

Effect of Entrepreneurial Orientation, Innovation Capability and Market Orientation To Community Self-Help Groups (KSM) Performance Manager of waste Reduce, Reuse, Recycle (TPS 3R) With Learning Organization

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ABSTRACT: The role of waste source (settlement areas) is to Reduce, Reuse and Recycle (TPS 3R) in waste management in Indonesia is very important and strategic. This is because TPS 3R functions and plays a role in reducing waste in waste sources, thus reducing the amount of waste taken and processed in final processing place (TPA). TPS 3R is a community-based waste processing infrastructure built by the Government in this case by the Ministry of Public Works and Housing (PUPR). The development and operation of TPS 3R is conducted by the community formed in a self-help group called the Self-Help Groups (KSM). KSM as the TPS 3R manager in Indonesia does not currently have a good performance. This problem is suspected as a result of the lack of optimal support provided by various parties to KSM.

Researchers are very interested to know the problems that cause not yet optimal performance KSM TPS 3R managers. The purpose of this study is to examine the effect of management variables, namely Entrepreneurial Orientation, Innovation Capability and Market Orientation to Organization Performance through the role of Learning Organization mediation in KSM TPS 3R managers, especially in Java Island.

This research uses primary data from KSM TPS 3R in Java Island. The questionnaire consisted of 40 question indicators with a choice of 5 Likert scales. Overall there are 204 valid respondent data and the data can be though. Data processing using SPSS version 24 and SEM with application software AMOS version 22.

The findings of this study are Learning Organization influential mediate variables

Entrepreneurial Orientation, Innovation Capability and Market Orientation against Organization Performance. Learning Organization is the most influential variable to Organization Performance, it implies that the focus of Performance KSM improvement of TPS 3R managers should pay attention to several things related to Learning Organization such as Commitment of Learning, Open Mindedness and Share Knowledge.

The government support for improvement and development Performance KSM TPS 3R managers must be targeted through the Learning Organization and conducted by involving various other parties. It is expected that with the improvement and development of Performance KSM TPS 3R managers, the TPS 3R program will play a role in what is expected to play a strategic and sustainable role in solving the problem of waste management in Indonesia.

Research to find out the variables that can increase Performance KSM TPS 3R managers first done. In this study found the factors that cause not good Performance KSM TPS 3R managers and also found the variables that can improve Performance KSM TPS 3R managers to contribute to the theory in the field of strategic management and the basis for determining the direction of government policy in improving the management waste in Indonesia.

KEYWORD: Entrepreneurial Orientation, Innovation Capability, Market Orientation, Learning Organization, Organization Performance, KSM TPS 3R.

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I. INTRODUCTION

The waste is a problem faced by almost all countries in the world. The impact that arises from the problem of waste is environmental pollution. Waste problems generally lies in the processing process. Waste problems must be handled jointly between the Government, non-governmental organizations and the community itself. Therefore, it requires joint awareness and commitment towards changing attitudes, behavior and ethics that are cultured in the environment.

The construction of 3R TPS is a pattern of approach to waste management at the communal or regional scale by involving the active role of the community, government and the private sector through community empowerment approaches, including for low-income communities or those who live in dense and slum

settlements. The main concept of processing waste in 3R TPS (Reduce, Reuse and Recycle) is to reuse waste that still has economic value and reduce the quantity of waste that will be processed further in the landfill.

In this study focused on 275 KSMs spread in Java Island with the consideration that KSM is one of the important components in the successful implementation of 3R TPS management in Indonesia. KSM is a part of the strategic partnership pattern between the Ministry of PUPR in organizing the 3R TPS. The success of waste management in Indonesia cannot be separated from the participation of the community and community representatives in KSM. The variables used are Entrepreneurial Orientation, Innovation Capability, Market Orientation, Learning Organization and Performance with a focus on Learning Organization as Mediating Variables

1.1 Problem Formulation

Until now, the total 3R TPS that has been built by the government throughout Indonesia is 767 units. In this study limited only KSM in Java with a total of 275 KSM.

Based on the background of the writing above, the writer formulates the following research problems:

1. What is an effect of Entrepreneurial Orientation to Performance?
2. What is an effect of Innovation Capability to Performance?
3. What is an effect of Market Orientation to Performance?
4. What is an effect of Entrepreneurial Orientation to Learning Organization?
5. What is an effect of Innovation Capability to Learning Organization?
6. What is an effect of Market Orientation to Learning Organization?
7. What is an effect of Learning Organization to Performance?

1.2 The Purpose and Benefits of Research

1.3.1 The Purpose of Research

The purpose of this study was to explore more deeply the effect of Entrepreneurial Orientation, Innovation Capability, Market Orientation to Performance which is moderated by the Learning Organization variable.

