Mediating Role of Strategy in the Relationship between Organization Learning and Business Performance

Fania Mutiara Savitri[1]
im.vanee@gmail.com

Indarto[2]
indarto@usm.ac.id

[1]Fakultas Dakwah dan Komunikasi, Universitas Islam Negeri Walisongo, Semarang, Indonesia
[2]Fakultas Ekonomi dan Bisnis, Universitas Semarang, Semarang, Indonesia

ABSTRACT

Business performance was always associated with small and medium scale businesses durability. Wedding Organizer (WO) Business was a seasonal business with poor durability characteristic due to wedding events fluctuation. WO business role was crucial both helping and organizing wedding event that is ussualy needed by the bride and groom in their wedding. This study aimed to analyze the impact of organizational learning on business performance and use collaboration and business diversification as mediating variable in Semarang Wedding Organizer. Research approach used quantitative research method. This research type is an explanatory research in explaining factors that affect business performance. This study took a sample 43 respondents who run Wedding Organizer business in Semarang City by convenience sampling method. Data was collected through a questionnaire with a Likert scale measurement with five measurement scales. Data analysis method uses 3-stage multiple regression using SPSS 20. The results of this study proved that organizational learning affects collaboration, organizational learning affects business performance; Organizational learning does not affect business diversification, collaboration affects business performance and diversification does not affect business performance. The mediation test also explained that collaboration was successful as a mediating variable on research conducted at Semarang Wedding Organizer. This result also give a new concept called collaboration-based project strategy.

Keywords: Collaboration; Business Diversivication; Business Performance; Organizational Learning

INTRODUCTION

The global economy development and structural changes in various globalization aspect have created challenges and opportunities for business development both local and global market at the same time. It needs the requirement to be able to overcome existing challenges and take business opportunities advantage by increasing competitiveness. Good

competitiveness is achieved if a company succeeds in formulating and implementing appropriate strategies. Finally competitiveness issue can be resolved.

Business inability in improving competitiveness is caused by various limitations, such as lack of environment adaptive capability, has less sensitivity in business opportunities, has less creativity and innovative idea in anticipating many environmental challenges. In addition, it also caused by internal factors (managerial skill, access to capital and few number of market obtaining. On the other hand, the literature review explains that there are three key aspects that determine competitiveness and have impact on the business performance, they are internal environmental factors, the external environment and entrepreneurship (Mustikowati, 2014).

Organization is basically look like living thing that their survival life depend on environment adaptation ability (Hasan, 2017). Organizations are required to adapt quickly on strategic environment with many dimensions such as technological, social, economic, regulatory and globalization. If the organization adapt longer, the organization's performance will decrease. Hooley., *et al.,* (2012) suggested that learning is one of the way to get dinamic capability (absorbtive, adaptive and innovative) that why organizational learning is considered as a strategic component in achieving long-term organizational success.

Organizational learning is a process conducted by organization members where they use existing knowledge and build new knowledge in order to encourage new competencies development that have importance role in environment dinamic change. Organizational learning capability can be defined the ability of an organization to implement management practices, management structures, management systems and management procedures those are appropriate in facilitating and triggering on organization learning activity. The organization learning process is aimed to improve organizational performance. A company who has good organizational learning skill will be more responsive to environmental changes. In addition, company can take appropriate action so it can increase competitive advantage. Therefore, organizational learning ability has a positive effect on company performance (Hasan, et al., 2017).

There has been a lot of evidence that shows how difficult to obtain and control the market with our own strength. Fight or join strategies are still often applied by people business. In other perspective, fighting looks great and strong, but having winning or being destroyed consequences in competition. On the other hand, joining will be felt weaker because of losing control. From this statement based, a new strategy phenomenon is created. Both elements of the strategy can be combined to get a strategic value that is mutually beneficial, namely alliance strategic. Alliance strategic is the way breaking through market barriers at the domestic level by cooperating with other businesses or certain local companies without joining or giving our business authority to oyher parties. We still have self business internal

controling but also having cooperation contract with other complement company that can bring advantages for both parties. The alliance is the right way to equalize, especially when company looked for unique and competitive resources (Hidayat, 2013). Krajewski and Ritzman (2005) catagorized alliance strategic consist of collaboration effort, joint venture and technology licence. A smaller alliance strategic form called collaboration is ussualy conducted by small medium scale company, for example it conducted by many SMEs.

