



**TECHNIUM**  
**SOCIAL SCIENCES JOURNAL**

**Vol. 37, 2022**

**A new decade  
for social changes**

[www.techniumscience.com](http://www.techniumscience.com)

ISSN 2668-7798



9 772668 779000

## **Investing the effect of learning organization, organizational culture, company reputation on organizational performance**

**Muh Rays, Titik Aryati, Yvonne Augustine**

Doctoral Program in Accounting Science, Trisakti University

[muh\\_rays@yahoo.co.id](mailto:muh_rays@yahoo.co.id)

**Abstract.** The purpose of this study was to examine the effect of organizational learning, understanding of organizational culture, company reputation on organizational performance and this study used the theory of resources-based view and contingency theory. The data used is primary data. Data were collected using the Google Form survey method to 523 medium and large-scale manufacturing industry companies in Indonesia. While the questionnaires analyzed were 471 medium and large scale manufacturing industrial companies in Indonesia. Test the data analysis software using SEM PLS. The results showed that the learning organization had no effect on organizational performance. Organizational culture, company reputation have a significant positive effect on organizational performance.

**Keywords.** learning organization, organizational culture, company reputation, and performance organization

### **Introduction**

Manufacturing company in Indonesia in the era of globalization should strive to produce high quality goods at low cost in order to improve competitiveness in both the domestic and global markets thus increasing profits. To achieve the objectives of the company, the company should be able to predict the state, formulate strategies for the right company that has a strategic competitiveness (strategic competitiveness). One grand Organization Performance that can be used is the growth Organization Performance (growth Organization Performance). Growth does not only prepare the ground in order to increase profits in the future, but will imply a new life into a company. The developments of manufacturing industries face barriers, such as the uncertainty of the environment. The uncertainty of the environment is high is defined as a sense of the individual's inability to predict accurately the environment (Odor, 2018)

This phenomenon can be observed in the development of manufacturing companies which can be seen from the results of statistical data in Indonesia that the manufacturing industry is the largest contributor of the nine economic sectors (Indonesian Ministry of Industry), this can be expected from the management. able to improve company performance. This study aims to contribute in the field of management accounting to examine the extent to which competitiveness in companies is related to the growth of organizational performance, and the relationship between organizational learning, understanding organizational culture,

company reputation on organizational performance. The novelty of this study is based on changes in indicators that have changed from previous studies for all variables in this study.