1.3.2 Benefits of Research

This research will provide information for the government and practitioners in KSM organizations in setting strategies that are in line with the conditions at hand, where the conditions of economic development are increasingly complex and technology is increasingly advanced and the environment and market become increasingly dynamic.

1.3 Limitation of Research

This study is limited to KSM in Java, limited research and in certain periods and only uses 5 variables. Research on KSM 3R TPS organizers in Indonesia is very limited so that the literature on the relationship of Entrepreneurial Orientation, Innovation Capability, Market Orientation on Performance through variable Learning Organizations in non-governmental organizations engaged in organizing 3R TPS in Indonesia is difficult to find in various journals. Due to the limitations of this study, the conclusions obtained have not been fully generalizable to other locations or different types of CBOs. Researchers expect further research with the possibility of adding relationships between variables and adding variables that influence each other.

II. LITERATURE REVIEW

2.1 Definition of Management Strategy

In an organization is needed a management control of organization process to get the aim of the vision and mission. The word of management originally from ancient France language "Management", means that an art of processing or controlling. Besides that, management also from English word "Management" which is the root of "manage"; however, Oxford dictionary has the meaning of leading or decision making in the organization.

Management strategy is a dynamic process that simultaneously happens in the organization itself. The aim of it to stress out that the organization is able to produce higher performance because a successful organization has a higher level of efficiency and productivity.

2.2 The Entrepreneurial Orientation

McDougall and Oviatt (2000) define Entrepreneurship Orientation as a combination of innovative, proactive and risk taking behaviors intended to create value in an organization. Entrepreneurial Orientation in Magaji et al's (2017) research has the following three dimensions: (1) Risk-Taking, (2) Autonomy and (3)

Proactiveness. In Kusa's research (2016) states that entrepreneurial orientation can be measured in non-profit organizations using existing scales that have been designed for business organizations.

2.3 Innovation Capability

According to Chiou & Chen (2012), the abilities of innovation in the organization can be revealed a potential of output has been produced.

Meanwhile, Wonglimpiyarat states (2010), the capabilities of the innovation are referred to the company performance to change of huge fixing and it is used to modification by the new technology. The ability to do innovation in a company will influence the success of producing the innovation technologies or services. According to Ndubisi & Argawal (2014), innovation capability is measured by the dimension of service innovation, administrative innovation and process innovation.

2.4 Market Orientation

Market orientation is potentially to balance between market demands with products/services produced to achieve the desired performance results of the company.

According to Duan & Zhang (2010), Laukkanen et al., (2013) Market Orientation are measured by parameters that have been operated in previous research and it refers to top previous research from Narver & Slater (1990). These three dimensions such as customer orientation, competitor orientation, and Inter-functional Coordination

2.5 The Learning of Organization

Organizational learning is a process by the organizations through interactions with their environment, both internal and external Mahmoud & Yusif (2012).

In a study conducted by Frank et al., (2012) related to learning organizational adopted of previous research using three dimensions: commitment of learning, open-mindedness, and sharing knowledge.

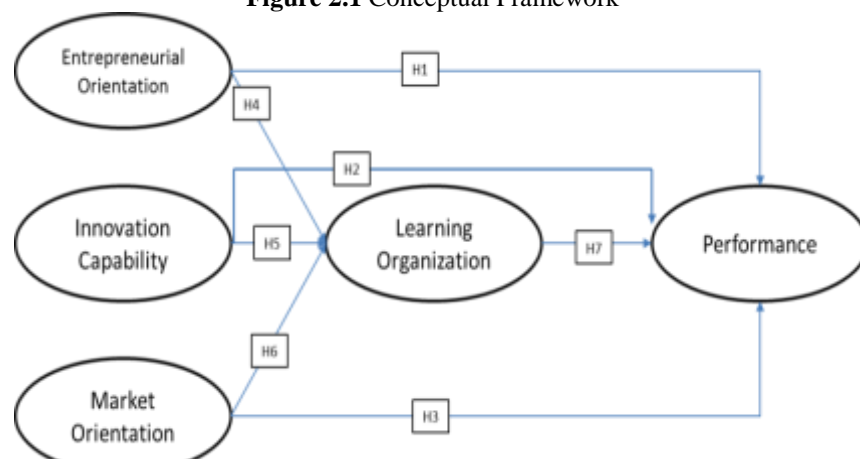
2.6 Organizational Performance

In the research of Mahmoud & Yusif (2015), organizational financial performance was measured by 2 indicators: fundraising, and revenue reserves while non-financial performance measured by 5 indicators: service quality, service user satisfaction, donor satisfaction, volunteerism, and overall program effectiveness. In Kim & Han's research (2015), Organizational performance was measured by focusing on financial perceptions of the organization namely: ROI, average productivity, market share, cost per business and satisfaction in the organization, namely: job satisfaction, organizational attention, ability, desire/intention to work.