By looking internal perspective of the entity, when the entity collaborates with outsider/s due to business specialization, it is also necessary to improve the internal conditions of the entity. It means beside we focus on our core competence but also need more innovative after absorbing and adapting the changes. Business diversification belongs corporate-level strategy that is ussualy applied. Diversification is one of the business strategy that is carried out by implementing business expansion, for example when it try to open several business units or new subsidiaries both in the same business line in same place or different business unit from the business's core competence. Diversification is attractive and alternative choice when business is facing intense competition and rapid market growth (Satoto, 2009).

Various studies related to the impact of organizational learning on business performance still show different results. Research is conducted by Hasan, *et al*., (2017) prove that organizational learning has a positive effect on business performance. This construct has a direct impact on sales growth and product development. Research is conducted by Hidayat (2013) also prove that collaboration has a positive impact on business performance. Nugraha (2017) also supports that there is a positive impact between organizational learning and business performance. However, Firdayanti*, et al.,* (2017) proved different result. She found organization learning has no significant positive effect on business performance. She assumed that organizational learning that has been done well is not necessary to produce good business performance. There still other importance factor affect business performance for instance entrepreneurship orientation and strategic asset quality.

We conducted this reseacrh in one kind of SMEs who has less durability. It is Wedding Organizer (WO). WO durability business problem indicate bisniss has bad performance thus becoming importance issue to be deeply analyzed especially in the city of Semarang. Small and medium-sized micro business that operated in WO activity have role in helping weddings. When WO employer or owner run WO business that generally still has a small and medium-scale of business, they need more entrepreneurial skill and supported by managerial skill in order to support WO's business performance. WO business owner / employer with all team are expected to understand the importance organization learning to improve their business performance. Pre-observation phenomenon shows that the income obtaining from the WO business is irregularly, about 59% business owner / employer said that the income from WO is

uncertain monthly received. In some month in a year, they had zero event project. This is not be appropriate with the marriage event phenomena that happened in Semarang, which ranged from 7.000-8.500 events in a year and only handled 11.7% by the market leaders of the famous WO business in Semarang. It means that the WO business market still provide wide opportunity to be prospected. This phenomena shows that WO's business performance is less optimal so it need to be examined.

Previous studies shows different / inconsistent results (*research gap*) between the impact of organizational learning on business performance. Hasan, *et al*., (2017), Hidayat (2013) and Nugraha (2017) researchs have proved the impact of organizational learning on business performance while Firdayanti, et al (2017) have proved that there is no impact of organizational learning on business performance. These inconsistency relationship between organizational learning and business performance need to be filled by construct that can predict business performance better and to upgrade and update study. The research on WO business performance in Semarang will be analyzed from organization learning perspective with collaboration and business diversification as mediating variables to fill the research gap.

Based on the phenomena and research gap above, the research problem is: how to build a research model that can optimize WO business performance so that able produce relied income from business that has been built and can be regularly expected mothly. Based on the description of background problem, the research objectives are as follows:

1. To test empirically the impact of organizational learning on collaboration of weeding organizers in Semarang.

2. To test empirically the impact of organizational learning on the business performance of weeding organizers in Semarang.

3. To test empirically the impact of organizational learning on the business diversification of weeding organizer businesses in Semarang.

4. To test empirically the impact of collaboration on business performance of weeding organizers in Semarang.

5. To test empirically the impact of business diversification on the business performance of weeding organizers in Semarang.

LITERATURE REVIEW

Referring to triadic reciprocal by Bandura & Walters (1977), there are three factors that affect each other in the learning process, they are personal determinant, behavioral determinant, and environmental determinant. This reciprocal process underlies the performance improvement of a learning that is known as social learning.

