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The Effects of Knowledge Management Capabilities and Information Technology Capabilities on Organizational Agility and Their Impact on Organizational Performance in Technical Implementation Units and Service Branches of the East Java Provincial Government

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ABSTRACT*:* The performance of the Technical Implementation Unit and Office Branches of the East Java Province is an indicator of the success of the implementation of development and governance, especially in public services. The purpose of this research is to describe knowledge management capabilities, information technology capabilities, organizational agility and organizational performance, to analyze the effect of knowledge management capabilities, information technology capabilities and organizational agility, to analyze the effect of knowledge management capabilities and information technology capabilities on organizational performance, to analyze the effect of organizational agility on organizational performance and analyze the effect of knowledge management capabilities, information technology capabilities on organizational performance through organizational agility. The data analysis technique used is Descriptive Analysis and SEM (Structural Equation Modeling). The results of the study show that knowledge management capabilities have the greatest contribution to knowledge application. Information technology capabilities have the greatest contribution to IT proactive stance. Organizational agility has the biggest contribution to Quickness. Organizational performance has the greatest contribution to the learning and growth process perspective. Knowledge management capabilities, information technology capabilities affect organizational agility. Knowledge management capabilities, information technology capabilities can affect organizational performance. Organizational agility is needed in organizations that have knowledge management capabilities and information technology capabilities in order to improve organizational performance.

KEYWORDS: knowledge management capabilities, information technology capabilities, organizational agility and organizational performance

I.INTRODUCTION

Regional Government Organizations carry out their duties, responsibilities and functions properly and transparently, and can be held accountable to the public as reflected in the performance of these agencies. Regional government agencies that have succeeded in achieving high performance indicate that the agency has succeeded in carrying out government affairs within its authority, where if the performance of all regional apparatus in a provincial government is accumulated, this will describe the performance of the governor, which is reported to the public through the Regional People's Representative Council (DPRD) in the form of an Accountability Report for the Implementation of Regional Government which includes reports on the performance of Regional Government agencies or the performance of regional apparatus organizations (Article 69 Paragraph 2)(Law Number 23 of 2014 concerning Regional Government). In the context of administering the Regional Government of East Java Province, in accordance with (Government Regulation Number 18 of 2016 concerning Regional Apparatus), the Governor formed a Provincial Regional Apparatus consisting of: a. The regional Secretariat; b. DPRD Secretariat; c. Inspectorate; d. Service; and e. Body. These Regional Apparatus have the task of assisting the Governor in carrying out government affairs which are the authority of the Provincial Government. In the Departments and Agencies, Technical Implementation Units (UPT) and Service

Branches (Cabdin) are formed with the aim of carrying out some of the operational technical activities and/or certain supporting technical activities of the parent Regional Apparatus.

The main consideration for conducting research at the Technical Implementation Unit and Service Branches of the East Java Provincial Government is that the Technical Implementation Unit and Service Branches are direct service units to the community, so it could be said that the Technical Implementation Unit and Service Branches are a showcase for the quality of services of the East Java Provincial Government.

To realize high organizational performance from a Technical Implementation Unit and Service Branch in a situation of environmental change, especially in the economic sector which is full of instability, uncertainty, complexity and ambiguity or commonly referred to as VUCA which stands for Volatility, Uncertainty, Complexity, and Ambiguity, then a new breakthrough is needed by an organization (Mozhayeva et al., 2019). These conditions make organizations ready to be in an environment with a climate full of challenges and changes but must still exist, grow and develop in an agile manner (Nijssen & Paauwe, 2012). External environmental situations that do not provide enough space for organizations to live, grow and develop need to be responded to by the organization with several action options, one of which is the application of organizational agility (OA), namely the ability to respond quickly to the VUCA situation and take advantage of the VUCA situation, so the organization are required to have high flexibility in dealing with external changes and quickly exploit these situations so that the organization survives, grows and develops. Organizational agility is an organization that is faced with a business environment that is Volatility, Uncertainty, Complexity, and Ambiguity and the organization is able to respond to this situation dynamically (Oosthuizen & Scheepers, 2018). In a situation of environmental change, an organization that is able to survive, grow and develop and succeed in achieving its goals, namely an effective high-performance organization, is an organization with an adaptive structure as per contingency theory (Fiedler, 1964).

In this research, to realize organizational performance, knowledge management capabilities and information technology capabilities are needed, mediated by the organizational agility variable (Chuang, 2004) and (Rafi et al., 2021). With organizational agility, the organization is able to adapt to the VUCA environment and quickly respond to the situation so that the organization remains able to survive, grow and develop in unfavorable situations.

In today's competitive market situation accompanied by rapid social and innovative changes, ongoing monetary and political unsoundness forces organizations to survive and develop in an agile manner (Nijssen & Paauwe, 2012). Therefore, organizations strive to realize flexibility, speed and cost effectiveness, especially through knowledge management capabilities, to carry out business activities efficiently and effectively. Organizations integrate and apply knowledge management (KM) for strategic orientation, business planning and implementation of operations to meet the challenges of global competition (Antunes et al., 2018). Thus, organizations need to evolve themselves to realize flexibility, speed and cost effectiveness by building knowledge management capabilities, in order to carry out business activities efficiently and effectively. The knowledge management capability implemented by the organization is a means for realizing high performance (Santoro et al., 2019). Based on the description above, organizations need to implement knowledge management capabilities, this is because knowledge management capabilities will enable the organization to exploit internal knowledge as well as obtain knowledge from external sources and apply knowledge to improve organizational performance. To exploit knowledge more optimally, infrastructure is needed that is able to facilitate these activities, because this infrastructure is able to collect, process, present and secure knowledge (Gold et al., 2001).

Pereira et al. (2018) stated that knowledge management capabilities are the main resource of an organization that is able to encourage the achievement of competitive advantage. Knowledge management capability resources are able to realize, combine and restructure knowledge resources from within and outside the organization so that the organization is able to face external challenges and take advantage of opportunities (Teece et al., 2016). Knowledge management capability is "an organization's capability to mobilize and distribute resources based on knowledge management capabilities by combining them with other resources to realize a competitive advantage" of an organization (Chuang, 2004). Knowledge management capabilities consist of infrastructure capabilities, knowledge management capabilities and process capabilities, knowledge management capabilities. The infrastructure capability of an organization's knowledge management capability consists of structure, culture, information technology (IT) to manage and distribute knowledge resources, while the knowledge management process capability is to manage and distribute knowledge resources with other resources effectively. Knowledge management according to (Ragab & Arisha, 2013), includes acquisition, conversion, dissemination, application, storage and protection of knowledge.

