

Considering the Organizational Effectiveness of Maritime Sector SMEs in Indonesia from the Perspective of Knowledge Management, Entrepreneurship Orientation, and Organizational Learning

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ARTICLE INFORMATION

Publication information

Research article

HOW TO CITE

Safitri, R., Pradana, B. I. (2022). Considering the Organizational Effectiveness of Maritime Sector SMEs in Indonesia from the Perspective of Knowledge Management, Entrepreneurship Orientation, and Organizational Learning. *Journal of International Conference Proceedings*, 5(23), 221-235

DOI:

<https://doi.org/10.32535/ijcp.v5i1.1460>

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Received: 31 March 2022
Accepted: 23 April 2022
Published: 12 May 2022

ABSTRACT

This research is motivated by the fierce business competition in the maritime sector in Indonesia. In order to compete and grow, SMEs in the maritime sector need to manage knowledge management from the very beginning to learn their environment. Supported by an entrepreneurial orientation and organizational learning, SMEs that have good knowledge management are expected to become effective organizations in achieving their goals. This research belongs to the type of explanatory research using saturated samples in maritime business SMEs. The population comes from four different SMEs in Jakarta and Bandung from 4 SMEs engaged in the maritime sector. The data was processed using the Partial Least Square method due to the limited sample using STATCAL software. The results of this study are: There is a direct influence of Knowledge Management on Entrepreneurial Orientation. Knowledge Management effect on Organizational Learning. However, Knowledge Management does not have impact to the Organizational Effectiveness. And the last, Knowledge Management has an effect on Organizational Effectiveness through Entrepreneurial Orientation and Organizational.

Keywords: Maritime Sector SMEs, Organizational Effectiveness, Knowledge Management, Entrepreneurship Orientation, Organizational Learning.

INTRODUCTION

Economics and entrepreneurship are the most important areas of national development in all countries, including Indonesia. Intense competition in economics and entrepreneurship around the world is real, in both large and small companies. With abundant resources, it can be accessed by economic instruments in Indonesia to think creatively and carry out breakthrough business concepts. One of the abundant natural resources is in the maritime sector, and the fact that 75% of Indonesia's total sovereign territory is water confirms that Indonesia's maritime potential is huge (Coordinating Ministry of Maritime Affairs of Indonesia, 2019).

Geo-politically and geo-strategically, Indonesia is located between two continents, Asia and Australia, and two oceans, the Indian 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 advantages and high dependence on the marine sector, and it is logical that the maritime economy is used as the foundation for national economic development. According to the Coordinating Ministry of Maritime Affairs of Indonesia (2019), the maritime industry is the most significant contributor to Indonesia's maritime sector revenue. This can be reflected in the abundance of Indonesian marine resources that are valuable and valuable when processed in the industry, so that they can produce high-value goods.

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

According to data from the Indonesian Ministry of Cooperatives and Small and Medium Enterprises in 2017, 62.9 million business units have been operating in Indonesia. It is estimated that the number of SMEs will continue to grow every year. SMEs should be significant contributors to economic development, especially in providing employment and employment opportunities and generating income for various households (Kongolo, 2010). So far, SMEs have contributed to the Gross Domestic Product (GDP) as much as 57.48% and also the proportion of MSMEs which is 99.99% of the number of business actors shows the existence of MSMEs in supporting the Indonesian economy (Ministry of Trade of Indonesia, 2013).

Indonesia's potential in the maritime world is very large, so that currently 1,355 SMEs from various regions have joined the Indonesian Marine Market program which is part of the Proudly Made in Indonesia National Movement, of which 1,355 SMEs consist of 495 Excellent SMEs, 200 Good SMEs and 655 assisted SMEs with a total of 2,299 types of products (medcom.id). Nilanto Perbowo as Director General of Strengthening the Competitiveness of Marine and Fishery Products (PDSPKP), said that the Proudly Made in Indonesia National Movement (GNBBI) is a momentum for maritime sector SMEs to rise again and appear at the national level (kkp.go.id). DR. Sandiaga S. Uno, MBA, also revealed that the maritime, marine and logistics sector must be a concern because Indonesia is an archipelagic country (17000 ++ islands) which 2/3 of the territory consists of the sea. Therefore, in this case, contributions in the form of thoughts, ideas, breakthroughs, enlightenment, and education in the maritime sector are needed. In

addition, it is also necessary to be able to embrace stakeholders in the sector to collaborate and synergize to develop and to obtain an effective management system (VIVA.co.id).

Organizational effectiveness is a key concept in organizational management. There are four models identified as the most popular approaches in the existing literature. First, the goal model that views organizational effectiveness as the extent to which the organization achieves its targets with outputs that are considered the most important factor. Second, the system resource model views organizational effectiveness as a tendency to acquire scarce and valuable resources, the key element of which is the efficient exploitation of input resources. Third, a process model that examines the efficiency of internal procedures and processes to determine effectiveness with a focus on transforming inputs into outputs.

