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Organizational Culture Type as Moderation Influence Reward Organization to Share Knowledge and its Impact of Work Performance of Employees at Local Government of Ternate City

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Abstract: This research is developed the causal relationship between variables using quantitative approach. The population in this study were collected form echelon IIb, IIIa, IIIb, IVa and IVb officials in the local device work unit (SKPD) and certain skilled structural officers with 698 people. The sample size in this study were 254 randomly selected samples. The study period from May-June, 2016. Analysis method to answer the hypothesis in this research is Smart Partial Least Square (SmartPLS) Version 3.0. The results of the study show that to increase knowledge sharing activities and individual can be given by the amount of reward given/received such as remuneration (according to local performance allowance) in accordance with the target performance. This study found that the impact of remuneration will be higher if in an increasingly high working environment and will increase higher when in the work environment. It can not always be higher if in a non-existent work environment that will always be high will be added higher when in the work environment. The results of this study also explain the culture and culture does not moderate remuneration relationships by sharing knowledge but the culture of the market directly.

Key words: Organizational culture, remuneration, knowledge sharing, employee performance, culture, higher

INTRODUCTION

Knowledge is generally seen as one of the important assets for an organization, since, knowledge is considered an important asset it needs to be managed well (Argote *et al*., 2003). Knowledge management is a managerial practice that is implemented with the primary goal of creating, disseminating and exploiting organizational knowledge (Davenport and Prusak, 1998). The essence of knowledge management is dissemination or sharing of knowledge.

The sustainability of an organization is dependent upon the dissemination and use of knowledge. One way organizations can improve their employee's work performance is through knowledge sharing. Knowledge of the organization lies in its members, it is important to know the value of the knowledge and willingness of the members to share it with colleagues (Wang and Noe, 2010; Kuo *et al*., 2014). This is supported by research conducted by Kang *et al*. (2008) that knowledge-sharing behavior has a strong relationship with employee performance. The same findings are also shown in several other studies conducted by Lee *et al*. (2010), Reychav *et al*. (2009), Srivastava *et al*. (2006), Quigley *et al*. (2007) and Zhu (2012), Javadi *et al*. (2012), Al-Hakim and Hassan (2013), Wang *et al*. (2014) and Allameh *et al*. (2014). The results of this study indicate that the performance of employees who function as outcome is influenced by knowledge sharing behavior.

Knowledge-sharing behavior is not predictable and manifest. The emergence of behaviors is not caused by a single factor but rather multiple factors but some previous studies sought the relationship or influence of some variables on knowledge sharing such as testing organizational rewards and sharing knowledge on knowledge sharing and acquiring knowledge (Durmusoglu *et al*., 2014). Organizations tend to regard rewards as a move for behaviors that are liked and appreciated by leaders. Knowledge sharing can be an internal characteristic associated with a person's personality.

The existence of a traditional organizational structure, the mentality still dominates and concealment of knowledge is more dominant than the sharing of knowledge. In addition, the lack of time and trust is often the reason for not sharing their knowledge (Cong *et al*., 2007). In public sector organizations to change the existence of a culture of hoarding or concealment of knowledge and encouraging one actively engaged in the

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process of knowledge sharing is by building habits provide formal recognition and reward systems to compensate employee's knowledge-sharing behavior, either by sharing knowledge with others or using the knowledge of others (Cong *et al*., 2007).

The organization's reward should support organizational knowledge management initiatives, it must be designed to recognize the contribution of employees that create, disseminate and acquire knowledge. However, some research results on the effectiveness of organizational rewards on knowledge sharing are still contradictory. The results of research conducted by Allameh *et al*. (2012) obtained findings that the expected rewards of the organization influenced staff attitudes and desires towards knowledge sharing. Wickramasinghe and Widyaratne (2012) states that rewards have a significant influence on knowledge sharing. Witherspoon *et al*. (2013) finds that rewards such as salary increases and promotions can affect knowledge sharing. Kim and Lee (2006) and Kang *et al*. (2008) also found that reward-based performance-based systems were positively associated with sharing knowledge of employees in public and private organizations.

Tohidinia and Mosakhani found the evaluation range of potential factors for knowledge sharing, that the expected extrinsic rewards do not show a significant relationship to knowledge sharing. Kumar and Rose, (2012) and Zhu (2012), conclude that organizational rewards that are thought to have no significant effect on knowledge sharing. Bock *et al*. (2005) and Lin (2007) found that rewards are not related to knowledge-sharing attitudes.

Gupta and Govindarajan (2000) argue that culture can influence the creativity and change of ideas that can support knowledge management, that organizational culture becomes a significant barrier to increasing knowledge assets. Milne (2007) argues that employees in general are motivated to hoard not to encourage knowledge sharing in maintaining their competitive advantage. Organizational culture that encourages knowledge sharing can be developed with appropriate incentives (Al-Alawi *et al*., 2007; Milne, 2007).

Identifying the four types of culture are the Clan, Adocracy and Hierarchy and Markets from these four types of organizational culture will be judged on the six key dimensions of organizational culture, the six cultural dimensions are dominant characteristics, organizational leadership, employee management, organizational adhesives, strategic emphasis and success criteria.

Shao *et al*. (2015), using hierarchical culture, rational culture and group culture, concludes that a hierarchical culture that emphasizes effectiveness and uniformity affects the activity of explicit sharing of employee's knowledge, the type of group culture that emphasizes trust and ownership affecting sharing employee tacit knowledge and rational culture type have a positive impact on the process of sharing knowledge.

Literature review

Sharing knowledge: Sharing knowledge is the process of spreading knowledge from one person to another in an organization and is one of the knowledge management processes. The focus of knowledge management is the extent to which knowledge sharing can create value-added benefits for organizations (Liebowitz, 2001). In the process of knowledge management is the extent to which individual knowledge becomes an organizational knowledge and serves as a major issue in organizations (Nonaka and Takeuchi, 1995).

Knowledge sharing is a fundamental concept of knowledge management and has become an important focus in knowledge management because knowledge is seen as the organization's most valuable resource (Cumming, 2003), the primary source for value creation (Nonaka and Takeuchi, 1995) and is an important way for competitive advantage (Lin, 2007).

Reward organization: A well planned and managed reward or reward system can provide the following benefits (Hope and Player, 2012) to attract, keep and motivate people attract, retain and motivate people. Reward does provide a motivating message but rewards must also be competitive to ensure that it attracts the most talented people; to privide a fairer rewards system to provide a fairer reward system. The main complaint against the reward system is that it is unfair. So, ascertaining that keadian is the main purpose of reward system is essential to get success, to encourage more sharing encourage more sharing. Teams that focus on their own interests are a big barrier to sharing knowledge. Recognition and team-based reward systems help eliminate these barriers, enabling even greater collaboration among organizations and to build pride and passion build pride and passion.

The development of the measurement motto of organizational reward variables in this study is measured by the instruments developed by Kawedar *et al*. (2015) using remuneration variables in the form of regional performance allowances as variables affecting knowledge sharing. Organizational reward variable in previous research, especially research in profit sector always use indicator such as salary or wage increase and promotion or job promotion and security (Davenport and Prusak, 1998; Hargadon, 1998).

Organizational culture: The term organizational culture first appeared in the academic literature in an article in the Journal Administrative Science Quarterly by Pettigrew (1979), Hofstede *et al.* (1990). Although, this term has long been used in the corporate sector, there is still a lack of definition of organizational culture. Of the many definitions, Martin and Siehl (1983) define organizational culture as a shared value, attitudes, beliefs and habits of members of the organization. This understanding is in accordance with the opinion by Deshpande *et al.* (1993) who reviewed more than 100 studies of organizational culture. O'Reilly *et al.* (1991) on the other hand, argues that organizational culture lies in perceptions and interactions with one another, decision making and problem solving. Another definition is developed by Cameron and Quinn (1999) in which organizational culture is reflected by what is judged, the dominant form of leadership, language and symbols, procedures and routines and the definitions of success that make the organization different.

Deal and Kennedy (1982)'s research on organizational culture focuses on organizational measurements based on inputs and risks where quick inputs mean instant response and risk is the degree of uncertainty in organizational activities. Deal and Kennedy (1982) used several parameters to classify the four organizational cultures resilience, hard work, betting company and process.

