Structural Equation II

Variable	Coefficient	Std. Error	t-statistic	Prob
C	0.413992	0.475082	0.871411	0.3841
MIS	0.681956	0.019458	35.04692	0.0000
KM	0.439115	0.016902	25.98049	0.0000
OC	0.009160	0.012507	0.732389	0.4644
R-Squared	0.962856	Mean dependent var		38.95491
Adjusted R-squared	0.962558	S.D. dependent var		5.622957
S.E. of regression	1.088045	Akaike info criterion		3.017195
Sum squared resid	441.5730	Schwarz criterion		3.058917
Log likelihood	-564.7413	Hannan-Quinn criter		3.033756
F-statistic	133.1651	Durbin-Watson stat		1.763845
Prob(F-statistic)	0.000000			

Source: Data processed with Eviews 7 (2020)

The t-statistical test basically shows how far the influence of one independent variable is partially in explaining the dependent variable. The strength of the relationship that occurs between each independent variable on the dependent variable is as follows:

- a) In the table above, it can be seen that the management information system variable has a t-count value (35.046) greater than the t-table (1.96) and a significance value of 0.000 is obtained which is smaller than a significance level of 0.05 ($0.000 < 0.05$). Therefore, it can be concluded that the management information system has a significant effect on MSME performance, so H_0 is rejected and H_a is accepted.
- b) In the table above, it can be seen that the knowledge management variable has a t-count value (25.980) greater than the t-table (1.96) and a significance value of 0.000 is obtained which is smaller than a significance level of 0.05 ($0.000 < 0.05$). Therefore, it can be concluded that knowledge management has a significant effect on MSME performance, so H_0 is rejected and H_a is accepted.
- c) The table above shows that the organizational commitment variable has a t-count value (0.732389) which is smaller than the t-table (1.96) and a significance value of 0.4644 is obtained which is greater than a significance level of 0.05 ($0.000 < 0.05$). Therefore, it can be concluded that organizational commitment has no significant effect on MSME performance, so H_0 is accepted and H_a is rejected.

The F significance test basically shows whether all the independent variables referred to in the model have a joint effect on the dependent variable. Based on table 4.13, it can be seen that the F-count has a value of 133.1651 which is greater than the F-table which is 3.04 and a significance value of 0.000 ($p < 0.05$). Thus, it can be said that the management information system variable, knowledge management variable and organizational commitment variable simultaneously affect the MSME performance variable.

4.2 Discussion

Based on the formulation of the problem and the development of the hypothesis in advance, the discussion in this study is divided into two, namely the discussion to test the variables directly and indirectly the independent variable on the dependent variable.

1) Direct Effect of Management Information System on Organizational Commitment

The results of hypothesis testing indicate that the management information system variable has a t-

count value (10.1619) greater than the t-table (1.96), it can be said that the management information system has a significant effect on organizational commitment. This is because the management information system implemented by all MSMEs in Majalengka is classified as good, as can be seen from the overall ability of employees in MSME organizations to access, understand, use, and study management information systems and utilize the information generated to help complete their work. A management information system is said to be good if it is easily accessible, so that the intensity of its use is high and ultimately leads to user satisfaction with the management information system. With the availability of an adequate information management system leading to job satisfaction of employees, employees are still willing to work as well as possible to achieve goals and maintain MSMEs in accordance with organizational commitments, namely their availability to work harder to achieve their business goals and have a passion to keep working to improve and advance their business. The results of the study show that there is a positive and significant influence of the Management Information System on Organizational Commitment. This means that the higher/positive the Management Information System is, the higher/positive the Organizational Commitment, which means that the more respondents feel that they can work well and need the support of the Management Information System in accordance with the need for strategic vision, competence, and management processes as well as infrastructure applications; organizational commitment in carrying out tasks related to organizational commitment in making decisions, especially in determining risk taking, autonomy, competitive aggressiveness, innovation, and being proactive; the more respondents feel in accordance with the functions and main tasks of each; responsible for carrying out the duties and functions carried out.