2.7 Conceptual Framework

Based on the research background, objectives, Related researches and literature review, the conceptual framework in this study was arranged as follows:

Figure 2.1 Conceptual Framework



2.8 The Formulation of Hypothesis

2.8.1 Entrepreneurial Orientation and Organization Performance

The concept of Entrepreneurial Orientation reflects strategic orientation and attitudes that provide entrepreneurial thinking and actions (Lumpkin and Dess 1996; Wiklund and Shepherd 2003). For example, Wiklund and Shepherd (2005) have found that entrepreneurial orientation positively influences the performance of small businesses.

The above explanation, the researcher can be explained and arranged hypothesis as follows:

Hypothesis 1: *Entrepreneurial Orientation has a positive effect on Organization Performance*

2.8.2 Innovation Capability and Organization Performance

The ability to producing new innovate will provide a way for organizations to be able in facing competition and it is still generating profits for the company. Empirical evidence supports the view that the ability to innovate processes and products/services has a positive effect on organizational performance. Research conducted by Saunila (2014), Innovation Capability has more influence on Financial Performance compared to Operational Performance.

The above explanation, the researcher can be explained and arranged hypothesis as follows:

Hypothesis 2: *Innovation Capability has a positive effect on Organization Performance.*

2.8.3 Market Orientation and Organization Performance

In research on profit-oriented and non-profit organizations, Market Orientation in various studies has had a positive influence on organization performance.

Those ability to approach the market orientation are aimed at stakeholders, it will influence the attitudes of stakeholders, whether government, private or community, who participate in improving organizational performance.

The above explanation, the researcher can be explained and arranged hypothesis as follows:

Hypothesis 3: *Market Orientation has a positive effect on Organization Performance*

2.8.4 Entrepreneurial Orientation and Learning Organization

In the research of Jiao et al., (2011), discussed how entrepreneurship influences learning organizations. The innovative atmosphere in organizations has a positive effect on organizational learning.

From the above description, the following hypotheses can be prepared:

Hypothesis 4: *Entrepreneurial Orientation has a positive effect on Learning Organization*

2.8.5 Innovation Capability and Learning Organization

Sustainable innovation is achieved by successfully managing positive feedback that stimulates innovation, through sharing and creating knowledge and using new knowledge generated from innovation to provide input into the organization's knowledge base. The consequences of not succeeding in managing this process effectively can be disastrous (De Sousa 2009).

From the above description, the following hypotheses can be prepared:

Hypothesis 5: *Innovation Capability has a positive effect on Learning Organization*

2.8.6 Market Orientation and Learning Organization

Farrell et al., (2008) argues that market-oriented companies are effective in producing with the right knowledge to be the material for the organization in developing capabilities and improving performance.

From the above description, the following hypotheses can be prepared:

Hypothesis 6: *Market Orientation has a positive effect on Learning Organization*

2.8.7 Learning Organization and Organization Performance

The changing in a community is very quick and it affects organizations to adapt to environmental conditions. In a study conducted by Pokharel & Choi (2015) which focused on 3 levels of Learning Organization (Individual, Group & Organization) it was found that Learning Organization had an effect on Organization Performance.

From the above description, the following hypotheses can be prepared:

Hypothesis 7: *Learning Organization has a positive effect on Organization Performance*

III. RESEARCH METHOD

3.1 Research Design

The research design is a comprehensive plan of research which covering the things that researchers will do starting from making hypotheses and their implications operationally to the final analysis of the data then it is concluded and given advice.

In this study, five variables will be used, namely Entrepreneurial Orientation, Innovation Capability, Market Orientation, Learning Organization, and Performance.

3.2 Measurements and Variable Used

3.2.1 Variable Measurements

The measurement scale used in this study is the interval of the Likert scale measurement method. Likert scale is a method that measures attitudes by expressing agreement or disagreement with certain subjects, objects or events (Sekaran and Bougie, 2013). The scale used is a Likert Scale - Five points with an internal arrangement of a scale of 1 to 5 as follows Strongly Disagree, Disagree, Neutral, Agree and Strongly Agree.

3.2.2 Variable, Dimension and Measurements

Variables, dimensions, and measurements used in the study are as follows:

| No | Variabel | Dimensi | Konstruk/ Pengukuran |
|---------------|---|---|-------------------------|
| 1 | <i>Entrepreneurial Orientation</i> Kusa (2016) Said et.al., (2017) Mangaji et.al., (2017) | - Risk Taking - Autonomy - Proactiveness | 9 (sembilan) |
| 2 | <i>Innovation Capability</i> Ndubisi & Argawal (2014) | - Service Innovation - Administrative Innovation - Process Innovation | 9 (sembilan) |
| 3 | <i>Market Orientation</i> Narver & Slater (1990) Mahmoud & Yusif (2012) Laukkanen et.al., (2013) | - Customer Orientation - Competitor Orientation - Inter Functional Coordination | 9 (sembilan) |
| 4 | <i>Learning Organization</i> Frank et al., (2012) Mahmoud & Yusif (2012) | - Commitment of Learning - Open Mindedness - Share Knowledge | 7 (tujuh) |
| 5 | <i>Organizational Performance</i> Pinho et al., (2012) Kim & Han (2015) Mahmoud & Yusif (2015) | - Financial Performance - Non Financial Performance | 6 (enam) |
| Jumlah | | | 40 (empat puluh) |

3.3 Collecting Data Method

The sampling method in this study uses non-probability sampling with purposive sampling technique which is sampling based on certain considerations, with characteristics that are in line with the expectations of the researcher.