Schein (1985) classifies organizational culture into 3 dimensions: assumptions, values and artifacts. Schein explains that artifacts represent the physical manifestation of a culture such as the way clerks dress, office order, common language, special language, technology used and rituals and ceremonies.

The value framework relates to the definition by Cameron and Quinn (1999) to the organizational culture used in this study. The framework is also in line with Denison's categorization hypothesis of organizational focus and organizational types. More importantly, the competitive value framework has implications for a variety of organizational problems. Such as leadership, decision making and management strategies (Quinn and Kimberly, 1984; Quinn and Rohrbaugh, 1981). The value framework in the form of competition has received leadership attention (Belasen, 2007; Cameron and Quinn, 2006). This concern focuses on applying the competitive value framework as a diagnostic and developmental tool for cultural variables (Garman, 2006; Igo and Skitmore, 2006), human resource development (Belasen and Frank, 2004) and the relationship between roles leadership, personal growth and organizational performance (Belasen and Rufer, 2007). The framework also provides a common measurement scale for various levels for researchers, trans-organizational and cross-cultural analysis as a major influence of the effectiveness of change management initiatives (Howard, 1998). Because of this, the competitive value framework is considered a valid framework for researching organizational culture (Harris and Mossholder, 1996; Howard, 1998).

These four classifications become the core values of organizational assessment (Cameron and Quinn, 1999), resulting in the formation of quadrant names that include the types of cultural frameworks of value competition. The name of this quadrant is taken from the literature and identifies the existence of the organizatio's values relating to organizational forms such as Weber (1947)'s hierarchy, Williamson (1975) market, Ouchi (1981) and Mintzberg (1996). The framework of the value of competition developed by Cameron and Quinn (1999) can be explained and illustrated as Fig. 1.

Culture of adocracy: The root is an ad hoc that refers to temporary units, specialized and dynamic. Adhocracy is a very dynamic culture, imbued with entrepreneurial spirit (entrepreneurship) and creativity. The preferred value is innovation and risk-taking courage.

Market culture: The term "market" (market) here does not refer to the function of marketing or consumer behavior in the market but a type of organization that serves itself as the market itself. Market culture operates primarily with the mechanism of market economy by conducting transactions aimed at creating competitive advantage.

Culture hierarchy: Which is a very formal and structured culture where everything is done is based on the procedures that have been determined. This culture exercises internal control, especially with regulation, function specialization and centralization of value decisions that are considered important is the efficiency and smooth running of the organization.

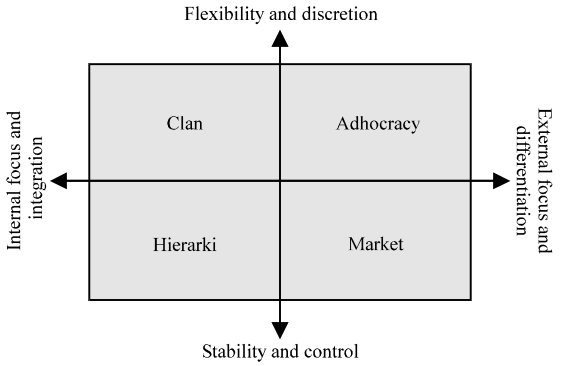

Fig. 1: Categorization of the type of organizational culture (Cameron and Quinn, 1999)

Clan culture: A culture that strongly emphasizes intimacy and emotional bonding to share, so that, the organization is more like a big family than an economic entity. If hierarchical culture is characterized by rules and procedures and market culture is characterized by profit-making activities, then clan culture has a preferred value of teamwork, participation and consensus.

Employee performance: Performance theory is used as a basis to explain the factors that affect employee performance. Performance is a function or interaction of capacity dimensions (capacity), willingness and opportunity (Blumberg and Pringle, 1982). The capacity dimension refers to the physiological and cognitive abilities that allow the individual to perform the task effectively. Capacity is the effect of individual ability, knowledge, skill, intelligence, age, health condition, education level, endurance, stamina, energy level, skill and other equals. Dimension of willpower refers to the psychological and emotional characteristics that affect an individual's degree to perform the task. Willfulness is an effect on the behavior of motivation, job satisfaction, personality, attitudes, norms, values, employment status, anxiety, task characteristics, legitimacy of participation, perceived role expectations, work involvement, ego involvement, self-image, feelings of equality and other related concepts. The third dimension is the opportunity to do or do something. The opportunity dimension is strongly influenced by environmental factors that surround it, so, this dimension can not be controlled by the individual. Each dimension has various values. A decrease in the value of any one dimension will lead to a decrease in overall performance.

Capacity dimensions can be established through education, training and employee competency development programs. Dimension of willpower can be obtained in literature related to motivation, leadership, task design and attitude. Dimensions of opportunity greatly affect the performance of employees, especially, subordinates. Subordinate employees are closely related to technical work have a more significant effect on performance than the dimensions of willingness and capacity (Blumberg and Pringle, 1982).

Performance of employees is the end result of the achievement of organizational goals that can be completed by individuals who take the lead as the organizational unit leadership. In general, employee performance is grouped into two namely financial and nonfinancial persfectives (Kaplan and Norton, 1992).

Financial performance can be measured by financial ratios such as an increase or decrease in cash flow, profit, sales, Return on Equity (ROE) and stock market prices. Financial performance is easy to measure because the data is quantitative and is available in the financial statements. In contrast, nonfinancial performance is not easy to measure because it is qualitative, such as customer satisfaction, internal business processes, learning processes and company growth. However, nonfinancial performance has the advantage of being able to influence business continuity in the long term (Ramadhanti, 2012).

The degree of performance achievement of employees can be known if the organization performs a performance assessment. Performance appraisal is a process of evaluating and reviewing an employee's performance that is done formally and periodically. Mahoney *et al.* (1965) measured performance using eight managerial dimensions of planning, investigation, coordination, evaluation, staffing, supervising, negotiation and representation. Each manager must be able to master all these dimensions in achieving organizational goals that have been established.

MATERIALS AND METHODS

Based on the purpose of research conducted, then this research is explanatory research. Explanatory research ie research that includes to identify and formulate the problem to study the theory and concept related to the research problem to formulate the theoretical framework or concept to formulate the research hypothesis and to test the hypothesis which is the effort of validation/verification. Randomized for data collection using survey approach. The survey design is intended to explain the phenomena by examining the relationship between research variables.

Population and samples: The population in this study are echelon IIb-IVb officials in the organization of regional apparatus and certain structural officials. The unit of analysis that focuses on this research is the head of the agency, agency and office, the secretary of the office, the agency and the office, the head of department, the head of the field, the head of the sub-division as well as the head of the subfield. The population in this study amounted to 698. Each member of the population had equal opportunity to be selected to be a sample. This study determines the size of the sample using Yamane approach (Ferdinand, 2013) as many as 254 pieces. The sample has met the required sample size in the Partial Least Square test (PLS) of at least 30 pieces (Hair *et al.*, 2010) or ten times the number of structural pathways showing the causal relationship between variables. But to increase the response rate (rate of return) questionnaire then the number of samples mentioned above added by 20% to 305 respondents.

Questionnaires distributed to 305 respondents were randomly selected and distributed to all regional apparatus organizations in Ternate Municipal Government using third parties and visited directly.

Number of questionnaires received back as many as 265 pieces of questionnaires and questionnaires that did not return that as many as 40 pieces of questionnaires, so, the number of questionnaires that can be used for hypothesis testing is as many as 254 pieces of questionnaires.

The sample technique used in this study was to use a randomized stratified random sampling approach but the sample selection did not consider the proporsonal stratified weight of the subpopulations (disproportionate stratified sampling).

Data analysis method: This research was analyzed by using primary data collected through questionnaires by using survey method. Each questionnaire sent to the respondent has two possible responses, i.e., the sample subjects give response to the questionnaire or vice versa. Research using survey method has the weakness of nonresponden bias that is errors that arise because the sample subjects give incorrect answers or respondents who do not give response turned out to have more representative answers. Therefore, this study conducted a nonrespondent test of bias using independent sample t-test with the help of Statistical Package for Social Sciences (SPSS) Version 20 Software.

