Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2024): 8.431 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 11 | Issue: 12 | December 2024 -Peer-Reviewed Journal

THE EFFECT OF KNOWLEDGE SHARING AND MOTIVATION ON EMPLOYEE PERFORMANCE THROUGH INNOVATIVE BEHAVIOR AS AN INTERVENING VARIABLE

(Study on Employees of Fish Auction Places (TPI) in Pemalang Regency)

Muhammad Dzulhaedir Agung Zaky Mahdhani, Indra Swastika Purwandini, Tito Bimo Ariawan, Gita Sugiyarti

Master of Management Academic Program, Department of Economics and Business, University of August 17, 1945 Semarang

ABSTRACT

The purpose of this study is to determine and analyze the effect of knowledge sharing and motivation on employee performance through innovative behavior as an intervening variable. The sample of this study was employees of the Fish Auction in Pemalang Regency, totaling 61 respondents. The analysis tool used SEM PLS version 16. The findings of the study showed a positive and significant effect between knowledge sharing on employee performance; There is a positive and significant effect of innovative on employee performance and there is a positive and significant effect between innovative behavior and innovative behavior.

KEY WORDS: *knowledge sharing; motivation; innovative behavior; employee performance*

INTRODUCTION

In the era of increasing globalization, organizations face increasingly complex challenges to remain competitive in the global market. Fierce competition and technological advances encourage companies to innovate and improve their performance to stay relevant. To achieve this goal, companies must utilize the potential of their human resources optimally, especially by improving employee performance. Knowledge and innovation are the main keys to winning the competition, therefore sharing knowledge and motivation are important factors that cannot be ignored. Sharing knowledge allows employees to exchange information, ideas, and experiences that can enrich the team's knowledge and skills. At the same time, motivation drives employees to achieve company goals with enthusiasm and commitment.

Knowledge sharing and motivation play an important role in creating a dynamic and innovative work environment. Through effective knowledge sharing, employees not only gain new information but also improve their ability to adapt to change. Good employee motivation can also increase the desire to contribute more, encourage more optimal performance and produce appropriate innovations. Innovative behavior is an important aspect in facing the ever-changing global dynamics. Employees who behave creatively can provide more creative and effective solutions, so that the company can continue to adapt to changing market needs.

This research is important because it provides insight into how knowledge sharing, motivation, and innovation behavior help improve employee performance. In the era of digitalization and globalization, global enterprises are necessitated to exhibit adaptability in response to swift transformations and sustain their competitiveness within an increasingly volatile marketplace. Knowledge sharing is an important part of creating a collaborative work environment where employees exchange information, skills, and experiences that can enrich their abilities in groups. Through this research, organizations can understand that knowledge sharing not only improves individual abilities but also strengthens the overall team skills, which will ultimately have a positive impact on business efficiency.

In addition, employee motivation is an important factor in maintaining their enthusiasm and commitment to organizational goals. High motivation, both internal and external, allows employees to be more enthusiastic in completing tasks, achieving goals, and being innovative in their work. By assessing the impact of motivation on

performance, this study provides a strong basis for companies to design policies that encourage employee motivation, such as incentives, development opportunities or a work environment that improves emotional and physical health. This is especially important in the context of global competition, where companies must maximize the potential of each employee to stay ahead.

This study is also important because it highlights the role of innovative behavior as an intervening variable that can strengthen the relationship between knowledge sharing, motivation, and employee performance. By behaving creatively, employees can develop new, effective, and innovative ideas to solve existing challenges and meet changing market needs. Innovation is a key differentiator for companies to create competitive advantage. Therefore, understanding how innovative behavior can be triggered through knowledge sharing and motivation helps organizations create a culture of sustainable innovation.

Overall, this research is important for organizations that want to improve the efficiency and effectiveness of human resource management. With the results of this study, companies can develop more integrated strategies to improve employee performance. Furthermore, this study provides relevant information for human resources and management to implement policies that support innovative and collaborative behavior in the work environment. In facing global challenges, this study provides a foundation for businesses to adapt and innovate, helping them be better prepared for fluctuations in the international market.

The primary objective of this research is to ascertain the influence of knowledge sharing and motivation factors on employee performance, mediated by innovative behavior as an intervening variable.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Knowledge Sharing

*Knowledge sharing*According to Chen et al. (2019) is defined as a social process involving interactions between individuals, where information, ideas, and experiences are shared voluntarily to support the achievement of common goals. They emphasize that knowledge sharing can occur formally or informally, and has an important role in creating competitive advantage. Furthermore, Li & Ma (2020) stated that knowledge sharing is an effort to transfer explicit and tacit knowledge from one individual to another or group in the organization to achieve better understanding and improve performance. They argue that the success of knowledge sharing is highly dependent on a supportive organizational culture, as well as the trust and incentives for employees to share knowledge.

Wang et al. (2021)defines the phenomenon of knowledge sharing can be characterized as a systematic process whereby individuals or collectives exchange knowledge, competencies, and perspectives, with the objective of enhancing operational efficiency and efficacy within an organizational context. According to them, knowledge sharing plays a key role in enhancing innovation and helping organizations respond to rapid changes in a competitive business environment. Meanwhile, according to Zhang & Cheng (2022), knowledge sharing is described as the actions of individuals to exchange knowledge, either in the form of information or skills, that they have with other members of the organization. They stated that knowledge sharing not only drives individual performance but also strengthens the performance of the team and the organization as a whole.

Thus knowledge sharing in this study it is defined as a process in which individuals share knowledge, skills, and experiences both formally and informally with other members of the organization, to improve shared understanding, team performance, and support innovation in the organization.