The Effects of Knowledge Management Capabilities and Information Technology Capabilities on Organizational Agility and Their Impact on Organizational Performance in Technical Implementation Units and Service Branches of the East Java Provincial Government

Previous research on organizational performance has shown that knowledge management capabilities consisting of knowledge management infrastructure capabilities and knowledge management process capabilities positively influence organizational performance. Apart from the direct influence, knowledge management process capability has an indirect influence on organizational performance through the intervening variable Organizational Agility. Knowledge management process capabilities are able to encourage organizations to realize product innovation, create the ability to adapt to market changes and reduce duplication of information and knowledge which ultimately creates high organizational performance (Fan et al., 2009) (Liao & Wu, 2010) (P. Lo Liu et al., 2004). Knowledge management process capabilities have a significant role in realizing organizational performance (Nodari et al., 2016) (Manfredi Latilla et al., 2019) (Pandey & Dutta, 2013) (Payal et al., 2019). The study results show that sharing knowledge has a big impact on efforts to realize optimal company performance (Manfredi Latilla et al., 2019).

One element of the knowledge management process capability, namely sharing knowledge among employees, will encourage employees to think more creatively, so that they are able to produce new knowledge (Aulawi et al., 2009). This new knowledge will be explored further and ultimately this new knowledge will be utilized so that new ideas emerge, which are tools for solving problems in the organization (Jantunen, 2005). Knowledge is a strategic resource towards realizing Organizational Agility (BW Liu, 2010).

The majority of research conducted so far is about the direct relationship between knowledge management capabilities and organizational performance (Abbas & Sağsan, 2019), while research on knowledge management capabilities' influence on organizational performance through intervening variables is very rarely carried out by researchers (Cegarra-Navarro et al., 2016). The influence of the relationship between knowledge management capabilities and organizational performance is mostly insignificant, however, knowledge management capabilities are useful for redesigning business operations, management and institutional systems which are ultimately able to improve organizational performance.

Knowledge management capabilities consisting of knowledge management infrastructure capabilities and knowledge management process capabilities have a positive and significant influence on Organizational agility and have a positive and significant influence on organizational performance, likewise, Organizational agility as an intervening variable has a positive and significant influence on organizational performance (Rafi et al., 2021). Knowledge management infrastructure capabilities have a positive and significant influence on organizational performance (Alaarj et al., 2016). Supported knowledge management process capabilities for sustainable organizational performance (Shahzad et al., 2020).

The influence of information technology capabilities on Organizational Agility, the results of data analysis are strong and supportive, as well as the relationship between Organizational Agility and organizational performance is strong and supportive (Ravichandran, 2017). Research on the relationship between organizational agility which is an intervening variable between knowledge application and organizational performance is significant (Cegarra-Navarro et al., 2016).

The use of IT by an organization has a direct and positive influence on Organizational Agility, and the use of IT by an organization has a direct and positive influence on the information technology capability of an organization and the information technology capability of an organization has a positive influence on Organizational Agility (Melián-Alzola et al., 2020). Information technology capabilities are positively related to organizational performance (Li et al., 2020).

Other research that examines the relationship between information technology capabilities and Organizational Agility, the results show that the influence of information technology capabilities on Organizational Agility is positive and significant (Cepeda & Arias-Pérez, 2018). Besides that, (Gao et al., 2020) conducted research on the influence of information technology capabilities on Organizational Agility, research results show that The influence of information technology capabilities on organizational agility is positive and significant. (Yunis et al., 2017) conducted research examining the relationship between IT use and organizational performance, the research results showed that the relationship between IT use and organizational performance was positive.

Cegarra-Navarro et al. (2016) conducted a study examining the relationship between knowledge application and organizational performance with the intervening variable Organizational Agility. The results of data analysis showed that Organizational Agility was able to mediate the relationship between knowledge application and organizational performance. Besides that, organizations that have a tendency towards better IT management will positively contribute to the organization's IT strategy, which in turn will have a positive effect on organizational performance (Ilmudeen & Bao, 2020).

This study is a continuation of research (Gürlek & Çemberci, 2020) who researched the influence of knowledge management capabilities on organizational performance through the variable innovation performance, (Gürlek & Çemberci, 2020) recommended developing a knowledge management capability variable by including a knowledge-oriented culture into the research model. Knowledge-oriented culture refers to a set of organizational values, beliefs and fundamental norms that serve

as a common reference for employees who generate, share and apply knowledge to realize knowledge-oriented success (Peralta & Saldanha, 2014).

The performance measurement used in this research is using the Balanced Scorecard method, the performance of the Technical Implementation Unit and Service Branches is measured from four perspectives, namely the financial perspective, customer perspective, internal business process perspective and growth and learning perspective. In accordance with the Minister of State Apparatus Empowerment and Bureaucratic Reform Regulation Number 53 of 2014 concerning Technical Guidelines for Performance Agreements, Performance Reporting and Procedures for Reviewing Performance Reports, it is stated that performance measurement is carried out by comparing the performance that (should) occur with the expected performance. This performance measurement is carried out periodically (quarterly) and annually. Measuring and comparing performance in performance reports must adequately describe the performance position of government agencies. Performance indicators are measures of success that describe the realization of performance, achievement of program results and activity results. In accordance with these regulations, it can be concluded that the success of the Technical Implementation Unit and Service Branches in achieving performance is determined by their success in implementing their programs and activities. In the operational practice of Technical Implementation Units and Service Branches, 4 perspectives of measuring the performance of the Balanced Scorecard method are found in the programs and activities of Technical Implementation Units and Service Branches, namely (1) Financial perspective, each Technical Implementation Unit and Service Branch always receives a budget allocation every year for its operations are listed in the Budget Implementation Document (DPA) which originates from the Regional Revenue and Expenditure Budget (APBD) document; (2) Customer perspective, each Technical Implementation Unit and Service Branch has the main duties and functions to serve the public directly, in accordance with Law Number 25 of 2009 concerning Public Services, so customer satisfaction from each Government agency service unit is a top priority; (3) Internal business process perspective, to achieve customer satisfaction as stated in the Law above, each Technical Implementation Unit and Service Branch must always strive to improve internal business processes so that services are produced that meet customer expectations. (4) Perspective of the learning and growth process, each Technical Implementation Unit and Service Branch according to its field always strives to realize the Governor's vision and mission so that it always has goals to be achieved, in addition to that in accordance with Government Regulation Number 11 of 2017 concerning Management of Civil Servants that every Civil Servant has the right to develop their competency for 20 hours of study each year. So measuring the performance of Technical Implementation Units and Service Branches using the Balanced Scorecard method is the appropriate method.

