

ANALYZE OF INTELLECTUAL CAPITAL, ORGANIZATION LEARNING EFFECT TO THE ORGANIZATION PERFORMANCE

Edi Sugiono¹

ABSTRACT

Human resources occupy a strategic position and become a central factor to improve the maximum ability of the organization among other resources. This research is a theoretical research, where the concept framework in this research is started from not optimal performance of private university (PTS) in the form of university. That influence to the lack of improvement of achievement and it can be achieved by university within Kopertis region III DKI Jakarta. This study also confirmed by an existence of good intellectual capital that it can directly improve the effectiveness of organizational learning and organizational performance.

Keywords: Intellectual capital, organizational learning, organizational performance

Introduction

Human resources is the most reliable asset of organization (human capital) in facing a globalization which is marked by the rapid progress of science and technology that knows no national boundaries. Without human resources, other resources can not be utilized managed to produce a product or service product. While, on the other hand there are still many organizations are not aware of the importance of human resources for the survival of the organization (Malthis, 2010).

In addition to good intellectual capital, other factors that can make the organization to maximize its ability and high performance is a human resource that has a high organizational commitment. An organization can not make changes quickly and produce a good performance when members of the organization do not have a high organizational commitment. Employees with high organizational commitment will provide the best performance for the organization. Organizational commitment as a psychological form that a characteristic of the relationship between members of the organization and its organization has implications for individual decisions to continue membership in the organization (Allen and Meyer, 1997).

High intellectual capital and organizational commitment will encourage individual members of the organization to improve their knowledge and skills through organizational learning. Organizational learning is the process of detecting and correcting errors (Argis, 1977). Conceptually organizational learning occurs when members of the organization act as learning agents for the organization, responding to change the internal and external environments of the organization by detecting and correcting the theoretical errors used, and storing the results of their investigations in personal and collective image in an organization (Argis and Schon, 1978). Organization-learning oriented by improve the competence of both managerial, operational, and competence in establishing relationships with other parties (stakeholders). Members of organizations with high intellectual capital and organizational commitment will be encouraged to improve organizational learning and an impact on improving organizational performance.

Empirical evidence that intellectual capital has a positive influence on the process of organizational learning and organizational performance is the result of research from Sharabatia, et al. (2013), Saeed, et al. (2013), Khalique, et al. (2011), Hashim, et al. (2015), the findings show that intellectual capital has a positive effect on organizational performance. The research results from Javad Jafari Farsania et al. (2012), Hosein Habibi Badrabadi and Taghi Akbarpour (2013), Ghasemzadeh Alishahi (2015), Mohammad Hossein Khasmafkan Nezam (2013), proves that the intellectual capital has a positive and significant effect on organizational learning.

Organizational learning is an organization that has people who continually improve their capacity to realize a truly desirable performance, where new expansive thinking patterns are developed, where collective aspirations are defined, and members are continually learning to see the whole together (Zinc, 1994). There are five principles in organizational learning developed by Seng, (1994) such as system thinking, personal mastery, mental model, share vision, and team learning. The three disciplines (system thinking, personal mastery, mental model) are individual forms of learning, while the next two disciplines (share vision, and team learning) are group learning.

The importance of organizational learning as mediation of intellectual capital relations and organizational commitment to organizational performance. High intellectual capital and organizational commitment to the organization's members will not guarantee an effect on the improvement of organizational performance. If it is not mediated or encouraged by the proper organizational learning process. This is reinforced by the results of research from Nezam, et al. (2010), which states that there is a positive and significant influence of intellectual capital on the efficiency of new product development performance

through mediation of organizational learning capacity. Reinforced by the findings of Ruslan (2013) which states that organizational commitment can improve organizational performance through an organizational learning mediation variables.