Final, the formation of an effective organization can be driven by several factors, it is stated that knowledge management is one of the factors that can indirectly shape organizational effectiveness (Rahman et al, 2013) through organizational agility (Mehdibeigia et al, 2016). Therefore, it is known that knowledge management has an indirect effect on organizational effectiveness through organizational agility and skills training. Knowledge management is a step to optimize organizational knowledge to achieve increased performance, increased value, competitive advantage, and return on investment, through the use of various tools, processes, methods, and techniques (Kamara et al, 2002 in Farooq, 2018).

If viewed from the perspective of knowledge management, there are two factors that are closely related to it, first, entrepreneurial orientation which is a strategic orientation of the company that describes the style, method, and practice of entrepreneurial decision making (Lumpkin and Dess, 1996 in Alam et al, 2013) where it the aim is to generate profits for the organization (Hanif and Hamid, 2018). Then second, organizational learning which is a combination and process outcome in the form of knowledge and routines in organizational culture (Nugroho, 2018) which usually comes from individual experience, knowledge, norms, and culture (Garcia et al, 2013 in Mousa et al, 2021).

Research that has been done has stated that entrepreneurial orientation and knowledge management have a significant and positive effect on innovation (Rofiaty, 2019). Then it was also found that entrepreneurial orientation and learning mechanisms directly affect knowledge-based sweet abilities. Therefore, the higher the level of knowledge management, the higher the entrepreneurial orientation (Chien and Tsai, 2020).

Regarding organizational learning, Antunes and Pinheiroc (2020) research found that there is a relationship between knowledge management and organizational learning. This can be seen in crisis conditions where knowledge management provides the necessary infrastructure for calculated but fast decision making, while organizational learning is a prerequisite for the development of learning organizations (Buhagiar and Anand, 2021).

LITERATURE REVIEW

1. Knowledge Management

Knowledge management was first conceptualized in the 1990s by Drucker. Knowledge management is the optimization of knowledge organizations to achieve increased performance, increased value, competitive advantage, and return on investment, through the use of various tools, processes, methods, and techniques (Kamara et al, 2002 in Farooq, 2018). Nonaka and Ikujiro Takeuchi perfected knowledge management with the introduction of the SECI model, namely socialization, externalization, combination, and internationalization (Farooq, 2018). Knowledge management is used to identify and analyze the knowledge that is available and needed to achieve organizational goals (Chawla and Joshi, 2010). The knowledge management process consists of four dimensions, namely knowledge acquisition, knowledge conversion, knowledge application, and knowledge protection (Gold et al, 2001 in Rahman et al, 2013). Knowledge management consists of multi dimensions, namely learning orientation, knowledge sharing, organizational memory, and knowledge reuse (Wee and Chua, 2013; Farooq, 2018).

2. Entrepreneurial Orientation

Entrepreneurial orientation is a company's strategic orientation that describes the styles, methods, and practices of entrepreneurial decision-making (Lumpkin and Dess, 1996 in Alam et al, 2013). Entrepreneurial orientation is defined as a multidimensional construct that spreads beyond local boundaries and is proposed to generate profits for the organization (Hanif and Hamid, 2018). Entrepreneurial orientation refers to decision-making processes, practices, and activities (Montoya et al, 2017). There are three dimensions of entrepreneurial orientation, namely innovation, proactiveness, and risk taking (Hernandez and Perlina, 2017). Innovation is done by creating new ideas, creativity, and experimentation. Productivity is described by seeking profit, anticipating wants, and taking advantage of business opportunities. Risk taking is associated with bold actions that require significant resources without the certainty of obtaining a profit. In addition to dimensions, it is known that there are two organizational behaviors that describe entrepreneurial orientation, namely competitive aggressiveness and autonomy (Lumpkin and Dess, 1996 in Moustaghfir et al, 2020; Sellappan and Shanmugam, 2019). Competitive aggressiveness reflects the behavior of exerting all necessary efforts to enter a new market competitively, while autonomy expresses independent actions taken by individuals or groups to achieve the vision and implement it (Moustaghfir et al, 2020; Sellappan and Shanmugam, 2019). It is known that there are two organizational behaviors that describe entrepreneurial orientation, namely competitive aggressiveness and autonomy (Lumpkin and Dess, 1996 in Moustaghfir et al, 2020; Sellappan and Shanmugam, 2019). Competitive aggressiveness reflects the behavior of exerting all necessary efforts to enter a new market competitively, while autonomy expresses independent actions taken by individuals or groups to achieve the vision and implement it (Moustaghfir et al, 2020; Sellappan and Shanmugam, 2019). It is known that there are two organizational behaviors that describe entrepreneurial orientation, namely competitive aggressiveness and autonomy (Lumpkin and Dess, 1996 in Moustaghfir et al, 2020; Sellappan and Shanmugam, 2019). Competitive aggressiveness reflects the behavior of exerting all necessary efforts to enter a new market competitively, while autonomy expresses independent actions taken by individuals or groups to achieve the vision and implement it (Moustaghfir et al, 2020; Sellappan and Shanmugam, 2019).