2) The Direct Effect of Knowledge Management on Organizational Commitment

The t-count value of the knowledge management variable (7.3608) was greater than that of the t-table (1.96). Thus, it can be concluded that knowledge management significantly affects organizational commitment. This is because every MSME organization requires superior capabilities to achieve a MSME organizational goal. The superiority of the MSME organization can be achieved if it is supported by the ability of good and knowledgeable human resources and is highly committed to the MSME organization, where knowledge commitment is considered valuable by the MSME organization. To run a productive MSME organization, every MSME organization must manage knowledgeable and committed employees. The results of the study show that there is a positive and significant influence of Knowledge Management on Organizational Commitment, which means that the higher/positive the Knowledge Management, the higher/positive the Organizational Commitment. This means that the more respondents feel that they can work well, they need Knowledge Management support in utilizing knowledge gaps; organizational commitment in carrying out tasks related to organizational commitment in making decisions, especially in risk taking, autonomy, competition, and proactiveness; the more respondents feel in accordance with the functions and main tasks of each; responsible for the implementation of the duties and functions it carries out.

3) Direct Effect of Management Information System on MSME performance

The analysis test results show that the management information system variable has a t-count value (35.046) greater than the t-table value (1.96). Therefore, it can be said that the management information system has a significant effect on MSME performance. This is because the use of management information systems in MSME organizations is very important in supporting the day-to-day operations of MSME organizational management, which consists of information system resources to assist in tactical planning, formulation, and decision-making to support planning and policies at the management level. In addition, employee training and development in MSME organizations is also necessary, because it is expected to help improve the capabilities and skills

of qualified employees who are able to excel and be flexible for an MSME organization in its future operations. In addition, the effectiveness and performance of an MSME organization are largely determined by the conditions and characteristics of each individual involved. The mindset, behavior, and cooperation that occur in a team play an important role in shaping its character and performance. The results of the study which show that there is a positive and significant influence of the Management Information System on MSME Performance means that the higher/positive the Management Information System, the higher/positive the MSME Performance means, the more respondents feel that they can work well and need the support of the Management Information System in accordance with the need for strategic vision, competence and management processes as well as infrastructure applications; organizational performance in carrying out tasks related to organizational performance in making decisions, especially in determining financial performance and non-financial performance; the more respondents feel in accordance with their respective functions and duties; responsible for the implementation of the duties and functions it carries out

4) The Direct Effect of Knowledge Management on MSME performance

The results of the hypothesis test show that the t-count value of the knowledge management variable (25.980) is greater than that of the t-table (1.96); therefore, it can be said that knowledge management has a significant effect on MSME performance. Thus, H₀₁ is rejected, and H_{a1} is accepted. This is because leadership in MSME organizations can improve the performance of employees in their organizations by improving knowledge management to learn, create new knowledge, and apply the best knowledge. Leaders and employees in MSME organizations who wish to successfully participate in the rapidly growing global knowledge economy should consider developing their personal competence in management knowledge as an important life skill. The study of MSME organizations in Majalengka shows that after each individual employee has high knowledge management, they will perform better. An MSME organization in the current era of knowledge increasingly requires human resources with knowledge management, skills, and attitudes to create high-performance human resources. The results of the study which show that there is a positive and significant influence of Knowledge Management on MSME Performance means that the higher the positive Knowledge Management, the higher the MSME Performance. This means that the more respondents feel that they can work well and need Knowledge Management support as needed in utilizing, sharing, and applying knowledge; the better the performance of MSMEs in carrying out related tasks in making decisions, especially in the application of financial performance and non-financial performance; the more respondents feel in accordance with the functions and main tasks of each; and the more responsible they are for the implementation of the duties and functions it carries out in improving the performance of MSMEs.

5) Direct Effect of Organizational Commitment on MSME performance

The results of the hypothesis test show that the t-count value of organizational commitment (0.732389) is smaller than the t-table (1.96). Therefore, it can be concluded that organizational commitment has no significant effect on MSME performance. This is because the leadership's commitment to the MSME organization has not been maximized in seeking a high level of effort for the benefit of the MSME organization due to the lack of access to capital, high credit interest, and difficulty in accessing marketing, which has hampered the performance of MSMEs. Therefore, the empowerment program through people's business credit (KUR) must be expanded and more evenly distributed in various regions, as well as looser regulations. This should be a priority in the Indonesian government's work program. The KUR program must be intensified to reach a wider range of MSMEs in Indonesia. In this case, it prepares small businesses to manage credit well. Synergy with private banks, which are increasingly interested in MSMEs, must be carried out immediately. In addition, the government should create policies that link small and medium