Knowledge sharing indicators include: (a) Willingness to Share Knowledgenamely the willingness of employees to share information and experiences with co-workers, (b) Ability to Share Knowledge, namely the individual's ability to transfer knowledge clearly and effectively, (c) Openness in Knowledge Sharing, namely an open and transparent attitude in sharing information, (d) Frequency of Knowledge Sharing, namely how often employees are involved in knowledge sharing activities, (e) Support from Organization, namely support provided by the organization, such as policies, facilities, and incentives for sharing knowledge.

Motivation

Locke and Schattke (2019)define motivation as a process that directs and maintains behavior that leads to the achievement of certain goals. They emphasize that motivation is a key element that influences employee productivity, focusing on the goal-setting aspect that drives individuals to achieve optimal results. Strong motivation will result in higher performance because individuals feel driven to achieve the targets that have been set.

Latham and Pinder (2019)stated that motivation is a psychological force that influences the direction, intensity, and persistence of individual behavior in achieving work goals. They argue that motivation affects not only performance, but also job satisfaction and emotional attachment to work. In this view, motivation is a key factor in creating employee commitment and dedication to their tasks.

Ryan and Deci (2020)define motivation as internal and external drives that influence an individual's desire to perform a particular action. They distinguish motivation into two main types, namely intrinsic and extrinsic motivation. Intrinsic motivation comes from personal satisfaction and interest in the task, while extrinsic motivation is triggered by external factors, such as incentives or recognition. According to them, both types of motivation play a role in encouraging individuals to achieve organizational goals.

Kanfer et al. (2021)define motivation as an internal drive and desire that drives a person to behave in accordance with personal or organizational needs and goals. They focus on the role of motivation as a trigger that makes individuals willing and able to contribute to the work they do. According to them, motivation is not only important for productivity but also has an impact on employee psychological well-being.

Based on the various definitions above, motivation can be defined as a psychological process that encompasses both internal and external forces that affect the direction, intensity, and persistence of individual actions in attaining specific objectives, both for personal and organizational interests. Motivation plays an important role in increasing productivity, performance, job satisfaction, emotional attachment to work, and psychological well-being. Motivation can be divided into intrinsic, which comes from personal interest and satisfaction, and extrinsic, which is triggered by incentives or external factors.

Motivational indicators include: (a) Job Satisfaction Level, which measures the extent to which employees are satisfied with their work, which can affect their motivation to work better, (b) Participation in Goal Setting, which measures the extent to which employees are involved in the process of setting personal and team goals, which can increase intrinsic motivation, (c) Receipt of Awards, which measures the frequency and type of awards received by employees, both financial and non-financial, which function as extrinsic motivation, (d) Commitment to Task, which measures the extent to which employees are attached to the tasks they undertake, which can reflect existing motivation, (e) Desire to Learn and Develop, which measures the extent to which employees show interest in self-development and skill improvement, which indicates intrinsic motivation.

Innovative Behavior

Amabile, TM (2019) stated that innovative behavior includes creative processes that involve developing new ideas that can be implemented. In an organizational context, this relates to how individuals and teams contribute to innovation through creativity and collaboration.

Scott, SG, & Bruce, RA (2017) define innovative behavior as a series of individual actions in an organization that result in new products, processes, or ways of working. This includes proactive attitudes and involvement in activities that encourage innovation.

According to Wang, Y., & Ahmed, PK (2019) innovative behavior involves an individual's ability to generate new ideas and implement them in practice. It also includes adaptation to change and the ability to take risks.

Huang, J., & Rice, MP (2020) argue that Innovative behavior emerges from the interplay among individual, environmental, and organizational factors that motivate people to innovate. In this context, support from management and an inclusive organizational culture are essential.

Piening, EP, & Salge, TO (2019), stated that innovative behavior is closely related to a supportive work context, where individuals feel empowered to explore new ideas and apply their creativity in the innovation process.

Thus, it can be concluded that innovative behavior isa series of individual or group actions that generate new ideas and implement positive change in a context.

Indicators of innovative behavior include:(a) Idea Creativity: The frequency and quality of new ideas generated by an individual or team, (b) Innovation Implementation: The degree of success in putting new ideas into practice, (c) Risk Taking: The readiness to try new approaches despite the possibility of failure, (d) Team Collaboration: The degree of collaboration and communication between team members in generating innovative ideas, (e) Response to Feedback: The ability to receive and integrate feedback into the innovation process.

Employee performance

Roberts and Wainwright (2019): They define employee performance as the level of individual achievement in carrying out assigned tasks and contributing to the overall results of the organization. This performance is affected by elements such as motivation, abilities, and the workplace atmosphere.

Rukmani et al. (2020): According to them, employee performance includes the results expected from individuals in the context of their work, which can be assessed through quantitative and qualitative criteria, as well as perceptions of work effectiveness.

Bakker and Demerouti (2017): Employee performance is posited to be the outcome of the interplay between personal resources and job requirements, with the equilibrium between these two factors significantly affecting overall performance.

Campbell et al. (2019): They define employee performance as behavior relevant to achieving organizational goals, which includes skills, effort, and work results displayed in various work contexts.

Kraiger et al. (2020): According to them, employee performance should be viewed in the context of learning and development, where this process contributes to improving individual work outcomes as well as developing relevant skills.

From several definitions ofemployee performanceis a measure of the extent to which individuals can fulfill their duties and responsibilities within the context of the organization. Employee performance is a combination of many interacting elements, and understanding this complexity is important to improving productivity and effectiveness within an organization.

Here are some key indicators of employee performance including: (a) Quality of Work: The level of accuracy, precision, and reliability of the work produced, (b) Quantity of Work: The volume of work completed in a given period, often measured in units or volume of production, (c) Efficiency: The ratio between output produced and resources used, indicating how well employees use time and materials, (d) Compliance with Standards: The degree to which employees comply with established procedures, regulations, and quality standards, (e) Skills and Competencies: The ability of employees to apply relevant knowledge and skills to their work, (f) Initiative and Proactivity: Readiness to take action without waiting for direction, and the ability to identify and solve problems.