The research questionnaire consists of questions about seven variables or constructs measured by indicators. The seven variables are Remuneration, Clan culture, adoption culture, hierarchy culture, market culture, employee knowledge sharing and performance. Each respondent is asked to convey his perception of the indicator of the variable by selecting a number from a scale of 1-5. Therefore, each construct needs to be tested for validity and reliability.

Reliability testing is used to measure the consistency of respondent's answers to indicators of a construct. A collision is said to be reliably if the coefficient value of Cronbach's alpha is >0.70 but the value can be reduced to >0.60 for exploratory research (Hair *et al*., 2010). This research has six exploratory constructs that are employee performance, remuneration and organizational culture type. The final analysis in this research is hypothesis testing. The analytical tool used to test the hypothesis is Smart Partial Least Square (SmartPLS) Version 3.0 Software.

Research model and hypothesis: Based on previous theoretical and research studies, this research uses one exogenous variable that is remuneration and intervening variable is knowledge sharing and endogenous variable is employee performance. Furthermore, the four organizational culture variables are clan culture, adoption culture, cultural hierarchy and market culture as a moderating variable. schematically the conceptual framework of this study can be presented in Fig. 2. The research variables indicators described above can be presented in Table 1.

The effect of remuneration on knowledge sharing: There are several factors that can influence the sharing of knowledge including individual awareness factors,

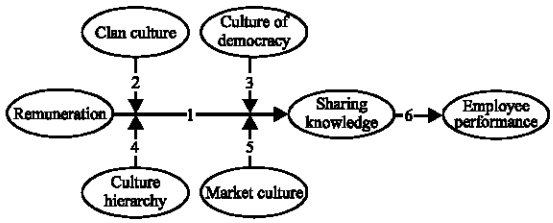

Fig. 2: Conceptual research framework

Table 1: Research variables, indicators and resources

Research variables/Indicators	Sources
Remuneration (R)	
Remuneration based on realization (R1)	Sancoko (2010) and
Remuneration by period of service (R2)	Kawedar *et al*. (2015)
Remuneration based on workload (R3)	
Remuneration based on work experience (R4)	
Remuneration based on performance achievement (R5)	
Remuneration without workload (R6)	
Clan culture (BK)	
The dominant characteristic (BK1)	(Jones, 2009; Tseng,
Organizational leadership (BK2)	2010; Suppiah and
Employee management (BK3)	Sandhu, 2011)
Adhesive organization (BK4)	
Strategic emphasis (BK5)	
Success criteria (BK6)	
Culture of democracy (BA)	
The dominant characteristic (BA1)	(Jones, 2009; Tseng,
Organizational leadership (BA2)	2010; Suppiah and
Employee management (BA3)	Sandhu, 2011)
Adhesive organization (BA4)	
Strategic Emphasis (BA5)	
Success criteria (BA6)	
Cultural Hierarchy (BH)	
The dominant characteristic (BH1)	(Jones, 2009; Tseng,
Organizational leadership (BH2)	2010; Suppiah and
Employee management (BH3)	Sandhu, 2011)
Adhesive organization (BH4)	
Strategic emphasis (BH5)	
Success criteria (BH6)	
Market culture (BM)	
The dominant characteristic (BM1)	(Jones, 2009; Tseng,
Organizational leadership (BM2)	2010; Suppiah and
Employee management (BM3)	Sandhu, 2011)
Organic adhesive (BM4)	
Strategic emphasis (BM5)	
Success criteria (BM6)	
Sharing knowledge (BP)	
Technical expertise (BP1)	Zhang and Ng (2012)
Training (BP2)	
Policy document (BP3)	
Cooperation (BP4)	
Employee Performance (KP)	
Actual budget per activity (KP1)	PP No. 46 Tahun,
Actual number of outputs (KP2)	2011 and
Completion of timely activities (KP3)	Kawedar *et al*. (2015)
Additional activities outside activities (KP4)	
quality of output (KP5)	

interpersonal interaction and organizational effort, one of the factors of the organizational business dimension is the reward system (Liu *et al*., 2011). Form of incentives to shape the behavior of members by the organization in the form of remuneration (Cabrera and Bonache, 1999). Reward provided by the organization usually in monetary form (e.g., salary increases and bonuses) and non-monetary job security or career enhancement (Beer and Nohria, 2000; Hall, 2001; Lin, 2007). Awards given to employees may be in the form of salary increases, stock options, bonuses, promotions and future contractual guarantees (Liu *et al*., 2011). Reward provided by the organization is very useful to motivate employees in achieving performance targets that have been set (Zhang and Ng, 2012).

The empirical research that underpins the reward relationships of organizations by sharing knowledge that is from Allameh *et al*. (2012), Wickramasinghe and Widyaratne (2012) and Durmusoglu *et al*. (2014) found that organizational rewards influenced knowledge sharing (Kankanhalli *et al*., 2005) found that organizational rewards positively influenced employee knowledge sharing in the use of electronic knowledge repositories. Kim and Lee (2006) also found that paying systems based on performance evaluations increased positively motivating employees to share their knowledge. Liu *et al*. (2011) further indicates that reward systems are a widely used factor and affect knowledge sharing behavior. The positive impact of the reward system on the sharing of individual knowledge is also found by Kang *et al*. (2008) that individuals within an organization are willing to share their knowledge while believing that they can receive appropriate rewards. Kim and Lee (2006) demonstrated a positive social exchange and relationship between organizational rewards and knowledge sharing. Kawedar *et al*. (2015) found that remuneration positively affects knowledge sharing in public sector organizations.

However, other studies suggest that economic rewards have no significant effect on individual attitudes in sharing knowledge (Zhang and Ng, 2012; Kumar and Rose, 2012; Wu and Zhu, 2012; Bock *et al*., 2005; Lin, 2007) incentives will only be effective at the stage of knowledge management initiation reward or incentive is no more a trigger of knowledge sharing behavior and not as a driving force which is sustainable to shape one's attitude (Kohn, 1993), so, it is not widely considered in the set of employee performance evaluation procedures in the organization (Zhang and Ng, 2012).

Social exchange has shaped the pattern of transaconal within the organization. Employees will share their knowledge with others, if the organization provides economic rewards or remuneration in the form of performance allowances. The provision of remuneration in the form of performance allowance may motivate employees to share their knowledge in the completion of their duties (Kawedar *et al*., 2015). Therefore, employees may be able to share their knowledge if they feel the obvious benefit of sharing knowledge (Minbaeva, 2007). Therefore, the hypothesis proposed in this study is as follows:

- H_1: remuneration has significant effect on knowledge sharing

The effect of remuneration on knowledge sharing is moderated by clan culture: Clan culture is a culture that emphasizes flexibility and internal focus, characterized by teamwork, trust, involvement and employee participation and high organizational commitment to employees (Cameron and Quinn, 2006). Kim and Lee (2006) found that knowledge sharing capabilities require employees to collaborate, interact and disseminate individual work experience. Other researchers have also revealed that high-trust workplaces improve knowledge communication and encourage knowledge-sharing behavior (Bock *et al*., 2005; Kim and Lee, 2006; Nonaka *et al*., 2000; Suppiah and Sandhu, 2011). In addition, clan type organizations with knowledge communication and good interaction can produce high-level social networks which facilitate knowledge-sharing activities for employees (Kim and Lee, 2006).

Deshpande *et al*. (1993) reveals that the cultural culture of the community emphasizes congruence and satisfaction, decision-making participation and job satisfaction of employees rather than just financial objectives and market share. By respecting human resources and employee contribution to the Organization, the culture of the community can create conditions that support employee empowerment and upgrading, which in turn improves internal communication by emphasizing teamwork and socialization opportunities and reducing internal hierarchy barriers. This culture is consistent with mentors, facilitators and parent figures (Campbell and Freeman, 1991). On the other hand, Shao *et al*. (2015) found that the type of group culture that emphasizes trust and ownership is positively related to knowledge-sharing activities.

Based on this view, organization is characterized by a place of familial priority where employees often share experiences, skills, personal life, etc., group culture can also facilitate the adoption of knowledge sharing practices

by emphasizing the positive attributes of loyalty and commitment of employees to the organization, so, the hypothesis proposed as follows:

- H_2: interaction of remuneration and clan culture affects knowledge sharing

The effect of remuneration on knowledge sharing moderated democracy culture: The next form of organization proposed by Cameron and Quinn (2006) is the culture of adhocracy. The culture of adhocracy focuses on seeking flexibility and focusing on the external environment. According to Cameron and Quinn, this type of culture values innovation, creativity and risk taking. Cameron and Quinn assert that organizations that compete in a dynamic and turbulent environment require the ability to change rapidly with their external environment. They compete by developing new products through innovation. Leaders in an adhocracy organization must be innovative, entrepreneurial and visionary (Cameron and Quinn, 2006).

