



# Knowledge Management and Green Commitment Analysis of Green Behavior Employee and its Implication on Sustainability Corporate in Banking

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## ABSTRACT

This study aims to analyze the effect of knowledge management, green commitment and employee green behavior on organizational sustainability in banking institutions. The research method used is a qualitative method with the object of employee research at banking institutions in Indonesia. This study used a sample size of 150 people. Data analysis used SEM (structural equation model) with PLS (partial least square) software. The results of the study provide information about the influence of knowledge management, green commitment and green employee behavior on organizational sustainability in banking institutions.

**Keywords:** Banking, Knowledge Management, Green Employee Behavior, Organizational Sustainability

**JEL Classification:** G2, L2

## 1. INTRODUCTION

Sustainability banking/financial sustainability organizations remain a new challenge to be applied in the financial services system in Indonesia, particularly in the banking sector. One of the principles of sustainable finance is Human Resources, which is the main driver of sustainable economic growth.

Banking as a financial institution, needs to prepare professional and qualified Human Resources who are able to apply sustainable financial principles so as to create products/services as an effort to improve services to customers in the banking sector.

Based on the survey found that the Sustainability of Organizations related to 3P (Profit, People and Planet) has not been maximized in banking. From several previous studies found variables that affect Organizational Sustainability are Knowledge Management (Mostafa, 2010; Rosemary and Sinnappan, 2008;

Vasja et al., 2014; Wijethilake, 2017), Green Commitments (Jansson et al., 2017; Abdelghafour et al., 2018) and employee green behavior (Qaisar et al., 2018).

Based on the foregoing, a research related to Knowledge Management and Green Commitment Analysis on Employee Green Behavior and its implications for corporate sustainability in Banking.

## 2. LITERATURE REVIEW

### 2.1. Knowledge Management

Knowledge Management is a systematic coordination within an organization that manages human resources, technology, processes and organizational structures in order to increase value through reuse and innovation. This coordination can be achieved through creating, sharing and applying knowledge by using the experience and actions taken by the company for the continuity

of organizational learning. Dalkir (2011). There are two types of knowledge contained in the company are Tacit Knowledge and Explicit Knowledge is knowledge.

### 2.2. Green Commitment

Employees who are committed to the organization are a situation where there is a sense of ownership, defending and fighting as hard as possible, time and thought for the progress of the organization in achieving the ideals expected together (Robbins and Judge, 2009: 100). The existence of a high commitment attitude, employees voluntarily do earnestly what the goals and interests of the organization. They will do everything consciously such as behaving in an environmentally friendly manner and so on which is the organization and government program (Morrow, 2011).

### 2.3. Employee Green Behaviour

To identify the green behavior of ones and Dilchert (2012) employees in Norton (2014) developed five broad functional categories of employee green behavior which include: Efficiency. Control, Caring for the environment, motivation and intention of positive behavior.

### 2.4. Corporate Sustainability

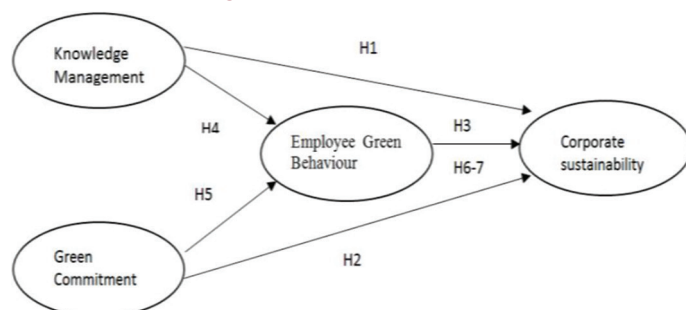
Sustainable corporate performance is performance that can be achieved on condition that companies must consider reducing environmental footprints, and start paying attention to social, environmental, economic, and financial factors to succeed in the corporate sector. furthermore, it is possible to achieve earnings by shareholders (Boiral and Paillé, 2011; Daily et al., 2009). The company's sustainability performance is also measured through the efficient use of resources, increasing cost advantages, reducing waste and disposal, promotion. Environmental performance from social reputation, improved customer preferences, and the generation of new innovative capabilities (Bhupendra and Sangle, 2015).

The research framework is as shown in Figure 1.