Relationship between Variables and Empirical Models

Relationship between Knowledge Sharing and Employee Performance

The relationship between knowledge sharing and employee performance shows a significant positive effect, where the practice of knowledge sharing in the organization allows employees to access information, skills, and experiences that can improve their work effectiveness. When employees participate in knowledge sharing, they enhance their comprehension and abilities while fostering improved collaboration among team members. This collaborative environment subsequently promotes innovation and optimizes work processes. With increased skills and collaborative abilities, employees can make better decisions and complete tasks more efficiently, thus contributing to individual and overall organizational performance. Therefore, knowledge sharing serves as a key factor that improves performance, creating a more productive and responsive work environment to the challenges faced.

In research(Andra & Utami, 2018)on The Impact of Knowledge Dissemination on Employee Performance: An Analysis of Employees at PT Bank Rakyat Indonesia Malang Kawi Branch Office said that knowledge sharing has a positive and significant effect on employee performance. In other words, if knowledge sharing increases, it will be followed by an increase in employee performance.

Based on the description above, hypothesis 1 can be proposed.
(H1), namely: There is a significant positive influence between knowledge sharing and employee performance, In organizations, an increased degree of knowledge sharing correlates positively with enhanced employee performance.

Relationship between Motivation and Employee Performance
The relationship between motivation and employee performance shows a significant positive effect, where high levels of motivation encourage employees to work harder to achieve their work goals. When employees feel motivated, either through intrinsic factors such as personal satisfaction or extrinsic factors such as rewards and incentives, they tend to show higher levels of engagement in their tasks. Strong motivation contributes to increased productivity, creativity, and work quality, which directly affect individual and team performance outcomes. Therefore, the higher the level of motivation an employee has, the better the performance they can achieve in the organization.

In research(Hotiana & Febriansyah, 2018) about the Impact of Motivation and Job Stress on Employee Performance (Research in the Personnel and Organization Division, General Bureau, Personnel and Organization of the Indonesian Ministry of Tourism) that Motivation has a positive and significant influence on employee performance, namely as a superior, you must build employee motivation by providing appreciation so that you can build motivation in your employees in order to have good performance.

Based on the description above, hypothesis 2 can be proposed.
(H2), namely: There is a significant positive influence between motivation and employee performance, where the higher the level of motivation an employee has, the better the performance shown by the employee.

The Relationship between Innovative Behavior and Employee Performance
The relationship between innovative behavior and employee performance shows a significant positive influence, where individuals who demonstrate innovative behavior tend to produce new and creative solutions that can improve efficiency and effectiveness in their work. Employees who are proactive in developing new ideas and implementing better methods not only improve the quality of the products or services produced, but also contribute to the process of continuous improvement in the organization. This innovative behavior can improve team collaboration and facilitate complex problem solving, leading to higher performance. Thus, the higher the level of innovative behavior demonstrated by employees, the better the performance that can be achieved by individuals and the organization as a whole.

In research(Rafika Afza, Dede Iskandar Siregar, Hammam Zaki, 2022)about the Analysis of the Influence of Transformational Leadership and Innovative Work Behavior on Employee Performance. That innovative work behavior has a significant impact on employee performance, where employees who have innovative behavior can create and combine creative ideas into something new to be developed in the company.

Based on the description above, hypothesis 3 can be proposed.
(H3), namely: There is a significant positive influence between innovative behavior and employee performance, where the higher the level of innovative behavior shown by employees, the better the performance that can be achieved by these employees.

The Relationship between Knowledge Sharing and Innovative Behavior
The relationship between knowledge sharing and innovative behavior shows a significant positive influence, where the practice of knowledge sharing in an organization encourages employees to develop new ideas and creative solutions. When employees share information, experiences, and skills with each other, they can gain a broader perspective, which facilitates the process of creative thinking and exploration of innovative solutions to existing problems. An environment that supports knowledge sharing creates a collaborative atmosphere that increases employee trust and engagement, thus encouraging them to take the initiative and take risks in implementing new ideas.

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2024): 8.431 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 11 | Issue: 12 | December 2024 -Peer-Reviewed Journal

Thus, the higher the level of knowledge sharing in an organization, employees are increasingly inclined to exhibit innovative behaviors that contribute positively to the organization's growth and advancement.

A study conducted (Ricky Prayoga, Enjang Suherman, Zenita Apriani., 2023)on the Influence of Knowledge Sharing on Innovative Behavior in Student Organization Administrators (Study on Student Organization Administrators of the Faculty of Economics and Business UBP Karawang for the 2022-2023 Period) that Knowledge Sharing has a significant positive effect on Innovative Behavior. This shows that the more routine the organization is in implementing and creating Knowledge Sharing activities, the more new ideas, new understandings, new information will emerge that influence innovative behavior for organizational administrators.

Based on the description above, hypothesis 4 can be proposed.
(H4), namely: There is a significant positive influence between knowledge sharing and employee innovative behavior, where the higher the level of knowledge sharing that occurs in the organization, the higher the innovative behavior demonstrated by employees.

The Relationship between Motivation and Innovative Behavior
The connection between motivation and innovative behavior demonstrates a notable positive influence, indicating that elevated motivation levels inspire employees to proactively generate and execute new concepts. Employees who are motivated, both by intrinsic factors such as the desire to learn and develop, and by extrinsic factors such as rewards and recognition, tend to be more open to exploring new approaches and taking risks in their work. Strong motivation creates a passion for innovation, facilitates courage in facing challenges, and increases commitment to the innovation process. Therefore, the higher the level of motivation an employee has, the more likely they are to demonstrate innovative behavior that can add value to the organization.