The company has goal achieving suitainable competitive advantage. Barney argument said, the existence of potential

resources brings something beneficial for the organization in executing a strategy to achieve competitive advantage. The advantage of positioning resource-based views relative to neo-classical microeconomics is very significant (Barney, 2001). The essence of Resouce-based view itself describe how far company accuiring resource to implement appropriate strategy to win market competition as Barney explains:

> *The concept of strategic factor markets is introduced, and it is shown that when these markets are perfectly competitive, acquiring the resources necessary to create imperfectly competitive product markets will absorb all the profits that this imperfect competition would otherwise create. Thus, for firms to obtain economic rents, they must acquire the resources and capabilities needed to conceive of and implement strategies in imperfectly competitive strategic factor markets.*

The Impact of Organizational Learning on Collaboration

The latest construction management study shows the development of the project's ability to manage collaborative projects is driven by deliberate learning and developing in response to dynamic market changes (Hartmann *et al.,* 2010). Organizational learning is a learning process and knowledge acquisition in the organization and then applied to the organization / company (Nugraha, 2017). Trust and honesty are seen as factors behind the changing quality of a cooperative relationship. When a company believes in its cooperative partner and truly treats the partner fairly, the company will find the relationship more as an asset and strategic

tool that will strengthen the company's competitiveness. Trust is often interpreted as a very important content that determines the relationship success.

Organizational learning is built well on a moral indicator and material factor basis that have been previously discussed, so the business cooperation between the company and suppliers is believed to increase better because a trust is a must before conducting information sharing and integration between organizations (Hasan., et al., 2017).

Organizational learning that have applied well in a business will increase collaboration quality which have been implemented and also encourage collaboration behavior. Other hand, lack of organizational learning capability will cause lower collaboration quality and decrease collaboration behavior. Rani, et all (2017) said that coordination and trust as organizational learning components have a significant impact on collaboration. Based on the description above, the hypothesis formulation is as follow:

H1: If organizational learning increase, It can encourage collaboration.

The Impact of Organizational Learning on Business Performance

As described earlier, learning process and knowledge acquisition that applied to company or organizational are supported by many components such as managerial commitment, perspective systems, openness, experimentation, knowledge transfer and integration (Hasan, et al., 2017).

Organizational learning affects business performance (Hidayat, 2013). When organizational learning in a particular business is optimal conducted, it will improve business performance (Nugraha, 2017). In organizational learning process,

individuals who run the business that want to achieve sustainability, they should improve their abilities by continuing to learn and share knowledge each other about information and production processes so it can improve business performance better (Hasan, et al., 2017).

Hasan, et al., (2017) in his research found that managerial commitment, perspective systems, openness, experimentation, knowledge transfer and integration are parts of organizational learning. Managerial commitments are effective managerial activities ranging from planning, implementing, administering and reporting. Managerial commitment in high level impact better business performance. The perspective system is a person's point of view related to a particular matter or problem. The better the perspective system of a company. If organization has accurate perspective system, the problem can be resolved. Openness is availability to provide information about various matters related to business then continue with experiment is a trial error activity through the stages in order to find answers about a business problems. Openness and experimentation in high level will increase business performance. The purpose of knowledge transfer and integration is to utilize employees so they able to work hard and actively participate in supporting business goals achievement. Good goals achievement shows good performance.

Previous research finding showed organizational learning impact on business performance is supported by Hasan et al (2017) and Sirait, et al (2015) which state that organizational learning has a positive effect on SME's performance. Based on the description above, the hypothesis formulation is as follow:

H2: If organizational learning increase, the business performance will also increase.

The Impact of Organizational Learning on Diversification

The impact of organizational learning on each organizational design provides several important characteristics. A dynamic approach to social change is one of good way to design organizational learning for SME's organization that allowing new development and diversification (Fathoer & Arief, 2017).

Good organizational learning in a particular business give higher tendency in implementing business diversification even when the organization have not diversify its business or already has a certain business diversification, it can increase business diversification effectiveness. Otherwise, if organizational learning capability is low, the implementation and effectiveness of business diversification will be low.

Research Hitt, et all (2016) revealed that organizational learning is an important incremental process that produces international scale diversification. Autio et al., (2000) cited by Hitt, et al. (2016) also stated that organizational learning is an antecedent in understanding business diversification. Based on the description above, the hypothesis formulation is as follow:

H3: If organizational learning increase, It can encourage business diversification.