## 3. RESEARCH METHODS

This type of research is quantitative research. The object of this research is conducted at the Banking Institution in Indonesia. The sample in this study was 150 people. The technique of sampling is random sampling and data analysis uses SEM/PLS.

Figure 1: Research framework



Source: Primary data processed, 2020

## 4. ANALYSIS AND DISCUSSION

### 4.1. Convergent Validity Testing

Table 1 show the result of testing after the indicator that has an outer loading value  $\leq 0.7$  Thus, the indicator fulfils the convergent validity criteria that is feasible.

### 4.2. Discriminant Validity

The Table 2 shows the results of the discriminant validity test where all the values of Average variance extracted (AVE) are more than 0.50. Thus it can be concluded that this measurement meets Convergent Validity requirements based on the value of average variance extracted (AVE).

### 4.3. Composite Reliability

Based on the Table 3, it can be explained the results of composite reliability testing that shows satisfactory values, where all latent variables have been reliable because all the values of the variables have composite reliability values  $\geq 0.70$ . In other words, the questionnaire used as an instrument in this study is reliable or

Table 1: Convergent validity model test results

Variable	Indicator	Outer loading	Note
Knowledge management (X1)	X1.1.2	0.884	Valid
	X1.3	0.882	Valid
	X1.4	0.891	Valid
Green commitment (X2)	X2.1	0.910	Valid
	X2.2	0.916	Valid
	X2.3	0.714	Valid
Employee green behavior (Y1)	Y1.1	0.882	Valid
	Y1.2	0.902	Valid
	Y1.3	0.805	Valid
	Y1.5	0.889	Valid
Sustainable corporate performance (Y2)	Y2.1	0.852	Valid
	Y2.2	0.855	Valid
	Y2.3	0.780	Valid

Source: Primary data processed, 2020

Table 2: Discriminant validity test results

Variable	Average variance extracted
Knowledge management (X1)	0.784
Green commitment (X2)	0.726
Employee green behaviour (Y1)	0.758
Sustainable corporate performance (Y2)	0.689

Source: Primary data processed, 2020

Table 3: Composite reliability test result

Variable	Composite reliability	Note
Knowledge management (X1)	0.916	Reliable
Green commitment (X2)	0.887	Reliable
Employee green behaviour (Y1)	0.926	Reliable
Sustainable corporate performance (Y2)	0.869	Reliable

Source: Primary data processed, 2020

consistent. Thus it can be concluded that, all indicators are indeed a measure of their respective constructs.

#### 4.4. Goodness of Fit Model

This study uses a structural equation model of the partial least square (PLS) approach. Before analyzing, testing or evaluating an empirical model of research is first carried out. The results of testing the empirical model of this study can be seen in the visualization of Figure 2 as follows:

#### 4.5. Structural Model Testing (Outer Model)

The results of hypothesis testing using Smart PLS 3.2.8 software can be seen in Table 4 and Figure 3 as follows:

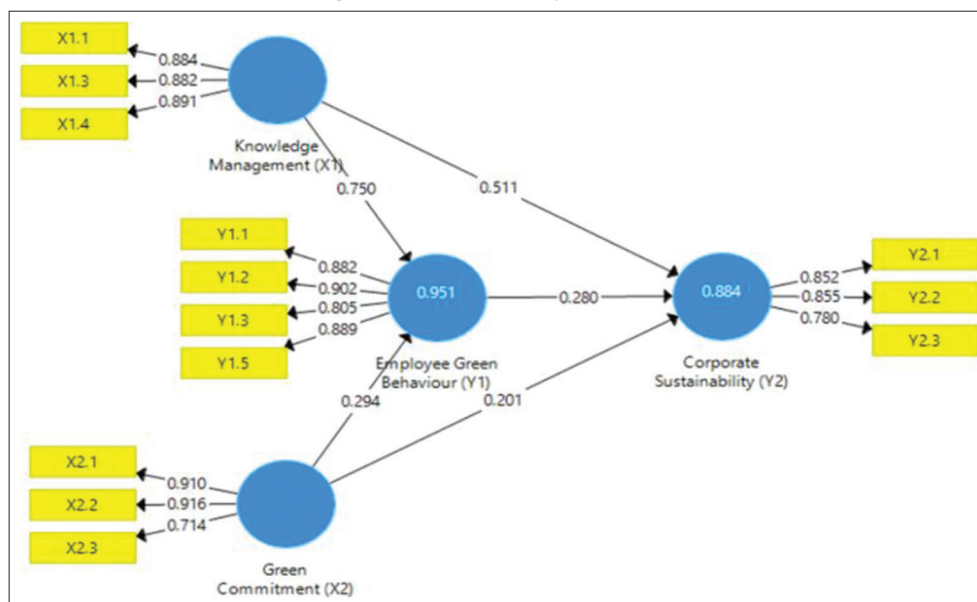
Hypothesis testing in this study are as follows:

