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The Analysis Of The Relationship Of Total Quality Management (TQM) And Knowledge Management (KM) On The Organisational PerformanCE Of PT. Birawidha Garda Santosa

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ABSTRACT

The challenge of managing security services (Satpam) requires guaranteed service quality in order to increase business sustainability and competitiveness. This study aims to determine the influence of Total Quality Management (TQM) to Knowledge Management (KM) and the influence of TQM to Organizational Performance (KO) and the influence of KM as mediation role between TQM and KO, besides to determine the relationship between sub-dimension TQM and KM in the construct of research relationship model. The desain of this research uses field survey approach (questionnaires). The research sites are in operating areas of PT BGS in Indonesia which spread across 11 provinces of Indonesia with population 1014 security personnels. The sampling number in this study is 144 respondents uses proportional random sampling. Analytical methods used in this study are Structural Equation Model test with the help of SMAT Partial Least Square (SmarPLS) app with the stages measurement model evaluation (validity and reliability), structural model evaluation (to determine strength of the R2 relationship between laten exogen variable), measurement model testing and hypothesis testing. The research results show that TQM has a significant positive effect on KM and KO as shown by p-values of 0.000 and 0.010 respectively. KM also has a significant positive effect on KO as indicated by a p-value of 0.000. KM as a mediating variable has an influence as an enabling factor in achieving organizational performance.

INTRODUCTION

Business competition in the field of security services is faced with a high level of competition. The number of registered companies is getting higher every year, while not a few companies are no longer operating. The management of security services businesses is required

to improve the quality of services both at the level of service processes and service products produced by one of them applying the principles of total quality management or popular with Total Quality Management (TQM) or Total Quality Management.

The application of continuous improvement in the quality of company management to achieve competitive advantage must be appropriate, because it can affect the success of the organisation in facing competition between competitors. Total Quality Management (TQM) is a concept of improving the quality of corporate governance that considers almost all aspects of the company. It has been proven that most academics and practitioners state that TQM can improve company performance (Zainal et al., 2021). Performance management in companies will be useful in planning and conducting operations more accurately, including for 1) preparation of employee training and development programs; 2) preparation of succession and regeneration programs and 3) employee coaching. Performance management applications can also be the object of research on employee obstacles to support work performance through awarness and knowledge, skills (practice), expertise (skills) or coaching to encourage motivation and behaviour (behavior) (Tsauri, 2014). TQM as a guiding tool to improve all processes in an organisation that makes it an approach to business that not only looks critically at the products or services provided by the company, but to assert that the output results are able to meet customer interests (Charantimath, 2017). TQM has been identified from different perspectives by experts with a management approach to improve organisational performance (Deloitte Insights, 2021; Luthra et al., 2021; R. E. Rogers, 1996). TQM principles and practices have been adopted worldwide for profit. Companies have invested extensive resources to implement TQM practices in their operations and to meet the challenges of global competition (Sweis et al., 2019).

Performance is very important for every organisation, where efforts to improve performance achievement as a way to face competition through improving the company's operational and financial performance (Chaudhry et al., 2017). While Prayhoego, C. (2013) states that the company's ability to have good company performance through the implementation of TQM. Ramadhanty, D.A., et. al. (2023) stated that there is a direct relationship and linkage between TQM and organisational performance. The same thing was conveyed by Sweis, R.J., et.al. (2019) that TQM practices will be beneficial in supporting organisational performance through good resources and developing a work environment that supports continuous improvement ideas. Furthermore, there is a positive correlation between TQM, Knowledge Management (KM) and Organisational Performance (KO), where KM has a strong and positive influence on the company's operational and financial performance and partially mediates the relationship between TQM and company performance and states that leadership, strategic design, customer focus and human resources have a significant positive impact on all KM processes (Abbas & Kumari, 2023). Likewise, a study conducted by Puthanveettil, B.A., et.al. (2021) identified relevant TQM factors, the importance of applying TQM principles in improving organisational performance. PT Birawidha Garda Santosa (BGS) is a Security Services Business Entity (BUJP) that has been operating since 2014 with a security service operation area spread across 11 provinces in Indonesia. PT serves 100 clients and the number of security personnel working is 1,014 people until 2023. Researchers conducted a preliminary survey on 12-13 January 2024 online using google form to 68 employees to find out the perceptions of employees working at PT Birawidha Garda Santosa (BGS) about knowledge management (KM) and employee understanding related to the benefits and impact of knowledge management on company performance. The results of the preliminary survey conducted found that knowledge management (KM) has not been carried out optimally either related to the information system provided, the creation of new knowledge, knowledge acquisition, knowledge sharing.