Innovative culture is characterized by a focus on entrepreneurship, creativity and the needs of an organization to discover new growth opportunities (Deshpande *et al*., 1993). The risk orientation and speed of adaptability of employees is important in this organizational culture. Innovation in this case means being able to find new solutions quickly and offer new products and services by considering the dynamics of the environment, through high levels of flexibility.

Innovative culture within the organization can support social interaction and stimulate employees to exchange opinions and ideas both voluntarily and coercion (Cavaliere and Lombardi, 2015). Jones (2009) found that organizations have a dominant adat culture that has a positive relationship to knowledge management. The same is expressed by Al-Murawwi *et al.* (2014) that there is a significant relationship between cultures of adocracy towards the sharing of knowledge. An adaptation culture is also possible to convert knowledge (Tseng, 2010).

Lam *et al.* (2010) revealed that in the adocratic system, team performance independence is highly recommended where through normative agreement with intensive socialization support, providing extrinsic motivation and hedonic motivation can support employee inclination to share knowledge. Therefore, the hypothesis is proposed as follows:

- H_3: interaction of remuneration and culture of adocracy affects knowledge sharing

The influence of remuneration on knowledge sharing is moderated by hierarchy culture: A hierarchical culture is an internally controlled and focused oriented culture. It is characterized by formal structures, rules, hierarchies and standard operating procedures (Cameron and Quinn, 2006). An organization that focuses on a hierarchical or bureaucratic culture will pay attention to procedures and rules and emphasizes the importance of stability, efficiency and formalization. These organizations generally emphasize the use of hierarchical tools in co-ordinating and decision-making and require accurate planning for efficient decision making (Cameron and Quinn, 2006).

The existence of rules makes the decision-making process important and employees are seldom involved in taking risks and responsibilities, so, the outcome depends on the leader's decision. Referring to this type of organization, few employees are not even authorized to create (Suppiah and Sandhu, 2011).

Previous research by Silverthone (2004) suggests that organizations with bureaucratic culture are organizations that provide great challenges in managing employee satisfaction which is an important factor in knowledge sharing (Cabrera *et al*., 2006). High levels of bureaucracy can reduce internal conflicts, ambiguity and increase employee satisfaction and reduce feelings of stress and alienation (Jackson and Schuler, 1985). Sine *et al.* (2006) states that an organization needs a clear level of formalization to facilitate the flow of information between departments that hierarchical culture is significantly related to knowledge sharing (Al-Murawwi *et al*., 2014; Jones, 2009).

Mahmoudsalehi *et al.* (2012) found that organizational structure is positively related to knowledge management but organizational structure is seen from characteristic of organizational structure that is centralization structure and formalization structure related negatively to knowledge sharing.

A number of researchers reveal the results of empirical research that hierarchical organizational culture has a negative effect on knowledge sharing (Stock *et al*., 2010; Suppiah and Sandhu, 2011; Lee *et al*., 2016). Lam *et al.* (2010), revealed that in a professional bureaucratic system, knowledge sharing can occur with normative motivation with the provision of hedonic motivation through the provision of extrinsic incentives such as training and career advancement. Thus, the hypothesis proposed in this study:

- H_4: interaction of remuneration and cultural hierarchy affects knowledge sharing

The effect of remuneration on knowledge sharing is moderated market culture: Cameron and Quinn (2006) argue that the type of market culture is seeking control and stability but focusing on the external environment. According to Cameron and Quinn an organization with a 78market culture values competitiveness and productivity. This value is achieved by placing a priority on external positions and controls. Leaders in a market culture demand a competitive environment and produce results. Market or competitive cultures are often associated with organizations that focus on mechanical and rational approaches to gain more competitive advantage than their rivals.

Thus, the activity is governed by a competitive mechanism against its rivals (Deshpande *et al*., 1993). Several other studies have found that there is a significant relationship between market culture and knowledge sharing (Jones, 2009; Stock *et al*., 2010; Al-Murawwi *et al*., 2014). The same is true of Cavaliere and Lombardi (2015) who found that a competitive culture influences the process of knowledge sharing. Thus, organizations that are characterized by a competitive or market culture are expected to be oriented in the planning of activities, i.e., good employees are employees who demonstrate high credibility in terms of achievement goals.

- H_5: remuneration and market culture interactions have an effect on knowledge sharing

The influence of knowledge sharing on employee performance: According to Cantanias (1991), organizational performance is related to the desire of members of an organization to share personal knowledge with others and gain knowledge in exchange for transforming into new techniques or capabilities. Nelson and Cooprider (1996) said that knowledge sharing affects organizational skills. Armbrecht *et al*. (2001) suggests that knowledge sharing can trigger new ideas and knowledge and then create new products and services. According to Reid (2003) that knowledge sharing can enhance organizational capability, generate solutions and rapidly achieve business performance and enhance competitive advantage. Liao *et al*. (2004) found that knowledge sharing enhances individual and organizational ability to achieve goals and improve performance. According to Darroch (2005), knowledge sharing is essential if organizational innovation and performance are improved.

Javadi *et al*. (2012) states that the best way to improve organizational performance is to increase effectiveness to improve organizational effectiveness made possible through the development of knowledge sharing which means that knowledge sharing has an intermediary role in improving organizational performance. The process of sharing knowledge has a significant and direct influence on employee performance. Huang and Li (2009), stated that social interaction is positively related to knowledge management which in turn is positively associated with innovation performance. Tseng (2010) proves that the conversion of knowledge has a positive effect on company performance. While Wu *et al*. (2012) says that the sharing of task knowledge and system structure positively and significantly affects the performance of task and group performance:

- H_6: knowledge sharing has a significant effect on employee performance

RESULTS AND DISCUSSION

Model measurement (outer model): The first stage of PLS testing is testing outer model. This test is performed to assess the convergence validity, discriminant validity and reliability. A model has convergent validity when outer loading values >0.7, communality >0.5 and Average Variance Extracted (AVE) >0.5 (Abdillah and Hartono, 2009). However, the measurement model with an outer loading value of 0.5-0.6 is considered sufficient for exploratory research (Ghozali, 2011).

Outer model test results show there are some indicators have outer loading score below 0.5 that is BA3 (0.488), BK1 (0.485), BK2 (0.349), KP4 (0.416) and R2 (0.419) (Fig. 3). Indicator having an outer loading score below 0.5 will be excluded from the measurement model because the indicator does not meet the minimum required rule of thumbs of 0.5 for convergence validity testing (Abdillah and Hartono, 2009). It appears that Fig. 3 shows that there are five outer loading score indicator below 0.5 causing the variables of the culture of adocracy, clan culture and remuneration to have AVE and communality values below 0.5, so that, the variable is invalid (Table 2).

To obtain a valid model, the model is re-estimated by the second stage by eliminating the indicator that has an outer loading score <0.5. The second stage estimation result shows all indicators have outer loading score more than 0.5 (Fig. 4) and presented in appendix 5.8 and all variables have AVE and communality value above 0.5, so that, the model has fulfilled convergent validity.

In addition to meeting convergent validity, a measurement model must have discriminant validity. A

measurement model satisfies discriminant validity if the AVE root of a variable is greater than the value of correlation with other variables and the crossload value of each indicator must be higher than that of the other variables and accumulate in the corresponding variables (Abdillah and Hartono, 2015). Table 3 presents the AVE root calculation of a variable and the correlation value between variables.