The quantity of Sample = Total Variable x Number of constructs/measurements
 = 5 x 40 constructs / measurements
 = 200 Samples

Calculation of the number of samples based Hair et.al. (2010)

Data collection was carried out by distributing online questionnaires to KSM administrators in Java. This online questionnaire uses docs.google.com/form as a data collection tool. The process of disseminating information about online questionnaires (link addresses) is done via email or distributed directly using the WhatsApp application.

3.4 Testing of Research Instruments (Test Validity and Reability)

3.4.1 Test Validity

Testing the validity of the question items in the questionnaire aims to find out whether the item correctly measures the concept intended in this study appropriately. The aim is to group data into groups according to the correlation between variables.

The construct value will be considered valid if it is > 0.60 or the value can be adjusted according to the number of questionnaires used (Hair, 2010).

Table 3.8 Number of samples&Loading Factor

| Loading Factor | Number of Sample |
|----------------|------------------|
| 0.3 | 350 |
| 0.35 | 250 |
| 0.4 | 200 |
| 0.45 | 150 |
| 0.5 | 120 |
| 0.55 | 100 |
| 0.6 | 85 |
| 0.65 | 70 |
| 0.7 | 60 |
| 0.75 | 50 |

3.4.2 Reliability Test

Reliability testing is done to determine the level of consistency of measurements. This study uses the reliability test of each variable by using Cronbach's Alpha measurement. According to Hair et al., (2010), Cronbach's Alpha is a measure of reliability that has values ranging from zero to one. Here is a table of reliability levels of Cronbach's Alpha according to Hair et al., (2010).

Table 3.9TableCronbach's Alpha Reliability

| Cronbach's Alpha | Reliability Level |
|------------------|-------------------|
| 0.0 - 0.20 | Less |
| >0.20 - 0.40 | Rather |
| >0.40 - 0.60 | Quite |
| >0.60 - 0.80 | Good |
| >0.80 - 1.00 | Reliable |

3.5 Method of Data Analysis

The data analysis method used in this study is the Structural Equation Model (SEM) using the AMOS 22 program. SEM is a multivariate technique that combines aspects of multiple regression and factor analysis to stimulate a series of simultaneous dependency relationships (Hair et al., 2010).

Absolute Fit Measure measures the model fit (both structural models and measurement models simultaneously). The criteria by looking at the value of The Likelihood Ratio Chi-Square Statistic. The minimum significance level received is 0.05 and 0.01. Chi-square measurements are very dependent on the number of samples, so some researchers recommend combining these measurements with other measurements. The goodness of the Fit Model Index (GFI)

1. The Root Mean Square Error of Approximation (RMSEA)
2. The Root Mean Square Error of Approximation (RMSEA)

Parsimonious Fit Measures, which is an adjustment to the measurement of fit to be comparable between models with the recommended number of coefficients, namely the lower limit 1 or upper limit 5. The criteria by looking at the value of Normed Chi-Square (CMIN / DF). The confidence value is 95% ($\alpha = 0.05$).

3.6 Hypothesis Testing withStructural Equation Model (SEM)

The data obtained through the dissemination of a valid and reliable questionnaire will then be carried out data analysis techniques using SEM which is done using a computer program (software) AMOS 22. SEM is a statistical model that provides an approximate calculation of the strength of the hypothesis relationship between variables in a theoretical model, either directly or through intervening or mediating variables.

The advantages of SEM analysis techniques have several uses that can be applied in several types of research, including: (1) causal modeling, also called path analysis, (2) confirmatory factor analysis, (3) second-order factor analysis, (4) regression models, (5) covariance structure models and (6) correlation structure models (correlation structure models).

To determine the decision-making hypothesis testing is done by comparing the p-value with the level of significance with a confidence level of 95% ($\alpha = 0.05$).

If $p\text{-value} \leq \alpha 0,05$ then the null hypothesis (Ho) is rejected
 If $p\text{-value} \geq \alpha 0,05$ then the null hypothesis (Ho) is accepted

3.7 Path Analysis

The results of the path analysis coefficient can be seen in the output of Standardized Direct Effects, Standardized Indirect Effects, and Standardized Total Effects.