Likewise, it is known from the survey results that there are still respondents' views stating that paying attention to customer satisfaction does not have a positive impact on improving business performance. As well as the perception of respondents who believe that increasing employee quality knowledge has no effect on employee welfare.

LITERATURE REVIEW

Operations Management

Slack, N. et al (2017) states that operations management is an activity of how to manage resources that can create and provide services and products. The operations function is very important to the organization because it creates and delivers services and products, which is the reason for its existence.

Knowledge Management (KM)

In traditional management of the early twentieth century the focus was on how to optimally utilize labor, parts, and other physical resources, capital was considered limited to factories, machines, and other man-made inputs into the production process. In modern companies with Knowledge Management (KM) initiatives, the concept of capital is extended to intellectual capital, which is assessed for its impact on individuals and organizational behavior.

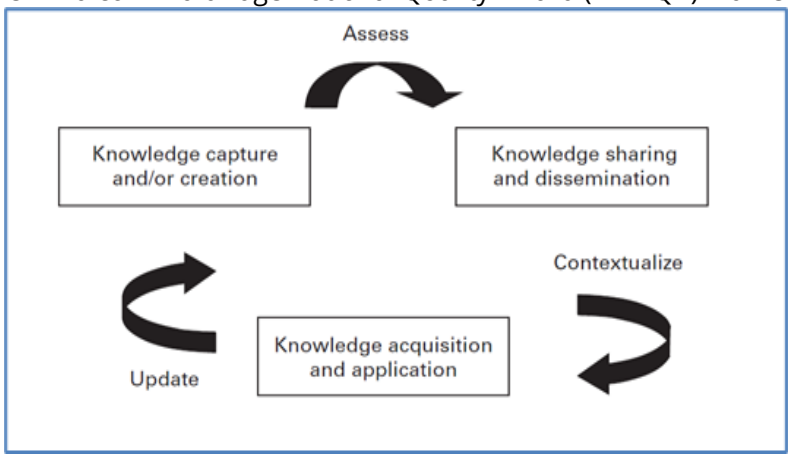
Knowledge Management Cycle

Dalkir, Kimiz (2023) presented a KM cycle that provides a comprehensive overview of knowledge processing throughout the entire life cycle of a knowledge organization indicated by the following ten steps:

1. Knowledge capture, creation, or contribution
2. Knowledge screening or selection
3. Knowledge codification
4. Knowledge refinement
5. Knowledge sharing
6. Knowledge access
7. Knowledge learning
8. Knowledge application
9. Evaluation of knowledge
10. Knowledge reuse and divestment

The knowledge management cycle according to MBNQA which includes the stages of knowledge creation (knowledge creation) must be accessible to be disseminated (shared) (knowledge sharing & dissemination), where the substance of knowledge is then contextualized so that it can then be obtained (knowledge acquisition) and applied (knowledge application) and continues updated in an integrated manner as described in the following image:

Figure 2 Malcolm Baldridge National Quality Award (MBNQA) Framework



(source: (Pyzdek & Keller, 2013)

Organizational Performance (KO)

Performance is the amount of work an organization does. Achieving organizational goals means that organizational performance is seen from the level of the organization's ability to achieve its goals based on previously implemented goals. According to (Puryantini et al., 2017) organizational performance is the process by which managers determine whether employees are carrying out their work in accordance with their duties and responsibilities, so that the measures used to represent performance are selected based on observed network performance.

The Relationship Of TQM And KM To Organizational Performance

TQM and KM have an important meaning in the strategic competence of the organization; However, most of the research related to these concepts has studied them partially or has been unable to provide comprehensive and practical empirical evidence regarding their interrelationships (Qasrawi et al., 2017).