In order to achieve high organizational performance in a VUCA situation, this research places organizational agility as an intervening variable between knowledge management capabilities and information technology capabilities and organizational performance in the overall structure.

II.LITERATURE REVIEW

A. Organizational Performance

Performance is a manifestation of effectiveness and results as well as innovation to achieve targets set by the organization from the highest level to the lowest level within the organization (Robbins & Judge, 2014). According to (Luthans, 2006), performance is the output of workers in an organization by measuring the quantity and quality of goods or services. Another definition of performance is the successful achievement of predetermined targets (Gibson et al., 2012). Apart from that, another definition of performance is a description of the efforts and non-efforts of an employee (Mathis & Jackson, 2006).

B. Organizational Agility

Organizational agility is the total capability of an organization that is able to anticipate, respond, react and capture market opportunities continuously as a means of realizing success to continue to grow in a VUCA situation and in a competitive business world (Attar & Abdul-Kareem, 2020). Organizational agility is the capacity of an organization to respond and adapt when faced with situations of rapid change in the business environment (Dove, 1999). Organizational agility is an organization's capability to respond quickly and successfully to market changes in order to increase its competitiveness effectively and efficiently (Zhang & Sharifi, 2007). (Van Oosterhout et al., 2006) defines organizational agility as the capability of an organization to successfully face and win competition in a VUCA environmental situation by utilizing and exploiting its knowledge resources. Organizational agility has the ability to help companies quickly respond to changes in market situations by changing their structure and reconfiguring their resources (Harsch & Festing, 2020). Organizational agility is a vital element for an organization in a VUCA environment to survive, grow and develop. So Organizational Agility is a logical mediation to improve organizational performance.

C. Knowledge management capabilities

Knowledge is an abstract concept free from the real world, consisting of two types, namely explicit knowledge and tacit knowledge. Explicit knowledge is knowledge that can be codified in the form of documents or other tangible forms so that it can be easily transferred, distributed and articulated (Bolisani & Bratianu, 2018). Tacit knowledge is invisible knowledge that resides within a person (Maravilhas & Martins, 2019). This tacit knowledge is gathered from experience. Because it resides within a person, tacit knowledge is difficult to share with others (Johnson et al., 2019). Knowledge management is defined as changing the form of tacit knowledge into explicit knowledge so that knowledge sharing within the organization can be done easily (Yang, 2008).

D. Information technology capabilities

Information technology is a means that organizations have to share application services for organizational operational purposes, data or information communication network services, and data management services (Lu & Ramamurthy, 2011). Information technology capability is the ability to manage technological facilities which have an important role at the operational and strategic levels in the organization and are used effectively to support the realization of organizational goals (Melián-Alzola et al., 2020). Meanwhile, information technology managerial capability is the ability of organizational management to utilize information technology infrastructure as a means of realizing organizational goals and realizing new opportunities for the organization (Lu & Ramamurthy, 2011). In information systems research, one of the elements is integrated information technology capability. Information technology capability consists of a number of physical resources related to information technology facilities which are main for organizations that have output in the form of value from information technology (Bharadwaj, 2000); (Ravichandran & Lertwongsatien, 2005). Information technology capabilities are classified into two types, namely information technology flexibility and information technology integration (S. Liu et al., 2018). Almost the same as (S. Liu et al., 2018), (Ngai et al., 2011) also classifies information technology capabilities into two, namely information technology flexibility and information technology integration.

E. Hypothesis

H1 : Knowledge management capabilities and information technology capabilities have a significant and positive effect on Organizational Agility in the Technical Implementation Unit and Service Branches of the East Java Provincial Government.

H2 : Knowledge management capabilities and information technology capabilities have a significant and positive effect on organizational performance in the Technical Implementation Unit and Branch Services of the East Java Provincial Government.

H3 : Organizational agility has a significant and positive effect on organizational performance in the Technical Implementation Unit and Branch Offices of the East Java Provincial Government.

H4 : Knowledge management capabilities and information technology capabilities have a significant and positive effect on organizational performance through Organizational Agility in the Technical Implementation Unit and Service Branches of the East Java Provincial Government.

III.RESEARCH METHODS

A. Research Design

This research was carried out based on the positivism paradigm, namely a reasoning structure for a research process using basic deductive logic (hypothetico deductive method). Based on the approach, it is included in the type of quantitative research with ex-post facto methods.

B. Operational Definition of Variables

1. Knowledge management capabilities (X 1)

Knowledge management capability is the respondent's perception of the organization's knowledge management capability. Indicators used: Knowledge acquisition, Knowledge conversion, and Knowledge application.

2. Information technology capabilities (X 2)

Information technology capability is the respondent's perception of the organization's information technology capabilities. Indicators used: IT infrastructure capability, IT business spanning capabilities, and IT proactive stance.

3. Organizational agility (Y 1)

Organizational agility is the respondent's perception of the organization's ability to recognize early and respond to external opportunities and threats easily, quickly and nimbly. Indicators used: Competency, Quickness, Responsiveness, and Flexibility.

4. Organizational performance (Y 2)

Organizational performance is the respondent's perception of the organization's actual results compared to the output of the organization. The indicators used are: Financial perspective, Customer perspective, Internal business process perspective, and Learning and growth process perspective.

