ABSTRACT

In this study, knowledge management and entrepreneurial orientation are used to measure organizational performance in maritime business SMEs. This type of research is explanatory research which explains the causal relationship between research variables through hypothesis testing. The sampling technique is used to obtain all samples in maritime business SMEs. The samples are from four different SMEs in Jakarta and Bandung, namely Indonesian Fresh Fish, Indonesian Silly Fish, Nalayan Indonesia, and Ocean Fresh Indonesia. The data obtained 51 respondents from four maritime business SMEs spread in Jakarta and Bandung. The results of this study show: (1) Knowledge management does not positively affect organizational performance; (2) Entrepreneurial orientation positively influences organizational performance. Maritime business SMEs bring management experts and consultants to the development and dissemination of knowledge in SMEs, invite speakers to improve employee innovation attitudes, sustainable technology development, and evaluation of entrepreneurial orientation is carried out regularly to monitor organizational performance continuously.

Keywords: Knowledge Management, Entrepreneurship Orientation, Organizational Performance

ABSTRAK

Pada penelitian ini manajemen pengetahuan dan orientasi kewirausahaan digunakan untuk mengukur kinerja organisasi pada UKM bisnis maritim. Penelitian ini termasuk ke dalam jenis explantatory research menjelaskan hubungan kasual antar variabel penelitian melalui pengujian hipotesis. Teknik sample jenuh digunakan untuk memperoleh seluruh sampel yang berada dalam UKM bisnis maritim. Populasi berasal dari empat UKM berbeda di Jakarta dan Bandung yaitu Ikan Segar Indonesia, Silly Fish Indonesia, Nalayan Indonesia, dan Ocean Fresh Indonesia. Diperoleh 51 responden dari empat UKM bisnis maritim yang tersebar di kota Jakarta dan Bandung. Hasil dari penelitian ini adalah: (1) Manajemen pengetahuan secara tidak positif berpengaruh terhadap kinerja organisasi; (2) Orientasi kewirausahaan secara positif berpengaruh terhadap kinerja organisasi. UKM bisnis maritim untuk mendatangkan ahli manajemen dan konsultan pengembangan penciptaan dan penyebaran pengetahuan di UKM, mengundang pembicara untuk meningkatkan sikap inovasi karyawan, pengembangan teknologi yang berkelanjutan, serta evaluasi orientasi kewirausahaan dilakukan secara berkala untuk terus memonitor kinerja organisasi.

Kata Kunci: Manajemen Pengetahuan, Orientasi Kewirausahaan, Kinerja Organisasi
INTRODUCTION

Intense competition in the economic field throughout the world is real, both in large companies to the small companies. Each country has the same opportunity to compete with each other. Economics is the most crucial field of national development in all countries, including Indonesia. As a country full of productive human and natural resources, Indonesia is one of the countries with many potentials in the economic sector. With abundant resources, it is accessible for economic instruments in Indonesia to think creatively and execute breakthrough business concepts. The example of abundant natural resources, one of which, is in the maritime field, and the fact that 75% of Indonesia's total sovereign territory is water confirms that Indonesia's maritime potential is enormous (Indonesian Maritime Coordinator Ministry, 2019).

Geo-politically and geo-strategically, Indonesia is located between two continents, Asia and Australia, and two oceans, the Indies and the Pacific, which are the most dynamic regions in the world both economically and politically (Kadar, 2015). The strategic position places Indonesia to have superiority and high dependency on the marine sector, and it is logical if the maritime economy is used as a foundation for national economic development. Based on the Indonesian Maritime Coordinator Ministry (2019), the maritime industry is the most significant contributor to Indonesia's maritime sector revenue. It can be reflected in the abundance of Indonesia's precious and valuable marine resources when it is processed in industry, so that it can produce high-value goods.

As an archipelago with many different regions, Indonesia has many opportunities to build new businesses in each region. One of the businesses includes small and medium enterprises or SMEs. SMEs are supposed to be significantly powerful as contributors to economic development, especially in providing jobs and employment opportunities and generating income for various households (Kongolo, 2010). Also, one of the important role holders in the Indonesian economy today is small and medium enterprises (SMEs).