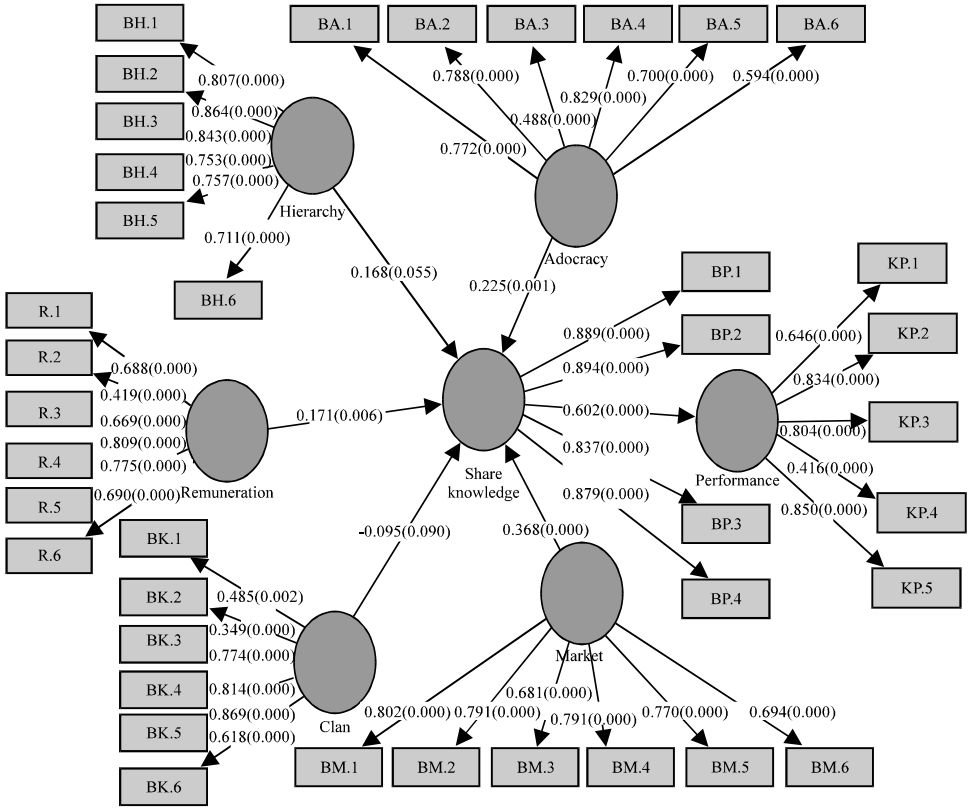

Fig. 3: Path estimation model (first stage), processed data (2016)

Table 2: Conversion validity algorithm result

	Stage 1			Stage 2		
Variables	AVE	Communality	Information	AVE	Communality	Information
Remuneration	0.471	0.471	Not valid	0.533	0.533	Valid
Adocracy culture	0.498	0.498	Not valid	0.552	0.552	Valid
Hierarchy culture	0.626	0.626	Valid	0.626	0.626	Valid
Clan culture	0.459	0.459	Not valid	0.610	0.610	Valid
Market culture	0.572	0.572	Valid	0.572	0.572	Valid
Knowledge	0.766	0.766	Valid	0.766	0.766	Valid
Performance	0.531	0.531	Valid	0.637	0.637	Valid

Table 3: Results of AVE root calculation and inter-variable correlation

Variables	AVE	Root of AVE	Remuneration culture	Adocracy culture	Hierarchy culture	Clan culture	Market	Knowledge	Performance
Remuneration	0.533	0.730	1.000						
Adocracy culture	0.552	0.743	0.371	1.000					
Hierarchy culture	0.626	0.791	0.332	0.533	1.000				
Clan culture	0.610	0.781	0.208	0.413	0.295	1.000			
Market culture	0.572	0.756	0.298	0.612	0.566	0.420	1.000		
Knowledge	0.766	0.875	0.400	0.564	0.525	0.239	0.612	1.000	
Performance	0.637	0.798	0.297	0.463	0.352	0.179	0.517	0.602	1.000

Processed data (2016)

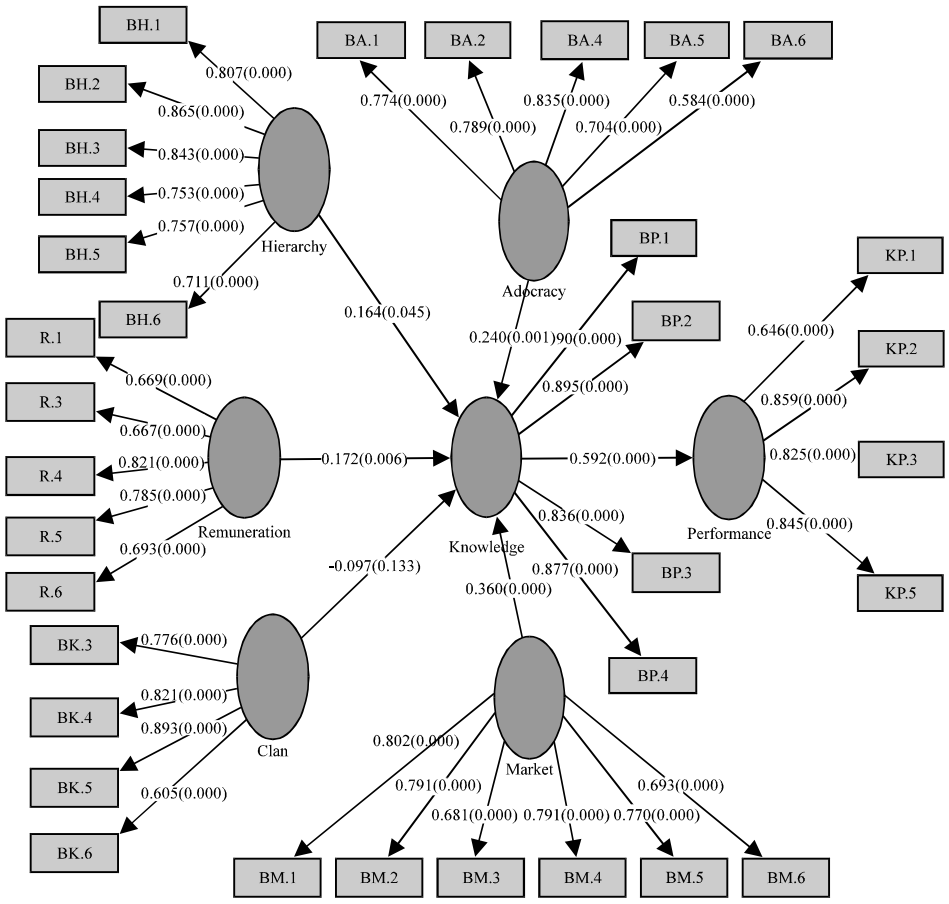

Fig. 4: Output output testing outer model (second stage), processed data (2016)

The test results show that the AVE root value of a variable is higher than the correlation value between the variables. The cross-loading scores of each indicator on a variable are higher than the cross-loading scores of other variable indicators and gather on the respective constructs.

Thus, it can be concluded that the measurement model of this study has satisfied discriminant validity. For more details correlation score cross loading between variables can be seen in Table 4.

In addition to the validity test, a measurement model is said to be good if it meets reliability. Reliability shows the level of accuracy, consistency and accuracy of a measuring instrument in measuring. A construct is said to be reliable if the coefficient value of Cronbach's alpha and composite reliability is >0.70 but a value of 0.60 is still acceptable for exploratory research (Hair *et al*., 2010). Reliability test results showed that all research variables had Cronbach's alpha >0.60 and composite realibility >0.70 (Table 5). Thus, all instruments used in this study are reliable.

Structural model (inner model): Hypothesis testing is based on the results of PLS Model analysis which contains all components of hypothesis test support variable. As an additional explanation will be shown also some models such as: model without moderation, model without interaction and hypothetical model.

Model without moderation: In this model will only show the results of analysis that contains three variables of remuneration, various knowledge and performance of employees. In this model will explain the strong relationship between remuneration of knowledge sharing and from sharing knowledge on employee performance. Figure 5 describes the results of the PLS Model without cultural variables as a variable that allegedly moderates the remuneration relationship to knowledge sharing.