3. Organizational Learning

Organizational learning was developed in the 1960s by Cyert and March (Castaneda et al, 2018). In the organizational context, learning is a combination and process outcome in the form of knowledge and routines in organizational culture (Nugroho, 2018). Organizational learning is knowledge creation and knowledge acquisition (Castaneda et al, 2018). Organizational learning can be divided into three parts, namely passive, active, and interactive (Lane and Lubatkin, 1998 in Mousa et al, 2021). Organizational learning has many concepts, but tends to include the creation and acquisition of knowledge as characteristic processes. There are five main characteristics and learning practices in an organization (Goh, 2003) namely clarity of vision and mission, leadership commitment and empowerment, experimentation and rewards, effective transfer of knowledge, and teamwork and group problem solving. The organizational learning framework consists of four sub-processes, namely intuition, interpretation, integration, institutional which takes place at three levels of individuals, groups, and organizations (Crossan et al, 1999 in Nugroho, 2018). However, group and organizational knowledge comes from individual experiences, knowledge, norms, and culture (Garcia et al, 2013 in Mousa et al, 2021). The following is the organizational learning framework (Nugroho, 2018). group and organizational knowledge come from individual experiences, knowledge, norms, and culture (Garcia et al, 2013 in Mousa et al, 2021). The following is the organizational learning framework (Nugroho, 2018). group and organizational knowledge come from individual experiences, knowledge, norms, and culture (Garcia et al, 2013 in Mousa et al, 2021).

4. Organizational Effectiveness

Organizational effectiveness is defined as the organization's ability to achieve goals through the effective use of resources and continuously adapting to the external environment (Douglas, et al, 2021). Organizational effectiveness reflects how successful the organization is in achieving the desired results (Etzioni, 1964 in William, 2019). Organizational effectiveness is based on the ability to survive, achieve goals, and remain fiscally feasible which is achieved through efficient and reliable processes, human resources, and their ability to adapt to the external environment (Yuki, 2008 in Douglas et al, 2021). Quinn and Rohrbaugh (1983) mapped organizational effectiveness into a spatial model. The spatial model consists of a set of interrelated values, namely human relations, open systems, rational goals, and internal processes. In addition, according to Sharma and Singh (2019) there are four models of organizational effectiveness, namely the goal model, the system resource model, the process model, and the ecological or participant satisfaction model. Measuring organizational effectiveness can be done by paying attention to four categories of actions, namely attitudes or behavior, financial, operational, and structural (Sharma and Singh, 2019). In addition, measurements that are often cited in the literature are profitability, productivity, and job satisfaction. 2019). In addition, measurements that are often cited in the literature are profitability, productivity, and job satisfaction. 2019). In addition, measurements that are often cited in the literature are profitability, productivity, and job satisfaction.

Relationship between variables

1. Knowledge management influence on entrepreneurial orientation

The results of research conducted by Rofiaty (2019) which states that entrepreneurial orientation and knowledge management have a significant and positive effect on

innovation. Knowledge management programs are usually related to organizational goals and are directed to achieve certain results such as pushing innovation to a higher level (Rofiaty, 2019). Where this innovation is one of the dimensions of entrepreneurial orientation (Hernandez and Perlins, 2017). In addition, research conducted by Chien and Tsai (2020) shows that the results of entrepreneurial orientation and learning mechanisms directly affect knowledge-based abilities. Therefore, the higher the level of knowledge management, the higher the entrepreneurial orientation.

2. There effect knowledge management on organizational learning

The results of research conducted by Antunes and Pinheiroc (2020) show that there is a relationship between knowledge management and organizational learning. Because organizational learning is seen as a dynamic process based on knowledge and translated through various levels of activity. On the other hand, knowledge management is seen as the management of the process of creating, storing, accessing, and distributing the intellectual resources of an organization. This is reinforced by the results of research conducted by Buhagiar and Anand (2021) that in a crisis condition knowledge management provides the necessary infrastructure for calculated but fast decision making, while organizational learning is a prerequisite for the development of learning organizations, which contribute to crisis management by serving as organizational memory. Therefore, it is known that the influence of knowledge management on organizational learning.

3. There is direct effect of knowledge management on organizational effectiveness

Knowledge management affect organizational effectiveness indirectly through other variables. This is evidenced by the results of research conducted by Rahman et al (2013) showing that knowledge management can have a positive effect on organizational effectiveness if skills training is carried out for employees. In addition, research conducted by Mehdibeigia et al (2016) shows that knowledge management has a positive effect on organizational effectiveness through organizational agility. Therefore, it is known that knowledge management has an indirect effect on organizational effectiveness through organizational agility and skills training.