Organizations that follow TQM practices, and organizations that have quality certificates, can manage knowledge more effectively than others. Organizations with an effective KM environment and TQM activities enable their employees to be more productive and competitive.

In dynamic organizational contexts, KM and TQM are considered to be intersubjective constructs and the importance of individual workers is highlighted as important sources of innovation and as knowledge workers.

Security Unit (Security Guard)

According to the Republic of Indonesia State Police Regulation (Perpol RI) Number 4 of 2020 concerning Swakarsa Security which states that the Security Unit (hereinafter referred to as "Satpam") is a special unit or group with limited extra-legal police functions, which is formed through recruitment by security service companies or users of security services, and to ensure safety by providing independent security in the work environment.

METHODS

Data collection was carried out through respondent surveys to collect primary data related to 4 sections which include: a) respondent characteristics; b) questions related to the 6 dimensions of TQM; questions related to the 4 dimensions of KM; and c) questions related to 2 dimensions of Organizational Performance (KO).

On-Line Survey Form

The data collection process in research uses an on-line survey method with the help of the Google Form application tool found on the Google search engine (browser). The questionnaire form is prepared according to the instrument question design using the available tool instructions.

The Google form that has been created is saved and the link is copied to be distributed to target respondents according to the list of respondents that has been determined or determined through the sampling process in the research.

RESULTS

Market Development For Service Users And Personnel

Users of PT BGS security services include 7 groups of service users with a total of 100 clients and the number of security guard personnel working is 1,014 people until 2023 (table 1).

Table 1 Distribution Of Security Guard Personnel Based On User Groups Of PT BGS Security Services In 2023

No	Security Service User Group	Number of Clients	Number of Security Guard Personnel (people)
1	Industrial Company	6	440
2	Residential/Apartment	12	122
3	Harbor	6	122
4	Shopping Center/Supermarket/Mall	4	116
5	Hospitality	3	73
6	Schools/Educational Institutions	36	52
7	Motor Showroom	17	49
8	Government/BUMN offices	16	40

Descriptive Analysis

The results of descriptive analysis to determine the frequency distribution (f) of each variable include:

Length Of Working

Table 2 Frequency Distribution Of Work Period (n=144)

Factor	Category	Frequency (n)	Percentage (%)
Length of work	< 3 Year	25	17,4
	3-5 Year	76	52,8
	>5 Yaer	43	29,9
Total		144	100.0

From table 2 It is known that the majority of respondents with a work period of 3-5 years were 76 people (52.8%), followed by a work period of > 5 years as many as 43 people (29.9%) and respondents with a work period of < 3 years were 25 people (17.4 %).

Type Of Business/Location Of Work Placement

Table 3 Frequency Distribution Of Business Type/Work Placement Location (N = 144)

Factor	Category	Frequency (n)	Percentage (%)
Type of Business/Work Location	Residential/Apartment	9	6,3
	Hospitality	9	6,3
	Government/BUMN/Private Offices	20	13,9
	Shopping Center/Mall/Supermarket	11	7,6
	Schools/Educational Institutions	4	2,8
	Industrial Company	29	20,1
	Vehicle Showroom	3	2,1
	Harbor	51	35,4
	Etc	8	5,6
Total		144	100,0

From table 3 It is known that the majority of respondents work in port business areas or activities, namely 51 people (35.4%). Meanwhile, the fewest respondents worked in the vehicle showroom area or business activities, namely 3 (2.1%).

Working area

Table 4 Frequency Distribution Of Work Areas Where To Work (N=144)

Factor	Category	Frequency (n)	Percentage (%)
Working area	DKI Jakarta	43	29,9
	Jawa Tengah	1	0,7
	Jawa Timur	90	62,5
	Kalsel	1	0,7
	Kaltim	1	0,7
	Sulteng	2	1,4
	Sultenggara	1	0,7
	Sulut	1	0,7
	NTT	1	0,7
Total		144	100,0

From table 4 the majority of respondents' work areas work in East Java Province, namely 90 people (62.5%), followed by DKI Jakarta with 14 people (9.3%) and DKI Jakarta with 43 people (29.9%) , Central Sulawesi as many as 2 people (1.4%). Meanwhile, for the regions of Central Java, South Kalimantan, East Kalimantan, Southeast Sulawesi, North Sulawesi, NTT, etc., 1 person each (0.7%)