The Impact Collaboration on Business Performance

The performance and sustainable competitive advantage creation can be maximized by collaboration (Nugroho, 2017). The cooperative relationship with suppliers is very instrumental thing when determining the company's business performance. To get good performance through a collaboration, the relationship

between the two parties is absolutely necessary. Honesty is also an important consideration because it is needed to choose supplier or job partner.

Rani, et all (2017) argued that organization which deal with existing challenges and fierce competition, requires capability growth in order to achieve goal, one of them is through collaboration capability growth with suppliers. Collaboration is the driving force behind effective supply chain management. Collaboration success and partnerships with suppliers and customers will lead to overall performance improvements.

Passing joint project opportunity and staying focus on core competence skills is important to build good cooperative relationship quality. When organization implement collaboration stratrgy, it will obtain business performance growth but when organization has low business collaboration quality, business performance has no significant growth. The description above is relevant to Nugroho's finding (2017). Based on the description above, the hypothesis formulation is as follow:

H4: If organizational has good implementation in collaboration, business performance will increase.

The Impact Diversification Effect on Business Performance

Various study and opinion are still being controversy whether diversification policiy can bring benefit or even have a negative impact on competitive advantage in the long run business. There is an opinion that the focus strategy to core competency is precisely defined company's superiority in the long term, but some argue that diversified company will actually improve the company's performance with good handling diversivication implementation. Business diversification that has been applied by

company provide better performance output next day. Otherwise, when business diversification is less good applied by the company, the performance has stagnate growth and tend to decline.

Kurniawan (2012) said that business performance is positively and significantly influenced by diversification strategies. Another thing also proved that business diversification inclusion can affect business performance (Hashai, 2015). These statement is also supported by Visnjic's, et al, (2016) which proved that company's products diversification in index measured can affect the profit margin obtaining where profit margin is an indicator of a business's performance. Based on the description above, the hypothesis formulation is as follow:

H5: If organizational has good implementation in business diversification, business performance will increase.

RESEARCH METHOD
Data Collection

This study used primary data. Data collection method in this study used questionnairy spread to WO business employer in Semarang. This technique let the respondents responsiby answering each question posed by the researcher. After getting an explanation on each item question asked, 43 respondents was obtained through convenience sampling.

Data Analysis

3 Stage Multiple linear regression analysis is used to determine whether there is relationship between the independent variable, the mediating variable and the dependent variable. The relationship model with these variables can be arranged in following equations:

    I. $M1 = \alpha + \beta 1 X1 + e$

    II. $Y = \alpha + \beta 1 X1 + \beta 2 M1 + \beta 3 M2 + e$

III. $\quad$ **M2 = α + β1X1 + e** $\qquad$ *e* $\qquad$: Error term

Remark:

Y $\qquad$: $\qquad$ Business Performance

X $\qquad$: $\qquad$ Organisation Learning

M1 $\qquad$: Collaboration

M2 $\qquad$: $\qquad$ Business Diversification

β1.... β3. $\qquad$: $\qquad$ Independent Variables Regression Coefficient

RESULT DAN DISCUSSION

Descriptive statistic

Descriptive statistic test is conducted to know each research variables of data description. Descriptive statistic result that explained some important information on the sample about minimum and maximum value, mean and standard deviation value is presented in Table 1 below.

Table 1. Descriptive Statistic

	N	Minimum	Maximum	Mean	Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic
Organization Learning	43	20.00	40.00	30.9535	4.85481
Diversification	43	16.00	30.00	23.2093	3.21868
Collaboration	43	20.00	35.00	27.4186	3.49988
Business Performance	43	18.00	30.00	23.5814	3.11091
Valid N (listwise)	43				

Source: primary data, 2018

Table 1. showed raw data that can be explained in minimum to maximum value, mean value showed the data avarages and deviation standard showed data variance. All variable have descriptive explanation based on number of observation that consist of 43 data. The highest deviation standard is owned by organization learning (4.85481). It mean that variable has more variance than others.