4. Knowledge management affect organizational effectiveness through entrepreneurial orientation

Knowledge management programs are related to organizational goals and are directed to achieve certain results such as intelligence, improve performance, increase competitive advantage, or drive innovation to a higher level (Rofiaty, 2019). Innovation is closely related to entrepreneurial orientation. Where entrepreneurial orientation reflects companies to find new opportunities (Lumpkin and Dess, 1996 in Chien and Tsai, 2020). This shows that knowledge management and entrepreneurial orientation influence each other. Knowledge management refers to accessing customer knowledge and applying that knowledge to services and products to be a source of competitive advantage in sensing market opportunities (Liu and Lee, 2015; Mehdibeigia et al, 2016). So that, can adapt to the influence of the external environment, the ability to survive, and achieve organizational goals (Yuki, 2008 in Douglas et al, 2021). This is the definition and basis for achieving organizational effectiveness. In addition, the results of research conducted by Rahman et al (2013) show that training employees to acquire individual or managerial skills can increase organizational effectiveness. Therefore, it can be seen that there is an influence of management knowledge on organizational effectiveness

through entrepreneurial orientation. In addition, the results of research conducted by Rahman et al (2013) show that training employees to acquire individual or managerial skills can increase organizational effectiveness. Therefore, it can be seen that there is an influence of management knowledge on organizational effectiveness through entrepreneurial orientation. In addition, the results of research conducted by Rahman et al (2013) show that training employees to acquire individual or managerial skills can increase organizational effectiveness. Therefore, it can be seen that there is an influence of management knowledge on organizational effectiveness through entrepreneurial orientation.

5. Knowledge management affect organizational effectiveness through organizational learning

Knowledge management can be sourced internally or externally. Knowledge that comes from external one of which is the customer. Violation knowledge is seen as an important resource for managing and supporting new products, facilitating market opportunities, and enhancing long-term customer relationships (Mehdibeigia et al, 2016). This improvement can be done by organizational learning. Where organizational learning is seen as a dynamic process based on knowledge and is translated through various HRM activities as a learning process (Antunes and Pinheiroc, 2020). An effective organizational learning process can be done by gathering information and knowledge to describe the consequences that arise from behavior and actions (Nugroho, 2018). Finally, this will affect organizational effectiveness which involves perceptions from both customers and employees in determining how effective the organization is in pursuing its goals (Mehdibeigia and Yaghoubic, 2016). This is reinforced by research conducted by Tan and Olaore (2021) showing that there is a positive relationship between organizational learning and organizational effectiveness because learning can affect effectiveness and efficiency at every level in the organization.

RESEARCH METHOD

This research uses quantitative methods. Hypothesis testing in this study uses STATCAL which helps in determining the correlation between independent and dependent variables that can be used by mediating variables. The population in this study were all employees of maritime business organizations with a sample of 51 respondents in maritime businesses in Jakarta and Bandung. Samples were taken using probability sampling with a saturated sampling technique that made all members of the population sampled (Sekaran & Bougie, 2016, p.245). This research was tested by outer model and inner model. The outer model test was carried out by testing the validity and reliability, while the inner model test was carried out using the bootstrap resampling method.

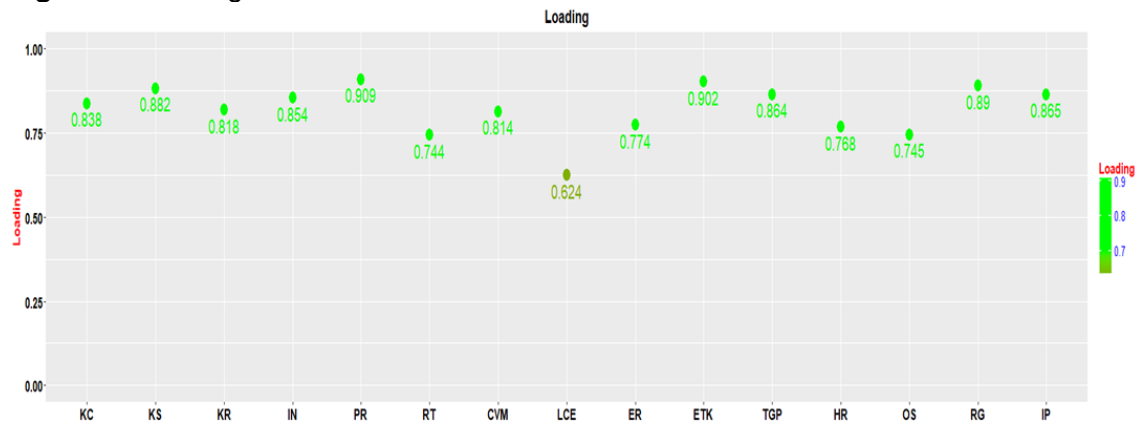
RESULTS

This research was conducted on four small and medium enterprises in Jakarta and Bandung consisting of 51 respondents with a response rate of 100%. The four companies are Indonesian Fresh Fish Company, Silly Fish Indonesia, and Ocean Fresh Indonesia Company. Respondents in this study consisted of 29 men and 22 women. Respondents are dominated by employees who have an age range of 30 years as many as 44 people. Based on the length of work, the majority of respondents have worked for 2 years as many as 32 people. In addition, for the latest education, there are 6 junior

high and equivalent students, 20 high school students, 4 diploma students, and 21 undergraduate (S1) students.