In research(February 2021)on the Influence of Motivation and Job Satisfaction on Innovative Behavior of Employees of the Bank Indonesia Representative Office of West Sumatra Province. That there is a significant influence of motivation on the innovative behavior of employees of the Bank Indonesia representative office of West Sumatra Province. Where the higher the work motivation, the more innovative behavior is created.
Based on the description above, hypothesis 5 can be proposed.
(H5), namely: There is a significant positive influence between motivation and employee innovative behavior, where the higher the level of motivation an employee has, the higher the innovative behavior shown by the employee.
Based on the literature review and hypothesis development, the following empirical model can be created.

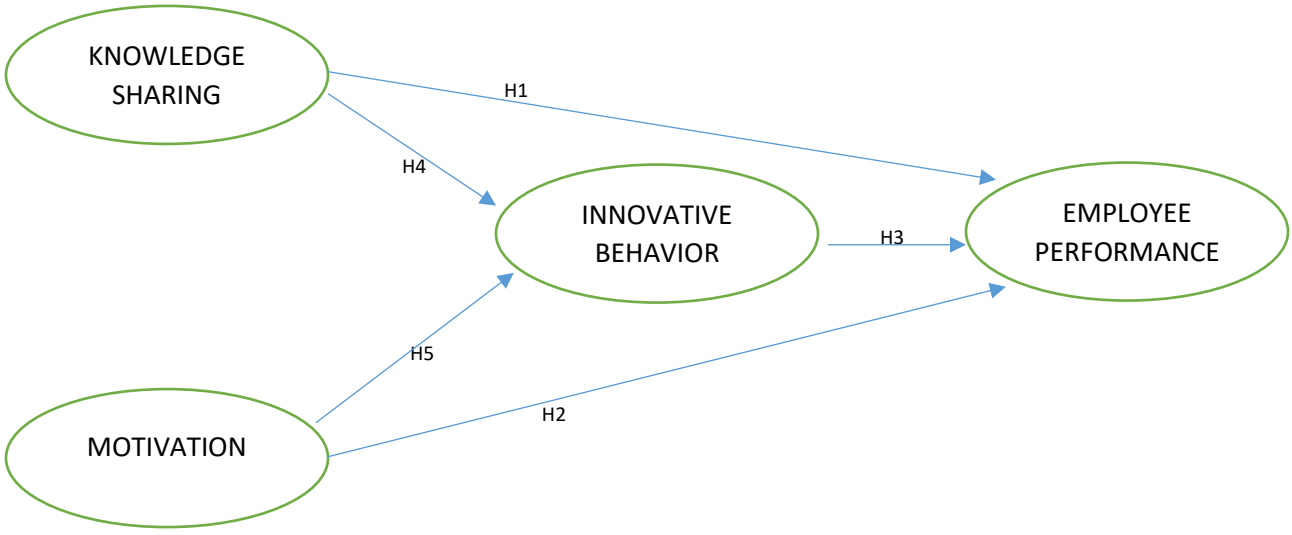


Figure 1 Conceptual Framework

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2024): 8.431 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 11 | Issue: 12 | December 2024 -Peer-Reviewed Journal

RESEARCH METHODOLOGY

Sampling Method

Population

Population according to Kothari, CR (2020) is all individuals, objects, or events that have certain characteristics and are the subject of research. Selecting a representative sample from the population is essential to achieving valid results.

The population of this study consisted of all employees working at TPI (Fish Auction Place) in Pemalang Regency, totaling 72 people divided into 5 TPI. TPI employees are individuals involved in various operational activities, ranging from management and distribution of fishery products to interactions with customers and other stakeholders. This population includes various positions and functions, such as managers, supervisors, administrative staff, and field staff, all of whom play a crucial part in executing the daily operations of TPI.

Sample

According to Kothari, CR (2020), a sample refers to a smaller portion of a larger of a population used in research to draw conclusions about that population. Sample selection must be done carefully so that the research results reflect the conditions of the wider population.
The number of samples in this study was 61, obtained using the Slovin method, as follows:

$$n = \frac{N}{1 + N .e^2}$$

Where:

n = number of samples required
N = population size
e = margin of error (e.g., 0.05 for 5%)

Thus, the total count of samples utilized in this study is:

$$n = \frac{N}{1 + N . e^2}$$

$$= \frac{72}{1 + 72 . 0.05^2}$$

$$= \frac{72}{1 + 72 . 0.0025}$$

$$= \frac{72}{1 + 0.18}$$

$$= \frac{72}{1.18}$$

$$= 61.017 \approx 61$$

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2024): 8.431 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 11 | Issue: 12 | December 2024 -Peer-Reviewed Journal

Sampling Techniques

Sampling technique, as articulated by Kothari, CR (2020), refers to the method employed to choose a subset of individuals from a broader population. This technique plays a crucial role in influencing the precision and applicability of research findings. Furthermore, the types of sampling are divided into two main categories, namely probability sampling and non-probability sampling.

The sampling technique used in this study is simple random sampling.which is included in the type of probability sampling. In simple random sampling, each individual in the population has an equal chance of being selected. Sampling is done randomly using a random number table.

Data collection

a. Research Data
   Kothari divides research data into descriptive data and inferential data. Descriptive data provides an overview of the characteristics of the population being studied, while inferential data is used to draw conclusions or make predictions about the population based on sample data.
b. Data collection technique
   The data in this study were collected using structured questionnaires to collect data on the variables studied. Knowledge Sharing data is used to measure how often employees share knowledge with coworkers. Motivation data is used to evaluate the degree of intrinsic and extrinsic motivation among employees in the workplace. Innovative Behavior data is used to measure the extent to which employees engage in innovative actions. And Employee Performance data is used to measure the work results achieved by employees in a certain period.