The results of the PLS Model without moderation indicate that the coefficient of path from remuneration to knowledge sharing is 0.407. This analysis explains that the implementation of remuneration in accordance with expectations will encourage employees more often do

Table 4: Cross scoring correlation variable variable loading

Indicators	Remuneration	Adocracy	Hierarchy	Clan	Market	Knowledge	Performance
R.1	0.669	0.321	0.268	0.131	0.149	0.288	0.164
R.3	0.667	0.368	0.381	0.186	0.281	0.317	0.244
R.4	0.821	0.262	0.225	0.123	0.261	0.310	0.274
R.5	0.785	0.210	0.174	0.228	0.227	0.288	0.194
R.6	0.693	0.204	0.133	0.082	0.179	0.269	0.230
BA.1	0.255	0.774	0.317	0.284	0.430	0.497	0.338
BA.2	0.288	0.789	0.460	0.376	0.443	0.414	0.265
BA.4	0.361	0.835	0.548	0.397	0.606	0.542	0.486
BA.5	0.277	0.704	0.307	0.296	0.443	0.323	0.297
BA.6	0.205	0.584	0.321	0.111	0.320	0.276	0.279
BH.1	0.302	0.490	0.807	0.206	0.407	0.474	0.276
BH.2	0.253	0.460	0.865	0.225	0.465	0.419	0.257
BH.3	0.285	0.440	0.843	0.222	0.431	0.437	0.335
BH.4	0.153	0.420	0.753	0.173	0.533	0.454	0.242
BH.5	0.242	0.336	0.757	0.271	0.457	0.368	0.278
BH.6	0.367	0.373	0.711	0.275	0.387	0.301	0.279
BK.3	0.102	0.233	0.230	0.776	0.296	0.167	0.145
BK.4	0.174	0.278	0.216	0.821	0.308	0.142	0.083
BK.5	0.211	0.432	0.278	0.893	0.445	0.266	0.216
BK.6	0.154	0.303	0.107	0.605	0.192	0.097	0.053
BM.1	0.291	0.528	0.489	0.379	0.802	0.493	0.444
BM.2	0.297	0.450	0.443	0.406	0.791	0.524	0.387
BM.3	0.191	0.450	0.456	0.257	0.681	0.433	0.328
BM.4	0.234	0.579	0.495	0.295	0.791	0.512	0.421
BM.5	0.172	0.410	0.370	0.284	0.770	0.426	0.352
BM.6	0.170	0.346	0.279	0.286	0.693	0.357	0.333
BP.1	0.376	0.511	0.447	0.231	0.529	0.890	0.537
BP.2	0.398	0.506	0.495	0.225	0.549	0.895	0.536
BP.3	0.262	0.472	0.410	0.157	0.460	0.836	0.500
BP.4	0.376	0.521	0.483	0.211	0.597	0.877	0.499
KP.1	0.162	0.303	0.222	0.049	0.297	0.394	0.646
KP.2	0.271	0.337	0.308	0.140	0.423	0.473	0.859
KP.3	0.297	0.411	0.330	0.166	0.412	0.512	0.825
KP.5	0.233	0.407	0.249	0.205	0.457	0.500	0.845

Table 5: Results calculation reliability

Variables	Composite reliability	Cronbach's alpha	Information
Remuneration	0.850	0.778	Reliable
Culture of democracy	0.859	0.796	Reliable
Cultural hierarchy	0.909	0.880	Reliable
Clan culture	0.860	0.792	Reliable
Market culture	0.889	0.850	Reliable
Sharing knowledge	0.929	0.898	Reliable
Employee performance	0.874	0.806	Reliable

Processed data (2016)

knowledge sharing activities. Furthermore, the impact of the high knowledge received by employees, then the performance of employees will be the better.

Model without interaction: The PLS Model without this interaction is actually described in Fig. 4 and 5 with emphasis on outer model whereas in this model the analysis is done on the inner aspect of the model (Fig. 6). Of the four cultural variables, the path coefficient of knowledge sharing variables is 0.164 for hierarchical cultural variables, -0.097 for clan cultural variables, 0.240 for cultural variables and 0.360 for adult cultural variables market culture. The coefficient of the remuneration variable to the knowledge-sharing variable decreases to 0.172, this result explains that adding the cultural variables into the model also contributes additional. Similarly, the coefficient of determination on the variable share of 16.5% increased to 49.1% when added moderation variables.

This non-interaction model is required to calculate the Latent Variable Score (LVS) across all latent variables. In particular the LVS of remuneration and the four cultural variables are required to calculate the interaction variables.

Hypothesis model: The result of the structural model test (inner model) can be seen in R-square (R^2) for the dependent construct, the path coefficient and t-value value of each path between constructs. The value of path coefficient and t-value of each path will be explained in sub-discussion of hypothesis testing result. The value of R^2 is used to measure the level of variation of the independent variables changes to the dependent variable (Abdillah and Hartono, 2015). The higher the value of R^2 means the better the predicted model of the proposed model.

The hypothetical model proposed in this study contains four moderate variables, namely clan culture variables, adat culture, hierarchical culture and market culture. So, in the model there will be four interaction

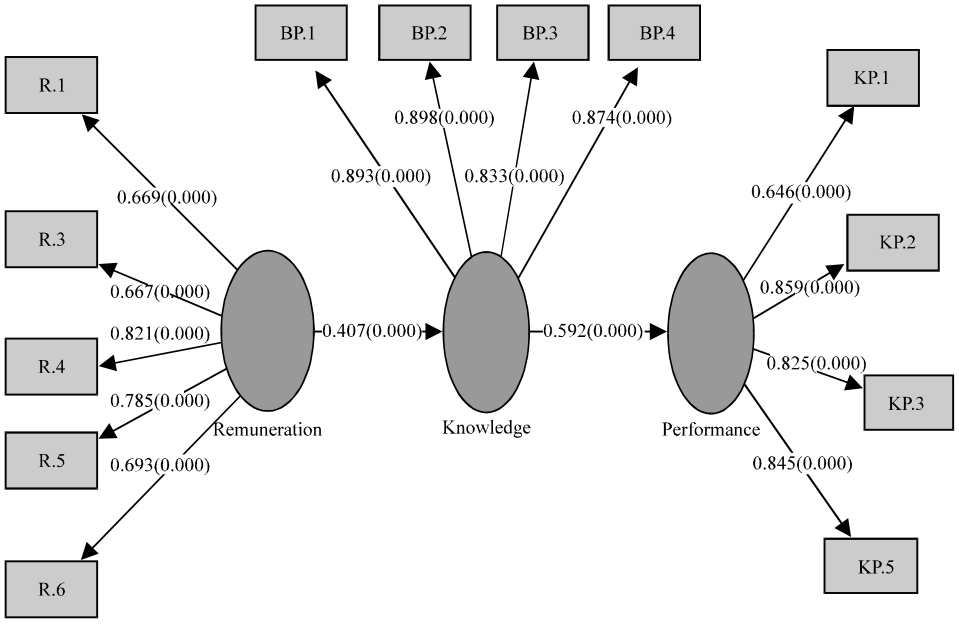

Fig. 5: Model without moderation

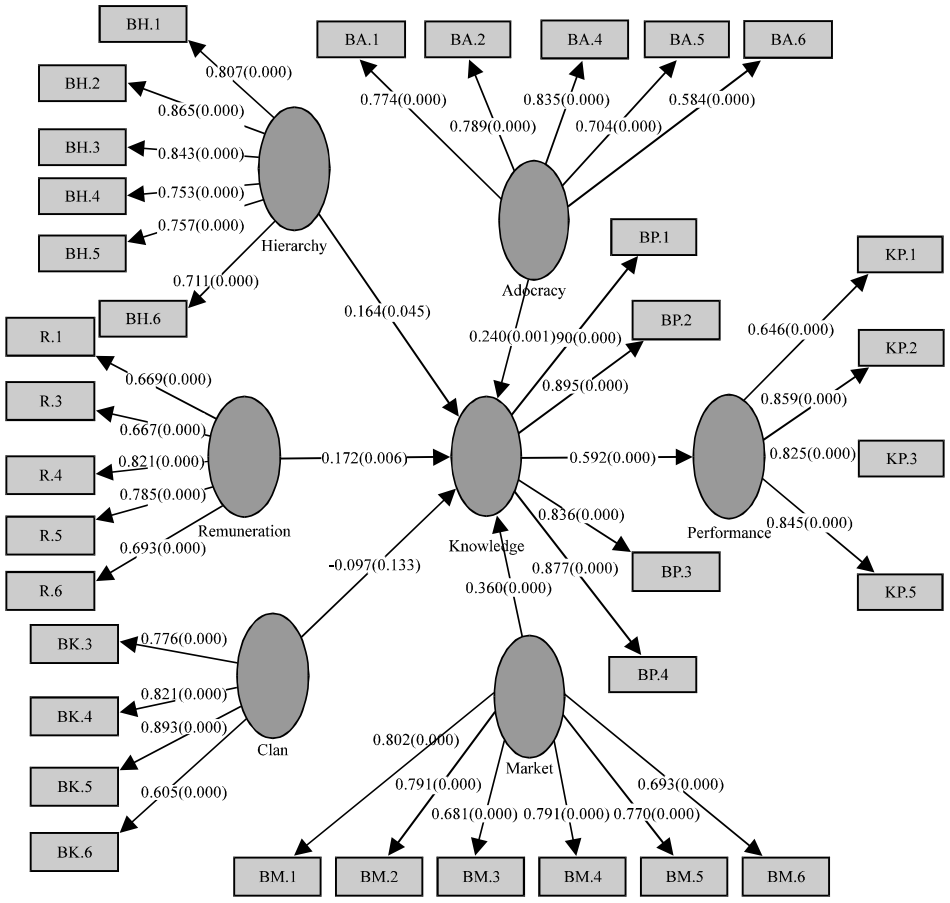

Fig. 6: Model without interaction; processed data (2016)