In the era of globalization and openness the demands is a reliable and competent human resource professionalism, higher education has a strategic role in producing human resources that can meet these demands. Fundamental changes, very important for education. The amendment is intended to improve a performance of the institution through the development and improvement of quality and professionalism of human resources in various fields. The reason for the importance of fundamental changes because it is realized by higher education is a place to print professional candidates with adequate quality and quantity. Higher education plays a role to improve the quality of human resources because the world of education is the environment where the process of professional formation through a series of teaching and learning process.

Private universities should apply a new angle of thinking are contains elements of flexibility, speed, innovation, and integration. Flexibility, speed, innovation, and integration require a human resource full of creativity. Creativity can arise from human resources that have excellence in science. Thus, private universities is expected not only able to produce the best graduates, but also be able to develop two things contained in the Tri Dharma college, which is researching with high-quality research results and develop a technology for the dedication to the community. For the private universities is always required to adapt, develop, and make improvements through organizational learning (Henderson and Cockburn, 1994). As Marquardt (1996) points out in order to achieve and maintain competitive advantage in a rapidly changing business environment, organizations must be able to improve their learning capacity.

Empirical evidence supporting for further research to influence an organizational learning on organizational performance is the result of research Marimutu et al. (2009); Jin Kang at al. (2008); Khandekar and Sharma (2006); Prieto and Rvilla (2006); Daniel Jime at al. (2012); J. Alberto Arrogon-Correa (2005) showing that the influence between organizational learning on organizational performance, while the results of research from Cohen and Bacdayan (1994); Heleblian and Finkelstein (1999) showed different research results, such as the existence of a negative influence between organizational learning on organizational performance. Marsick and Watkins (2003); Moilanen (2005); and Weldy (2009) found that there was no influence between organizational learning on organizational performance.

Theoretical Framework

Concept of Intellectual Capital

Stewart (1997) explains that the notion of Intellectual Capital can be understood in three ways. First, the whole in any case to know a company that can provide excellence; Second, intellectual material in the form of knowledge, information, intellectual property, and experiences used to create wealth and experience; Third, a useful knowledge package.

Bontis, (2000), defines that intellectual capital as the integration of human capital, structural capital, relational capital, and influences business performance improvement. Human capital is a key component, as well as the fresh blood of intellectual capital, further strengthened by Nikoli in Bontis, (2000) that human capital is the most important component as a source of innovation and strategic renewal. Nevertheless, if without a support of structural capital and relational capital, then human capital will remain human that does not provide any benefit to the company.

Concept of Organizational Learning

Garvin (2000) defines the organizational learning as an organizational skill for creating, acquiring, interpreting, transferring, and sharing knowledge, aiming at modifying his behavior to describe new knowledge and insights. Meanwhile, according to Taylor organizational learning is an opportunity given to employees so that organizations become more efficient (Luthans, 1995). Organizational learning is based on the basic principles of learning that receive and collect information, interpret it, and act on the interpretation of information (Garvin, 2000). Organizational learning provides the principles and basics that enable learning organizations (Cleveland and Plastrik, 1995). Organizational learning can also be described as a set of organizational behaviors that demonstrate a commitment to learning and continuous improvement.

Basically, organizational learning is the development of new knowledge or insights the potential to influence behavior (Sinkula, 1994, Naver and Slater, 1995) on the process of enhancing better knowledge for the company. Farrel, (2000) states that organizational learning takes place on organizational skills to create, absorb, and spread knowledge and be able to define behaviors that reflect new knowledge and insights. Organizational learning can be divided into two (Naver and Slater, 1995):

Adaptive Learning is the most basic form of organizational learning that arises in a collection of recognitions and does not recognize boundaries (limits of learning) that reflect people about the environment and oneself.

Generative is what arises when an organization has the ability to question long-held assumptions about consumer mission, ability to strategy.