C. Population and Sample

The population in this study was all Technical Implementation Units and Branches of the East Java Provincial Government, totaling 231 UPTs. Based on the population size, the sample size was based on Slovin's guidelines, thus the number of samples taken was 146, and this was suitable for using SEM analysis. The sample size is based on opinion (Hair et al., 2006), if it is too large it will make it difficult to get the right model, and it is recommended that an appropriate sample size be between 100-200 respondents so that interpretation estimates can be used with SEM. The sampling technique for each Technical Implementation Unit and Service Branch that constitutes the population is determined using the proportional random sampling method.

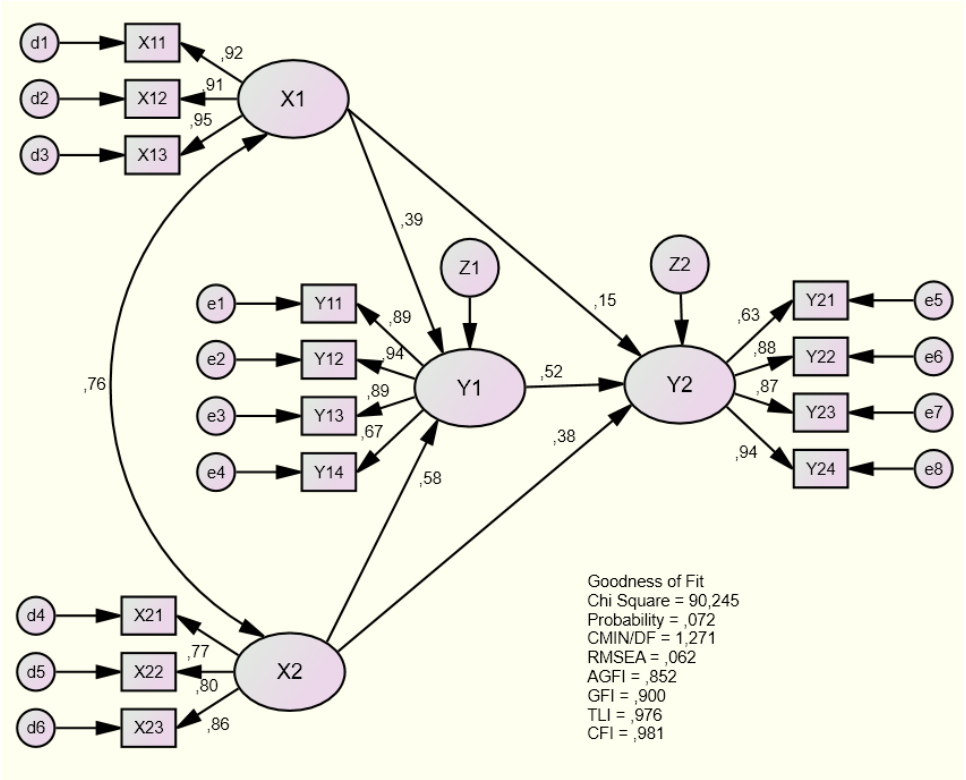
D. Data Analysis Techniques

The collected data was analyzed using descriptive analysis and multivariate Structural Equation Modeling/SEM (Simultaneous Equation Model) analysis. To complete this analysis using the AMOS software application.

IV.RESULTS AND DISCUSSION

A. SEM Analysis Results

This research uses the Structural Equation Modeling (SEM) method to carry out inferential analysis. Based on the literature review and research objectives, a comprehensive structural model was developed as shown in Figure 1.



Source: Processed data, 2023.

Figure 1. SE M Analysis Results

Based on the AMOS 18 output in this SEM model, the goodness of fit index is obtained which is shown in Table 1. Then the index numbers are compared with the critical value (cut-of value) for each index. A fit index that exceeds or is equal to the critical value indicates a good model.

Table 1. Goodness of Fit Test Results of Modified Structural Model

Goodness Of Fit Index	Cut-off Value	Model Results	Conclusion
Chi-Square (df = 71)	91, 670	90,245	Good
Chi-Square Probability	≥ 0.05	0.072 _	Good
CMIN/DF	≤2.00	1, 271	Good
RMSEA	≤0.08	0.0 62	Good
AGFI	≥0.90	0.852 _	Marginal
GFI	≥0.90	0.9 00	Good
TLI	≥0.95	0.9 76	Good
CFI	≥0.95	0.9 81	Good

Source: Processed data, 2023.

Based on Table 1 regarding the results of the Goodness of Fit Indices assessment criteria, it shows that the model assessment has been fulfilled, so the model can be accepted.

B. Hypothesis Testing Results

Hypothesis testing in this research is carried out by looking at the p value (probability). If the p value is less than or equal to 0.05, then it is said that there is a significant influence.

1) First Hypothesis Testing

Based on the results of the analysis in testing the first hypothesis, it is presented in Table 20.

Table 2. The Influence of Knowledge Management Capabilities and Information Technology Capabilities on Organizational Agility

Variable	Standardized Regression Weights	Estimate	S.E	CR	P robability	Information
Knowledge Management Capabilities	0.386	0.394	0.086	4,612	0,000	Significant
Information Technology Capabilities	0.581	0.674	0.111	6,076	0.00 0	Significant

Source: Primary data processed, 2023.

Table 20 shows that the Knowledge Management Capability variable and Information Technology Capability has a critical ratio value ≥ 2 and a p-value ≤ 0.05 means that Knowledge Management Capability and Information Technology Capability have a significant and positive effect on Organizational Agility. Standardized regression weight coefficient, for Knowledge Management Capability = 0.386 and Information Technology Capability = 0.581 ; means Knowledge Management Capability and Information Technology Capabilities have a significant and positive effect on Organizational Agility. Knowledge Management Capabilities most influence Organizational Agility, thus the first hypothesis is proven that knowledge management capabilities and information technology capabilities have a significant and positive effect on Organizational Agility in the Technical Implementation Unit and Branch Services of the East Java Provincial Government.

2) Second Hypothesis Testing

Based on the results of the analysis in testing the second hypothesis as shown in Table 3.

Table 3. Influence of Knowledge Management Capabilities and Information Technology Capabilities on Organizational Performance

Variable	Standardized Regression Weights	Estimate	S.E	CR	P robability	Information
Knowledge Management Capabilities	0.152	0.110	0.043	2,564	0.0 10	Significant

Information Technology Capabilities	0.383	0.317	0.079	3,995	0,0 00	Significant

Source: Primary data processed, 2023.