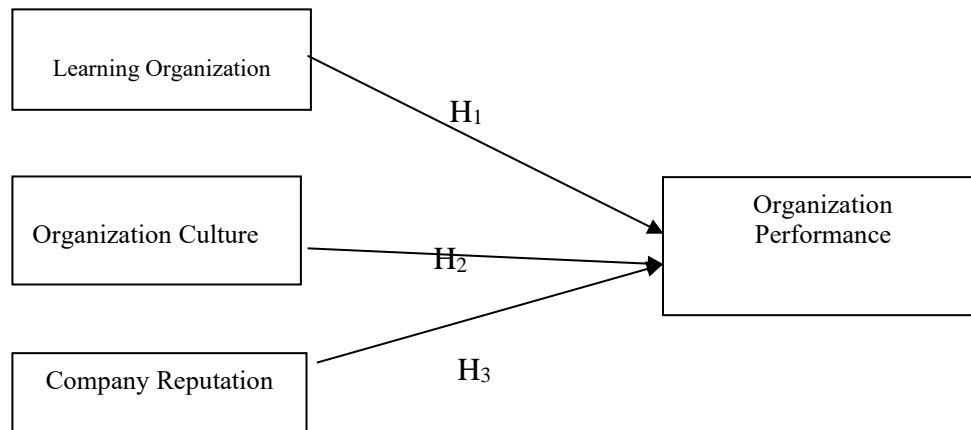
### **Literature**

The Organization Performance focuses on how companies compete and position themselves in relation to its competitors (Basteen Haamann, 2018). So that their responsive to competition and the uncertainty of the environment (Kaplan and Norton, 2016 ). Organization Performance can be placed on a continuous growth. Companies that follow the Organization Performance of "pure build" focus on achieving growth by increasing market share and competitive position at the expense of short-term performance (Walsh, *et.al.*, 2019). So that the performance measurement system can play a key role in the implementation of the Organization Performance by monitoring organizations to explain the Organization Performance into the desired behavior, and be able to communicate well, to monitor progress, provide feedback and motivate employees through performance-based awards (Ocai, 2018). Performance Organization Performance emphasizes the importance of the use of performance measures that are consistent with the priorities in the company's competitive Organization Performance (Damayanti and Augustine, 2019). There are previous studies (Sedevich, 2018) that Organization Performance is the interaction with the environment. It is also in charge that the Organization Performance is a response to the environment, so they can increase the performance of the company. Organization Performance Competitive companies must in accordance with the state of the environment (Suryani and Syahbudi, 2022). . Uncertainty is a threat to the environment because of the uncertainty of strategic management could hinder the organization's ability to develop long-term plans and to make strategic decisions to keep the company balanced with the external environment (Munro, 2018). According Ocai (2018), the growth Organization Performance is the competitive Organization Performance which seeks to develop the company in accordance with the size of the amount agreed upon to achieve the company's long-term objectives, such as managed to increase sales volumes, the size of the market share held and the profits obtained. Performance measurement system also provides information relevant to decision making. Relevant information derived from performance measurement tools that cover all aspects of financial and non-financial. The unification of the measuring instrument which includes the value chain of an organization is believed to help managers to understand cross-functional relationships that lead to problem solving and decision making better and right (Gordon Narayan, 2017). In this way the performance measurement system can guide the decision-making process and help evaluate decisions in the past (Magaji Abba, *et.al.*, 2018).

According to Sedevich (2018), performance is a description of the level of achievement of the implementation of an activity program or policy in realizing the goals, objectives, vision and mission of the organization as outlined through the strategic planning of an organization. According to Teracai (2018), Organizational Performance is an integrated, comprehensive and integrated plan, which links the advantages of the company's Organizational Performance with environmental challenges and is designed to ensure that the company's main goals can be achieved through proper implementation by the organization. Organizational learning, understanding organizational culture, company reputation and Organizational Performance. in a company that seeks to make resources to drive innovation and create value to improve performance. Performance-based strategies are considered when practitioners make strategic decisions to try to 'understand and implement strategies that increase efficiency and

effectiveness". The implications of using contingency theory and human resource-based view theory in this study are strengthened by carrying out the influence of all variables in this study.

### Conceptual Framework



**Figure 1.**  
**Conceptual Framework**

Information:

- LO = *Learning Organization*
- KO = *Organizational Culture*
- RP = *Reputation Company*
- KNO = *Performance Organization*

### Hypothesis development

#### **Influence Learning Organization To Performance Organization**

Theory contingency based on assumption that a system accountancy very depends on organization alone (Hammad, *et.al.* 2010). Based on theory contingencies, understanding of Learning Organization good will improve organizational performance . Previous research conducted by Darroch (2005) tested the influence variable *Learning Organization* and organizational culture (innovation) on organizational performance . in line with that, study (Soobaroyen and Poorundersing, 2008; theme, *et.al.*, 2009; as well as Hammad, *et.al.* , 2010) that is researching influence Learning Organization to performance organization so that could formulated hypothesis, as following:

H 1 : Influential *Learning Organization* positive on performance organization.

#### **Influence Culture Organization To Performance Organization**

Resource-based theory actually dates back to David Ricardo in 1817 who discussed resources that can provide more economic advantages to owners with availability of source power whose character is permanent or limited (Hammad, *et.al.*, 2010) and Antika and Dwiridotjahjono (2022).

Previous empirical research conducted by Etemadi, *et.al.* (2009) gave evidence that the relationship between budgetary participation and organizational performance . Whereas study this test influence culture organization to performance organization, so formulated the hypothesis, as follows:

H2 \_ : Culture organization takes effect positively to performance organization.

### **Influence Reputation Company Against Performance Organization**

Reputation companies hold important roles in increasing organizational performance. Organization, the good one will strive to have a company reputation so that the company can achieve its goals which have been set before and Keep growing flowers in time . Previous research conducted by Sairoh (2020) on company reputation associated with managerial performance produces a significant positive effect, while that, study this focus on reputation company which linked with organizational performance so that the hypothesis is proposed, as following:

H 3 : Reputation companies take effect positively to performance organizations.

### **Variables and Measurements**

This research instrument develops research variables, both independent variables (*learning organization, organizational culture, company reputation* and the dependent variable (*organizational performance*). The indicators used in this study are obtained from theories and implementations that have been applied and adapted from previous research (research). the latest years 2017, 2018 and 2019) with the reason that it is more *up to date* and can generalize the results of this study. This research instrument is planned to be developed. A series of questions in the questionnaire are presented with the data ity test to be taken in this study.