This analysis is to find out the magnitude of the coefficient of direct influence, indirect effect, and total influence so that it can be known whether the mediating variable mediates the influence of independent variables on the dependent or not.

3.8 Determination Coefficient

To find out the contribution of the Exogenous variable to the Endogen variable can be seen from Adjusted R square (R2). The Coefficient of Determination (R2) essentially measures how far the ability of the model in explaining Endogen variation.

IV. RESEARCH FINDING AND ANALYSIS

4.1 Result Analysis

Analysis of the results of this study using several stages, namely by (1) Validity Test, (2) Reliability Test, (3) Good of Fit Model Index Test (GFI), (4) Hypothesis Test, (5) Path Analysis, and (6) Determination Coefficient Test.

4.1.1 Validity Test

The purpose of the CFA Test is to confirm or test the model, namely the measurement model whose formulation comes from theory. Conducted a CFA test twice, the first (I) for Exogenous and Endogenous variables using the AMOS program found that there is still a construct that is worth <0.60 means that these indicators are not valid as an indicator to measure the construct and must be removed. The constructs that are deleted are EO8, IC4, IC5, MO1, MO2, and MO3. Then a retest is still found in the constructed value that is <0.60 , as must be deleted. The deleted construct is IC8 and IC9. After the invalid indicator is deleted, all the standardized regression values in the diagram above show the loading factor of each indicator of the construct where the value is all > 0.60 which means that the indicators are valid as an indicator to measure the construct.

4.1.2 Reliability Test

The results of the Reliability Test for each variable of this study can be seen in Table 4.11 below:

Table 4.11 Results of Research Variable Reliability Testing

| NO | Variable | Value of Cronbach's Alpha | Conclusion |
|----|-----------------------------|---------------------------|------------|
| 1 | Market Orientation | 0.906 | Reliable |
| 2 | Learning Organization | 0.918 | Reliable |
| 3 | Entrepreneurial Orientation | 0.898 | Reliable |
| 4 | Innovation Capability | 0.900 | Reliable |
| 5 | Business Performance | 0.922 | Reliable |

Source: Data Processed in 2018

4.1.3 Goodness of Fit Model Index(GFI)

In SEM-AMOS there is 33 Cut of Value that can be used to measure the overall research model. After modification of the results of AMOS recommendations, the following is the Goodness of Fit Model Index (GFI) which can be used:

Table4.13 GFI Test Result (II)

| GFI | Result of Analysis | Cut of Value | Model Evaluation |
|------------|----------------------|--------------------------|------------------|
| Chi-square | X ² = 721 | Probabilitas $\geq 0,05$ | Defective |
| | P = 0,000 | | |
| TLI | 0,944 | TLI $>0,90$ | Approach |
| GFI | 0,825 | GFI $>0,90$ | Approach |
| AGFI | 0,790 | AGFI $>0,90$ | Defective |
| CFI | 0,951 | CFI $>0,90$ | Good |
| RMSEA | 0,056 | RMSEA $\leq 0,08$ | Good |

Source : Data Processed in 2018

4.1.4 Hypothesis Test

Hypothesis testing is done after the research model can be considered fit. The following is the formulation of the hypothesis used in this study:

1. *Entrepreneurial Orientation* Influence toward *Organization Performance*
2. *Innovation Capability* Influence toward *Organization Performance*
3. *Market Orientation* Influence toward *Organization Performance*

4. *Entrepreneurial Orientation* Influence toward *Learning Organization*
5. *Innovation Capability* Influence toward *Learning Organization*
6. *Market Orientation* Influence toward *Learning Organization*
7. *Learning Organization* Influence toward *Organizational Performance*

While the hypothesis for path analysis is as follows:

1. *Learning Organization* mediate influence between *Entrepreneurial Orientation* terhadap *Organizational Performance*.
2. *Learning Organization* mediate influence between *Innovation Capability* terhadap *Organizational Performance*.
3. *Learning Organization* mediate influence between *Market Orientation* terhadap *Organizational Performance*.

The basis for decision making is as follows:

Hypothesis:

H0:influencing variables, have no significant effect on the variables that are affected.

H1:influencing variables, have a significant effect on the variables that are affected.