Test Outer Model

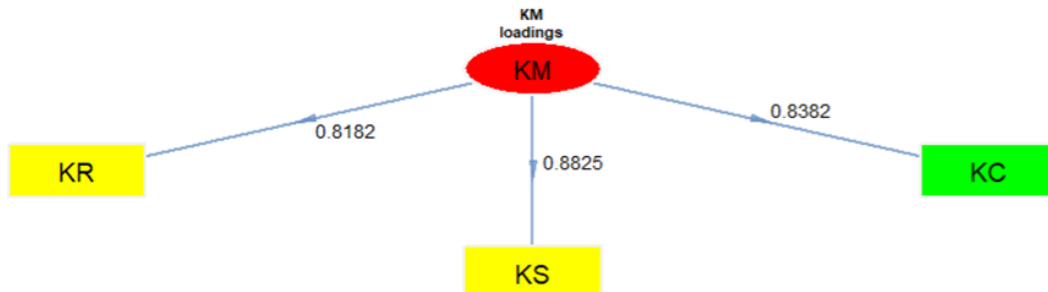
Figure 1. Loading Value for Each Indicator



Source: Processed Data, 2022

In the results of Confirmatory Factor Analysis (CFA) on Partial Least Square analysis, loading factor has an interpretation to assess validity. Most of the factor weights of 0.50 or more are considered to have strong enough validation to explain latent constructs (Hair et.al, 2010). In addition, according to Ferdinand (2015) the weakest factor loading that can be accepted is 0.40. Based on Figure 1, it is known that each indicator has the required standard.

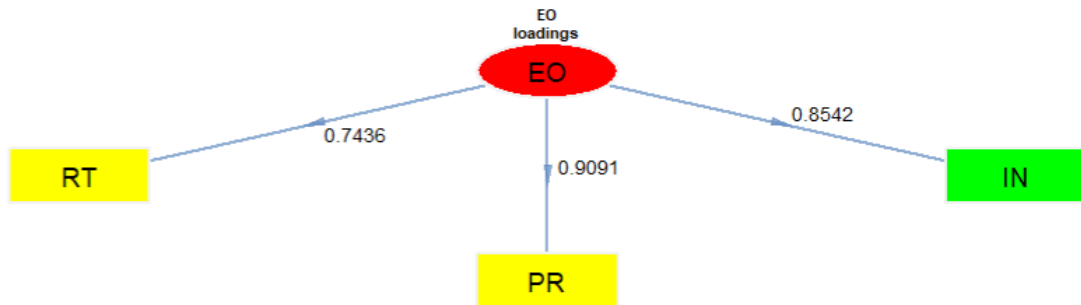
Figure 2. Loading Value for KM. Indicator



Source: Processed Data, 2022

Knowledge Management (KM) has 3 indicators, namely Knowledge Creation (KC), Knowledge Sharing (KS), and Knowledge Reuse (KR). It is known in Figure 2 that each indicator has a value of more than 0.5, so all indicators are declared valid. The highest loading value is Knowledge Sharing with a value of 0.8825. Meanwhile, the lowest loading value is Knowledge Reuse with a value of 0.8162.

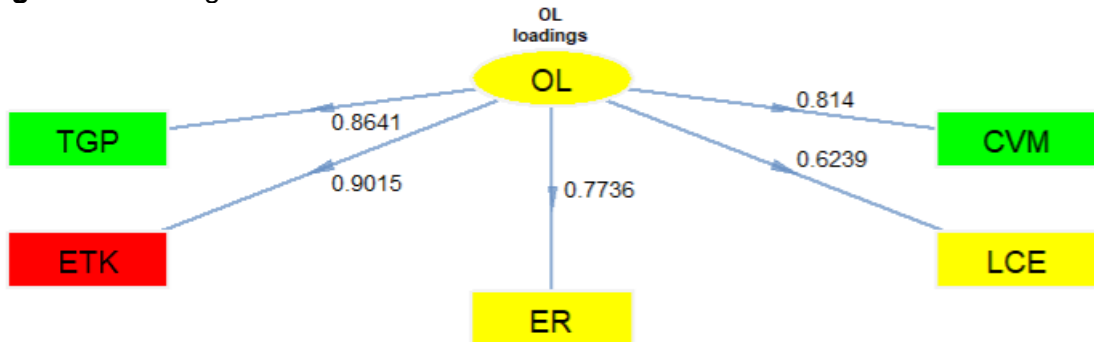
Figure 3. Loading Value for EO Indicator



Source: Processed Data, 2022

Entrepreneurial Orientation (EO) consists of 3 indicators, namely Innovativeness (IN), Proactiveness (PR), and Risk Tasking (RT). It is known that each indicator has a loading value of more than 0.5, so it is declared valid. The indicator that has the highest value of 0.9091 is Proactiveness. While the indicator with the lowest value of 0.7436 is Risk Tasking.