### **Learning Organization**

Learning Organization focuses on understanding organizational skills in creating, acquiring, and transferring knowledge, and modifying its behavior which is reflected in new knowledge and has an understanding of reference (Odor, 2018). The Learning Organization indicator was developed by Hult (2015) and has been retested by Pockchai and Choi (2015) and Odor (2018). The measurement indicators for the Learning Organization variable were adopted from Pokchai and Choi (2015), Kaplan and Norton (2016); Basteen and Haamann (2018); and Odor (2018) Damayanti and Augustine (2019) with 12 measurement indicators which are stated as follows:

1. Entity Learning is the key to improvement for the entity in achieving its goals
2. Leaving learning for the entity is a great danger that the entity cannot develop properly
3. Entity learning is an entity's greatest asset.
4. Entity Learning is the stimulus and noble value of the entity
5. Entity learning is learning and growth that the entity must continue to do.
6. Entity learning is an investment for the entity.
7. Entity learning is carried out so that entity goals are achieved effectively and efficiently
8. Entity learning is an entity strategy and must be supported by all lines of the entity
9. Learning entities should pay attention to the company's cash flows in the current period
10. Entity learning must be carried out on an ongoing basis by the Line or department of the entity.
11. *Learning Organization* is carried out as one of the entity's success strategies.
12. Entity goals are achieved by doing consistent *entity learning*

<b>Previous Research Indicator (Odor, 2018)</b>	<b>Indicator Development in This Research</b>
Q1: Entity Learning is the key to improvement for the entity in achieving its goals	

<b>Previous Research Indicator (Odor, 2018)</b>	<b>Indicator Development in This Research</b>
Q2: Leaving learning for the entity is a great danger that the entity cannot develop properly	
Q3: Entity learning is an entity's greatest asset	
Q4: Entity Learning is the stimulus and noble value of the entity.	
<b>Previous Research Indicator (Kaplan dan Norton,2016)</b>	
Q5: Entity learning is learning and growth that the entity must continue to do	
Q6: Entity learning is an investment for the entity	
<b>Previous Research Indicator (Basten dan Haamann,2018)</b>	
Q7: Entity learning is carried out so that entity goals are achieved effectively and efficiently	
Q8: Entity learning is an entity strategy and must be supported by all lines of the entity	
<b>Previous Research Indicator (Damayanti dan Augustine, 2019)</b>	
Q9: Learning entities should pay attention to the company's cash flows in the current period	
Q10: Entity learning must be carried out on an ongoing basis by the Line or department of the entity.	
	Q11: <i>Learning Organization</i> is carried out as one of the entity's success strategies.
	Q12: Entity goals are achieved by doing consistent <i>entity learning</i> .

### **Organizational Culture**

Culture organization refer (Larentis, 2018) with measurements of organizational culture variables adapted from Ocai (2018) with 19 measurement indicators which are stated as follows:

1. Entity Culture places the entity as a very personal place so that it is unique and different from other entities
2. Entities have wise entity leaders and reliable mentors
3. The entity views loyalty and tradition as the glue of togetherness
4. The entity prioritizes human resources that are full of commitment and develop
5. The entity views that one manifestation of the entity's culture is determined by the attitude of the entity's leaders towards the entity and its environment
6. The entity believes that the entity's culture is formed because of loyalty and a tradition of togetherness.
7. Entities have habits that eventually become the culture of the entity.
8. The entity has an entity leader who cares about the development of the entity's culture.
9. The entity has an attitude of togetherness that is carried out continuously in the entity
10. Entities grow and develop through entity culture
11. Entity leaders should have full awareness to advance their entity so that the entity's culture grows and develops
12. Entity culture has its own uniqueness that differs from one entity to another
13. The independence and responsibility of the entity's leadership will form a good entity culture in achieving the entity's goals.
14. Entity culture is a continuous part of the entity's life
15. The accumulation of entity vision and mission creates entity culture
16. Entity culture is the *brand image* of the entity
17. The image of the entity's culture is reflected in the entrepreneurial attitude of the entity's leader
18. A successful entity culture will be present in leaders who have innovation in their entity
19. Entity leaders in achieving entity goals must dare to take risks accompanied by logical considerations so as to create an effective and efficient entity culture.

<b>Previous Research Indicator (Ocai, 2018)</b>	<b>Indicator Development in This Research</b>
Q1: Entity Culture places the entity as a very personal place so that it is unique and different from other entities.	
Q2: Entities have wise entity leaders and reliable mentors	
Q3: The entity views loyalty and tradition as the glue of togetherness.	
Q4: The entity prioritizes human resources that are full of commitment and develop	
Q5: The entity views that one manifestation of the entity's culture is determined by the attitude of the entity's leaders towards the entity and its	