Table 3 shows that the variables Knowledge Management Capability and Information Technology Capability have a critical ratio value ≥ 2 and a p-value ≤ 0.05 means that Knowledge Management Capabilities and Information Technology Capabilities have a significant and positive effect on Organizational Performance. Standardized regression weight coefficient, for Knowledge Management Capability = 0.152, Information Technology Capability = 0.383; means Knowledge Management Capability and Information Technology Capabilities have a significant and positive effect on Organizational Performance. Knowledge Management Capabilities most influence Organizational Performance, thus the second hypothesis is proven that knowledge management capabilities and information technology capabilities have a significant and positive effect on organizational performance in the Technical Implementation Unit and Branch Services of the East Java Provincial Government.

3) Third Hypothesis Testing

Based on the results of the analysis in testing the third hypothesis as shown in Table 4.

Table 4. Influence of Organizational Agility on Organizational Performance

Variable	Standardized Regression Weights	Estimate	S.E	CR	P robability	Information
Organizational Agility	0.516	0.368	0.076	4,866	0.000	Significant

Source: Primary data processed, 2023.

Table 4 shows that the Organizational Agility variable has a critical ratio value ≥ 2 and a p-value ≤ 0.05 means that Organizational Agility has a significant effect on Organizational Performance. The standardized regression weight coefficient = 0.516 means that Organizational Agility has a positive effect on Organizational Performance, thus the third hypothesis is proven that Organizational Agility has a significant and positive effect on organizational performance in the Technical Implementation Unit and Branch Offices of the East Java Provincial Government.

4) Fourth Hypothesis Testing

The results of the fourth hypothesis testing analysis are presented as follows:

Table 5. Influence of Knowledge Management Capabilities and Information Technology Capabilities on Organizational Performance Through Organizational Agility

Variable	Direct Effects	Indirect Effects	Total Effects	Information
Knowledge Management Capability on Organizational Performance through Organizational Agility	0.152	0.386 X 0.516 = 0.199	0.351	Mediation
Information Technology Capabilities on Organizational Performance through Organizational Agility	0.383	0.581 X 0.516 = 0.300	0.683	Mediation

Source: Primary data processed, 2023.

Table 5 shows that Organizational Agility has status as a variable that can mediate the Knowledge Management Capability variable on Organizational Performance, because the total influence value is greater than the direct influence (0.351 > 0.152). Organizational Agility has status as a variable that can mediate the Information Technology Capability variable on Organizational Performance, because the total influence value is greater than the direct influence (0.683 > 0.383). Information Technology capabilities are most decisive in influencing Organizational Performance, mediated by Organizational Agility. This means that the fourth hypothesis is that knowledge management capabilities and information technology capabilities have a significant and positive effect on organizational performance through Organizational Agility in the Technical Implementation Unit and Branch Services of the East Java Provincial Government. Statistically tested.

C. DISCUSSION

1. Description of Knowledge Management Capabilities, Information Technology Capabilities, Organizational Agility and Organizational Performance

Knowledge management capabilities determined by Knowledge Acquisition, Knowledge Conversion and Knowledge application, This is in accordance with the opinion of Gold et al., (2001) that knowledge management capabilities consist of Knowledge Acquisition, Knowledge Conversion and Knowledge application. The results of the research show that the biggest contribution to the formation of knowledge management capabilities is Knowledge Acquisition, reflected by UPT and Cabdin realizing the usefulness of knowledge originating from outside UPT and Cabdin to enrich the knowledge of UPT and Cabdin employees and UPT and Cabdin providing opportunities for employees for individual development. informal (seminars, symposiums and so on) in addition to formal training. Knowledge management capabilities are realized when the acquired and converted knowledge can be applied in daily practice. UPT and Cabdin provide opportunities for employees to develop themselves through formal training, which provides specific knowledge and skills according to the needs of their duties and responsibilities. With this opportunity, employees can apply the knowledge gained in carrying out their duties more effectively and efficiently. Awareness of the usefulness of knowledge from outside the organization and providing opportunities for individual development both formally and informally, UPT and Cabdin have made a significant contribution to the formation of knowledge management capabilities. This approach helps increase employee understanding, skills and competence in facing changes and ever-growing demands in the work environment. Through a holistic process of acquiring, converting and applying knowledge, UPT and Cabdin can strengthen the knowledge management capabilities of officials to better achieve organizational goals. This is in accordance with the opinion of Gold et al. (2001) who explain that knowledge management capability is the ability of an organization to facilitate infrastructure and facilitate process activities to exploit internal knowledge and adopt and adapt external knowledge for application within the organization.

Information technology capabilities are formed from IT infrastructure capability, IT business spanning capability and IT proactive stance. The biggest contribution to the formation of information technology capabilities, namely the IT proactive stance, is reflected in UPT and Cabdin supporting new ways of using information technology in UPT and Cabdin. UPT and Cabdin realize the importance of being at the forefront in utilizing the latest innovations and developments in information technology. With a proactive attitude, UPT and Cabdin actively seek opportunities to improve efficiency, effectiveness and service quality through the use of information technology. This may include the introduction of new solutions, the adoption of more advanced technology, or the use of digital tools and platforms that can improve performance and provide a competitive advantage. Through supporting new ways of using information technology in institutions, UPT and Cabdin have made a significant contribution to the formation of information technology capabilities. This is in accordance with the opinion of Mao et al. (2015) who explain that information technology capability is the ability of an organization to collect, distribute, combine and reorganize information technology resources to realize the organization's internal business strategies and processes. By building a reliable information technology infrastructure, developing cross-business information technology capabilities, and having a proactive attitude in implementing information technology, officials can strengthen their ability to utilize information technology to support overall organizational operations and goals.