businesses with large businesses. For example, developed countries involve micro and small businesses as suppliers to larger industries. Efforts to empower MSMEs through partnerships must be enhanced. Moreover, it is hoped that the implementation of a targeted strategy will empower micro and small businesses to become medium and large businesses. In fact, so far the MSMEs want a credit program that applies a low interest rate. This is because the high interest rates set by banks are one of the toughest barriers for MSMEs in accessing commercial credit. MSMEs are afraid to apply for credit to banks whose interest rates are still quite high. Therefore, there must be a way to solve this problem. The results of the study, which show that there is no positive and significant influence of Organizational Commitment on MSME Performance, mean that higher/positive Organizational Commitment does not affect MSME Performance. This means that respondents feel that good performance does not require Organizational Commitment support. This is because MSMEs feel that organizational commitment is not important for their performance in carrying out related tasks in decision-making, especially in the application of financial and non-financial performance.

6) Indirect influence of Management Information System on MSME Performance mediated by Organizational Commitment

From the results of statistical analysis, it can be seen that Organizational Commitment does not play an important role, meaning that it is better directly between the Management Information System on MSME Performance than through Organizational Commitment because it is known that 0.681 is greater than 0.006 (0.723×0.009). The results of the study which show that there is an indirect effect of Management The Information System on Organizational Performance shows that the results are smaller than the direct effect; thus, Organizational Commitment is less effective in improving MSME Performance. This positive and significant influence implies that the higher/positive the Management Information System is, the less positive the positive influence on MSME Performance means, meaning that the more respondents feel that being able to work well requires Management Information System support according to the needs of strategic vision, competence and management processes and applications. infrastructure; organizational performance in carrying out tasks related to organizational performance in making decisions, especially in determining financial performance and non-financial performance; the more respondents feel in accordance with their respective functions and duties; responsible for the implementation of the duties and functions it carries out.

7) The indirect effect of Knowledge Management on MSME Performance mediated by Organizational Commitment

From the results of statistical analysis, it can be seen that Organizational Commitment does not play an important role, meaning that it is better directly between Knowledge Management and MSME Performance than through Organizational Commitment because it is known that 0.439 is greater than 0.0043 (0.480×0.009). The results of the stindicatethatate t the ie-KManagement Manage performance, asEE Performance mediated by Organiza, is not significantlay an important role. The positive and significant influence of Knowledge Management on MSME Performance directly is greater than the indirect effect, meaning that the higher/positive Direct Knowledge Management is, the higher/positive MSME Performance means, the more respondents feel that they can work well and need Knowledge Management support as needed. in utilizing, sharing, and applying knowledge; the performance of MSMEs in carrying out related tasks in making decisions, especially in the application of financial performance and non-financial performance; the more respondents feel in accordance with the functions and main tasks of each; and the responsibility for the implementation of the duties and functions it carries out in improving the performance of MSMEs. All of these have a greater direct influence than indirect influence.

5. Conclusions

The conclusion of this research in general is that there is a direct influence of Management Information System and Knowledge Management on Organizational Commitment Performance in Indonesia rformance, in SMEs and hypotheses weree be acwas notis not accepted. Organizational Commitment does not mediate the influence of Management Information Systems and Knowledge Management on MSME Performance. Based on the results of hypothesis testing and the discussion in the previous chapter, several conclusions can be drawn.