<b>Previous Research Indicator (Ocai, 2018)</b>	<b>Indicator Development in This Research</b>
environment.	
Q6: The entity believes that the entity's culture is formed because of loyalty and a tradition of togetherness.	
Q7: Entities have habits that eventually become the culture of the entity.	
Q8: The entity has an entity leader who cares about the development of the entity's culture.	
Q9: The entity has an attitude of togetherness that is carried out continuously in the entity	
Q10: Entities grow and develop through entity culture.	
Q11: Entity leaders should have full awareness to advance their entity so that the entity's culture grows and develops.	
Q12: Entity culture has its own uniqueness that differs from one entity to another	
Q13: The independence and responsibility of the entity's leadership will form a good entity culture in achieving the entity's goals.	
Q14: Entity culture is a continuous part of the entity's life.	
Q15: The accumulation of entity vision and mission creates entity culture	
Q16: Entity culture is the <i>brand image</i> of the entity	
	Q17: The image of the entity's culture is reflected in the entrepreneurial attitude of the entity's leader
	Q18: A successful entity culture will be present in leaders who

Previous Research Indicator (Ocai, 2018)	Indicator Development in This Research
	have innovation in their entity
	Q19: Entity leaders in achieving entity goals must dare to take risks accompanied by logical considerations so as to create an effective and efficient entity culture

### Company Reputation

Company reputation (Walsh, *et. al.* ; 2019) , with the measurement of the Corporate Reputation variable adapted from Walsh, et. (2019) using 9 measurement indicators as follows:

1. The entity considers that the customer is the main thing.
2. The entity provides employee rights well
3. Financially strong entity
4. Entities create quality products and services
5. Entity pays attention to social and environmental responsibility
6. The entity provides after-sales service to customers
7. The entity provides rewards for employees who excel
8. The entity's financial statements show good liquidity and financial performance
9. The entity is always sensitive and considerate to the production environment and the natural surroundings of the company

Previous Research Indicator (Walsh, <i>et.al.</i> 2019)	Indicator Development in This Research
Q1: The entity considers that the customer is the main thing	
Q2: The entity provides employee rights well	
Q3: Financially strong entity	
Q4: Entities create quality products and services.	
Q5: Entity pays attention to social and environmental responsibility.	
	Q6: The entity provides after-sales service to customers
	Q7: The entity provides rewards for employees who excel.
	Q8: The entity's financial statements show good liquidity and financial performance

<b>Previous Research Indicator (Walsh, et.al. 2019)</b>	<b>Indicator Development in This Research</b>
	Q9: The entity is always sensitive and considerate to the production environment and the natural surroundings of the company.

### **Organizational Performance**

Organizational performance refer (Roth and Jackson, 1995 and Widener, 2017). Organizational performance indicators were developed by Sedevich (2018). The measurement of the Organizational Performance variable was adopted from Sedevic (2018) with 9 measurement indicators as follows:

1. The entity determines the objectives, scheduling, and determination of the work unit program.
2. The entity conducts investigations and examinations of records and analysis of work in the work unit
3. Entity transfers information with subordinates to adjust procedures and policies
4. Entity assesses performance on work units and overall performance
5. The entity directs, leads and controls employees in business units and manages staff
6. Entities carry out sale and purchase transactions and enter into contracts for the procurement of goods and services and attend meetings.
7. Entities measure financial and non-financial performance to advance the company
8. The entity considers financial performance and non-financial performance as important in the overall performance of the company
9. The entity measures financial performance and non-financial performance at the same time and in the same period of time

<b>Previous Research Indicator (Sedevich, 2018)</b>	<b>Indicator Development in This Research</b>
Q1: The entity determines the objectives, scheduling, and determination of the work unit program.	
Q2: The entity conducts investigations and examinations of records and analysis of work in the work unit.	
Q3: Entity transfers information with subordinates to adjust procedures and policies.	
Q4: Entity assesses performance on work units and overall performance	
	Q5: The entity directs, leads and controls employees in business units and manages staff.

Previous Research Indicator (Sedevich, 2018)	Indicator Development in This Research
	Q6: Entities carry out sale and purchase transactions and enter into contracts for the procurement of goods and services and attend meetings.
	Q7: Entities measure financial and non-financial performance to advance the company.
	Q8: The entity considers financial performance and non-financial performance as important in the overall performance of the company.
	Q9: The entity measures financial performance and non-financial performance at the same time and in the same period of time.

### **Population and Sampling Design**

The populations in this study are all managers of manufacturing companies registered in Kemenperin Indonesia Province. Manufacturing company in Indonesia chosen because companies in these locations have experienced some progress in the field of industry.

According Hair, *et. al.* (2019) sample is part of the number and characteristics possessed by this population. When large populations, and researchers may not learn all that there is in the population, for example, because of limited funds, manpower and time, then the researcher can use the sample drawn from that population. What is learned from the sample, the conclusion will be applied to the population. For that samples taken from the population should be rigorously representative (representing).