According to data from Indonesian Ministry of Cooperatives and Small and Medium Enterprise in 2017, as many as 62.9 million business units have been operating in Indonesia. It is predicted that the number of SMEs will continue to grow each year. SMEs have an essential and strategic role in national economic development. In addition to having a role in economic growth and employment, SMEs also have a role in distributing development results. So far, SMEs have contributed to the Gross Domestic Product (GDP) as much as 57.48% and also the proportion of MSMEs that amounted to 99.99% of the number of business actors shows the existence of SMEs in supporting the Indonesian economy (Ministry of Trade Indonesia, 2013). Based on Law no. 9 year 1995, the criteria for SMEs according to are as follows:

1. Has a maximum net worth of Rp. 200,000,000.- (two hundred million rupiah) excluding land and buildings for business premises
2. Has annual sales results of at most Rp. 1,000,000,000 (one billion rupiah)
3. Owned by Indonesian Citizens
4. Independent, which is not a subsidiary or branch of a company that is not owned, controlled, or affiliated directly or indirectly with a Medium or Large Business
5. In the form of individual business, either an illegal or legal business entity, including cooperatives.

The more SMEs the run, the more challenging the competition between businesses in the market. In line with existing demand in the society, the creativity and innovation of business contributors must develop continuously. SMEs tend to use entrepreneurial principles to focus on utilizing opportunities and embracing innovative approaches to attract customers and improve profitability. Concerning the type of organization or company, entrepreneurial orientation can act as an incentive in moving them towards success (Gupta & Shaw, 2014). Besides, entrepreneurship oriented SMEs tend to behave in innovation, have courage to take risks, and proactive (Slevin & P., 1989).

Thus, it can be said that entrepreneurially oriented SMEs are SMEs which are willing to propose new styles and new things through a process of experimentation and creativity that aimed at developing new products and services or new processes, proactive and visionary that has the foresight to look for opportunities in anticipating future requests, and dare to decide and act without definite knowledge of possible income and possibly speculate on personal, financial, and business risks (Dess & Lumpkin, 2005).

Business competition forces all entrepreneurs to have a competitive advantage and strategy to survive and maintain their businesses.
Particularly, supporting factors in entrepreneurial orientation does not guarantee that an SME will continue to run under the desire of the entrepreneur. In managing a business, they need the knowledge to develop their businesses better and maintain it. Both the leader and company employees must have extensive and diverse knowledge because the amount of information that comes either tacit or explicit knowledge, all elements of the company can process information correctly and adequately.

Globally, there is an increasing recognition and acceptance that knowledge management (KM) is essential for SMEs (Pillania, 2008). The knowledge management process is carried out for SMEs and involve three fundamental procedures. First, knowledge creation helps to increase the operational procedure and flow, enables new opportunities to be recognized, and encourages innovation for organizational growth. Second, knowledge sharing encourages to share knowledge inside the workplace and improve workers ability to generate new ideas. And the third, knowledge reuse promotes the use of established practices from past experiences, projects, and transactions, to decrease duplication efforts and eliminate similar errors (Wee & Chua, 2013).

Pradana (2011) stated that the organizational learning would affect the effectiveness of organizational performance. In other words, to have effective performance, organizations need parties who can bring innovation, proactivity, able to take risks, and knowledge management capabilities. Those who can perform excellent products into the knowledge management process and entrepreneurial orientation have more significant possibilities to attract customers.

Knowledge management will be more skilled at developing applied research, which will reduce technological disparities with maritime activities in the world and Indonesia (Praharsi, 2016). Moreover, according to Sanger et al., (2019), a person who engages in the field of maritime has an innovative, proactive, and risk-taking in maritime entrepreneurial activities. Many creative people are using the opportunity to create a new business based on these resources. Based on the above phenomenon, the researcher is interested in studying “The Effect of Knowledge Management and Entrepreneurial Orientation towards Organizational Performance in Small and Medium Enterprises (Study in the Maritime Business in Jakarta and Bandung).”

LITERATURE REVIEW

Strategy Management

Strategic Management is a set of managerial decisions and actions that defines the long-run performance of an organization. It includes environmental scanning (both external and internal), strategy formulation (strategic or long-range planning), strategy implementation, and evaluation and control (Wheelen, 2012). The purpose of strategic management study is to highlight the monitoring and evaluation of external opportunities and threats in the enlightenment of a corporation’s strengths and weaknesses.

Strategic management is an ongoing process that deals with identifying strategic goals, vision, mission, and organizational goals along with analyzing the current condition, developing an appropriate strategy, implementing strategy, and evaluating, modifying, or changing strategies when needed (Hijji, 2014). Strategic management can also be interpreted as the art and science of the formulation, application, and evaluation of various decisions that enable a company or organization to achieve its goals (David, 2017).