Table 6: R^2 measurement results

Dependent variables	R^2
Sharing knowledge (no moderation)	0.491
Sharing knowledge (with moderation)	0.599
Employee performance	0.351

Processed data (2016)

variables. The calculation of this new variable is done by first calculating the Latent Variable Score (LVS) in the model without moderation. LVS obtained from the output running SmartPLS. The LVS used is unstandardized for clan culture, adat culture, hierarchical culture and market culture as well as knowledge sharing. On the five scores were calculated the LVS value corrected by subtracting the value against each average. Interaction variable is the result of times between LVS corrected culture variables multiplied by LVS corrected knowledge sharing variables. R^2 calculation results can be seen in Table 6.

Table 6 shows that the value of R^2 for the knowledge-sharing variable is 0.491. This value indicates that variation of knowledge sharing variables can be explained by remuneration variables, cultural variables of adocracy, hierarchical cultural variables, clan culture variables and market culture variables while the rest are explained by other variables. Hair *et al*. (2010) states that if the number of independent variables is below 10, the sample number is between 250 and 500 and the chosen level of significance (α) is 0.05 then the required minimum R^2 value is 6-5%. Thus, the value of R^2 for the knowledge-sharing variable is quite good, since its value is above the required minimum R^2. Value of R^2 for performance variable equal to 0.351 which mean variation of change of performance variable can be explained by knowledge sharing variable equal to 35.1% while the rest explained by other variable.

At the moderation testing stage, this study adds remuneration interaction with the culture of adocracy, hierarchical culture, clan culture and market culture as moderating variables. Test results show the value of R^2 on knowledge sharing rose to 0.559. The value means that variation of knowledge sharing variables can be explained by remuneration variables, cultural variables of adocracy, hierarchical cultural variables, clan culture variables, market culture variables and interaction of these four organizational cultures with remuneration of 55.9% while the rest is explained by variables other. The addition of four interaction variables resulted in an increase in the value of knowledge sharing R^2 of 0.108.

Indices goodness fit and predictive relevance: The Goodness of Fit index (GoF) is defined as the geometric mean or the root of the average communality and the average R^2 for all endogenous constructs (Tenenhaus *et al*., 2005). The GoF index shows the strength of prediction over the overall model. GoF values have an interval between 0 and 1. GoF values close to 1 indicate good path model estimates (Akter *et al*., 2011). GoF index for this research model before adding the mediation and moderation variable (direct effet) of 0.491 and after adding the mediation and moderation variable (indirect effet) of 0.599 (Table 7). Thus, the structural model without the mediation and moderation variables or adding the mediation and moderation variables can be concluded that the model has good prediction power (fit).

Table 7: Goodness of Fit index (GoF)

Variables	Communality	R^2	Communality	R^2
Remuneration	0.533		0.533	
Culture of adocracy	0.552		0.552	
Cultural hierarchy	0.626		0.626	
Clan culture	0.610		0.610	
Market culture	0.572		0.572	
Remuneration*adoption culture	-		1.000	
Remuneration*cultural hierarchy	-		1.000	
Remuneration*clan culture	-		1.000	
Remuneration*market culture	-		1.000	
Sharing knowledge	0.766	0.491	0.766	0.599
Employee performance	0.637	0.350	0.637	0.351
Jumlah	4.296	0.841	8.296	0.950
Rata-rata	0.614	0.421	0.754	0.475
Indeks Goodness of Fit (GoF)	0.508		0.599	

Processed data (2016)

The structural model measured by PLS is expected to have Q-square (Q^2) predictive relevance. Q-square (Q^2) predictive relevance measures how well the observed value generated by the model and its parameter estimates (Ghozali, 2011). The value of $Q^2>0$ indicates that the inner model has predictive relevance. The value of Q^2 is calculated by the formula:

- $Q^2 = 1-(1-R12, ..., 1-Rn2)$
- $Q^2 = 1-(1-0.599)\ (1-0.351)$
- $Q^2 = 0.740$

The calculation results show the value of Q^2 for inner model of 0.740 which means that this research model has a large predictive relevance because the value is >0, so, it is suitable to be used for hypothesis testing.

Test result of hypothesis and discussion: This study tested the hypothesis by using smart Partial Least Square (smartPLS) Version 3.0 to know the significance of path coefficient in the prediction model or hypothesis support significance (Abdillah and Hartono, 2015; Ghozali, 2008). If the t-statistic value is higher than t-table means the hypothesis is supported. This study used a 5% or t-table of 1.96.

The result of testing directly influence the independent variable (remuneration, clan culture, adocracy culture, hierarchy culture and market culture and

its interaction) to the dependent variable (knowledge sharing and employee performance) can be seen in Table 8 and Fig. 5. Interpretation of the tables and drawings can be explained as follows. Based on the results of hypothesis testing Table 8, it can be explained as follows.

H_1 hypothesis states that remuneration affects knowledge sharing. The calculation results show that the coefficient value of the path of 0.142 with the value of t-statistics of 2.280>1.96 and p-value of 0.005 smaller than $\alpha = 0.05$, so, it can be said significant. Which means that there is enough empirical evidence to accept the hypothesis (H_1), thereby the better the remuneration received by the employee, the more the employee increases knowledge sharing. Path coefficient marked positive can be interpreted that influence between remuneration to knowledge sharing direction. It means that if the implementation of good remuneration with a number of things such as work experience, work period, workload and performance achievement will encourage employees to increase knowledge sharing. Sharing the knowledge is to share technical expertise, share knowledge after training, share policy documents and collaborate to solve problems (Fig. 7).

Table 8: Hypothesis testing results

Hypothesis	Description	Path coefficient	t-stat	p-values	Results
H_1	R→BP	0.142	2.280	0.005	Be accepted
H_2	BK→BP	0.018	0.220	0.780	Be accepted
	R*BK→BP	0.191	2.520	0.002	
H_3	BA→BP	0.040	0.543	0.571	Rejected
	R*BA→BP	-0.029	0.268	0.768	
H_4	BH→BP	0.197	1.837	0.025	Be accepted
	R*BH→BP	-0.387	3.910	0.000	
H_5	BM→BP	0.275	3.521	0.000	Rejected
	R*BM→BP	0.036	0.381	0.639	
H_6	BP→KP	0.592	11.028	0.000	Be accepted

Processed data (2016)

H_2 hypothesis states the interaction of remuneration and clan culture affect the sharing of knowledge. The result of hypothesis testing as shown in Table 5 shows that the coefficient value of clan culture variable's path to knowledge sharing is 0.018 and the statistic value is 0.020<1.96 with probability value 0.780 bigger $\alpha = 0.05$, so, it can be said no significant effect. These results suggest that the clan culture has no effect on knowledge sharing. Meanwhile, the test result with the regression of moderation (interaction) obtained by the coefficient value of interaction between remuneration variables with clan culture to knowledge sharing of 0.191 and t-statistics value of 2.520>1.96 with probability value of 0.002 smaller than $\alpha = 0.05$, so, it can be said to be significant.