1. There is a significant influence of knowledge management (X1) on sustainable corporate performance (Y2)  
Based on Table 4, it is known that the value of t statistics is 21,933 which is greater than the value of t table = 2.265, and the value of  $P \leq 0.000$  which is smaller than  $\alpha = 0.05$ . The coefficient value is positive that is equal to 0.511 means that the knowledge management variable (X1) has a positive effect on the Sustainable corporate performance variable (Y2) of 51.1%. Thus the H1 hypothesis in this study which states that “Knowledge Management (X1) has a significant effect on Sustainable Corporate Performance (Y2)” is accepted.
2. There is a significant effect of green commitment (X2) on sustainable corporate performance (Y2)  
Based on Table 4, it is known that the value of t statistics is 6.796 which is greater than the value of t table = 2.265, and the value of  $P = 0.007$  which is smaller than  $\alpha = 0.05$ . The coefficient value is positive that is equal to 0.201 meaning that the green commitment (X2) variable has a positive effect on the sustainable corporate performance (Y2) variable of 20.1%. Thus the H2 hypothesis in this study which states that “Green

Commitment (X2) has a significant effect on Sustainable Corporate Performance (Y2)” is accepted.

3. There is a significant effect of employee green behavior (Y1) on sustainable corporate performance (Y2)  
Based on Table 4, it is known that the value of t statistics is 34.151 which is greater than the value of t table = 2.265, and the value of  $P \leq 0.000$  which is smaller than  $\alpha = 0.05$ . The coefficient value is positive that is equal to 0.28 meaning that the employee green behavior (Y1) variable has a positive effect on the sustainable corporate performance variable (Y2) of 28%. Thus the H3 hypothesis in this study which states that “Employee Green Behavior (Y1) has a significant effect on Sustainable Corporate Performance (Y2)” is accepted.
4. There is a significant effect of knowledge management (X1) on employee green behavior (Y1)  
Based on Table 4, it is known that the value of t statistics is 29.297 which is greater than the value of t table = 2.265, and the value of  $P \leq 0.000$  which is smaller than  $\alpha = 0.05$ . The coefficient value is positive that is equal to 0.75 meaning that the knowledge management (X1) variable has a positive effect on the employee green behavior (Y1) variable by 75%. Thus the H4 hypothesis in this study which states that “Knowledge Management (X1) has a significant effect on Employee Green Behavior (Y1)” is accepted.
5. There is a significant effect of green commitment (X2) on employee green behavior (Y1)  
Based on Table 4, it is known that the value of t statistics is 10.505 which is greater than the value of t table = 2.265, and the value of  $P = 0.002$  which is smaller than  $\alpha = 0.05$ . The coefficient value is positive, that is 0.294, it means that the green commitment (X2) variable has a positive effect on the employee green behavior (Y1) variable of 29.4%. Thus the H5 hypothesis in this study which states that “Green Commitment (X2) has a significant effect on Employee Green Behavior (Y1)” is accepted.

Figure 2: Results of analysis with PLS



Source: Primary data processed, 2020

**Table 4: Path coefficient, t-statistics, and P-values**

	Original Sample (O)	T Statistics ( O/STDEV )	P-values	Note
<b>Direct influence</b>				
Knowledge management -> sustainable corporate performance	0.511	21,993	<0.000	Significantly positive influence
Green commitment -> sustainable corporate performance	0.201	6796	0.007	Significantly positive influence
Employee green behaviour -> sustainable corporate performance	0.280	34,151	<0.000	Significantly positive influence
Knowledge management -> employee green behaviour	0.750	29,297	<0.000	Significantly positive influence
Green commitment -> employee green behaviour	0.294	10,505	0.002	Significantly positive influence
<b>Indirect influence</b>				
Knowledge management -> employee green behaviour -> sustainable corporate performance	0.210	30,083	<0.000	Significantly positive influence
Green commitment -> employee green behaviour -> sustainable corporate performance	0.082	11,681	0.001	Significantly positive influence
<b>Total influence</b>				
Knowledge management -> employee green behaviour -> sustainable corporate performance	0.721	38,656	<0.000	Significantly positive influence
Green commitment -> employee green behaviour -> sustainable corporate performance	0.283	12,271	0.001	Significantly positive influence