Knowledge Management

Knowledge management is the process of applying a systematic approach to capture, structure, manage, and disseminate knowledge throughout the organization so that it can be used to work faster, reuse 'best practice', and can reduce expensive costs from projects to projects that have already been done (Nonaka & Takeuchi, 1995). A similarly comprehensive outline by Davenport & Prusak (2000) who stated that knowledge management is maintaining the corporations knowledge through an orderly and organizationally specific process for acquiring, organizing, sustaining, applying, sharing and renewing both the tacit and explicit knowledge of workers to improve organizational performance and create value. Wee and Chua (2013) studied the characteristics of the following three knowledge management processes that are unique to small and medium-sized organizations which includes knowledge creation, knowledge sharing, and knowledge reuse.

Entrepreneurial Orientation

Drucker (1985) defined entrepreneurship as enthusiasm, ability, attitudes, and behavior of individuals when handling a business or an activity that leads to efforts to create, seek, apply work methods and technology, and the application of new products by increasing efficiency to provide
optimal service and to gain a far more significant advantage. Entrepreneurship is the process of creating different value by sacrificing the time and effort needed to assume financial, psychological, and social risks, and to receive results in the form of monetary rewards and personal satisfaction as a result of these activities (Winardi, 2003).

Entrepreneurship is involved in innovating market products, do a bit of risky business, and comes with proactivity, innovation, and provides a blow to overcome competitors (Miller, 1983). In his explanation, Miller stated that entrepreneurial orientation is determined based on three dimensions of entrepreneurship, namely innovation, proactive, and risk-taking.

From the above understanding, entrepreneurial orientation is an act of tendency based on entrepreneurship in obtaining or realizing the goals interpreted in this discussion in terms of organizational performance. So, the entrepreneurial orientation is a person who has an innovative, proactive attitude and dares to take risks to improve organizational performance.

Organizational Performance

In the study of performance in business, the definition of performance as stated by Folan (2007) highlights three priorities or purposes of governance of performance. Each entity should analyze performance within the boundaries of the environment in which they decide to proceed. Performance is always linked to one or various objectives set by the entity whose performance is analyzed. Performance is diminished to relevant and recognizable features. Performance should analyze the quantifying of the efficiency and effectiveness of actions (Neely, 2002). According to the interpretation of Neely and other authors, performance is closely related to efficiency and effectiveness.

In general, the concept of organizational performance is based upon the view that an organization is the voluntary participation of productive assets, including human, physical, and capital resources, to reach a shared purpose (Barney, 2002). Organizational performance is the capacity of the organization to accomplish its target by proficiently using its sources (Hanif, Malik, & Hamid, 2018). Tangkilisan (2005) affirmed that organizational performance is a picture of the level achievement of the implementation of tasks within an organization to realize the goals, objectives, mission, and vision of the organization.

According to Kaplan and Norton (1996), the performance of a company or organization can be measured using the balanced scorecard method. The balanced scorecard method is a management system, measurement, and control in a fast, precise, and comprehensive manner that can provide managers with an understanding of business performance. The performance measurement views business units from four perspectives, namely finance, customers, business processes, and companies, as well as learning and growth processes.

Hypothesis

H1: Knowledge Management has a positive influence on Organizational Performance of SME’s in the Maritime Organization.

H2: Entrepreneurial Orientation has a positive influence on Organizational Performance of SME’s in the Maritime Organization.

![Figure 1 Hypothesis model](image)

RESEARCH METHOD

The research method that used was explanatory research with descriptive quantitative approach. The sampling in this research used probability sampling. The sample in this research was Maritime Business in Jakarta and Bandung. The samples taken in this research were 51 respondents. The data collection method used in this research is a survey method, which is the primary data collection method obtained directly from the source.