Testing this hypothesis is done by looking at the results of the Regression Weight research model. The following is a table of estimation results of the research model:

Table 4.14 Regression Weight Model Test Result

| Description | Estimate | SE | CR | P-Value |
|---|----------|-------|-------|---------|
| <i>Learning Organization ← Entrepreneurial Orientation</i> | 0,236 | 0,055 | 4,307 | *** |
| <i>Learning Organization ← Innovation Capability</i> | 0,135 | 0,031 | 4,418 | *** |
| <i>Learning Organization ← Market Orientation</i> | 0,105 | 0,031 | 3,444 | *** |
| <i>Organizational Performance ← Learning Organization</i> | 0,839 | 0,126 | 6,666 | *** |
| <i>Organizational Performance ← Entrepreneurial Orientation</i> | 0,395 | 0,069 | 5,744 | *** |
| <i>Organizational Performance ← Innovation Capability</i> | 0,291 | 0,038 | 7,583 | *** |
| <i>Organizational Performance ← Market Orientation</i> | 0,300 | 0,039 | 7,731 | *** |

Source: Data Processed in 2018

Noted: *** approach 0.000

Table 4.15 Results of Structural Model Coefficient Evaluation Test

| Description | Estimate | CR | P-Value |
|---|----------|-------|---------|
| <i>Entrepreneurial Orientation Influence Trought Organization Performance</i> | 0,395 | 5,744 | *** |
| <i>Innovation Capability Influence Trought Organization Performance</i> | 0,291 | 7,583 | *** |
| <i>Market Orientation Influence Trought Organization Performance</i> | 0,300 | 7,731 | *** |
| <i>Entrepreneurial Orientation Influence Trought Learning Organization</i> | 0,236 | 4,307 | *** |
| <i>Innovation Capability Influence Trought Learning Organization</i> | 0,135 | 4,418 | *** |
| <i>Market Orientation Influence Trought Learning Organization</i> | 0,105 | 3,444 | *** |
| <i>Learning Organization Influence Trought Organizational Performance</i> | 0,839 | 6,666 | *** |

Source: Data Processed in 2018

Table 4.16 Hypothesis Test Result

| Hypothesis | Description | Decision |
|------------|---|----------|
| 1 | <i>Entrepreneurial Orientation Influenced by Organization Performance</i> | Accepted |
| 2 | <i>Innovation Capability Influenced by Organization Performance</i> | Accepted |
| 3 | <i>Market Orientation Influenced by Organization Performance</i> | Accepted |
| 4 | <i>Entrepreneurial Orientation Influenced by Learning Organization</i> | Accepted |
| 5 | <i>Innovation Capability Influenced by Learning Organization</i> | Accepted |
| 6 | <i>Market Orientation Influenced by Learning Organization</i> | Accepted |
| 7 | <i>Learning Organization Influenced by Organizational Performance</i> | Accepted |

Source: Data Processed in 2018

From the results of the Hypothesis Test concluded that hypotheses 1-7 are accepted, meaning the value of P-Value = *** (P-Value <0.05) thus H0 is rejected, meaning that all hypotheses have a positive and significant influence.

4.1.5 Path Analysis

Path analysis is obtained based on the output of Standardized Direct Effects, Standardized Indirect Effects, and Standardized Total Effects. Following is the path model regression equation:

Effect of Entrepreneurial Orientation (EO), Innovation Capability (IC), on Organizational Performance (OP) mediated by Learning Organization (LO).

Path Analysis Par 1:

$$LO = 0.236*EO + 0.135*IC + 0.105*MO + e$$

Path Analysis Par 2:

$$BP = 0.839*LO + 0.395*EO + 0.291*IC + 0.300*MO + e$$

Direct and Indirect Influence

This analysis is to determine the magnitude of the direct, indirect, and total influence coefficients, so that it can be known whether the mediating variable mediates the influence of the independent variables on the dependent or not.

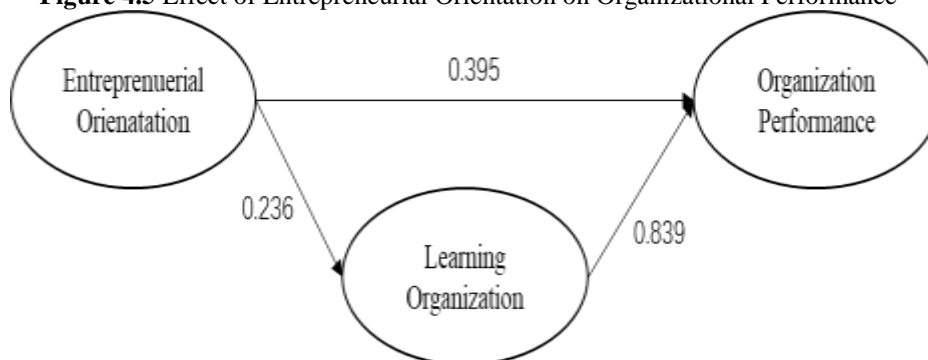
Table 4.17 Direct and Indirect Influence Test Result

| Variable Relationships | Regression Coefficient | | | Conclusion |
|---|------------------------|--|-----------------|---|
| | Direct Influence | Increased Indirect Influence with Mediation Learning Orientation | Total Influence | |
| Effect of Entrepreneurial Orientation on Organizational Performance | 0,395 | 0,198 | 0,593 | Strategic Flexibility Mediasi Secara Signifikan |
| Effect of Innovation Capability on Organizational Performance | 0,291 | 0,112 | 0,403 | Strategic Flexibility Mediasi Secara Signifikan |
| Effect of Market Orientation on Organizational Performance | 0,300 | 0,088 | 0,388 | Strategic Flexibility Mediasi Secara Signifikan |