- 1) There is a Management Information System for Organizational Commitment, meaning that improving the Management Information System will significantly increase Organizational Commitment.
- 2) There is an effect of Knowledge Management on Organizational Commitment, meaning that improving Knowledge Management significantly increases Organizational Commitment.
- 3) The Management Information System influences MSME Performance, which means that improving the Management Information System will significantly increase MSME performance.
- 4) There is an effect of Knowledge Management on MSME Performance, meaning that improving Knowledge Management significantly increases MSME Performance.
- 5) Organizational Commitment has no effect on MSME Performance, indicating that a significant increase in the Knowledge Management variable does not significantly increase MSME Performance.
- 6) The Management Information System indirectly affects the Organization Commitment. The results of the statistical analysis show that Organizational Commitment does not play an important role, meaning it is better to direlinkt between the Management Information System Organization because the indirect effect is smaller than the direct effect.
- 7) There is an indirect effect of Knowledge Management on MSME Performance mediated by Organizational Commitment where from the results of statistical analysis it can be seen that Organizational Commitment does not play an important role, meaning that it is better directly between Knowledge Management on MSME Performance through Organizational Commitment. The indirect effect was smaller than the direct effect.

5.1 Research Limitations

- 1) This study is limited to management information system variables, knowledge management as an independent variable, and organizational commitment as an intervening variable that mediates the relationship between management information systems and knowledge management with MSME performance. Other variables can also affect MSME performance.
- 2) The questionnaires distributed were limited to SMEin Majalengka, Indonesia.
- 3) In this study, there was no standard way to determine the cause of changes in the dependent variable. Respondents may not realize that their company supports knowledge management and management information system practices and respond by stating that their company does not support knowledge management and management information system practices, thus giving inaccurate results.
- 4) This study examines the perspective of the Indonesian MSME community and therefore, is not generalized outside Indonesia.

5.2 Suggestions and Directions for Future Research

The following suggestions are offered for future research:

- 1) Collecting data for this research variable questionnaire has described the actual conditions, because subjectivity in answering questions on the questionnaire c; therefore, avoided, so that some

respondents' answers may be biased.

- 2) Future researchers interested in conducting similar research should consider factors other than system information management and knowledge management, which may affect organizational commitment and MSME performance, including marketing, technology, capital, access to information, social networks, legality, business plans, entrepreneurship, and government support.
- 3) Further research should expand the research sample, so that results can be generalized to a more general context in MSME sector institutions.

Acknowledgements

The authors would like to sincerely thank the participants of the study from MSMEs in Majalengka for their valuable time and insights. We also extend our gratitude to the academic institutions and organizations that supported this research.

Author Contributions

Conceptualization (S.); methodology (S.); data collection (S.); writing the original draft (S.); data analysis (K.); manuscript drafting (K.); supervision of research (K.); data collection (W.A.); analysis (W.A); and manuscript revision (W.A).

Conflicts of Interest

The authors declare that there is no conflict of interest in the publication of this paper. The research was conducted independently, and there are no financial or personal relationships that could influence the results of this study.