RESEARCH RESULTS AND DISCUSSION

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Standard Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>25.656</td>
<td>6.113</td>
</tr>
<tr>
<td>Knowledge Management (X1)</td>
<td>0.212</td>
<td>0.136</td>
</tr>
<tr>
<td>Entrepreneurial Orientation (X2)</td>
<td>0.339</td>
<td>0.163</td>
</tr>
</tbody>
</table>

Source: Processed Data (2019)
From the data seen in Table 1, it can be seen that the value of multiple linear regression constant is 25.656, with regression coefficient values of Knowledge Management variable is 0.212, and the regression coefficient value of Entrepreneurial Orientation variable is 0.339. Therefore, the multiple linear regression equation can be formed as follows:

\[ Y = 25.656 + 0.212X_1 + 0.339X_2 + \varepsilon \]

\[ Y = \text{Organizational Performance}; \]
\[ X_1 = \text{Knowledge Management}; \]
\[ X_2 = \text{Entrepreneurial Orientation} \]

Table 2. F-test

<table>
<thead>
<tr>
<th>F count</th>
<th>F significant</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.233</td>
<td>0.001</td>
</tr>
</tbody>
</table>

Source: Processed Data (2019)

Based on the data above, the F-count 8.233 and significant 0.001. F-table at the level of \( \alpha \) = 0.05, df \( 1 = (\text{number of variables independent} = 2) \) and df \( 2 = (n-k-1 = 51-2-1 = 48) \), then the value of F-table is 2.798. It means F-count > F-table (8.233 > 2.798) and sig < 0.05 (0.001 < 0.05), then hypothesis can be accepted. In this case, it can be said that Knowledge Management and Entrepreneurial Orientation jointly have a significant effect on Organizational Performance so that the two independent variables can be used to estimate or predict Organizational Performance to use a whole.

Table 3. t-Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>T count</th>
<th>Significant</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge Management (X1)</td>
<td>3.410</td>
<td>0.212</td>
<td>Not Significant</td>
</tr>
<tr>
<td>Entrepreneurial Orientation (X2)</td>
<td>3.833</td>
<td>0.048</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Processed Data (2019)

Table 4. R Square Test

<table>
<thead>
<tr>
<th>R</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.505</td>
<td>0.255</td>
</tr>
</tbody>
</table>

Source: Processed Data (2019)

From the table summary model, it can be seen that the value of \( R \) is 0.505, while \( R^2 \) is 0.255. The test of the coefficient of determination is obtained from the calculations of multiple linear regression, and then the value is 0.255 or 25.50%. The significance of the value has the implication that Knowledge Management and Entrepreneurial Orientation to Organizational Performance is 25.50%, and the remaining 74.50% influenced by other variables outside the model included in this research.

**The Influence of Knowledge Management (X1) on Organizational Performance (Y)**

The first hypothesis states that Knowledge Management positively influences Organizational Performance. The relationship between KM (X1) and OP (Y) shows that t-count is 1.264 with the level of probability (significant) is 0.212, when compared to t-table at \( \alpha = 0.05 \), means t-count > t-table and sig < 0.05 (1.264 > 2.0096 and 0.212 < 0.05). It means that the Knowledge Management variable has a direct (positive) and significant influence on the Organizational Performance variable. Thus, the first hypothesis statement is "rejected".

This finding is different from research conducted by Abu Bakar et al. (2015) which stated that knowledge management has a positive effect on performance. This research also gives different results from research Hanif et al. (2019) who revealed that knowledge management has a positive impact on organizational performance in bank companies in Malaysia. It shows that maritime business SMEs are not aware of the use of knowledge management in companies.

By using different research objects, this research produces findings that are different from previous studies. Previous studies were carried out in large companies and advanced management, while this research was carried out in the SMEs which are small companies that is pioneering and it turned out to give different results. Different object characteristics can give different research results.

Based on the respondent's characteristics obtained through questionnaire data distributed to four maritime SMEs explaining that several factors based on age, length of work, and recent education influence the relationship between knowledge management and organizational performance. From the results of the respondents the characteristics of employees who work in the company last education the employees are senior high school with an average age under 30 years and a length of work of less than 2 years. These results reflect that employees in business maritime SMEs still lack insights about knowledge management, which is why the components within the company
have not been able to apply knowledge management properly.

In the four maritime SMEs, knowledge management through creation, sharing, and reuse of knowledge have not been done thoroughly, the results of which have not yet achieved the organization's performance as expected. It shows that all employees are still aware of the presence of knowledge in the work process, but SME companies are still unable to use their knowledge to achieve organizational performance. For this reason, the organization must list all possible methods for meeting the organization's specific requirements and situations. Companies must invite experts or management consultants to help the process of creating knowledge within the organization be created properly. The process will help SMEs to use knowledge specifically in accordance with existing norms of knowledge management.