Sample criteria proposed in this study are as follows:

1. Middle manager at a manufacturing company in Indonesia Province registered Kemenperin Indonesia Province.
2. Middle Manager who has responsibility for planning, monitoring and decision makers.
3. Middle Manager lowest educated Bachelor

### **Research Procedure**

In this study, the data used is Primary data. The primary data used in this study was obtained directly from surveys conducted; the survey was conducted by dividing the questionnaire on middle managers in the manufacturing industry in the province of Indonesia.

In this study attempted to obtain data and information reasonably sufficient in accordance with the existing problems.

### **Descriptive statistics**

Descriptive statistical analysis used in this study is intended to provide an overview of the demographics of the respondents which include gender, education last, position and tenure disclosed to clarify the description of the respondents.

### **Quality Test Data**

Test the quality of the data in this research include tests of reliability and validity test. Test the validity aims to look at the accuracy of the measuring instrument in research. This test is to determine the accuracy of an instrument of research in order to provide accurate information about the measure.

Validity test is done by comparing the square root of average variance extracted (AVE) of each construct with the correlation between the constructs with other constructs in the model. If the value of the square root of the AVE of each construct is greater than the value of the correlation between the constructs more in the model then each indicator statement is valid Ghazali (2019). The results of reliability testing are shown in an index that describes how far a measuring instrument can be trusted. Reliability test is intended to measure the internal consistency of a questionnaire which is an indicator of variables or constructs. Measuring reliability tests conducted by test Ghazali (2019) Composite reliability  $\geq 0.70$  (2019) or p value  $> 0.05$ .

### **Hypothesis Testing Tools**

Structural Equation Modelling (SEM) through Partial Least Square (PLS)

Statistical methods Partial Least Squares (PLS) is used because of its advantage to take all the interdependence relationships into account simultaneously within a single model estimation procedure (hair, 2019)

In the analysis using PLS there are 2 things to do are:

1. Assessing Outer Model or the Measurement Model  
Convergent validity of the measurement model with a reflexive indicators were assessed based on the correlation between the component score is calculated with the PLS. The size of individual reflexive said to be high if more than 0.70 correlated with the construct being measured. However, according to Chin (1998) in Ghazali (2006: 24) to study the early stages of development measurement scale loading value of 0.5 to 0.6 is considered adequate

2. Assessing Inner Model or Structural Model  
Testing inner structural model or models made to look at the relationship between constructs, significance and R-square value of the research model. A structural model been evaluated by using R-square for dependent constructs, Stone-Geisser Q-square test for predictive relevance and significance of the t test and the coefficient parameter Ghazali structural lines (2006: 26). In assessing the model with PLS begins to see R-square for every dependent latent variables. Changes in the value of R-square can be used to assess the effect of certain independent latent variables on the dependent latent variables influence whether substantive. The influence of the amount can be calculated with the following formula:

$$f^2 = \frac{R^2 \text{ included} - R^2 \text{ excluded}}{1 - R^2 \text{ included}}$$

Source: Ghazali, (2006)

Wherein  $R^2$  and  $R^2$  included excluded is an R-square of the dependent variable when the predictor variable latent used or issued in the structural equation.

Data analysis

### 1. Hypothesis testing through the Outer Model

Convergent validity of the measurement model with a reflexive indicators were assessed based on the correlation between the component score is estimated by PLS software. The size of individual reflexive said to be high if more than 0.7 correlates with constructs (latent variables) were measured. But according to Hair, *et.al.* (2019), to study the early stages of development, the scale of measurement loading value of 0.5 to 0.6 is considered adequate.

The following can be seen as a whole correlation to each of the variables in Figure 1 which is a drawing representing the relationship between the competitive Organization Performance of the growth Organization Performance, the uncertainty of the environment on the growth Organization Performance, the growth Organization Performance of the performance measurement system and performance measurement to Strategic performance. Where the model in Figure 1 carried elimination it is because there is a correlation constructs that are less than 0.5 so that one of the indicators of a competitive Organization Performance should be eliminated. For the model in Figure 2 no longer do this elimination as there is no correlation constructs less than 0.5 so that each of the variables meet the criteria of convergent validity.

Figure 1 correlation constructs that are less than 0.5 so that one of the indicators of a competitive Organization Performance should be eliminated, then the result of the elimination contained in figure 2.