Instrument Test

Table 2. Validity Test

Variable	Item	R Table	Correlation	Remark
Organization Learning	PO1	0.2512	1.000	Valid
	PO2	0.2512	0.717	Valid
	PO3	0.2512	0.560	Valid
	PO4	0.2512	0.640	Valid
	PO5	0.2512	0.527	Valid
	PO6	0.2512	0.624	Valid
	PO7	0.2512	0.588	Valid
	PO8	0.2512	0.794	Valid
Business	DV1	0.2512	0.606	Valid

Diversification	DV2	0.2512	0.701	Valid
	DV3	0.2512	0.588	Valid
	DV4	0.2512	0.529	Valid
	DV5	0.2512	0.651	Valid
	DV6	0.2512	0.484	Valid
Collaboration	KL1	0.2512	0.622	Valid
	KL2	0.2512	0.717	Valid
	KL3	0.2512	0.740	Valid
	KL4	0.2512	0.529	Valid
	KL5	0.2512	0.571	Valid
	KL6	0.2512	0.599	Valid
	KL7	0.2512	0.686	Valid
Business Performance	KB1	0.2512	0.717	Valid
	KB2	0.2512	0.527	Valid
	KB3	0.2512	0.624	Valid
	KB4	0.2512	0.588	Valid
	KB5	0.2512	0.740	Valid
	KB6	0.2512	0.723	Valid

Source: primary data, 2018

Validity test result showed that the question item consist of organizational learning, collaboration, and business diversification and business performance variable in the collected questionaries is valid. This is proved by correlation value > r-Table (0.2512). These items can be interpreted that indicators can used to be fit-construct measurement as required.

Table 3. Realiability Test

Variable	α Value	Standar α	Remark
Business Performance	0,864	0,6	Realiabel
Collaboration	0,887	0,6	Realiabel
Business Diversification	0,891	0,6	Realiabel
Organization Learning	0,930	0,6	Realiabel

Source: primary data, 2018

Based on reliability test result, the table showed that a measurement instrument is carried out to determine its ability to yield consistent measurements. Internal consistency reliability is the most commonly used psychometric measures in assessing survey instrument and scales. The values of alpha (α) obtained for value 0,864 – 0,930. The value of alpha for each construct is much higher than minimum acceptance level of 0.6. Thus, all the variables are accepted for reliability.

Classic Assumtion Test

The requirement of good model regression analysis is the classical assumption. A classical assumption test is conducted to determine whether the results of the regression estimation is done completely free from any heteroscedasticity, multicollinearity and autocorrelation symptoms and has normal distribution. Series of test conducted to ensure the result compliance is classical assumption test. The first assumption to be filled is that the model should have normal distribution. It means that data should in average distributed without any unique data. (see table 4) than free from multicollinearity problem that means there is no collinearity between independent variables. The result indicate no multicollinearity problem if all correlations value among each independent variable are low / not correlate each other (see Table 5). Other classic assumption test is heteroscedasticity. It produce to assess linearity of the relationships being measured and to check for homogeneity variance (see table 6)

Table 4. Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual	Unstandardized Residual	Unstandardized Residual
N		43	43	43
Normal Parameters[a,b]	Mean	.0000000	.0000000	.0000000
	Std. Deviation	3.12693335	1.37477713	3.28924046
Most Extreme Differences	Absolute	.098	.086	.094
	Positive	.098	.086	.062
	Negative	-.070	-.067	-.094
Test Statistic		.098	.086	.094
Asymp. Sig. (2-tailed)		.200[c,d]	.200[c,d]	.200[c,d]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.
Source: primary data, 2018

The data in this research has normal distribution. It proved by Kolmogorov-Smirnov test in Asymp. Sig value is more than 0,05. Thus, it means that data on each variable has normal distribution.

Table 5. Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Organization Learning	.826	1.211
Diversification	.935	1.069
Collaboration	.875	1.143

Source: primary data, 2018

Based on above table, there is no multicollinearity indication, it can be identified the VIF value of all variables were less than 10 and Tolerance value were more than 0,1. Thus test has proved that there is no corellated among independent variables in a regression model.