References

- Atalay, M., Anafarta, N., & Sarvan, F. (2013). The relationship between innovation and firm performance: An empirical evidence from turkish automotive supplier industry. *Procedia - Social and Behavioral Sciences*, 75, 226–236. <https://doi.org/10.1016/j.sbspro.2013.04.026>
- Chen, A. N. K., Sen, S., & Shao, B. B. M. (2006). Strategies for effective web services adoption for dynamic e-businesses. *Decision Support Systems*, 42(2), 789–809. <https://doi.org/10.1016/j.dss.2005.05.011>
- Currie, G., & Kerrin, M. (2003). Human resource management and knowledge management: Enhancing knowledge sharing in a pharmaceutical company. *International Journal of Human Resource Management*, 14(6), 1027–1045. <https://doi.org/10.1080/0958519032000124641>
- Daniel, E. M., Hoxmeier, J., & Smart, A. (2004). A framework for the sustainability of e-marketplaces. *Business Process Management Journal*, 10(3), 277–290. <https://doi.org/10.1108/14637150410539687>
- Davenport, T. H., & Prusak. (1998). *Working knowledge: How organizations manage what they know*. Harvard Business School Press.
- Dyerson, R., & Spinelli, R. (2011). Balancing growth: A conceptual framework for evaluating ict readiness in smes. *International Journal of Online Marketing*, 1(2), 43–56. <https://doi.org/10.4018/ijom.2011040103>
- Gathungu, J. M., Aiko, D. M., & Machuki, V. N. (2014). Entrepreneurial orientation, networking, external environment and firm performance: A critical literature review. *European Scientific Journal*, 10(7). <https://doi.org/10.19044/esj.2016.v12n28p188>
- Gharakhani, D., & Mousakhani. (2012). Knowledge management capabilities and smes organizational performance. *Journal of Chinese Entrepreneurship*, 4(1), 35–49. <https://doi.org/10.1108/17561391211200920>
- Gibson, M. (2008). *Manajemen sumber daya manusia*. Erlangga.
- Gupta, B., Iyer, L., & Aronson, J. E. (2000). Knowledge management: Practices and challenges. *Industrial Management and Data Systems*, 100(1), 17–21. <https://doi.org/10.1108/02635570010273018>
- Haug, A., Graungaard, P., & Arlbjorn, J. S. (2011). It readiness in small and medium-sized enterprises. *Industrial Management and Data Systems*, 111(4), 490–508. <https://doi.org/10.1108/02635571111133515>
- Hogel, M., Parboteeah, K. P., & Munson, C. L. (2003). Team-level antecedents of individuals' knowledge networks. *Decision Sciences*, 34(4), 741–770. <https://doi.org/10.1111/j.1540-5414.2003.02344.x>
- Huber, G. P. (1991). Organizational learning: The contributing processes and the literature. *Organization Science*, 2(1), 88–115. <https://doi.org/10.1287/orsc.2.1.88>
- Johnson, S., Snowden, N., Mukhuty, S., Fletcher, B., & Williams, T. (2015). Entrepreneurship skills: Literature and policy review. *Strategic Management Journal*, 11, 111–101.
- Johnston, H. R., & Carrico, S. R. (1998). Developing capabilities to use information strategically. *MIS Quarterly*, 12(1), 37–48. <https://doi.org/10.2307/248801>
- Ke, W., & Wei, K. K. (2007). Factors affecting trading partners' knowledge sharing: Using the lens of transaction cost economies and socio-political theories. *Electronic Commerce Research and Applications*, 6(3), 297–308. <https://doi.org/10.1016/j.elerap.2006.06.006>
- Kombo, H. K., K'Obonyo, P., & Ogutu. (2015). Knowledge strategy and performance of manufacturing firms in kenya. *Journal of Business & Economic Policy*, 2(3).
- Lee, L. T., & Sukoco, B. M. (2007). The effects of entrepreneurial orientation and knowledge management capability on organizational effectiveness in taiwan: The moderating role of social capital. *International Journal of Management*, 24(3), 549–573.
- Liebowitz, J., & Wilcox, G. (1997). *Knowledge management*. CRC Press.

- Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 21(1), 135–172. <https://doi.org/10.2307/258632>
- Maddan, S. (2009). *Measuring the impact of organizational culture factors on knowledge management implementation in the Jordanian telecommunication group (orange): A case study* [Master's thesis, Amman Arab University for Graduate Studies].
- Martinez, C., & Cagarra, N. (2010). The delone and mclean model of information systems success: A ten-year update. *Journal of Management Information Systems*, 19(4), 9–30.
- Matlay, H., & Westhead, P. (2005). Virtual teams and the rise of e-entrepreneurship in Europe. *International Small Business Journal*, 23(3), 279–302. <https://doi.org/10.1177/0266242605052074>
- Moorman, C., & Miner, A. S. (1998). Organizational improvisation and organizational memory. *Academy of Management Review*, 23(4), 698–723. <https://doi.org/10.2307/259058>
- Ndlela, L. T., & du Toit, A. S. A. (2001). Establishing a knowledge management program for competitive advantage in an enterprise. *International Journal of Information Management*, 21, 151–165. [https://doi.org/10.1016/s0268-4012\(01\)00007-x](https://doi.org/10.1016/s0268-4012(01)00007-x)
- Nonaka, I., & Takeuchi, H. (1995). *The knowledge creating company: How Japanese companies create the dynamics of innovation*. Oxford University Press.
- Novak, M., & Bojnec, S. (2005). Human capital and economic growth by municipalities in Slovenia. *Managing Global Transitions*, 3(2), 157–177.
- Odhiambo, L. O. (2015). *The relationship between capital structure, performance and replacement of CEOs in firms listed on the Nairobi securities exchange* [Doctoral dissertation, University of South Africa].
- Okeyo, W., Gathungu, J. M., & K'Obonyo, P. (2016). Entrepreneurial orientation, business development services, business environment, and performance: A critical literature review. *European Scientific Journal*, 12(28). <https://doi.org/10.19044/esj.2016.v12n28p188>
- Omisakin, M. O., Nakhid, C., Littrell, R., & Verbitsky, J. (2016). Entrepreneurial orientation among migrants and small and medium enterprises. *Journal of Business Administration Research*, 5(1), 6–22. <https://doi.org/10.5430/jbar.v5n1p7>
- Parmenas, N. H. (2021). Strategies for maintaining employee well-being during the COVID-19 pandemic. *Journal of Economics, Management, Entrepreneur, and Business*, 1(1), 15–31. <https://doi.org/10.52909/jemeb.v1i1.3>
- Quinstas, P., Lefrere, P., & Jones, G. (1997). Knowledge management: A strategic agenda. *Long Range Planning*, 30, 385–391.
- Rauch, A., Wiklund, J., Lumpkin, G. T., & Frese, M. (2009). Entrepreneurial orientation and business performance: An assessment of past research and suggestions for the future. *Entrepreneurship Theory and Practice*, 33, 761–787. <https://doi.org/10.1111/j.1540-6520.2009.00308.x>
- Reynolds, P. D. (2000). National panel study of US business start-ups: Background and methodology. In *Advances in entrepreneurship, firm emergence and growth* (pp. 153–227, Vol. 4). JAI Press.
- Ricardianto, P., Sakti, R. F. J., Sembiring, H. F. A., & Abidin, Z. (2021). Safety performance analysis of state and commercial ships in accordance with SOLAS 1974. *Journal of Economics, Management, Entrepreneur, and Business*, 1(1), 1–14. <https://doi.org/10.52909/jemeb.v1i1.2>
- Robbins, S. P. (2008). *Perilaku organisasi: Konsep, kontroversi, aplikasi*. Prenhallindo.
- Runyan, R., Droge, C., & Swinney, J. (2008). Entrepreneurial orientation versus small business orientation: What are their relationships to firm performance? *Journal of Small Business Management*, 46(4), 567–588. <https://doi.org/10.1111/j.1540-627x.2008.00257.x>
- Sambamurthy, V., & Subramani, M. (2005). Special issue on information technologies and knowledge management. *MIS Quarterly*, 29(1), 1–7. <https://doi.org/10.2307/25148665>
- Scarborough, H. (2003). Knowledge management, HRM and the innovation process. *International Journal of Manpower*, 24(5), 501–516. <https://doi.org/10.1108/01437720310491053>

- Sekaran, U., & Bougie, R. (2013). *Research methods for business: A skill-building approach*. John Wiley & Sons.
- Setyawati, A., Huda, M. N., Suripno, S., & Tannady, H. (2021). Analysis of integrated bus terminal services and their impact on customer satisfaction at pulo gebang. *Journal of Economics, Management, Entrepreneur, and Business*, 1(1), 44–55. <https://doi.org/10.52909/jemeb.v1i1.5>
- Spinelli, R., Romano, G., Dyerson, R., & Harindranath, G. (2013). It readiness in small firms. *Journal of Small Business and Enterprise Development*, 20(4), 807–823. <https://doi.org/10.1108/jsbed-01-2012-0012>
- Susanto, P. C., & Parmenas, N. H. (2021). Development of a succession planning model for insurance subsidiaries. *Journal of Economics, Management, Entrepreneur, and Business*, 1(1), 56–75. <https://doi.org/10.52909/jemeb.v1i1.16>
- Susanto, P. C., Suryawan, R. F., Hartono, H., & Purwoko, B. A. (2021). Analysis of accident-prone areas along the ciawi–puncak road, bogor. *Journal of Economics, Management, Entrepreneur, and Business*, 1(1), 32–43.
- Tsoukas, H. (1996). The firm as a distributed knowledge system: A constructionist approach. *Strategic Management Journal*, 11–25. <https://doi.org/10.1002/smj.4250171104>
- Wu, A., & Zumbo, B. (2009). Understanding and using mediators and moderators. *Social Indicators Research*, 87, 367–392. <https://doi.org/10.1007/s11205-007-9143-1>