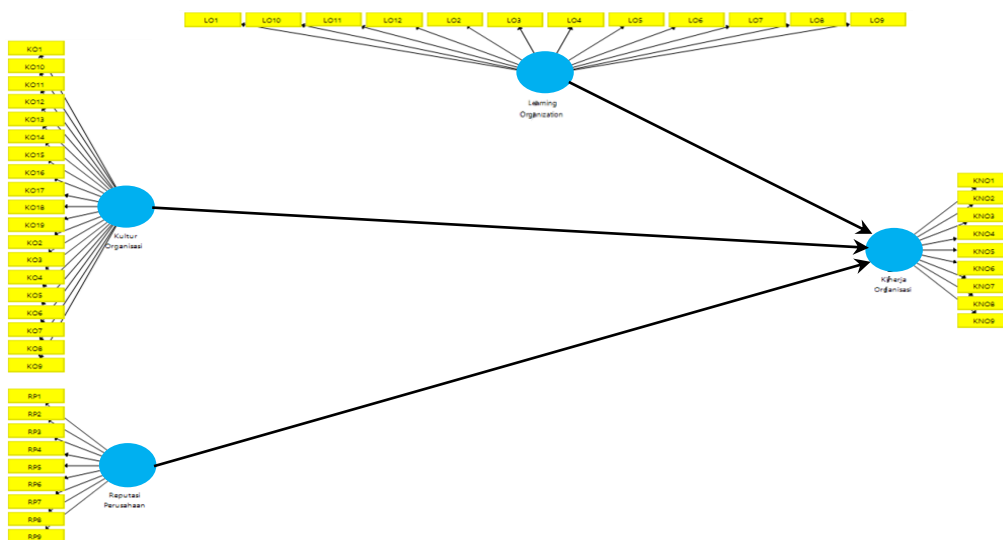


Figure 2.

### Structural Model Before Elimination Partial Least Square

Regression Model for Organizational Performance expressed by the equation:

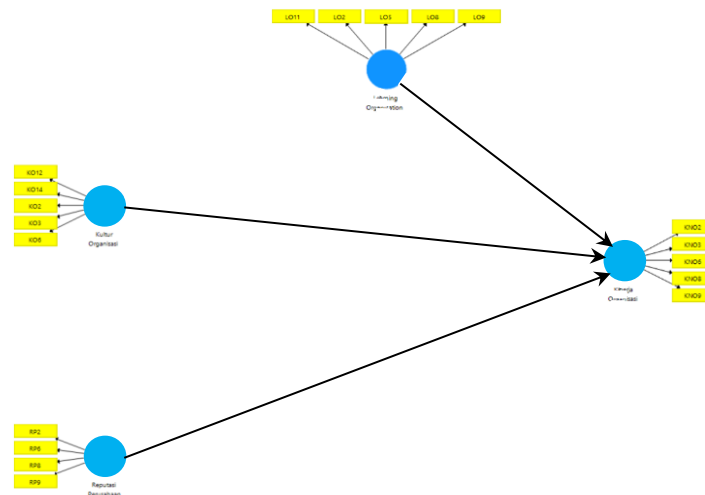
$$KNO = \beta_1 LO + \beta_2 KO + \beta_3 RP + \varepsilon_1$$

Where

K N O = Organizational Performance

LO = Learning Organization  
 KO = Organizational Culture  
 RP = Company Reputation  
 E<sub>1</sub> = Error

The learning organization, understanding of Organization culture, the company



reputation on the Organization Performanceal.

**Figure 3.**  
**Structural Model After Elimination Partial Least Square**

Inner models according Hair, *et. al.* (2019) is pictures of the relationship between latent variables are based on substantive theory Inner models are sometimes referred to as the inner relation, structural models and substantive theory.

The results of this study confirm previous research conducted which states that The learning organization, understanding of Organization culture, the company reputation and the Organization Performanceal.

**Table 1. Testing the Validity and Reliability of Learning Organization Variables**

Construct	Items	Loading	Cronbach's Alpha	AVE
Learning Organization	LO2	0.907		
	LO5	0.707		
	LO8	0.704		
	LO9	0.692		
	LO11	0.633		
	LO6	0.217		
	LO3	0.213		
	LO4	0.07		
	LO7	0.059		
	LO1	-0.135		

Construct	Items	Loading	Cronbach's Alpha	AVE
	LO10	-0.495		
	LO12	-0.621		
Repair Validity Test				
Construct	Items	Loading	Cronbach's Alpha	AVE
<i>Learning</i>	LO2	0.907		
<i>Organization</i>	LO5	0.707		
	LO8	0.704	0.811	0.575
	LO9	0.692		
	LO11	0.633		

Source: processed data

The results of the validity test show that there are 7 measurement indicators that are not valid because they produce an outer loading value of  $<0.5$  while the other 5 indicators are proven valid, namely the LO2, LO5, LO8, LO9 and LO11 indicators. Discriminant validity testing produces an AVERAGE value of  $0.575 > 0.5$ , which means that there is a proven relationship between the measurement indicators of the Learning Organization variable. Reliability testing for 5 valid indicators resulted in a Cronbach alpha value of  $0.811 > 0.6$ , which means it was proven that the 5 measurement indicators from the Learning Organization were proven to be reliable.