Source: Data Processed in 2018

1. Direct and Indirect Influence of Entrepreneurial Orientation Variables on Organizational Performance

Figure 4.5 Effect of Entrepreneurial Orientation on Organizational Performance



Source: Data Processed in 2018

The regression coefficient of the direct influence of Entrepreneurial Orientation on Organizational Performance is 0.395, the regression coefficient is an indirect effect of Entrepreneurial Orientation to Organizational Performance through Learning Organization by 0.236 * 0.839 = 0.198. Total Influence is Direct Influence + Indirect Influence that is equal to: 0.395 + 0.198 = 0.593.

Path analysis is also calculated using the Sobel Test, to determine the effect of mediating variables. The results of the Sobel Test calculation can be seen in the following table:

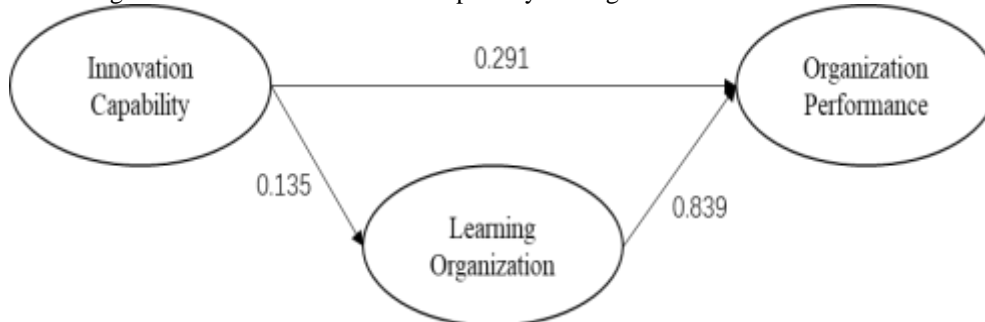
Table 4.18 Calculation of Sobel Test 1

| Entrepreneurial Orientation through Learning Organization | | | |
|---|-------------|-------|----------------------|
| Path | Coefficient | SE | Sobel Test (z value) |
| Entrepreneurial Orientation --> Learning Organization | 0.236 | 0.055 | 3.607 |
| Learning Organization --> Organization Performance | 0.839 | 0.126 | |

Source: Data Processed in 2018

Based on the Sobel Test, it is found that the test results in a z value of 3,607. This means that the value of the Z value is greater than 1.98, so it can be concluded that the Learning Organization mediates Entrepreneurial Orientation towards Organizational Performance. Direct and Indirect Influence of Innovation Capability on Organizational Performance.

Figure 4.6 Effect of Innovation Capability on Organizational Performance



Source: Data Processed in 2018

Regression coefficient Innovation Capability's direct influence to Organizational Performance is 0.291, the regression coefficient is indirect effect of Innovation Capability to Organization Performance through Learning Organization by: $0.135 * 0.839 = 0.112$. The total effect is Direct Influence + Indirect Influence: magnitude: $0.291 + 0.112 = 0.403$.

Path analysis is also calculated using the Sobel Test, to determine the effect of mediating variables. The results of the Sobel Test calculation can be seen in the following table:

Table 4.19 Sobel Test Calculation 2

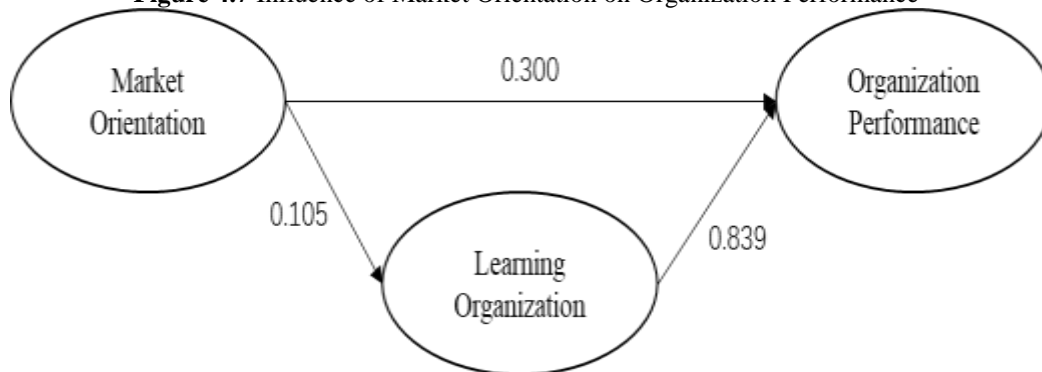
| Innovation Capability by Learning Organization | | | |
|--|-------------|-------|----------------------|
| Path | Coefficient | SE | Sobel Test (z value) |
| Innovation Capability --> Learning Organization | 0.135 | 0.031 | 3.646 |
| Learning Organization --> Organization Performance | 0.839 | 0.126 | |

Source: Data Processed in 2018

Based on the Sobel Test it was found that the test yielded a z value of 3,646. This means that the Z value is greater than 1.12 so it can be concluded that Learning Organization mediates Innovation Capability towards Organizational Performance.