The results of this study indicate that the interaction of remuneration variables with clan culture has a significant effect on knowledge sharing. By paying attention to each coefficient result that is the direct influence of clan culture to knowledge sharing yielded not significant and indirect influence through interaction

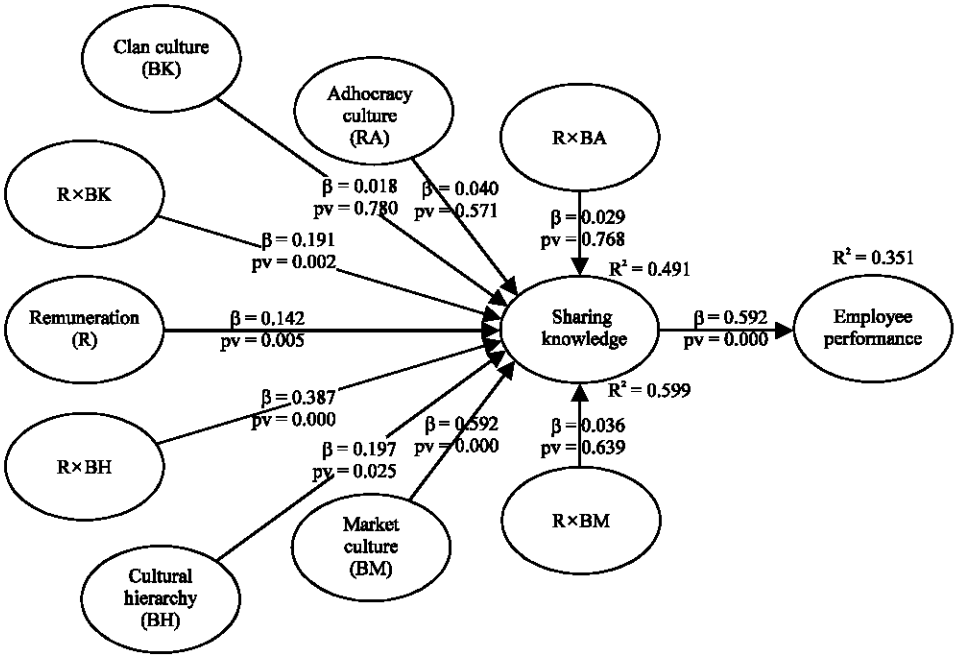

Fig. 7: Structural model, R^{2*} without moderation and R^{2**} with moderator; processed data (2016)

of clan culture moderation variable with variable remuneration to knowledge sharing variable produce significant influence, hence can be said that clan culture is moderation variable is pure moderation.

Based on the results of these tests show that the impact of increased knowledge sharing due to the implementation of remuneration will be higher if in a work environment attached to high clan culture. The results of this test indicate that the effect of remuneration on knowledge sharing is moderated by the clan culture.

H_3 hypothesis states the interaction of remuneration and culture of adocracy affect the sharing of knowledge. The result of hypothesis test shows that the coefficient value of adult culture variable on knowledge sharing is 0.040 and the statistic value is 0.543<1.96 with probability value equal to 0.571 bigger $\alpha = 0.05$, so, it can be said no significant effect. These results indicate that the culture of adocracy has no effect on knowledge sharing. Meanwhile, the test result with the regression of moderation (interaction) obtained by the coefficient value of interaction between variable remuneration with the culture of adat to knowledge sharing equal to -0.029 and t-statistic value equal to 0.268<1.96 with probability value equal to 0.768 bigger than $\alpha = 0.05$, so, it can be said is not significant. Based on the results of these tests show that the impact of increased knowledge sharing due to the implementation of remuneration will not always be higher if in a work environment attached to a low culture of adocracy. The test results explain that the culture of adat does not moderate the remuneration relationship by sharing knowledge.

H_4 hypothesis states the interaction of remuneration and hierarchical culture affect the sharing of knowledge. The result of hypothesis testing as shown in Table 6 shows that the coefficient value of the hierarchical culture variable path to knowledge sharing is 0.197 and the statistic value is 1.837<1.96 with the probability value of 0.025 bigger $\alpha = 0.05$, so, it can be said no significant effect. These results suggest that hierarchical culture has no effect on knowledge sharing. Meanwhile, the test result with the regression of moderation (interaction) obtained the value of interaction coefficient between remuneration variables with hierarchical culture to knowledge sharing of -0.387 and t-statistics of 3.910>1.96 with a probability value of 0.000 smaller than $\alpha = 0.05$, so it can be said to be significant.

The results of this study indicate that the interaction of variable remuneration with hierarchical culture has a significant negative effect on knowledge sharing. By paying attention to each coefficient result that is direct influence of hierarchy culture to knowledge sharing yield not significant and indirect influence through interaction of hierarchy cultural moderation variable with variable remuneration to knowledge sharing variable produce significant negative effect, hence can be said that hierarchy culture is moderation variable which is pure moderation.

The coefficient of the variable interaction between the remuneration and the hierarchical culture of knowledge sharing is pure moderation which is the variable that weakens the relationship between remuneration and knowledge sharing where hierarchical cultural variables as pure moderation interact with remuneration variables to knowledge sharing.

Based on the results of hypothesis testing shows that the local government by applying a low hierarchical cultural environment, it can increase knowledge sharing activities among employees with the implementation of good remuneration or in other words that the impact of increased knowledge sharing due to the implementation of remuneration will be higher if in the environment work attached to a low hierarchical culture.

H_5 hypothesis states the interaction of remuneration and market culture affect the sharing of knowledge. The result of hypothesis testing shows that the coefficient value of market culture variable on knowledge sharing is 0.592 and the value of statistic is 3.521<1.96 with probability value 0.000 smaller $\alpha = 0.05$, so it can be said have a significant effect. These results indicate that organizations that are oriented to achievement, oriented leadership, lead to competitiveness, emphasis on goal attainment, high achievement of terget and success based on exceeding targets have significant effect on knowledge sharing. Then, the test with regression of moderation (interaction) obtained by value of coefficient of interaction between variable of remuneration with market culture to knowledge share equal to 0.036 and t-statistic value 0.381<1.96 with probability value 0.639 bigger than $\alpha = 0.05$ not significant.

The results of this study indicate that the interaction of remuneration variables with market culture has no significant effect on knowledge sharing of local government employees.

Hypothesis H_6 states the sharing of knowledge affect the performance of employees. The calculation results show that the coefficient value of the path of 0.592 and the value of t-statistics of 11.028>1.96 with a probability value of 0.000 smaller than $\alpha = 0.05$, so, it can be said significant. Which means that there is enough empirical evidence to accept the hypothesis (H_6). Thus, the more compelled the employee to do knowledge sharing activities, the more improve the performance of employees (Fig. 8).

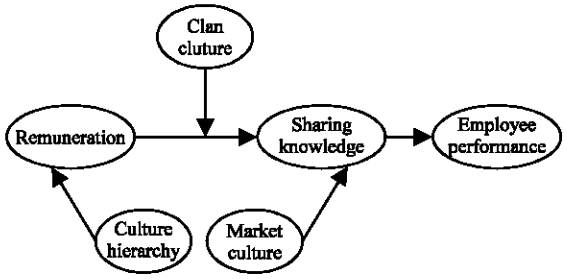

Fig. 8: Moderation models of organization culture

CONCLUSION

Model of research result: The empirical evidence of this study demonstrating that remuneration affects knowledge sharing, furthermore, the clan organization culture and organizational culture of the hierarchy can moderate the effect of remuneration on knowledge sharing, market culture does not moderate the effect of remuneration on knowledge sharing, yet market culture directly affects knowledge sharing and knowledge sharing have an impact or affect the performance of employees.

LIMITATIONS

Based on the discussion of the research above, this research has several limitations, namely the results of this study are limited to the research objects of public organizations, especially in the local government of Ternate city, so as to allow for differences in research results and conclusions if the research is conducted with different research objects with different organizational culture. This study focuses on knowledge-sharing variables between employees and does not see the sharing of knowledge between individuals with units or organizations, so that, the lack of knowledge is disseminated in organizational memory.

Variable types of organizational culture in this study is a new context variable that is interacted in the model. Therefore, to develop comprehensively on research and other objects.

Knowledge sharing variables in this study do not distinguish the type of knowledge used because there is a personal knowledge that is not easy to communicate and there is knowledge that is easily communicated.

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