Operational Definition

In this study there are independent variables X1 (Knowledge Sharing); X2 (Motivation); Dependent Variable or Y (Performance); and Intervening Variable Z (Innovation Behavior)
Explanation of the indicators can be explained in the following table:

Table 1: Operational Definitions and Indicators

Variables	Draft	Indicator
Knowledge Sharing (X1)	The process by which individuals share knowledge, skills, and experiences both formally and informally with other members of the organization, to improve shared understanding, team performance, and support innovation within the organization.	a. Willingness to Share Knowledge. b. Ability to Share Knowledge. c. Openness in Knowledge Sharing. d. Frequency of Knowledge Sharing. e. Support from Organization.
Motivation (X2)	A psychological process involving both internal and external drives that influence which shape the direction, intensity, a persistence in individual's behavior in achieving specific goals, both for personal and organizational interests. Motivation plays an important role in increasing productivity, performance, job satisfaction, emotional attachment to work, and psychological well-being. Motivation can be divided into intrinsic, which comes from personal interest and satisfaction, and extrinsic, which is triggered by incentives or external factors.	a. Job Satisfaction Level. b. Participation in Goal Setting. c. Award Receipt. d. Commitment to Duty. e. Desire to Learn and Grow.
Innovation Behavior (Z)	A series of individual or group actions that generate new ideas and implement positive change in a context.	a. Creativity of Ideas. b. Innovation Implementation. c. Risk Taking. d. Team Collaboration. e. Response to Feedback.
Employee Performance (Y)	The measure of the extent to which individuals are able to fulfill their duties and responsibilities within the context of the organization. Employee performance is a composite of many interacting elements, and understanding this complexity is essential to improving productivity and effectiveness within an organization.	a. Quality of Work. b. Quantity of Work. c. Efficiency. d. Compliance with Standards. e. Skills and Competencies f. Initiative and Proactivity.

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2024): 8.431 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 11 | Issue: 12 | December 2024 -Peer-Reviewed Journal

Data Measurement Method

Primary data collected in this study from TPI Employees in Pemalang Regency after the answers from respondents were obtained will then be tested using the SEM-PLS application.

Data Analysis Methods

This research establishes a causality model that demonstrates the impact of independent variables on dependent variables, utilizing existing evidence. The methodology includes conducting Partial Least Squares (PLS) testing, Estimation Demonstration Examination (External Display), Basic Show Investigation (Internal Display), and Theory Testing.

Partial Least Squares (PLS) Test

This research employs Structural Equation Modeling grounded in variance through the Partial Least Square technique. Partial Least Square (PLS) is a multivariate measurement technique created by Herman Wold in 1966. The objective of employing Partial Least Squares (PLS) is to elucidate the degree of the intricate interplay among latent variables and their corresponding indicators. The discussion will focus on elucidating two distinct equations: the inner model and the outer model. The inner model (structural model) is used to determine the specifications of the relationship between hidden variables and their indicators. Meanwhile, the outer model has a role in determining how to measure hidden variables. This approach is employed to forecast the impact of variable X on Y and to elucidate the theoretical connection between these two elements.

Measurement Model Analysis (Outer Model)

Methode analysis is used in PLS testing to assess internal validity and reliability. External measurement model analysis will show how unmeasured variables are connected to their indicators. External demonstration shows the relationship between each indicator and the inactive variables. Estimation demonstration testing (external demonstration) is done by examining centralized legitimacy (merged legitimacy) and discriminant legitimacy.

a. Convergent validity is when a certain value factor is connected to the corresponding indicator. The value factor loading is a number that connects the relationship between the hidden variable and its indicator. Convergent validity is assessed in two steps. Indicator validity: checked based on the following factor loading and t-statistics: If the factor loading value is less than 0. If the result is 5-0.6, it is considered sufficient. When the factor loading value is ÿ 0. If the number is 7, it is considered high. (Imam Ghozali, 2006). If the t-statistic value of 1.96 indicates that the indicator is valid(Uce Indahyanti, 2013).
b. Construct Reliability is seen through the Composite Reliability (CR) output value.The criteria are categorized as reliable estimates if the CR value increases, then the quality is also getting better.The large value of 0.7Uce Indahyanti, 2013.
c. Average Variance Extracted (AVE) should be greater than 0.5 (Uce Indahyanti, 2013). Discriminant validity is examined in two steps. The first step is to observe the values of the cross loading factors. Then, compare the root of AVE with the correlation between constructs/latent variables. The cross loading factor is used to evaluate the extent to which latent variables can differentiate. This method involves comparing the correlation between indicators with latent variables (which should be greater) and the correlation between indicators with other latent variables. If the relationship between the indicator and the latent variable itself is higher than the relationship between the indicator and other latent variables, then the latent variable is considered to have high discriminant validity (Uce Indahyanti, 2013). The recommended AVE value is 0.5.

Structural Model Analysis (Inner Model)

The basic performance is assessed using R-square (R^2) to test the Stone-Geis Q-square as a relevant subordinate and the t-statistic and critical test of the basic way parameter coefficients. R^2 can be used to assess the influence of autonomous idle variables on subordinate idle variables that have a significant impact. The limits of this R^2 value can be grouped into three categories, namely 0.75, 0.5, and 0.25. This shows how much influence f^2 can be calculated using R^2. R^2 is avoided when the inactive variable is used or removed directly, and its function becomes weak in the basic situation. The f^2 values are 0.02, 15, and 0.35. In addition to looking at the R-square value, the quality of PLS is also assessed from how precise the Q-square prediction is in measuring how well the value predicted by the model is together with the measured parameters. A larger Q2 value indicates that the demonstration has significant predictive value, while a smaller Q2 value indicates that the demonstration requires predictive relevance.