Source: Primary data processed, 2020

6. There is a significant influence of knowledge management (X1) on sustainable corporate performance (Y2) through the employee green behavior (Y1) variable

Based on Table 4, it is known that the value of t statistics for the Knowledge Management variable is 30.083 which is greater than the value of t table = 2.265, and the value of  $P \leq 0.000$  which is smaller than  $\alpha = 0.05$ . The coefficient value is positive that is equal to 0.21 meaning that the knowledge management (X1) variable has a positive effect on the sustainable corporate performance (Y2) variable through the Employee Green Behavior (Y1) by 21%. Thus the H6 hypothesis in this study which states that “Knowledge Management (X1) has a significant effect on Sustainable Corporate Performance (Y2) through Employee Green Behavior (Y1)” is accepted.

7. There is a significant influence of green commitment (X2) on sustainable corporate performance (Y2) through the employee green behavior (Y1) variable

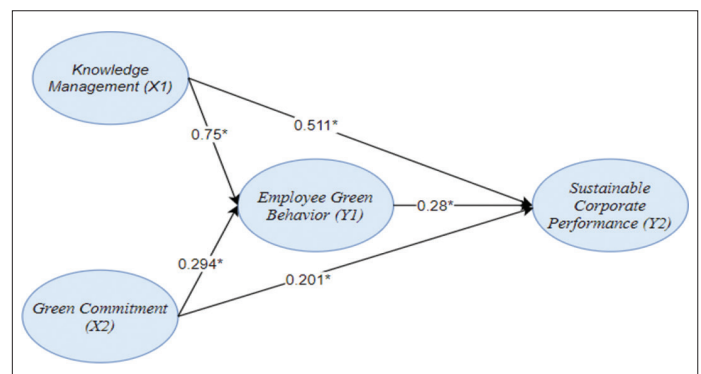
Based on Table 4, it is known that the value of t statistics for the Green Commitment variable is 11.681 which is smaller than the value of t table = 2.265, and the value of  $P = 0.001$  is greater than  $\alpha = 0.05$  so that the green commitment variable (X2) has a positive effect on variable sustainable corporate performance (Y2) through Employee Green Behavior (Y1). Thus the H7 hypothesis in this study which states that “Green Commitment (X2) has a significant effect on Sustainable Corporate Performance (Y2) through Employee Green Behavior (Y1)” is accepted.

## 5. DISCUSSION

### 5.1. Knowledge Management Affects Sustainable Company Performance

This study proves that knowledge management has an effect on sustainable company performance. This research is in line with

**Figure 3: Testing the indirect effect with smart PLS**



Source: Primary data processed, 2020

the research of Nejadi et al. (2010) and Ghabash et al. (2018) which states that knowledge management has an effect on organizational sustainability. Knowledge Management The dimension that has the greatest influence is Knowledge Application. Based on observations on the object of research, employees can help in making organizational decisions with the knowledge they have. In addition, the organization also provides a repository of new knowledge media that employees use.

### 5.2. Green Commitment has an Effect on Sustainable Company Performance

The results of this study prove the influence of green commitment on sustainable company performance. This research is in line with the research of Ali et al. (2018) which states that green commitment has a positive effect on employee green behavior. The dimension of Green Commitment that has the highest influence is normative commitment. According to employees moving from organizations that pay attention to environmental sustainability to other organizations that are not ethical and feel better able to work in an environmentally friendly organization throughout their career.

### 5.3. Employee Green Behavior has an Effect on Sustainable Company Performance

This research proves that the Green Behavior of Employees has an effect on Sustainable Company Performance. The results of this study support the research of Qaisar et al. (2018) which proves that employee green behavior has an effect on environmental sustainability. The highest research dimension of Employee Green Behavior is Task Control. It shows the actions of the organization and its employees in managing waste and minimizing environmental impact. The lowest dimension of Employee Green Behavior is related to efficiency. Organizations are expected to make more use of natural resources in their work. In addition, organizations also need to maximize their own resources so that no resources are wasted.