Organizational agility is formed from competency, quickness, responsiveness and flexibility. This can be seen from the answers to the questionnaire that competency is most appreciated in the formation of Organizational Agility, reflected in the UPT and Cabdin trying to make the necessary improvements to meet customer demands. Competency includes the knowledge, skills and experience needed to carry out duties and responsibilities well. UPT and Cabdin strive to make necessary improvements to meet customer demands. By increasing official competency and organizational capabilities, UPT and Cabdin gain significant benefits in increasing responsiveness and adaptability to changes in the environment and customer needs. Through efforts to improve employee competency, UPT and Cabdin invest time and resources in equipping employees with the knowledge, skills and understanding needed to carry out their duties and responsibilities effectively. Competent employees have a better understanding of the work environment, task requirements, and the best techniques for achieving desired results. Officers have the necessary skills to respond quickly and appropriately to changing situations and better meet customer needs. By increasing employee competency, UPT and Cabdin create a strong foundation for organizational adaptability. This is in line with the opinion of Dahmardeh (2012) who explains that organizational agility is an organization's capability to face rapidly changing business environmental situations in business competition and is able to win the competition and take advantage of existing opportunities with appropriate and comprehensive responses. Competent officials are able to adapt to change and adjust to new situations. Officers can quickly learn new skills, master the latest technology, and meet emerging challenges. This

adaptability gives UPT and Cabdin an edge in responding to rapid environmental changes and changing customer demands. Apart from that, by increasing the competency of officials, UPT and Cabdin also increase overall organizational capacity. Organizations that have competent officials can optimize potential and run operations with higher efficiency. Higher organizational capabilities provide a solid foundation for being responsive and adaptive to changes in the environment and customer needs. Increased employee competency and organizational capabilities give UPT and Cabdin a significant advantage in responsiveness and adaptability. With enhanced competence, UPT and Cabdin are able to move quickly and overcome challenges better. It provides a solid foundation for achieving organizational goals and providing quality service to customers.

Organizational performance is formed from a financial perspective, customer perspective, internal business process perspective, and learning and growth process perspective. The biggest contribution to the formation of organizational performance is the customer perspective, reflected in the UPT and Cabdin providing polite service. The customer perspective plays a very important role in the success of UPT and Cabdin organizations. UPT and Cabdin have a strong understanding that customer satisfaction and the ability to meet customer needs and expectations are key factors in achieving good performance. Therefore, the customer perspective is made a top priority in efforts to improve organizational performance. This is in accordance with the opinion of Kaplan & Norton (1996) who explain that organizational performance is something that is the result of an organization complying with standards set within a certain time period. Every UPT and Cabdin member is fully aware of the importance of providing polite service to customers. UPT and Cabdin are committed to providing a positive experience and meeting customer needs well. This includes a friendly attitude, effective communication, and a willingness to respond quickly to customer requests or questions. In providing services to customers, UPT and Cabdin try to understand and accommodate customer needs and expectations. UPT and Cabdin actively listen to customer feedback and improve customer service based on that feedback. UPT and Cabdin are committed to providing a satisfying experience to customers, thereby building good and sustainable relationships.

2. The Influence of Knowledge Management Capabilities and Information Technology Capabilities on Organizational Agility

Knowledge management capabilities have a significant influence on organizational agility, namely the ability of an organization to adapt and respond quickly to changes in a dynamic business environment. One of the main indicators of knowledge management capabilities that is appreciated is knowledge application, namely the application of knowledge in organizational practices. At UPT and Cabdin, the application of knowledge is reflected in officials' efforts to increase efficiency and facilitate employee access to required knowledge. Effective application of knowledge in an organization is a key factor in forming organizational agility. When the knowledge gained is applied well, organizations have the ability to optimize their operations, identify new opportunities, and respond quickly to emerging changes and challenges. In this case, UPT and Cabdin use knowledge to increase efficiency within the organization. UPT and Cabdin recognize the importance of applying knowledge in an effort to increase efficiency. Officers utilize their knowledge to identify and implement best practices, improve business processes, and improve overall organizational performance. By applying this knowledge, UPT and Cabdin can reduce waste, speed response times, improve service quality and achieve better results.

Apart from that, UPT and Cabdin also facilitate employee access to the required knowledge. UPT and Cabdin recognize that employees who have easy access to relevant knowledge have greater potential to make meaningful contributions to the organization. UPT and Cabdin provide the necessary support and resources to ensure employees can access the knowledge they need, either through internal information systems, training, or collaboration with external parties. By applying knowledge and facilitating employee access to the required knowledge, UPT and Cabdin strengthen knowledge management capabilities and directly increase organizational agility. Officials who have relevant knowledge and are able to apply it well, UPT and Cabdin become more responsive to changes and have the flexibility to face challenges that arise. This allows officers to adapt quickly, take advantage of new opportunities, and remain competitive in a dynamic business environment. The results of this study support Liu et al. (2014), Haider & Kayani (2020) and Rafi et al. (2021) who found that knowledge management capabilities influence organizational agility.

Information technology capabilities have a significant influence on organizational agility, namely the ability of an organization to adapt and respond quickly to changes in a dynamic business environment. One of the main indicators of information technology capabilities that is appreciated is the IT proactive stance, namely a proactive attitude in implementing information technology. The implementation of a proactive attitude is reflected in UPT and Cabdin's efforts to continue to follow the latest information technology developments. A proactive attitude in implementing information technology has a direct impact on organizational agility. By adopting a proactive attitude, UPT and Cabdin actively follow the latest developments in information

technology. UPT and Cabdin strive to understand the latest trends, innovations and developments in information technology and identify ways to utilize them in operational activities and business strategy. By continuing to follow the latest information technology developments, UPT and Cabdin have an advantage in responding to changes and taking advantage of emerging opportunities. UPT and Cabdin can gain insight into new technologies that can improve efficiency, effectiveness and service quality. A proactive attitude enables UPT and Cabdin to anticipate customer needs, identify innovative solutions, and gain competitive advantage in a changing business environment. UPT and Cabdin not only wait for new information technology to be introduced by outside parties, but also actively seek opportunities to apply information technology that can improve organizational performance. UPT and Cabdin's proactive attitude encourages the exploration and adoption of new solutions, improvements to information technology systems and infrastructure, as well as the use of digital tools and platforms that can assist in operations and services. By continuing to follow the latest information technology developments, UPT and Cabdin strengthen UPT and Cabdin capabilities and directly increase organizational agility. UPT and Cabdin can quickly adopt new technology, optimize the use of existing technology, and exploit the potential for innovation in a rapidly changing business environment. This allows UPT and Cabdin to adapt quickly to changes and become more responsive to customer needs, while increasing the efficiency, effectiveness and quality of services that UPT and Cabdin provide. The results of this study support Cepeda & Arias-Pérez (2018), Gao et al. (2020), Melián-Alzola et al. (2020), Martínez-Caro et al. (2020), Li et al. (2020) and Zhen et al. (2021) who found that information technology capabilities influence organizational agility.