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2024): 8.431 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 11 | Issue: 12 | December 2024 -Peer-Reviewed Journal

Hypothesis Testing

Hypothesis testing can be conducted through the bootstrap menu, with results presented in the path coefficient table as ρ and t statistics. According to Ghozali (2015), a path coefficient is considered significant if the significance level of the ρ value is below 0.05, the significance value is exactly 0.05, and the t-statistic exceeds 1.96 (Hair, J. Ringle, C., & Salstedt, 2011). To assess the range of influence relationships, one should examine the path coefficients. As noted by Diamantopoulos and Siguaw (2000), a path coefficient of less than 0.30 signifies a moderate influence, a coefficient between 0.30 and 0.60 indicates a strong influence, and a coefficient exceeding 0.60 reflects a very strong influence.

RESULTS AND DISCUSSION

Measurement Model Testing (Outer Model)

Convergent Validity

Convergent Validity is assessed by examining the values associated with the outer loading. Outer loading refers to the correlation coefficient between the measurement items and the indicators of a specific variable. According to Hair et al. (1998), an outer loading value exceeding 0.5 is typically regarded as statistically significant. Consequently, factor loading values that fall below 0.5 ought to be excluded from the model. Moreover, when the Average Variance Extracted (AVE) exceeds 0.5, this suggests that more than half of the construct effectively elucidates the indicators. Conversely, if the AVE value is below 0.5, the variable with the lowest factor loading value must be eliminated from the model.

Internal Consistency

The steadfast quality of internal consistency in a construct based on smart pointers is compromised in two specific manners, namely through the examination of Cronbach's Alpha and Composite Reliability. A variable is considered reliable when its Cronbach's Alpha exceeds 0.7 and its Composite Reliability also surpasses 0.7.

Discriminant Validity

A study is considered to possess strong discriminant validity when the cumulative value of the anticipated growth exceeds the cumulative value of alternative growth measures. The assessment of discriminant validity can be conducted utilizing the Fornell-Larcker criterion.

Table 2: Reliability and Validity

Variables	Indicator	Convergent Validity		Internal Consistency Reliability	
		Loading	Track	Combined Reliability	Owned by Cronbach Alfa
		> 0.50	> 0.50	> 0.70	> 0.70
Knowledge Sharing	X1.3	0.911	0.710	0.830	0.607
	X1.4	0.769			
Motivation	X2.1	0.652	0.590	0.810	0.654
	X2.4	0.768			
	X2.5	0.869			
Employee performance	Y2	0.619	0.560	0.834	0.734
	Y3	0.737			
	Y5	0.836			
	Y6	0.782			
Innovation behavior	Z1	0.613	0.652	0.880	0.824
	Z2	0.861			
	Z3	0.868			
	Z5	0.858			

The findings from the PLS Calculation test, as presented in Table 2, indicate a significant level of combined legitimacy and internal consistency, maintaining a consistent quality. Centralized legitimacy is observed when all indicators across the examined factors exceed the threshold of 0.50, and each factor demonstrates an Average Variance Extracted (AVE) greater than 0.50. In the calculation of Cronbach's alpha and the unchanged quality of the composite of all

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2024): 8.431 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 11 | Issue: 12 | December 2024 -Peer-Reviewed Journal

factors have met the criteria of more than 0.70. Namely in the employee performance variable and innovation behavior while the knowledge sharing and motivation variables do not meet the Cronbach's alpha criteria because they are less than 0.70.

Structural Model Analysis (Inner Model)

Once the measurement model testing (outer model) has satisfied the necessary criteria, the subsequent phase involves evaluating the structural (inner) model. The inner model is tested through the r-square sign test (reliability indicator) for the dependent latent variable, and the significance test of the structural path parameter coefficient, Effect Size (f-square).

Coefficient of Determination (R-Square)

This coefficient assesses the capacity of endogenous factors to account for exogenous factors. An R-square value of 0.75 signifies a robust capability of endogenous variables in predicting an occurrence, a value of 0.50 is direct, and a value of 0.25 is weak (Hair, J., Ringle, C. and Sarstedt, 2011).

Table 3 R-Square Values

	R Square	R Square Adjusted
Employee performance	0.901	0.896
Innovative Behavior	0.244	0.218

Source: Examined Primary Data, 2024

From table 3 that the dependent variable, which is endogenous in nature, pertains to Employee Performance. Shows the strong ability of endogenous variables in anticipating an event (0.901) and Innovative Behavior has a weak ability (0.244) in the ability to predict the model. The R2 value of the employee performance construct is 0.901, meaning that the ability of the knowledge sharing, motivation and innovative behavior variables to explain the employee performance construct is 90.1%, the remaining 24.4% is attributed to factors not addressed in this study.

Effect Size (F-Square)

Magnitude influence the show that variable exogenous have influence Which significant to variable endogenous. The criteria is 0.02 For weak, 0.15 For currently, And 0.35 For strong (Cohen, 1988).

Table 4 Effect Size (F-Square)

	Employee performance	Knowledge Sharing	Motivation	Innovative Behavior
Employee performance				
Knowledge Sharing	2,431			0.020
Motivation	1,066			0.166
Innovative behavior	0.290			

Source: Examined Primary Data, 2024

Table 4 shows the influence of exogenous variables Knowledge Sharing has an influence of 0.020 (weak) on Innovative Behavior and 2.431 (strong) on Employee Performance. Motivation has an influence of 0.166 (moderate) on Innovative Behavior and 1.066 (strong) on Employee Performance. The Innovative Behavior variable has an influence of 0.290 (moderate) on Employee Performance.