#### Testing the Validity and Reliability of Organizational Culture Variables

The results of the validity test show that there are 14 measurement indicators that are not valid because they produce an outer loading value of  $<0.5$  while the other 5 indicators are proven valid, namely the KO2, KO14, KO3, KO12 and KO6 indicators. Discriminant validity testing produces an AVERAGE value of  $0.532 > 0.5$ , which means that there is a proven relationship between the measurement indicators of the Organizational Culture variable. Reliability testing for 5 valid indicators resulted in a Cronbach alpha value of  $0.733 > 0.6$ , which means that the 5 measurement indicators of Organizational Culture are proven to be reliable. For more detailed information can be seen in table 2.

**Table 2 . Testing the Validity and Reliability of Organizational Culture Variables**

Construct	Items	Loading	Cronbach's Alpha	AVE
Organizational Culture	KO2	0.840		
	KO14	0.721		
	KO3	0.719		
	KO12	0.679		
	KO6	0.502		
	KO18	0.484		
	KO16	0.342		
	KO15	0.280		
	KO9	0.271		

Construct	Items	Loading	Cronbach's Alpha	AVE
	KO1	0.233		
	KO17	0.213		
	KO13	0.147		
	KO19	0.043		
	KO7	-0.061		
	KO8	-0.088		
	KO11	-0.198		
	KO10	-0.388		
	KO5	-0.390		
	KO4	-0.733		
Repair Validity Test				
Organizational Culture	KO2	0.840		
	KO14	0.721		
	KO3	0.719	<b>0.773</b>	<b>0.532</b>
	KO12	0.679		
	KO6	0.502		

#### 4 Testing the Validity and Reliability of the Company's Reputation Variables

The results of the validity test show that there are 5 measurement indicators that are not valid because they produce an outer loading value of  $<0.5$  while the other 4 indicators are proven valid, namely the RP2, RP6 indicators. RP8 and RP9.

*Table 3 . Variable Validity and Reliability Testing Reputation company*

Construct	Items	Loading	Cronbach's Alpha	AVE
Company Reputation	RP2	0.882		
	RP9	0.794		
	RP8	0.651		
	RP6	0.633		
	RP3	0.297		
	RP5	0.181		
	RP4	-0.029		
	RP7	-0.036		
	RP1	-0.077		
Validity Testing				
Company Reputation	RP2	0.882		
	RP9	0.794		
	RP8	0.651	0.739	0.570
	RP6	0.633		

Source: processed data

Test *discriminant validity* produces an AVERAGE value of  $0.570 > 0.5$ , which means that there is a proven relationship between the measurement indicators of the Company's Reputation variable. Reliability testing for 4 valid indicators resulted in a Cronbach alpha value of  $0.739 > 0.6$ , which means it was proven that the 5 measurement indicators of the Company's Reputation were proven to be reliable. More details can be seen in table .

#### **Testing the Validity and Reliability of Organizational Performance Variables**

The results of the validity test show that there are 7 measurement indicators that are not valid because they produce an outer loading value of  $<0.5$  while the other 5 indicators are proven valid, namely the KNO2, KNO3, KNO6, KNO8 and KNO9 indicators. Discriminant validity testing produces an AVERAGE value of  $0.660 > 0.5$ , which means that there is a proven relationship between the measurement indicators of the Company's Reputation variable. Reliability testing for 4 valid indicators resulted in a Cronbach alpha value of  $0.858 > 0.6$ , which means it was proven that the 5 measurement indicators of Organizational Performance were proven to be reliable.

**Table 4. Testing Validity and Reliability Performance Organization**

Construct	Items	outer Loading	Cronbach's Alpha	AVE
Organizational Performance	KNO6	0.932	0.858	0.660
	KNO2	0.914		
	KNO9	0.823		
	KNO8	0.666		
	KNO3	0.598		
	KNO1	0.381		
	KNO7	-0.038		
	KNO5	-0.143		
	KNO4	-0.488		
Fix Validity Testing				
Performance Organization	KNO2	0.955	0.858	0.660
	KNO3	0.736		
	KNO6	0.939		
	KNO8	0.519		
	KNO9	0.834		

*Processed data source*

**Coefficient determination (R-Square)**

The explanation of each of these models is as follows:

*Table 5. Coefficient Determination*

Regression Model	R-square	R-square Adjusted
Model		
Organizational Performance	0.997	0.997

*Source: processed data*

For the Organizational Performance model, an R square adjusted of 0.997 means that the variation of the independent variables, namely Organizational Culture, Learning Organization, Company Reputation, is 99.7% while the remaining 0.3% is variation from other independent variables that affect Organizational Performance but are not included. in models. height Adjusted R value <sup>2</sup> good on Performance model Organization caused answer from deep respondent Thing this represented by manager every company have level high homogeneity related with indicators measurement from every variable used in research. Effects that occur is a screening of valid and reliable indicators that pass is indicators that make up something variable and have level homogeneity high answer from respondents who have a position as manager. As a result, respondents for each variable have level high homogeneity and things this is what becomes the reason height the value of adjusted R Square is good for models Performance Organization.