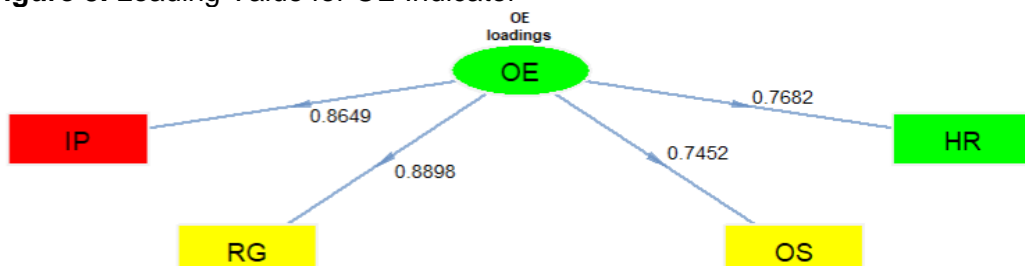
Figure 4. Loading Value for OL Indicator



Source: Data Processed, 2022

Organizational Learning consists of 5 indicators, namely Clarity Vision and Mission (CVM), Leadership Commitment and Empowerment (LCE), Experimentation and Rewards (ER), Effective Transfer of Knowledge (ETK), and Teamwork and Group Problem Solving (TGPS). Based on Figure 4, it is known that each has a value of more than 0.05, so it is declared valid. The indicator with the highest loading value is the Effective Transfer of Knowledge indicator with a loading value of 0.9015. While the lowest loading value is the Experimentation and Rewards indicator with a loading value of 0.7436.

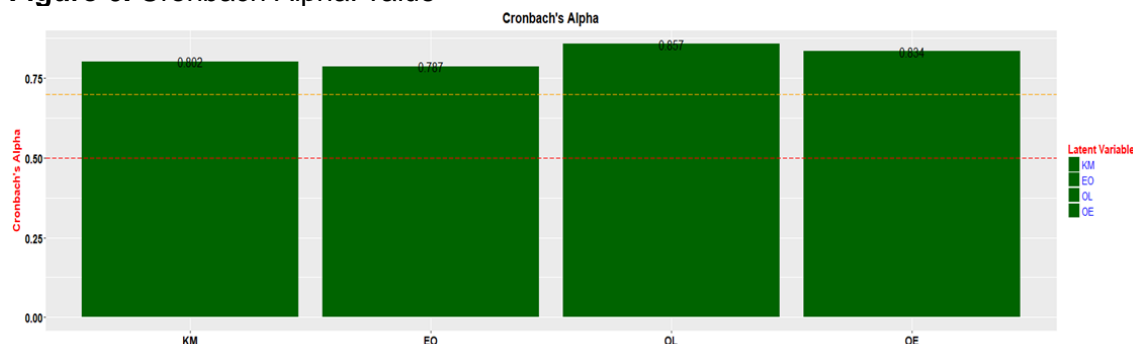
Figure 5. Loading Value for OE Indicator



Source: Processed Data, 2022

Organizational Learning consists of 4 indicators, namely Internal Process, Rational Goal, Open System, and Human Relations. Based on Figure 5 the loading value of each indicator is more than 0.5, so that each indicator is valid. The indicator with the highest loading value is the Rational Goal indicator with a loading value of 0.8896. While the lowest loading value is the Open System indicator with a loading value of 0.7452.

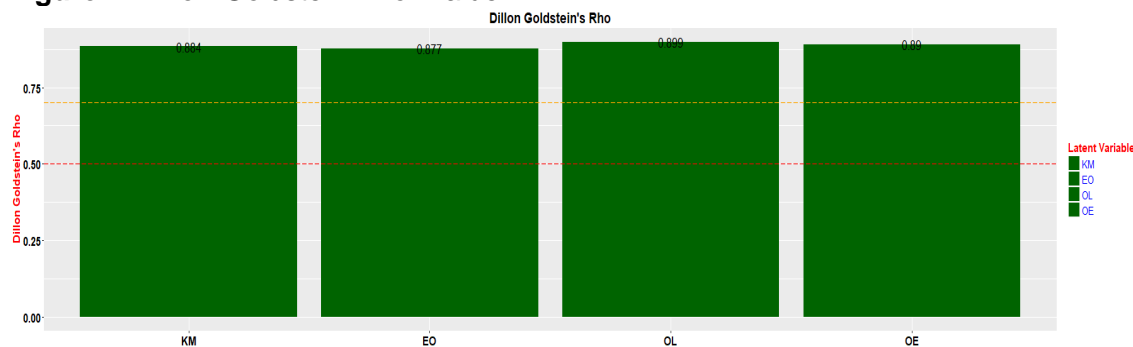
Figure 6. Cronbach Alpha. value



Source: Processed Data, 2022

Cronbach Alpha is a coefficient that is intended to evaluate how well the indicator block measures the appropriate latent construct. The results of Cronbach's alpha shown in the table for the KM variable is 0.8021 which indicates a high reliability value because Cronbach's alpha is above 0.7. For the EO variable, it is 0.781, indicating a high reliability value because Cronbach's alpha is above 0.7. Likewise for the OE variable with a value of 0.8342 which shows a high reliability value because Cronbach's alpha is above 0.7.