Table 6. Heteroskedasticity Test

Model		Sig.
Dependent Variable: RES2_I	(Constant)	.579
	Organization Learning	.068
Dependent Variable: RES2_II	(Constant)	.850
	Organization Learning	.672
	Collaboration	.589
	Diversification	.758
Dependent Variable: RES2_III	(Constant)	.679
	Organization Learning	.407

Source: primary data, 2018

Based on table 6, data on this research showed homogenity based on Glejser Test. The decision intepreted that there is no heteroscedasticity in this research according to significant value more 0,05 each construct. It produces to assess linearity of the relationships being measured and belongs good regression model.

Model	Unstandardize Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
1 (Constant)	19.794	3.314		5.972	.000
Organization Learning	.246	.106	.342	2.328	.025

Multiple Regression Analysis

Multiple regression analysis in this research is conducted in 3 stages data running. This process produce 3 equations that reflect research model with real data. Then output will be analyzed to prove hypothesis testing.

"Business Performance = 0.176 Organization Learning + 0.026 Diversification + 0.822 Collaboration"

Table 9. Multiple Regression Analysis III

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std.Error	Beta	t	Sig.
1 (Constant)	28.074	3.151		8.910	.000
Organization Learning	-.157	.101	-.237	-1.562	.126

Source: primary data, 2018

"Diversification= -0,237 Organization Learning"

Hypotesis Testing

From the 3 stages regression equations above, it can be concluded as follows:

1. Learning organization affects Collaboration. This is proved by significant value 0,025 being less than 0.05. Thus it consistent with the purposed hypothesis (H1) which states that if organizational learning increase, it can encourage collaboration (H1 is accepted).

2. Organizational learning affects Business Performance. This is proved by the significant value 0.029 being less than 0.05. Thus, this is consistent with the purposed hypothesis (H2) which states that organizational learning increases, business performance will also increase (H2 is accepted).

3. Variables organization learning does not affect business diversification. This is proved by the insignificant value 0,126 being

greater than 0.05. Thus this is inconsistent with the purposed hypothesis (H3) which states that if organizational learning increases, it cannot encourage business diversification (H3 is rejected).

4. Collaboration affect Business Performance. This is proved by a significant value 0.000 being less than 0.05. Thus, it is consistent with the purposed hypothesis (H4) which states that if organizational has good implementation in collaboration, business performance will increase (H4 is accepted).

5. Diversification of business affect business performance. This is proved by the significant value 0.723 being greater than 0.05. Thus

it is inconsistent with the purposed hypothesis (H5) which states that if organizational has good implementation in business diversification, it will increase business performance (H5 is rejectted).

Determination Coefficient

Determination coefficient (R^2) aimes to measure how far the ability of the model explaining variations in the dependent variable. Determination coefficient was measured between zero and one. R^2 has small value (near the zero number) means that the the independent variables ability explaining the dependent variable variation is very limited.

Table 10. Determination coefficient I
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.342^a	.117	.095	3.32911

a. Predictors: (Constant), Organization Learning
b. Dependent Variable: Collaboration
Source: primary data, 2018

Table 11. Determination coefficient II
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.897^a	.805	.790	1.42667

a. Predictors: (Constant), Collaboration, Diversification, Organization Learning
b. Dependent Variable: Business Performance
Source: primary data, 2018

Table 12. Determination coefficient III

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.237[a]	.056	.033	3.16484

a. Predictors: (Constant), Organization Learning

b. Dependent Variable: Diversification

Source: primary data, 2018

Based on three Adjusted R Square value above, to obtain total determination coefficient in order to be single research model, it need calculation of interpolation among three equation as follow:

1. Calculate e1 in first equation $(1-R^2) = (1-0,790^2) = 0,375$
2. Calculate e2 in second equation $(1-R^2) = (1-0,095^2) = 0,990$
3. Calculate e3 in third equation $(1-R^2) = (1-0,33^2) = 0,891$
4. Total $R^2 = 1 - (e1 \times e2 \times e3) = 1 - (0,375 \times 0,990 \times 0,891) = 0,669$

Based on the total calculation the value of Adjusted R^2 (0.669 or 66.9%). This value means that the independent variable provides almost all the information needed to predict dependent variable variation (Ghozali, 2016).