Market Orientation Direct and Indirect Influence on Organizational Performance.

Figure 4.7 Influence of Market Orientation on Organization Performance



Source: Data Processed in 2018

Regression coefficients Market Orientation's direct influence on Organizational Performance is 0.300, regression coefficients have an indirect effect on Market Orientation to Organization Performance through the Learning Organization of $0.105 * 0.839 = 0.088$. Total Influence is Direct Influence + Indirect Influence which is $0.300 + 0.088 = 0.388$.

Path analysis is also calculated using the Sobel Test, to determine the effect of mediating variables. The results of the Sobel Test calculation can be seen in the following table:

Table 4.20 Sobel Test Calculation 3

| Market Orientation by Learning Organization | | | |
|--|-------------|-------|----------------------|
| Path | Coefficient | SE | Sobel Test (z value) |
| Market Orientation --> Learning Organization | 0.105 | 0,031 | 3.019 |
| Learning Orientatin --> Organization Performance | 0.839 | 0,126 | |

Source: Data Processed in 2018

Based on the Sobel Test it was found that the test yielded a z value of 3,019. this means that the Z value is greater than 0.88 so it can be concluded that the Learning Organization mediates Market Orientation towards Organizational Performance.

4.1.6 Determination Koefficient Test

To find out the contribution of exogenous variables to endogenous variables can be seen from adjusted R square (R2). The coefficient of determination (R2) essentially measures how far the ability of the model to explain endogenous variations. Adjusted R2 has been adjusted to the degrees of freedom of each square covered in the calculation of adjusted R2. The Determination Coefficient can be seen in Table 4.18.

Tabel 4.21 Determination Coefficient Test (R2)

Variabel Determination Coefficient (R2)

Learning Organization 0,295

Organization Performance 0,766

Source: Data Processed in 2018

It can be seen that the Learning Organization variable is influenced by the Entrepreneurial Orientation, Innovation Capability, and Market Orientation variables. The value of the Learning Organization variable R square is 0.295, which means that the contribution of the Entrepreneurial Orientation, Innovation Capability, and Market Orientation variables to the Learning Organization is 29.5%, while the rest is influenced by other factors outside the variable.

Organization Performance variables are influenced by the Entrepreneurial Orientation, Innovation Capability, Market Orientation and Learning Organization variables. The R square value of the Organization Performance variable is 0.766, which means that the contribution of the variables Entrepreneurial Orientation, Innovation Capability, Market Orientation and Learning Organization is 76.6%, while the rest is influenced by other factors outside the variable.

V. CONCLUSIONS, THEORETICAL, MANAGERIAL AND SUGGESTION IMPLICATIONS

5.1 Conclusions

The conclusion of this study, in general, are the three variables, both Entrepreneurial Orientation, Innovation Capability and Market Orientation, which have a positive and significant effect on the performance of the 3R TSM managers, the steps or actions of the three variables that will improve and develop the performance of the TSM managing KSM 3R, but the effect will be much more positive and very significant if the steps or actions of the three variables are carried out through variable Learning Organization, Learning Organization has a very large mediating effect in improving and developing Performance KSM 3R TPS management.

5.2 Implikation Theoretical

This research contributes to new thinking in strategic management regarding the mediation of Learning Organization to Organization Performance from the variables Entrepreneurial Orientation, Innovation Capability and Market Orientation in the KSM organization as the manager of 3R TPS.

Until now, strategic management research has not been found regarding the influence of Entrepreneurial Orientation, Innovation Capability and Market Orientation on Organization Performance through the mediation of Learning Organizations in CBOs as managers of TPS3R in Indonesia.

The findings of this study provide a theoretical contribution by enriching antecedent performance by adding Innovation Capability as part of the Strategic Orientation mediated by the Learning Organization.

5.3 Managerial Implication

The findings in this study that the Learning Organization affects Organization Performance and mediates Entrepreneurial Orientation, Innovation Capability and Market Orientation towards Organizational Performance KSM as the manager of TPS3R will help determine the right steps in managerial decision making.

Hani Maryama. "Effect of Entrepreneurial Orientation, Innovation Capability and Market Orientation ToCommunity Self-Help Groups (KSM) Performance Manager of wasteReduce, Reuse, Recycle (TPS 3R)With Learning Organization" International Journal of Business and Management Invention (IJBMI) , vol. 07, no. 11, 2018, pp 50-61