Figure 7. Dillon-Goldstein Rho. Value



Source: Processed Data, 2022

Dillon-Goldstein Rho was used to assess the unidimensionality of the reflective block focusing on the variance of the number of variables in the block of interest. A block is considered to be unidimensional when the Dillon-Goldstein rho is greater than 0.7. Based on Figure 7, it is known that the variable X (KM) is 0.8021 which indicates a high reliability value because the Dillon-Goldstein rho is above 0.7. For the variable M (EO) is 0.781 indicating a high reliability value because the Dillon-Goldstein rho is above 0.7. Likewise for the variable Y (OE) with a value of 0.8342 which shows a high reliability value because the Dillon-Goldstein rho is above 0.7.

Inner Model Test

After testing the outer model, the next step can be to test the inner model. It can be said to be significant if the values in the interval's paths. perc.025 and paths. perc.975 do not contain zero values (zero).

Table 1. Path Coefficient

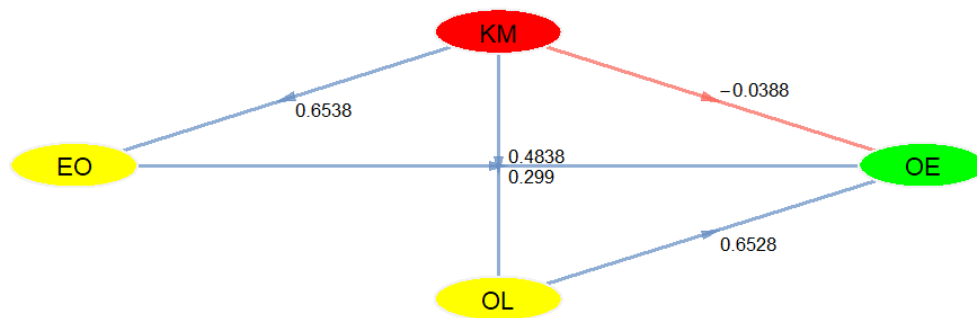
row.names	paths.Original	paths.Mean.Boot	paths.Std.Error	paths.perc.025	paths.perc.975
KM -> EO	0.6538	0.6578	0.0826	0.4884	0.8069
KM -> OL	0.4838	0.4982	0.1075	0.3127	0.7095
KM -> OE	-0.0388	-0.0239	0.1074	-0.2336	0.1672
EO -> OE	0.299	0.2793	0.139	0.0425	0.5639

Source: Processed Data, 2022

Based on table 1 it is known that:

1. The path coefficient value KM -> EO is 0.6538 which is positive. It is known in the interval paths. perc.025 with a value of 0.4884 and paths. perc.975 with a value of 0.8069, which does not contain the number 0. So, the effect of KM -> EO is significant.
2. The value of the path coefficient KM -> OE is -0.0388 (column paths.Original), which is positive. It is known in the interval paths. perc.025 with a value of -0.2336 and paths. perc.975 with a value of 0.1672, which contains the number 0. So, the effect of KM -> OE is not significant.
3. The path coefficient value KM -> OL is 0.4838 (column paths.Original), which is positive. It is known that in the interval paths. perc.025 with a value of 0.3127 and paths. perc.975 with a value of 0.7095, which does not contain the number 0. So, the effect of KM -> OL is significant.
4. The path coefficient value EO -> OE is 0.299 (column paths.Original), which is positive. It is known that in the interval paths. perc.025 with a value of 0.0425 and paths. perc.975 with a value of 0.5639, which does not contain the number 0. So, the effect of EO -> OE is significant.

Figure 8. Path Coefficient Value



Source: Processed Data, 2022

The path coefficient values from exogenous to endogenous variables can be seen in Figure 8. It is known that the direct influence of KM to OE is not significant, while the indirect effect of KM to OE is significant.

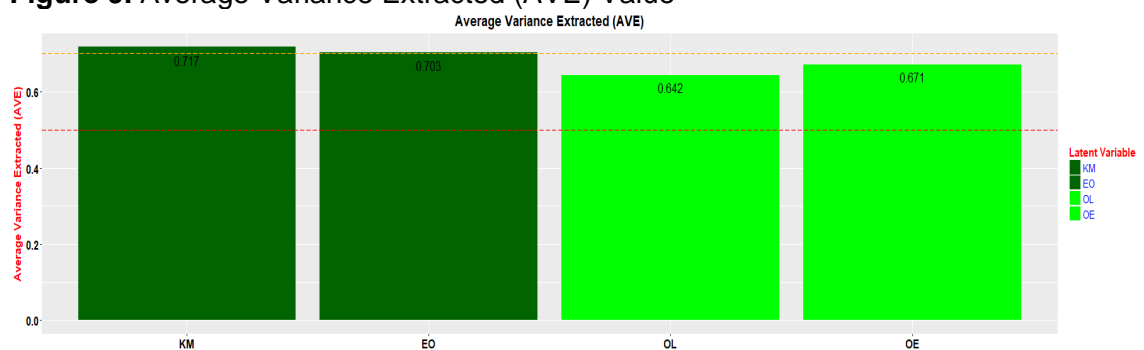
Table 2. Value of Direct and Indirect Influence

row.names	relationships	direct	indirect	total
1	KM -> EO	0.6538	0	0.6538
2	KM -> OL	0.4838	0	0.4838
3	KM -> OE	-0.0388	0.5113	0.4725
4	EO -> OL	0	0	0
5	EO -> OE	0.299	0	0.299
6	OL -> OE	0.6528	0	0.6528

Source: Processed Data, 2022

Based on table 2, it is known that the indirect effect has a much greater value than the direct effect.