Sobel Test

Based on sobel test calculation to examinne intervening variable (collaboration and business diversification), the result of mediating effect as follow:

Table 13. Sobel Test

Test Name	Test statistic	P value
Sobel Test Collaboration	**3.12032**	0.00181
Aroian Test Collaboration	3.11067	0.00187
Sobel Test Diversification	-0.36182	0.71749
Aroian Test Diversification	-0.33346	0.73879

Source: primary data, 2018

Based on table 13., it could be seen that test-statistic Sobel Test collaboration is more than ±1.96 with significant level p value is greater than 0.05, so collaboration is proven to be a mediating variable between organizational learning and business performance. It Means collaboration is able to mediate organizational learning on business performance. If organizational learning is able to improve business performance partially, by adding mediation of collaboration strategy implementation, business performance will be more optimal. Based on analysis, the mediating test produce new concept named collaboration-based project strategy.

RESULT

Organizational learning affects collaboration

Organizational learning affects collaboration. Social learning theory explains where behavior is influenced by personality and environment, personality can be assumed as an individual, and the environment can also be assumed as an organization. Individual who carry out integration process, knowledge transfer and learning process in a work place (Nugroho, 2017), it will influence his or her attitudes doing a task. As far as individual have good behavior in an organization is influenced by the evaluative response of succeed learning. Intentionaly learning in developing project skill able to boost collaboration project management (Hartmann, et al, 2010). When organzation have good understanding to achieve competitive organization by implementing strategy, organization member will think what kind of strategy should be implemented to be stronger among competitor. To be cooperated with particular business partner sometime makes stronger. Thus collaboration strategy is ussualy chooses by project business owner (WO) to improve performance. Collaboration is also an alternative business mechanism to obtain access, capital, expertise and scarce resources. In business context, the best mechanism for collaboration between organizations if the organization want to get what they want. Collaboration is described as a win-win situation through complement synergies between an alliance and partner cooperation. The individual process to find out right mechanism of collaboration is conducted by doing successful organizational learning. Our finding is consistent with Rani, et al., (2010) that proved learning organization component (trust and coordination) affect collaboration. Trust is the main based for information sharing activity and integration process (Hasan, et al, 2017).

Organizational learning affects Business Performance

Organizational learning affect business performance. One of four perspectives in performance measurement system is the 'Growth and Learning perspective.' It identifies that company infrastructure should be build when creating growth and long-term performance improvements. Hidayat (2013) said that business performance is affected by successfull learning organization. There are some action should be done by WO while using this perspective such as workers training; improving information technology and system; and aligning various procedure in daily business activities. In organizational learning context, individuals who run the business will continue to improve their abilities by continuing to learn and share knowledge each other about information and better production processes thus, it can improve business performance (Hasan, et al., 2017). This finding show consistency with Nugraha's (2017) finding which proved that the increased organizational learning will lead organization to better business performance. The positive influence of organizational learaning on business performance is also supported by Hasan (2017) and Sirait., *et al*., (2015) research that stated that organizational learning has a positive effect on SME's performance.

Organizational learning affects business diversification

Organizational learning does not affects business diversification. Individual in the workplace are expected to find core competency that can be used in their organization to win competition. Furthermore, the organization is expected to explore and enhance competency in a certain business scope and also its own capability to fight and survive against business world development which is

always changing dynamically. New competencies and abilities discovery are derived from learning in the organization. The organization's new capabilities have an affect on business expansion implementation that mostly known as diversification. Sometime, many business entity has a different characteristic especialy in gaining an order. Some entity has consumen with repeat order but other entitty should take hard effort to gain project and seasonable order. a Business diversification does not always bring benefits for project business. The result of this study is incosnsistent with Hitt et al (2016) research. Hitt, et all (2016) proved that organizational learning is an important incremental process that produces international scale diversification. Pennings et al (1994) said that ineffisiency of diversification will happend in the entity who has partially owned and not related to core skill.