3. The Influence of Knowledge Management Capabilities and Information Technology Capabilities on Organizational Performance

Knowledge management capabilities have a strong influence on organizational performance. This capability includes the collection, management, and utilization of knowledge within the organization. One of the main indicators of knowledge management capabilities that is appreciated is knowledge application, namely the application of knowledge in organizational practices. The application of knowledge is reflected in UPT and Cabdin's efforts to use knowledge to increase efficiency at UPT and Cabdin and facilitate employees to access the knowledge that customers need. When the knowledge possessed is applied well, organizations can improve operational efficiency and achieve better results. In this case, UPT and Cabdin use knowledge to increase efficiency within the organization. By using existing knowledge, UPT and Cabdin can identify and implement best practices, optimize business processes, and improve organizational performance. Effective application of knowledge can reduce waste, speed response times, improve service quality and provide competitive advantage. UPT and Cabdin realize the importance of using the knowledge they have to increase efficiency and achieve desired results. In addition, UPT and Cabdin facilitate employee access to the required knowledge. UPT and Cabdin recognize that employees who have easy access to relevant knowledge have greater potential to make meaningful contributions to the organization. UPT and Cabdin provide the support and resources needed to ensure employees can access the knowledge they need, either through internal information systems, training, or collaboration with external parties. Applying knowledge and facilitating employee access to required knowledge, UPT and Cabdin improve knowledge management capabilities and directly improve organizational performance. By having relevant knowledge and being able to apply it well, UPT and Cabdin can increase operational efficiency, improve service quality, and achieve better results. This leads to improved organizational performance. The results of this study support Payal et al. (2019), Shahzad et al. (2020), Haider & Kayani (2020) and Rafi et al. (2021), who found that knowledge management capabilities influence organizational performance.

Information technology capabilities have a significant influence on organizational performance. These capabilities include IT infrastructure capability, IT business spanning capability and IT proactive stance. One of the main indicators of information technology capabilities that is appreciated is the IT proactive stance, namely a proactive attitude in following the latest information technology developments. Continuing a proactive attitude is reflected in the efforts of UPT and Cabdin to continue to follow the latest developments in information technology. A proactive attitude in following developments in information technology has an impact on organizational performance, By adopting a proactive attitude, UPT and Cabdin actively pay attention to the latest trends, innovations and developments in IT. UPT and Cabdin seek to understand the potential and benefits of new information technology and identify ways to utilize it in operational activities and business strategy. By continuing to follow the latest information technology developments, UPT and Cabdin can gain insight into new solutions and technologies that can improve organizational performance. They can identify and adopt more advanced information technologies, improve IT systems and infrastructure, and utilize innovative digital tools and platforms. Their proactive attitude allows UPT and Cabdin to remain at the forefront of exploiting the potential of information technology to improve

organizational performance. By continuing to follow the latest information technology developments, UPT and Cabdin can respond quickly to changes and opportunities that arise in the business environment. UPT and Cabdin can utilize information technology to increase operational efficiency, improve business processes, and improve the quality of services provided. This gives UPT and Cabdin a competitive advantage in an ever-changing business environment and ensures that organizational performance remains relevant and competitive. In this case, UPT and Cabdin do not only rely on existing information technology, but also actively seek and adopt new technology that can improve organizational performance. UPT and Cabdin's proactive attitude, to be a pioneer in implementing innovation and new IT solutions, resulting in better operational efficiency, increased productivity and better service to the community. The results of this study support Yunis et al. (2017), Shahzad et al. (2020), Martínez-Caro et al. (2020) and Ilmudeen & Bao (2020) who found that information technology capabilities influence organizational performance.

4. The Influence of Organizational Agility on Organizational Performance

Organizational agility has a significant influence on organizational performance. Organizational agility refers to an organization's ability to adapt and respond quickly to change and uncertainty in a dynamic business environment. One of the main indicators of organizational agility that is appreciated is quickness, namely the ability to act quickly. The speed in improving service levels is reflected in UPT and Cabdin's efforts to quickly increase service levels to support fluctuations in customer demand.

Organizational agility plays an important role in improving organizational performance. In a constantly changing business environment, the ability to adapt quickly and respond to change is key to remaining competitive and achieving competitive advantage. In this case, UPT and Cabdin realize the importance of having strong organizational agility to respond quickly to fluctuations in customer demand. By having quickness as an appreciated indicator of organizational agility, UPT and Cabdin are able to increase service levels quickly. UPT and Cabdin understand that customer demand can fluctuate and change quickly. Therefore, UPT and Cabdin are focused on the ability to rapidly increase service levels to meet current and future customer needs. The results of this study support Martínez-Caro et al. (2020), Li et al. (2020) and Rafi et al. (2021) who found that organizational agility influences organizational performance.

UPT and Cabdin have strategies and processes designed to ensure quickness in improving service levels. UPT and Cabdin have emergency response plans ready to deploy when there are significant changes in customer demand or needs. UPT and Cabdin can also use supporting technology and systems to speed up operational processes and provide faster service to customers. With quickness as an appreciated indicator of organizational agility, UPT and Cabdin can ensure that they can respond quickly to fluctuations in customer demand. This helps build customer trust, maintain good relationships, and provide services that meet or even exceed customer expectations. This can also improve the organization's reputation and provide a competitive advantage in the industry or sector that UPT and Cabdin serve.