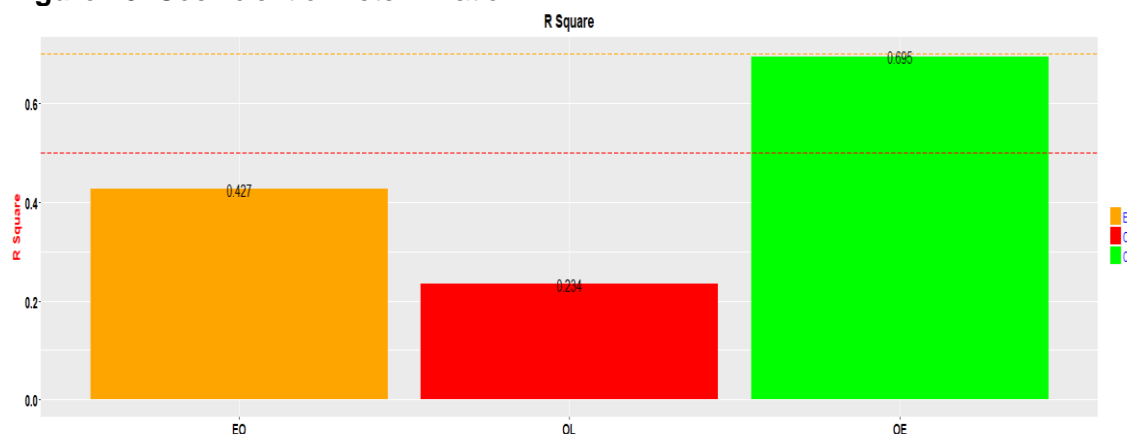
Figure 9. Average Variance Extracted (AVE) Value



Source: Processed Data, 2022

The AVE value is used to describe the variance or diversity of the manifest variables that the latent construct can have. An AVE value of at least 0.5 indicates a good measure of convergent validity. The greater the variance of the manifest variable that can be contained by the latent construct, the greater the representation of the manifest variable to its Latin construct. Based on the picture above, it is known that the AVE KM value is 0.717. The AVE EO value is 0.703. The AVE OL value is 0.703. Thus, all AVE values are above the cut-off value of 0.5 so that the convergent validity of all variables is met.

Figure 10. Coefficient of Determination



Source: Processed Data, 2022

The coefficient of determination is used to measure how large the independent or exogenous variable is in explaining the dependent variable. The determination value of EO is 0.427, then EO can be explained by KM as much as 42.71%. The coefficient of determination of OL is 0.234, then EO can be explained by KM as much as 23.4%. The value of determination of OE is 0.695, then OE can be explained by the variables KM, EO, OL as much as 69.5%.

The results in this study are that there is an influence of Knowledge Management on Entrepreneurial Orientation, there is an influence of Knowledge Management on Organizational Learning, there is no direct influence of Knowledge Management on Organizational Effectiveness, Knowledge Management has an effect on Organizational Effectiveness through Entrepreneurial Orientation, and Knowledge Management has an effect on Organizational Effectiveness through Organizational Learning. For further research, it can pay attention to the aspects of formalizing knowledge management, planting and maintaining an entrepreneurial spirit, and paying attention to the external and internal environment in order to increase effectiveness in achieving goals.

CONCLUSION

The results of this study will help entrepreneurs by highlighting organizational effectiveness from a knowledge management perspective. By focusing on these findings, managers can develop and improve organizational effectiveness. KM aims to build organizational competence, understand strategic knowledge, and create intellectual capital when knowledge is considered from a capability perspective. This study identifies elements that are important for building management knowledge in achieving organizational effectiveness for maritime SMEs in Indonesia. First, entrepreneurial orientation, knowledge management cannot achieve organizational effectiveness without the entrepreneurial orientation of business people. Knowledge management requires commitment from all components in the business to have an

entrepreneurial orientation. The second is organizational learning, the application of Knowledge Management in business can achieve organizational effectiveness only if there is a commitment from the organization to continue learning. Knowledge transfer will not occur in an organization unless employees and their work groups exhibit high cooperative behavior (Goh 2002). Organizational development does focus on enabling changes in organizational culture, attitudes, values, and beliefs, which emphasizes and supports healthy processes and interpersonal relationships in the workplace (Hodgins et al. 2014). If all dimensions in knowledge management can be managed properly through the organizational learning process, then organizational effectiveness can be achieved. This finding helps managers to understand the good relationship how Knowledge Management mechanism can increase organizational effectiveness through entrepreneurial orientation and organizational learning.

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