Working area

Table 5 Frequency Distribution Of Types Of Job Positions (N=144)

Factor	Category	Frequency (n)	Percentage (%)
Job Title	Security Guard Personnel and Team Commanders (Danru)	65	45,1
	Security Guard Personnel and Not Danru	67	46,5
	Company Staff (Non Security Guard)	12	8,3
Total		144	100,0

From table 5 the majority of respondents' work positions are security guard personnel and not team commanders (Danru), namely 67 people (46.5%), followed by security guard personnel who are also Danru as many as 65 people (45.1%) and company staff. (non-security guards) as many as 12 people (8.3%).

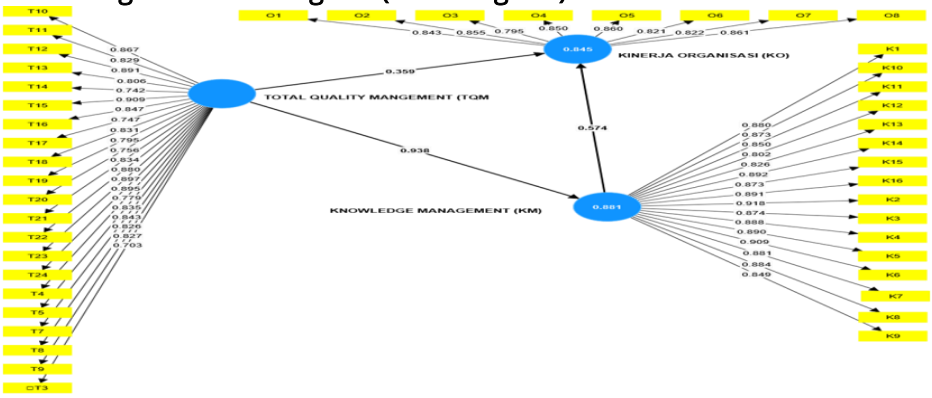
Multivariate Analysis With Structure Equation Modeling (SEM)

Multivariate Analysis in this case is to carry out hypothesis testing with the SEM approach using the Smart-PLS version 4 application with stages 1) Evaluation of the Measurement Model (Outer Model) and 2) Evaluation of the Structure Model (Inner Model).

Evaluation Of The Measurement Model (Outer Model)

The results of the PLS algorithm calculations display a path diagram as presented in Figure 2 This path diagram illustrates the relationship between dependent (endogenous), independent (exogenous) and mediating (intervening) variables. The path diagram displays the loading factor (LF) value for each indicator for each question as contained in each dimension in the SEM research construct model, which includes TQM with 24 indicators, KM with 16 indicators and KO with 8 indicators.

Figure 2 Path Diagram (Path Diagram) SEM-PLS Test Results



Validity Test

Path diagram in figure 4.4. shows the Loading Factor (LF) value of 45 indicators (21 TQM variable indicators, 16 KM indicators and 8 KO indicators) which are all greater than 0.7 or valid (after the elimination process for the T1, T2 and T6 indicators for the leadership dimension and strategic planning TQM variable with LF value <0.7).

The LF values for each TQM, KM and KO variable in the path diagram are presented in table 6.

Table 6 Loading Factors (LF) For TQM, KM And KO Variables

Loading Factor (LF)		
Variable TQM	Variable KM	Variable KO
T3=0,703	K1=0,880	O1=0,843
T4=0,779	K2=0,918	O2=0,855
T5=0,835	K3=0,874	O3=0,795
T7=0,843	K4=0,888	O4=0,850
T8=0,826	K5=0,890	O5=0,860
T9=0,827	K6=0,909	O6=0,821
T10=0,867	K7=0,881	O7=0,822
T11=0,829	K8=0,884	O8=0,861
T12=0,891	K9 =0,849	
T13=0,806	K10=0,873	
T14=0,742	K11=0,850	
T15=0,909	K12=0,802	
T16=0,847	K13=0,826	
T17=0,747	K14=0,892	
T18=0,831	K15=0,873	
T19=0,795	K16=0,891	
T20=0,756		
T21=0,834		
T22=0,880		
T23=0,897		
T24=0,895		

Notes :

- The total Loading Factor (LF) of the TQM, KM and KO variable indicators before the elimination process was 48 indicators (there are still 3 indicators including T1, T2 and T 6 indicators with LF values <0.7 or invalid).
- The total LF of the TQM, KM and KO variable indicators after the elimination process is 45 indicators (all indicators with a value > 0.7) (valid).