The Influence of Entrepreneurial Orientation (X2) on Organizational Performance (Y)

The second hypothesis states that Entrepreneurial Orientation positively influences Organizational Performance. The relationship between EO (X2) and OP (Y) shows t-count 2.0250 with the level of probability (significant) is 0.048, when compared to t-table at \( \alpha = 0.05 \), means t-count > t-table and sig < 0.05 (2.0250 > 2.0096 and 0.048 < 0.05). It means that the Entrepreneurial Orientation variable has a direct (positive) and significant influence on the Organizational Performance variable. Thus, the first hypothesis statement is "accepted".

The last hypothesis, which states that Entrepreneurial Orientation (EO) positively influences Organizational Performance (OP) can be proven. This research is in line with previous research by Mohammad et al. (2019) which stated that entrepreneurial orientation helps the company to have skills in long-term planning, be able to face difficulties, work under pressure, and socialize with anyone towards improving firm performance. These results indicate that to improve organizational performance, entrepreneurial orientation is one crucial factor. All employees in the company have a particular adjustment to enhance organizational performance. As time goes by, the higher the competition between companies, employees are always required to express the latest ideas and out of the box, also being active in the organization, so they dare to take risks in the work they do. Therefore, the entrepreneurial attitude of employees in doing work is essential to improve organizational performance.

The success of entrepreneurial orientation can lead to increased organizational performance. The successful implementation of Entrepreneurial Orientation can help all perspectives that drive company performance, both financial perspective until learning and development perspective.

Research Implications

Although the results of this research have provided several significant findings, the researcher is fully aware that this research still has limitations that are beyond the reach of the researchers and need to be further studied. Some of the imperfections in this research are as follows:

1. The results of R Square from this study are small, so there are still many other variables that affect organizational performance in maritime SME companies.
2. SME companies do not use knowledge management on a daily basis because there are no knowledge management norms implemented and acknowledged by the company.
3. The measure used to measure Organizational Performance (OP) is only seen from the internal point of view of the company without involving the point of view of the company's external parties.

CONCLUSION & SUGGESTIONS

Conclusions

1. Knowledge Management activities in small-medium enterprises in the maritime sector do not have positive influence on Organizational Performance. All employees who work in the companies still use entrepreneurial orientation as a daily guide for workers. In the context, SMEs are pioneering business units, so it is hoped that through an entrepreneurial orientation process will be carried out properly and continuously, a knowledge management process will be created within the company.
2. Entrepreneurial Orientation activities in small-medium enterprises in the maritime sector have a positive influence on Organizational Performance. All employees can make the efforts to improve organizational performance in small-medium enterprises in the maritime industry by using an entrepreneurial orientation in working well. Employee
entrepreneurial orientation can help the company to survive and develop in the future.

3. Organizational performance in small-medium enterprises in the maritime sector has good results. Organizational performance will continue to improve if the company continues to pay attention to supporting factors. Based on the results of the influence of supporting variables, Entrepreneurial Orientation is the factor that most supports organizational performance because it has a positive relationship and can improve organizational performance in small-medium enterprises in maritime business.

Suggestions
1. For SME’s Organization
   a. For all SMEs in the maritime sector to bring in management experts and consultants to create and share knowledge within the company. In general, all employees know about knowledge management in their company. Still, it would be better if experts in their fields provide knowledge theoretically or practically so that the resulting outcomes are more satisfying.
   b. For all SMEs in the maritime sector to bring in speakers in the company regularly. It will improve employee entrepreneurship attitudes, so employees will always be innovative in carrying out work to continue developing company products.
   c. Entrepreneurial orientation in the company can be used as a rule for all employees who work. So, the employee will remain a person who is steadfast in his innovative attitude, being active, and responsible for all his work.
   d. The use and development of technology in companies must continue to be improved. It is for sake to carry out activities of knowledge management and entrepreneurial orientation that require technology, so that the development of information and technology of a company can be put to be a good use in the future.
   e. Evaluation of knowledge management and entrepreneurial orientation activities is needed routinely so that organizational performance can be known every period

2. For the Further Research
   a. Researchers can use indicators in variables as a measurement for dependent variables so that researchers can obtain more in-depth results.
   b. In the dependent variable Organizational Performance, which is a measure of company success is emphasized not only for the internal parties of the company, but also the external parties of the company, especially consumers.

REFERENCES