Hypothesis Testing (Bootstraping)

Testing significance hypothesis can done with use menu bootstrapping Canny PLS with see table coefficient track on column t-statistic And ρ-value. For test hypothesis This used criteria significance mark ρ not enough from 0.05 And mean 5 percent. Coefficient track considered significant If t-statistics more big from 1.96. Estimate impact connection This can checked with use coefficient path. Criteria coefficient track is on coordinate in lower 0.30, on range 0.30 until 0.60, And especially on coordinate in on 0.60.

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2024): 8.431 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 11 | Issue: 12 | December 2024 -Peer-Reviewed Journal

Table 5 Path Coefficient Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values
knowledge sharing -> employee performance	0.569	0.565	0.059	9,636	0.000
knowledge sharing -> innovative behavior	0.142	0.138	0.157	0.903	0.366
motivation -> employee performance	0.403	0.411	0.065	6.234	0.000
motivation -> innovative behavior	0.408	0.416	0.148	2,755	0.006
innovative behavior -> employee performance	0.194	0.187	0.058	3.369	0.001

Primary Data Sources Examined, 2024

1. The Influence of Knowledge Sharing on Employee Performance

Based on the test results, the T statistic value obtained was 9.636 > 1.96 with a P value of 0.000, so it can be concluded that the relationship between the knowledge sharing variable has a positive and significant relationship with employee performance.There is a positive and significant influence between knowledge sharing and employee performance.. Therefore the proposed hypothesis can be accepted. This meanswhere the higher the level of knowledge sharing within the organization, the better the performance demonstrated by employees.

2. The Influence of Motivation on Performance Employee

The test results found a T statistic of 6.234 > 1.96 with a P value of 0.000, so it can be concluded that the relationship between motivation variables has a positive and significant relationship with employee performance.There is a positive and significant influence between motivation and employee performance.. Therefore the proposed hypothesis can be accepted. This meanswhere the higher the level of motivation an employee has, the better the performance demonstrated by the employee.

3. The Influence of Innovative Behavior on Employee Performance

From the test, the T statistic value obtained was 3.369 > 1.96 with a P value of 0.001, so it can be concluded that the relationship between the innovative behavior variable has a positive and significant relationship with employee performance.There is a positive and significant influence between innovative behavior and employee performance.. Therefore the proposed hypothesis can be accepted. This means thatwhere the higher the level of innovative behavior demonstrated by employees, the better the performance that can be achieved by those employees..

4. The Influence of Knowledge Sharing on Innovative Behavior

From the test results, the T statistic value obtained was 0.903 <1.96 with a P value of 0.366, so it can be concluded that the relationship between the knowledge sharing variable has an insignificant relationship with innovative behavior.There is no positive and significant influence between*knowledge sharing* towards innovative behavior. Therefore the proposed hypothesis is rejected. This meanswhere the higher the level of knowledge sharing that occurs in the organization, it cannot increase the innovative behavior demonstrated by employees.

5. The Influence of Motivation on Innovative Behavior

The analysis yielded a T statistic of 2.755, exceeding the threshold of 1.96, alongside a P value of 0.006. This indicates that there is a positive and statistically significant relationship between the variables of motivation and innovative behavior. Thus, it can be concluded that motivation exerts a positive and significant influence on innovative behavior. Therefore the proposed hypothesis can be accepted. This meanswhere the higher the level of motivation an employee has, the higher the innovative behavior demonstrated by the employee.This can help the organization in achieving its goals to obtain good work results and good productivity.

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2024): 8.431 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 11 | Issue: 12 | December 2024 -Peer-Reviewed Journal

6. Indirect Hypothesis Testing

The outcomes of the hypothesis test concerning the indirect effect mediated by Job Satisfaction, which serves as an intervening variable, are presented in the subsequent table generated using Smart PLS software.

Table 5 Results of Indirect Effect Hypothesis Test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
knowledge sharing -> innovative behavior -> employee performance	0.028	0.029	0.033	0.843	0.399
motivation -> innovative behavior -> employee performance	0.079	0.077	0.036	2.177	0.029

Source: Examined Primary Data, 2024

Based on table 5, the results of the indirect influence test of knowledge sharing on employee performance through innovative behavior as an intervening or intermediary variable have a path coefficient value of 0.028 with a T statistic value of 0.843 <1.96 with a P value of 0.399> 0.05. Meanwhile, the results of the indirect test of motivation on employee performance through innovative behavior as an intervening or intermediary variable have a path coefficient value of 0.079 with a T statistic value of 2.177> 1.96 with a P value of 0.029 <0.05. Innovative behavior can significantly mediate between motivation and employee performance in TPI employees in Pemalang Regency, but innovative behavior cannot significantly mediate between the knowledge sharing variable and employee performance in TPI employees in Pemalang Regency.

CONCLUSION AND SUGGESTIONS

Conclusion

This research seeks to provide empirical evidence regarding the influence of knowledge sharing and motivation on employee performance, specifically through the lens of innovative behavior among TPI employees in Pemalang Regency. To analyze the relationship between these variables, this study uses SmartPLS 3. Based on the research and data processing that has been done, several conclusions are obtained as follows:

a. There is a positive and significant influence between knowledge sharing and employee performance.. It meanswhere the higher the level of knowledge sharing within the organization at TPI, the better the performance demonstrated by employees.
b. There is a positive and significant influence between motivation and employee performance.. It meanswhere the higher the level of motivation an employee has, the better the performance demonstrated by the employee.
c. There is a positive and significant influence between innovative behavior and employee performance.. This meanswhere the higher the level of innovative behavior demonstrated by employees, the better the performance that can be achieved by those employees..
d. There is no positive and significant influence between*knowledge sharing* towards innovative behavior. It meanswhere the higher the level of knowledge sharing that occurs in the organization, it cannot increase the innovative behavior shown by TPI employees in Pemalang Regency.
e. A substantial and affirmative relationship exists between motivation and innovative behavior. It meanswhere the higher the level of motivation an employee has, the higher the innovative behavior demonstrated by the employee.This can help the organization in achieving its goals to obtain good work results and good productivity.