Reliability Test

If the reliability calculation value for each is greater than Cronbach's Alpha (CA)(0.6), Composite Reliability (CR) (0.7) and Average Variance Extracted (AVE) (0.5), then the variable construct is declared reliable . Based on the results of the PLS-SEM algorithm calculation using Smart-PLS, the reliability construct output for the TQM, KM and KO variables was obtained as presented in table 4.12.

Table 7 PLS-SEM Reliability Construct Output

Variable	Cronbach's alpha (CA)	Composite reliability (CR)	Average variance extracted (AVE)	Evaluation
Total Qulity Management (TQM)	0,977	0,978	0,685	Reliabel
Knowledge Management (KM)	0,979	0,980	0,764	Reliabel
Organizational Performance (KO)	0,940	0,940	0,703	Reliabel

The results of the reliability test on the TQM, KM and KO variable constructs show the respective values CA > 0.6, CR > 0.7 and AVE) > 0.5, which means that each TQM, KM and KO variable in the PLS SEM research model is reliable.

Significance Value Testing

The results of the Smart PLS Boostrooping Process Calculation, p-values were obtained for the TQM, KM and KO relationship constructs, both direct effect analysis and indirect effect analysis. The results of testing the significance value (t-value 1.96 and significance level = 5%) using the boostrapping process for evaluating the structural model produced p-values for the relationship between variables as in table 4.13.

Table 8 Results Of P-Value Calculation Using The Smart-PLS Bootstrapping Process

Konstruk Relasional	Original Sample (O)	T Statistics (O/STDEV)	P-Values
Analisa Direct Effect			
Total Quality Management (TQM) → Knowledge Management (KM)	0,938	55.950	0,000
Total Quality Management (TQM) → Organizational Performance (KO)	0,359	2.591	0,010

Konstruk Relasional	Original Sample (O)	T Statistics (O/STDEV)	P-Values
Analisa Direct Effect			
Knowledge Management (KM) → Kinerja Organisasi (KO)	0,574	4.223	0,000
Analisa Indirect Effect			
Total Quality Management (TQM) →Knowledge Management (KM) → Organizational Performance (KO)	0,972	6,213	0,000

Based on the output of the calculation results above, it can be seen:

1. The direct effect of TQM variables on KM
   a. The t-statistic value of 55.950 is greater than 1.96 (t-table) and the p-value is 0.000 smaller than 5% (alpha). This shows that TQM has a significant positive effect on KM.
   b. The Original sample (O) parameter value is 0.938, which indicates that increasing one unit of TQM will increase KM by 93.8%.
2. The direct effect of TQM variables on KO
   a. The t-statistic value of 2.591 is greater than 1.96 (t-table) and the p-value is 0.010 smaller than 5% (alpha). This shows that TQM has a significant positive effect on KO.
   b. The Original sample (O) parameter value is 0.359 which indicates that an increase of one TQM unit will increase KO by 35.9%.
3. The direct effect of the KM variable on KO
   a. The t-statistic value of 4.223 is greater than 1.96 (t-table) and the p-value is 0.000 smaller than 5% (alpha). This shows that KM has a significant positive effect on KO.
   b. The Original sample (O) parameter value is 0.574, which indicates that an increase of one KM unit will increase KO by 57.4%.
4. The influence of the indirect effect of KM variables in mediating the relationship between TQM and KO
   a. The t-statistic value of 6.213 is greater than 1.96 (t-table) and the p-value is 0.000 smaller than 5% (alpha). This shows that KM plays a role in mediating the relationship between TQM and KO
   b. The Original sample (O) parameter value is 0.972, which indicates that an increase of one KM unit will play a mediating role in the relationship between TQM and KO by 97.2%.

