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Role of Knowledge Sharing and Organizational Commitment to Development Micro Small and Medium Enterprises (MSMEs)

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Abstract *: This study aims to determine the extent of the role of sharing knowledge and organizational commitment in developing MSMEs. The research method used is a qualitative method with a descriptive verification approach. From the results of the research conducted, it is obtained data that the sharing of knowledge and commitment of well-managed organizations by management is very beneficial for increasing employee innovation and creativity to produce quality and competitive products in both domestic and international markets. This is if done consistently will have an impact on the development of MSMEs, which in turn can improve employee welfare.*
Keywords *: MSMEs; knowledge sharing; organizational commitment*

I. Introduction

Microeconomic developments are the foundation for economic growth in Indonesia. This show is small and medium industries have good prospects to be developed and have competitiveness and competitive advantage well and contribute to employment safety. One form of microeconomics that can combine large amounts of labor with small capital is small and medium micro enterprises. In addition, MSMEs are also in great demand and become a very dominant trend for research by researchers, governments and international organizations [1], [2]. Some studios conducted by researchers show that the development of MSMEs can be carried out if the government receives full support for the products [3], [4], [5], [6].

Facing economic competition for global sustainability of MSMEs must also be supported by appropriate business strategies in order to compete with similar businesses [7]. One of the strategies applied is sharing knowledge between fellow employees or with company leaders related to quality and production results. Therefore knowledge sharing needs to be managed well by management [8], [9]. With the presence of knowledge sharing, new knowledge will be created not only for fellow employees as well as for companies [10], [11], [12].

This must definitely be resolved with high commitment from both management and employees. With the existence of high organizational commitment, the company can continue to run and have competitiveness between business organizations [13]. From the description above, the author is interested in discussing more about participation in sharing knowledge and organizational commitment for the development of MSMEs.

II. Review of Literature

2.1. MSMEs

The development of MSMEs in a country will have a positive impact on the national economy. This is due to the uncertain macroeconomic industry accompanied by global economic uncertainty. By developing MSMEs, it will increase added value for the national economy, absorb employment and can support the sustainability of manufacturing industries, especially in developing countries [14], [15], [16]. From the results of research conducted by Sinha & Akoorie [17], Mani et al. [18], Hillemane [19], Belal and Cooper [20], and Ozen &

Kusku [21] it can be concluded that MSMEs make a significant contribution to the country's economy, especially in developing countries.

2.2 Sharing knowledge

The limited quality of human resources and the high cost of education have a negative impact on businesses to improve their production. To address this, strategic steps must be taken including sharing knowledge among fellow employees. With the development of employee knowledge in a business organization, it will improve organizational performance which has an impact on increasing the quality and quantity of production and has a competitive advantage [22], [23]. The results of research conducted by Brockman & Morgan [24], Hall & Andriani [25] & [26], Lee et al. [27], and Leiponen [28] it can be concluded that knowledge sharing among employees can improve the quality and innovation of employees in a business organization.

2.3 Organizational Commitment

The sustainability of business organizations, especially microeconomic activities, is very dependent on the extent to which businesses and employees contribute to the activities they do. These contributions include a joint commitment between employers and employees to improve the quality and ability to innovate the products they produce. The commitment must be built from the bottom together to create competitive competitiveness [29], [30]. Therefore, with high commitment, it will guarantee the continuity and development of the organization in the future [31], [32]. The results of research conducted by Vachon & Klassen [33], Hubbard [34], and [35] can be concluded that high organizational commitment in small businesses can improve business performance and the sustainability of the organization in the future.

III. Research Methods

This study uses qualitative methods with a descriptive verification approach. The object of research is MSMEs that produce agricultural equipment and households located in kepulauan Sukamahi, Mekarmaju Village, Pasirjambu District, Bandung Regency. The type of data collected is primary data obtained through in-depth interviews with information sources (key informants and informants) including analysis from researchers. To obtain data, researchers used questionnaires and unstructured interviews to sources of information related to agricultural and household equipment production activities. The data analysis technique in this study uses a qualitative descriptive model of verification, namely the collected data is then verified so that the data obtained becomes valid and accountable.

IV. Results and Discussion

From the results of research conducted on MSMEs that produce agricultural and household equipment can be seen in the following figure:

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Figure 1. Production Process

From Figure 1 above, it can be explained that businesses that produce agricultural and household equipment are still done conventionally. Employees are employed on average with junior high school education and from the environment around the place of production. But with the sharing of knowledge among fellow employees, they can produce good quality household appliances. This is consistent with the opinion expressed by Renzl [22] and Bock & Kim [23] that knowledge can be obtained not only through formal education but also can be done through knowledge sharing between employees in a business activity. This is done so that employees can improve the quality and quantity of production.
The production results can be seen in the following picture:

Figure 2. Result Product

From Figure 2 above, it can be explained, that the products produced by blacksmith craftsmen are not only for local consumers of West Java Province but also many requests from other provinces in Indonesia. This indicates that this product has a quality that meets consumer desires. This is certainly not only because of the creativity and high motivation of the craftsmen but is supported by a commitment that synergizes between business owners and workers. Thus it is very appropriate opinion expressed by Ciliberti [29] and Dyllick & Hockerts [30] that the quality and quantity of production can be created if there is motivation and performance of the workers and is supported by high commitment to the progress and sustainability of the business.

V. Conclusion

From the description above, it can be seen that knowledge sharing factors and the synergy of commitments built by business actors and employees in addition to increasing the creativity of employees will also produce quality products and will have an impact on increasing work productivity. The obstacles to formal education possessed by employees will be replaced by the sharing of knowledge among fellow employees. However, the obstacles faced by iron craftsmen are related to the high cost of raw materials and limited capital. For this reason the government must be directly involved so that this potential can not only survive but also be able to develop especially in the face of high unemployment.

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