Organizational learning is the vision of how an organization can become an ideal organization (Kofman and Senge, 1995) using five fundamental disciplines, in which each discipline contributes to improving the life and organizational capacity for learning. The five disciplines are:

Personal Mastery

The source of competitive advantage in business will only come from the company's success in learning, how to tap the commitment and capacity of people to learn at all levels of the organization. In managing people, organizations must empower them. The purpose of this approach is for employees to develop creativity, a motivation, and always want to learn and improve themselves, to achieve personal goals that align with the goals of the organization. Such an organization will be created through the long-term practice a series of disciplines. Thus, an organization will be created by individuals working together toward a shared vision, not on orders.

Mental models

It is an internal thought or picture is held on deeply about how the world works, the image that lies behind us in acting and thinking. This model can be a powerful in determining a person's behavior whether it is positive behavior or limiting behavior. This mental model problem is not because someone has it, but the mental problems of these models will increase when the model is "silent" ie when the image appears below an acceptable level.

Shared vision

At the simplest level, shared vision is the answer to the question "What do we want to create? Although building the first discipline (personal mastery) can help in building a personal vision. It will not really help to the organization unless there is an alignment between the personal vision and a vision of the organization. Thus, it is not only the organization's vision important to the employee, but the personal vision of the employee must also be assessed and valued by the organization.

Team learning

The parallel between personal vision and organizational vision is not a matter of opportunity or even just a simple matter of employee recruitment (eg organizations can recruit people with a vision that is in line with the vision of the organization). Team learning is a matter of practice and process.

Systems thinking

This discipline is a framework in looking at the interrelationships between disciplines. In a business organization, multiple systems and systems can be identified, but information transfer does not always follow this chain of relationships, often transferring information through a social networks. Information transfer can occur in informal communications networks that are generally "grapevine" (rumor) and formal hierarchy, and there is also a third network, also called the core group that controls the organization. This group does not appear on the formal organizational chart but are includes so many individuals who are also composed by friends or relatives, a kind of "clan" that it is not so hidden in the organization.

Concept of Organization Performance

Basically, performance can be seen from two aspect, that is employee performance (individual) and organizational performance. Performance of employees is the result of individual work in an organization. In organizational life, individual performance is a key factor that is completely impossible to ignore. Therefore, both scientists or experts and practitioners pay close attention to the performance of individuals. Attention of the experts is, among others, devoted in the form of limitation, understanding, or definition on performance. Each expert, both foreign and domestic, provides a variety of definitions.

Organizational performance is the totality work achieved by an organization. Gilbert (1997) defines performance as what a person can do according to his task and function. Murphy (1990) states that performance is a set of behaviors that are relevant to the goals of the organization or organizational unit of the workplace.

Keban (2003), states that a performance in the organization is defined as the level of achievement of "the degree of accomplishment" or performance is the level of achievement of organizational goals on an ongoing basis. Steers (2003) definition the organizational performance is a level that shows how far the implementation of the task can be executed in actual and mission organization achieved. Mahsun (2006) performance is a description level achievement of the implementation of an activity / program / policy in realizing the goals, mission, and vision of the organization contained in the strategic planning of an organization.

Methodology

Conceptual framework in this research is based on deductive approach and inductive approach. The deductive concept is the way in which theories relating to general concepts are used for special analysis. The inductive approach is carried out by examining the relationship of each concept the results an empirical research that is special, then generalized or general conclusions are made. Conceptual framework in this research started from not optimal performance of institute organization of Private Higher Education (PTS) which in the form of university so that influence to lack of achievement that can be achieved by university in Kopertis region III DKI Jakarta.

Conclusion

Improved intellectual capital can directly increase the effectiveness of organizational learning. Implementation in the influence of human capital, structural capital, and improved relational capital can directly improve the effectiveness of learning organization of a university. Increasingly intellectual capital can directly improve to the organizational performance. Implementation of human capital, structural capital, and higher relational capital can directly improve to the performance of university organizations.

Edi Sugiono¹

¹*Faculty of Economics, Pancasila University, Indonesia*