Collaboration affects Business Performance

Collaboration affects business performance. The company has goal that is suistainable competitive advantage achievement. Barney (2001) said that the existence of potential resources is beneficial for organization when implement strategy to achieve competitive advantage. This competitive advantage is obtained from good performance evaluation in all aspects. Barney's resource perspective explained that the importance of resource that can carry out a strategy could improve performance then can finally absorb profit. Collaboration strategy is an example a business strategy that requires potential resources as a motor strategy implementation. Good achievement business performance is triggered by collaborative implementation tendencies. When a business does not collaborate, performance will tend to stagnate or even decrease. This finding is consistent with Rani, *et all*., (2017), she

argued that organization which deal with existing challenges and fierce competition, requires capability growth in order to achieve goal, one of them is through collaboration capability growth with suppliers. This finding is also supported by Nugroho (2017) who said that collaboration can affect performance.

Business diversification does not affect business performance

Business diversification does not affect business performance. Thus, business diversification that has been applied by company, but it is not always provide better performance output next day. Tjiptono (2016) suggested that Resource based raises a number of potential predictor of business continuity, internal factor that belongs to it s potential predictor is strategies. Resource-based theory consist of heterogeneous company resource and productive services derived from company resources that provide a unique character for each company. That unique character make a company has a core competency. In a core competency, widely separate in sub core competencies that relate each other. An organizer service business requires many vendors to complete every event nessassary perfectly. The company who need not focus on its core competence, it will make its costly for instant, WO build a division to subtitute vendor whereas its core competence just in organizing. The result wont be satisfying because WO too much insist to upgrade many competencies to gain more profit. Diversification is not most exact WO strategy to meet consumer need that continue to grow dynamically with existing potential resource. This finding inconsistent with Kurniawan (2012) finding that proved that business performance is positively and significantly influenced by diversification strategies. Another research also proved inconsistencies that business diversification can not affect business

performance are Hashai (2015) and Visnjic., *et al*., (2016). In the other hand, this finding in line with Kang & Lee (2015) that stated geographical diversification on firm performance has insignificant effect.

CONCLUSION

The result of the study proved that the tests are able to explain and answer research problem formulation through building a research model that can optimize WO business performance so relied-income can be obtained based on expectation by implementing collaboration strategy.

The theoretical implications contained some importance findings. Individuals who are able to learn by seeking new beneficial knowledge that is beneficial to their organization and able to evaluate business limitations are those individuals who tend to do business strategies by doing collaborating (Hitt, et al. 2016), that why organization learning influence collaboration. Business performance is also influenced by Organizational Learning means Individuals who have good organizational learning capability will be able to improve their business performance. They can ensure bringing adding value from their learning evaluation when they handle some tasks. This study is consistent with Nugraha (2017), Hasan (2017) and Sirait., *et al.,* (2015) research. Business performance is influenced by collaboration. In a high level competition, business collaboration can cover business shortcomings and complement such business core competencies. This research is consistent with Rani, *et all.,* (2017) and Nugroho (2017).

Managerial implications consist of many finding. The lack WO durability and irregular revenue is generally due to small business network. There is no repeat project order and WO should looking for new one. When WO owners have a perspective view and realize the weakness in marketing network building, it's good choice to collaborate with other WOs to get sub jobs or with other related filed such as catering, photography, etc. WO business leaders have and employees have concerned to pay attention to clients wants and also pay attention to receive suggestions from clients. It is very important evaluation for product and service improvement that can suit client wants so business will show better performance. WO business leaders should have related partner in order to be more competitive in the market with optimal quality benefits that why WO should collaborate to achieve more.

The limitation of the following research are the low response rate (55.12%), this may be due to limited research time and research object location scattered over long distance. The number of sample is too small considering convenience in obtaining samples that why we got low response rate limitation. In addition, we realize to have weak supervision when respondents filled out the questionnaire considering that WO owner was not always be and hard to make contact. Thus, we did not directly see the questionnaire filling out process, that why the open questions were left / not filled.The research model is still very simple and needs development because the factors that can improve business performance are still possible to be investigated further.

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