5. The Influence of Knowledge Management Capabilities and Information Technology Capabilities on Organizational Performance through Organizational Agility

Knowledge management capabilities have a significant influence on organizational performance through organizational agility, namely the organization's ability to adapt and respond quickly to change and uncertainty in a dynamic business environment. Knowledge management capabilities contribute to organizational agility by ensuring that relevant knowledge is available, accessible, and applied effectively within the organization. By having good knowledge management capabilities, organizations can collect, store, manage and utilize knowledge effectively. This knowledge includes information, experience and understanding obtained by the organization from the process of learning, development and interaction with its environment. Knowledge management capabilities enable organizations to identify, explore and use relevant knowledge in facing emerging changes and challenges. Organizational agility depends on the right knowledge at the right time. Knowledge management capabilities play an important role in shaping organizational agility. Organizations that have good knowledge management capabilities can utilize the knowledge they have to adapt quickly to change, identify new opportunities, and respond effectively to emerging challenges. By having strong knowledge management capabilities, organizations can accelerate the learning process, share knowledge between organizational members, and apply knowledge in organizational practices. This enables organizations to proactively identify and leverage relevant knowledge to make good decisions, develop innovative solutions, and improve operational efficiency. Thus, knowledge management capabilities contribute to organizational agility by enabling organizations to respond quickly and effectively to change. Apart from that, knowledge management capabilities also support the formation of a culture of learning and innovation in the organization. By managing and utilizing knowledge well, organizations encourage employees to continuously learn, share knowledge and develop new solutions. This creates an

environment that is responsive to change and focuses on continuous improvement, which is the hallmark of organizational agility.

Information technology capabilities have a significant influence on organizational performance through organizational agility, namely the organization's ability to adapt and respond quickly to change and uncertainty in a dynamic business environment. Information technology capabilities contribute to organizational agility by enabling organizations to utilize information technology to increase efficiency, flexibility, and the ability to innovate. By having good information technology capabilities, organizations can adopt and integrate information technology that is relevant and in line with their business needs. Information technology can help increase operational efficiency through automation, business process optimization, and more effective use of digital tools. By using information technology well, organizations can reduce costs, increase productivity, and speed response times. Apart from that, information technology capabilities also enable organizations to be more flexible in facing change. By having integrated and connected information systems, organizations can quickly access and analyze relevant data, identify market trends, and respond to changing customer needs. This capability allows organizations to make better decisions and move quickly to adapt business strategies. By adopting advanced and supportive information technology, organizations can increase collaboration, share knowledge, and stimulate creativity in the work environment. Information technology can facilitate better communication, effective team collaboration, and the exchange of innovative ideas. In doing so, organizations can produce new solutions, develop better products and services, and meet rapidly changing customer needs. Through the effective and strategic use of information technology, organizations can increase their ability to respond to change and uncertainty, which in turn increases organizational agility. With the right information technology, organizations can optimize operations, increase efficiency, respond quickly to customer needs, and identify new opportunities. This allows organizations to stay relevant, adapt quickly to change, and achieve better performance. The results of this study support Li et al. (2020) and Ilmudeen & Bao (2020) who found that organizational agility can positively mediate the relationship between information technology capabilities and organizational performance.

V.CONCLUSION AND SUGGESTIONS

A. Conclusion

1) Acquisition, Knowledge Conversion and Knowledge application. The biggest contribution to the formation of knowledge management capabilities is Knowledge Acquisition, reflected by UPT and Cabdin realizing the usefulness of knowledge originating from outside UPT and Cabdin to enrich the knowledge of UPT and Cabdin employees and UPT and Cabdin providing opportunities for employees for informal individual development (seminars, symposiums and so on) in addition to formal training. Information technology capabilities are formed from IT infrastructure capability, IT business spanning capability and IT proactive stance. The biggest contribution to the formation of information technology capabilities, namely the IT proactive stance, is reflected in UPT and Cabdin supporting new ways of using information technology in UPT and Cabdin. UPT and Cabdin realize the importance of being at the forefront in utilizing the latest innovations and developments in information technology. Organizational agility is formed from competency, quickness, responsiveness and flexibility. This can be seen from the answers to the questionnaire that competency is most appreciated in the formation of Organizational Agility, reflected in the UPT and Cabdin trying to do what is necessary to meet customer demands. Organizational performance is formed from a financial perspective, customer perspective, internal business process perspective, and learning and growth process perspective. The biggest contribution to shaping organizational performance is the customer perspective, reflected in the UPT and Cabdin providing polite service.
2) In order to achieve optimal Organizational Agility, UPT and Cabdin develop and strengthen knowledge management capabilities and information technology capabilities. Integration between Knowledge Management Capabilities and Information Technology Capabilities can increase flexibility and efficiency, so that you can remain relevant and competitive in an ever-changing business environment.
3) Good integration between Knowledge Management Capabilities and Information Technology Capabilities can produce strong synergies and can improve organizational performance. UPT and Cabdin who are able to manage knowledge well and utilize appropriate information technology can improve the perspective of the learning and growth process.
4) Organizational Agility plays an important role in facilitating innovation and adaptation to change in organizations. With strong Organizational Agility, UPT and Cabdin can face changing challenges in the business environment and take advantage of emerging opportunities. Organizational Agility helps create competitive advantage, strengthen business sustainability, and improve organizational performance.

5) UPT and Cabdin that have strong Knowledge Management Capabilities in applying relevant knowledge and Information Technology Capabilities that are active in utilizing the latest information technology, Organizational Agility, which is characterized by Quickness, can be improved. Quickness describes an organization's ability to respond quickly to environmental changes and customer demands, adopt changes, and make quick and informed decisions. Increasing Organizational Agility as reflected in Quickness has a positive impact on organizational performance, especially from the learning and growth process perspective. In this perspective, organizations will be able to increase operational efficiency, innovation, improve product or service quality, and develop human resources. Organizations that have good learning capabilities and focus on growth can create a dynamic and adaptive environment, which in turn will improve the organization's performance and long-term success.

B. Suggestions

In connection with the results and conclusions, suggestions can be outlined, including:

1. Theoretically

The research results can be used to develop knowledge to enrich the theory of human resource management, especially organizational performance which is associated with organizational agility.

2. Practically

a. For policy makers, allocate adequate resources for the development of Knowledge Management Capabilities and Information Technology Capabilities. Ensure sufficient budget for training, technological infrastructure and competent human resources.

b. For the Provincial Government, encourage provincial government institutions to proactively utilize information technology to improve efficiency, transparency and quality of public services.

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