### 5.4. Knowledge Management Affects Employee Green Behaviour

The results of this study prove that knowledge management has an effect on employee green behaviour. The results of this study support the research of Rosemary and Sinnappan (2008) which states that knowledge management has an effect on employee green behaviour. The lowest dimension of knowledge management is knowledge sharing. Research proves that organizations have not been optimal in fostering a culture of knowledge transfer among employees. With the knowledge transfer culture, employees get knowledge from their superiors and colleagues in order to improve their performance.

### 5.5. Green Commitment Affects the Employee Green Behaviour

This study proves that green commitment has an effect on employee green behaviour. Thanita's research (2017) and Toha and Lenny (2019) supports the results of this study. This study states that there is a positive relationship between green commitment and employee green behaviour. The lowest dimension of green commitment is continuance commitment. Employees are still worried about what might happen if they leave an environmentally conscious organization without having another similar job. They also consider that one of the serious consequences of leaving an organization that is concerned with environmental sustainability is the scarcity of alternative opportunities that exist.

### 5.6. Knowledge Management Affects Sustainable Corporate Performance through the Employee Green Behaviour

The results of this study prove that Knowledge Management has a greater effect on Sustainable Corporate Performance through the Employee Green Behaviour. This research is in line with the research of Ghabash et al. (2018) which states that Organizational Learning has a direct effect on Employee Green behaviour. Other supporting research is research by Vasja et al. (2014) and Nejati et al. (2010) which states that knowledge management has an effect on sustainable development and research. The highest dimension of sustainable corporate performance is economic sustainable. In this study it is stated that the organization has collaborated with government officials to protect the environmental interests of the company. In addition, the organization has also reduced input costs for the same level of output.

### 5.7. Green Commitment Affects Sustainable Corporate Performance through the Employee Green Behaviour

This study proves that green commitment has a greater effect on sustainable corporate performance through the employee green behaviour variable. The results of this study are in line with Bilal and Umrani's research (2019) which states that environmental commitment has an effect on pro-environmental behaviour and research by Abdelghafour et al. (2018) which states the importance of environmental commitment for organizational sustainability. In sustainable corporate performance, the lowest dimension is sustainable social. This means that the organization must further consider the interests of stakeholders in investment by creating a formal dialogue. Besides, it is also necessary to communicate the company's environmental impacts and risks to the public.

## 6. CONCLUSION

1. Knowledge management (X1) has a significant effect on sustainable corporate performance (Y2)
2. Green commitment (X2) significantly influence sustainable corporate performance (Y2)
3. Employee green behavior (Y1) has a significant effect on sustainable corporate performance (Y2)
4. Knowledge management (X1) has a significant effect on employee green behavior (Y1).
5. Green commitment (X2) has a significant effect on employee green behavior (Y1)
6. Knowledge Management (X1) has a significant effect on sustainable corporate performance (Y2) through employee green behavior (Y1)
7. Green commitment (X2) has a significant effect on sustainable corporate performance (Y2) through employee green behavior (Y1).

## 7. RECOMMENDATION

1. Knowledge management  
Knowledge management is a variable that is quite important in increasing sustainable corporate performance. Based on the research results, it was found that the Knowledge Management dimension that needs to be improved is knowledge sharing. Organizations can create programs to foster a culture of knowledge transfer among employees, for example by holding FGDs and creating an applicable knowledge sharing system that can involve all employees in the institution/organization.
2. Green commitment  
Based on the research, the dimension of green commitment that needs to be improved is continuance commitment. Programs that can be made by organizations are to improve the reward and participation system of employees so that employees can have a high commitment to the organization and do not easily leave the organization.
3. Employee green behaviour  
Employee green behaviour can be further improved by paying attention to the efficiency dimension. Programs that can be done by making savings related to the use of natural resources in work.

4. Sustainable corporate performance  
To maximize sustainable corporate performance, organizations need to develop programs related to sustainable social. Programs that can be carried out by companies are for example by implementing corporate social responsibility.
5. Future research is expected to explore other variables that affect sustainable corporate performance.

## 8. ACKNOWLEDGMENT

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