Coefficient Of Determination R2 (R-Square)

The R2 value criteria can be categorized into three parts, including: If the R2 value = 0.75 it means substantial (large/strong), R2 = 0.50 means moderate (medium) and if the R2 value = 0.25 it means weak (small). From the calculation results, the R2 value is obtained in the construct path diagram as presented in table 9.

Table 9 R2 Value (R-Square) Evaluation Of The SEM-PLS Measurement Model

Konstruk Relasional	R^2 (R-Square)
Total Quality Management (TQM) and Knowledge Management (KM) Pathways to Organizational Performance (KO)	0,881
Knowledge Management (KM) Path to Organizational Performance (KO)	0,845

1. The R2 value on the TQM Path to KM is 0.881. This illustrates that the TQM variable has a strong influence on the KO variable of 0.881.
2. The R2 value on the TQM Path to KM is 0.885. This illustrates that the TQM variable together with the KM mediation variable has a strong influence on the endogenous variable KO of 0.885.

DISCUSSION

Relationship Between Total Quality Management (TQM) And Knowledge Management (KM)

The relationship between TQM and KM is based on the results of the Structure Model Evaluation in the path diagram, where the results of the direct effect analysis show a t-statistic value of 55.950 which is greater than 1.96 (t-table) and p- The value of 0.000 is smaller than 5% (alpha), which means that TQM has a significant positive effect on KM. Likewise, the Original

sample (O) parameter value is 0.938, which indicates that an increase in one TQM unit will increase KM by 93.8%.

Knowledge Management (KM) which includes the dimensions of knowledge creation, knowledge acquisition, knowledge sharing and knowledge application is influenced to a large extent by Total Quality Management (TQM) which includes the dimensions of leadership, strategic planning, customer focus, process management and human resource management. The leadership implemented by top management and management staff is oriented towards efforts to encourage improvements in service quality through coordination, communication, monitoring and evaluation of HR conditions and respective service performance carried out in each service area and customer scope.

Strategic Planning influences KM. This shows that the company evaluates internal and external factors which include aspects of strengths, weaknesses as well as opportunities and challenges, and determines the strategies and programs needed to maintain service quality and continuous service improvement in the midst of very high levels of competition in the security services business. tall.

Customer focus influences improving KM within the company. This is based on the company's commitment to continuously provide the best service and one of these is obtained from the acquisition and development of knowledge that employees must have. The results of the customer satisfaction survey carried out are part of the considerations in conducting evaluations and obtaining positive feedback for improving service performance. The company gives appreciation to employees who are deemed to have excelled in carrying out security service tasks that are oriented towards the goal of achieving customer satisfaction.

Service process management influences KM in companies. One of them is supported by the availability of business processes, quality guidelines and service operation procedures that all employees must know. Service process management is not only at the implementation level in the field, but starts from the planning, coordination, implementation and control and evaluation levels which involve management staff at the central and regional levels, and employees who work as security personnel in service areas and objects.

Human resource management has an influence on improving KM in companies. Several policies are available, both sourced directly from information on the company's internal employment agreement and information on the company website which regulates planning, work implementation and employee performance evaluation, encouraging each employee to be able to obtain, share and update existing knowledge. Likewise, companies pay attention to employee training education periodically to ensure that employees can improve the security services provided to customers.

Overall, the TQM dimensions show that there is a connection to KM which makes knowledge management (creation, sharing, application and updating of knowledge) an effort to achieve the goal of continuous improvement. Quality service management requires good knowledge management and is not limited to internal companies but also external parties outside the company, especially customers.

The Relationship Between The Type Of Total Quality Management (TQM) And Organizational Performance (KO)

The relationship between KM and KO is based on the results of the Structural Model Evaluation in the path diagram, where the results of the direct effect analysis show a t-statistic value of 4.223 which is greater than 1.96 (t-table) and p- The value of 0.000 is smaller than 5% (alpha), which means that TQM has a significant positive effect on KO. Likewise, the Original sample (O) parameter value is 0.574, which indicates that an increase in one TQM unit will increase KO by 57.4%.