Suggestion

Based on the existing conclusions, several suggestions that can be applied to improve employee performance at TPI Pemalang Regency are as follows:

a. Organizations need to provide more effective and relevant knowledge sharing platforms to improve employee performance. In addition, the knowledge shared must be translated into practical actions that can drive innovation.
b. Organizations need to continuously identify factors that can increase motivation, such as rewards or recognition for employee achievements, as well as listening to their aspirations for career development.
c. Training and a work environment that supports creativity are needed to encourage employees to think more innovatively and deliver better work results.
d. There needs to be an effort to link shared knowledge with the implementation of innovative ideas. Training programs that direct knowledge towards innovation can increase the synergy between the two. With these steps, TPI can further optimize employee potential to improve performance and innovation.
e. It is hoped that further research can add other variables.

Research Limitations

The findings of the research indicate that there are multiple limitations that warrant attention. Notably, during the data collection phase via questionnaires, respondents were not afforded the chance to elaborate on their opinions regarding each presented statement. This lack of open-ended questions for each statement may have led to biased responses.

The R-Square values identified in this research, specifically 90.1% and 24.4%, suggest that the independent variables employed do not sufficiently account for the variability or predict innovative behavior and employee performance. This limitation can be considered as a signal that there are other factors that influence knowledge sharing and motivation that have not been included in the research model.

Further Research Agenda

Based on the results of this study, there are several recommendations for further research agendas:

1. **Adding New Variables**
   This study only focuses on the influence of knowledge sharing and motivation on employee performance through innovative behavior as a mediating variable. Further research can add other variables such as employee engagement, leadership style, organizational culture and job satisfaction to see whether these variables also play a role in improving employee performance.

2. **Expanding the Research Population**
   This study was only conducted in a specific sector (e.g., the banking sector). Further research can expand the study population to other sectors, such as manufacturing, education, or public services, to compare the results and increase the generalizability of the findings.

BIBLIOGRAPHY

1. *Kothari, C. R. (2020). Research Methodology: Methods and Techniques. New Age International.*
2. *Amabile, T. M. (2019). Creativity and Innovation in Organizations. In The Oxford Handbook of Creativity, Innovation, and Entrepreneurship*
3. *Scott, S. G., & Bruce, R. A. (2017). "The influence of leadership on innovation behavior: A meta-analysis". Journal of Organizational Behavior, 38(5), 623-645.*
4. *Wang, Y., & Ahmed, P. K. (2019). "Dynamic capabilities: A systematic review and future research directions". International Journal of Management Reviews, 21(1), 24-43.*
5. *Huang, J., & Rice, M. P. (2020). "Understanding the individual and contextual factors that foster innovation behavior". European Journal of Innovation Management, 23(1), 32-48.*
6. *Piening, E. P., & Salge, T. O. (2019). "Understanding the role of innovation climates in fostering employee innovative behavior". Innovation: Management, Policy & Practice, 21(2), 173-191.*
7. *Roberts, M. J., & Wainwright, D. (2019). "Understanding employee performance: The importance of job-related factors". Journal of Organizational Behavior, 40(6), 685-698.*

8. *Rukmani, K., Rajendran, C., & Rao, K. P. (2020). "Employee performance: A literature review". Benchmarking: An International Journal, 27(1), 159-178.*
9. *Bakker, A. B., & Demerouti, E. (2017). "Job demands-resources theory: Taking stock and looking forward". Journal of Occupational Health Psychology, 22(3), 273-285.*
10. *Campbell, J. P., Gasser, M. J., & Oswald, F. L. (2019). "The criterion problem: 25 years later". Personnel Psychology, 72(2), 305-320.*
11. *Kraiger, K., Ford, J. K., & Salas, E. (2020). "The role of training in employee performance". Annual Review of Organizational Psychology and Organizational Behavior, 7, 123-149.*
12. *Afza, R., Siregar, D. I., & Zaki, H. (2022). Analisis Pengaruh Kepemimpinan Transformasional Dan Perilaku Kerja Inovatif Terhadap Kinerja Karyawan. 17(1), 118=130.*
13. *Andra, R. S., & Utami, H. N. (2018). Pengaruh Knowledge Sharing Terhadap Kinerja Karyawan (Studi pada Karyawan PT Bank Rakyat Indonesia Kantor Cabang Malang Kawi). Jurnal Administrasi Bisnis (JAB) | Vol, 61(2), 30–37.*
14. *Hotiana, N., & Febriansyah, F. (2018). Pengaruh Motivasi Dan Stres Kerja Terhadap Kinerja Pegawai. Jurnal Riset Manajemen Dan Bisnis (JRMB) Fakultas Ekonomi UNIAT, 3(1), 27–36. https://doi.org/10.36226/jrmb.v3i1.84.*
15. *Prayoga, R., Suherman, E., & Apriani, Z. (2023). Pengaruh Knowledge Sharing terhadap Perilaku Inovatif pada Pengurus Organisasi Mahasiswa (Studi pada Pengurus Organisasi Mahasiswa Fakultas Ekonomi dan Bisnis UBP Karawang Periode 2022-2023). Journal on Education, 5(3), 9799–9814. https://doi.org/10.31004/joe.v5i3.1861.*
16. *Susanti, F., & -, L. (2021). Pengaruh Motivasi Dan Kepuasan Kerja Terhadap Perilaku Inovatif Karyawan Kantor Perwakilan Bank Indonesia Provinsi Sumatera Barat. Jurnal Administrasi Sosial Dan Humaniora, 4(3), 111. https://doi.org/10.56957/jsr.v4i3.189.*