Organizational Performance (KO) is influenced by all types of Total Quality Management (TQM) dimensions which include leadership, strategic planning, customer focus, process management, and human resource management.

Leadership as an element in TQM influences the achievement of KO in efforts to improve operational performance in the field and business (financial) performance. This highlights that leadership plays a role in communicating company policies and goals, including motivating employees to be creative in creating knowledge that has an impact on improving service quality. Besterfield et al. (2018) stated that leadership is needed in efforts to make improvements that have an impact on increasing financial performance, and require strategies to achieve results-oriented goals and increase customer value. Leadership as part of the TQM elements as an enabling factor in achieving and maintaining standards of excellence, focusing on customers and employees, relationships with suppliers,

HR or employee management can increase their involvement towards the company's success in running its business. Likewise, the HR management that has been carried out still takes into account economic, social and environmental aspects which will have a positive impact on the development of the company's security services business amidst demands for sustainable development. Employees are representatives of the company's existence in the context of service quality, which therefore requires social attention and appreciation in motivating employees to become security service agents in the field who are dedicated, professional and have high integrity for business continuity and company sustainability.

Relationship Between Knowledge Management (KM) And Organizational Performance (KO)

The relationship between TQM and KO is based on the results of the Structure Model Evaluation in the path diagram, where the results of the direct effect analysis show a t-statistic value of 2.591 which is greater than 1.96 (t-table) and p- The value of 0.010 is smaller than 5% (alpha), which means that TQM has a significant positive effect on KO. Likewise, the Original sample (O) parameter value is 0.359, which indicates that an increase in one TQM unit will increase KO by 35.9%.

From the analysis it is revealed that Organizational Performance (KO) both operational performance and financial performance dimensions are greatly influenced by Knowledge Management (KM) which includes the dimensions of knowledge creation, knowledge acquisition, knowledge sharing and knowledge application. Creation of new knowledge, access (channels) for acquiring knowledge and a culture of sharing knowledge between employees are important factors in increasing KO, especially in improving operational or service performance.

The application of knowledge that has been obtained through both formal and informal training has an effect on improving the services provided to customers. The application of knowledge is part of quality management (Plan, Do, Action and Check) which requires company attention in an effort to ensure that knowledge management is effective and has an impact on improving services.

On the other hand, implementation has a direct impact on mitigating operational risks and efforts to increase the company's credibility in the eyes of customers. Overall, KM is an important activity, so that organizations can provide better quality service to their employees and at the same time have an impact on improving the quality of service to customers.

Continuous knowledge development through various sources or media, whether facilitated by the company or employee initiatives, has a positive impact on improving service performance. The security services market which continues to grow and becomes increasingly competitive requires companies not to ignore that knowledge management (KM) plays an important role in dealing with market dynamics and the demands of existing or potential customers on security service providers.

CONCLUSION AND SUGGESTION

From the research results, several points can be concluded as follows:

1. TQM shows that there is a connection or influence on KM which makes knowledge management (creation, sharing, application and updating of knowledge) supporting the achievement of continuous improvement goals (continuous improvement). Managing quality service quality requires knowledge management that is not limited to internal companies but also external parties outside the company, especially customers.
2. TQM shows that there is a connection or influence on KO, especially the leadership dimension in efforts to improve operational performance in the field and business (financial) performance. This highlights that leadership plays a role in communicating company policies and goals, including motivating employees to be creative in creating knowledge that has an impact on improving service quality.
3. KM shows that there is a connection or influence on KO. From the analysis it is revealed that Organizational Performance (KO) both operational performance and financial performance dimensions are greatly influenced by Knowledge Management (KM) which includes the dimensions of knowledge creation, knowledge acquisition, knowledge sharing and knowledge application. Creation of new knowledge, access (channels) for acquiring knowledge and a culture of sharing knowledge between employees are important factors in increasing KO, especially in improving operational or service performance.
4. From the discussion of the relationship between endogenous (TQM) and exogenous (KO) variables, as well as the role of mediating variables (KM), it shows that there is a positive relationship between variables both in the context of dimensions between variables, where the existence of KM is an enabling factor for efforts to achieve goals. TQM in increasing KO.

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