**Hypothesis 1: The Effect of Learning Organizations on Performance Organization.**

Hypothesis 1 was carried out with the aim of testing the positive effect of Learning Organizations on Organizational Performance. The processing results are indicated by an estimated coefficient of -0.074 which means that a good Learning Organization will reduce organizational performance and vice versa a bad learning organization will increase organizational performance. The t-statistical value of 2.876 produces a p-value of 0.002 <0.05, which means Ho is accepted, so that the hypothesis which states that Learning Organization has a positive effect on organizational performance is not proven .

Study this produces negative coefficient means that Among variables exogenous when tested with proven endogenous variables have opposite direction . \_ It means that when learning organization increases so performance organization will decrease . This thing occurs because learning organization in research is done by companies in the manufacturing industry and still consider that a learning organization is a burden on investment in the future. In the end, understanding a learning organization such as this will result in *cash flow* company decrease and impact on performance declining organization.

Besides that is, the coefficient on each study, not always proven to support the hypothesis, depends on the data obtained from the moment the study was done. Likewise research produces hypothesis five which does not support the existence of a positive coefficient so proven by statistics that learning organization in research does not take effect on performance organization.

This study does not support the contingency theory which states that adaptation must be carried out by the organization with its contingency structure so that organizational goals can be achieved. with good (Hammad, *et.al.*, 2010). Influence *learning organization* to performance organization proved not to have significant influence positively so that said that with understanding learning organization then not necessarily performance organization can increase.

The results of this study are not in line with resource-based theory so that it can be. It is said that a superior organization is an organization that has organizational performance. The good one is proven by how much understanding the learning organization has conducted. Study this is not the same with study previously (Zahra and Garvis, 2000; Bisbey and Otley, 2004 and Henri, 2006) which execute variable contextual (innovation and strategy) on organizational performance with the research results contained significant and positive influence of contextual variables (innovation and strategy) on performance organization although in this study the contextual variables (learning organization) that different.

Leaving learning is a big danger for entities, learning is learning and growth for entities, learning is a strategy, learning must pay attention to cash flow and organizational learning as an organization's or entity's success strategy is not always proven to be in line with organizational performance, namely those contained in the indicators of investigation and examination of records and job analysis, transfer of information with subordinates, sale and purchase transactions and contracts for the procurement of goods and services as well as attending meetings, equally important financial and non-financial performance, as well as measuring financial and non-financial performance simultaneously and in the same period. This means that the higher the level of learning organization carried out by the entity in this study, it is not necessarily able to improve performance.

### **Hypothesis 2 The Influence of Organizational Culture To Performance Organization**

Hypothesis 2 was carried out with the aim of testing the positive effect of Organizational Culture on Organizational Performance. The processing results are indicated by an estimated coefficient of 0.021, which means that a good organizational culture will increase organizational performance and vice versa a bad organizational culture will decrease organizational performance. The t-statistical value of 4.768 produces a p-value of  $0.000 < 0.05$ , which means  $H_0$  is Rejected ( $H_a$  Accepted) so that the hypothesis which states that organizational culture has a positive effect on organizational performance is proven.

Based on testing hypothesis which conducted previously is known that  $H_6$  received that is understanding on Culture organization have influence to performance organization. This indicates that the result of understanding the organizational culture conducted by the company has an effect on performance organization.

These results are supported by the suggestions of previous research conducted by Hammad, *et.al.* (2010) that organizational culture can be manifested in loyalties and traditions that is adhesive togetherness organization. With say others, understanding of Culture organization has a positive effect on performance organization.

This study supports the contingency theory, which means that understanding the culture organization and what the organization does well will have an influence on the performance organization. This shows that an organization has To do adaptation which is good with structure of contingency.

Meanwhile, this research is also in line with the theory of human resources which indicates that good organizational performance is tangible evidence that the organization is superior compared with others. Things the cloud obtained with understanding of Culture organization which good.

Results study this match with study before (Henri 2006) which state that there is influence positive significant variable contextual (innovation and strategy) to performance organization but no match with previous research conducted by Han, *et.al.*, (2014) and Darroch (2005) who revealed that there was no effect of contextual variables (market orientation and innovation) to performance organization.

Besides that, the size performance organization conducted differently. On study previously (Han, *et.al.*, 2014) measured organizational performance with an objective measure, namely organizational growth and profitability, while the research conducted by Darroch (2005) measured performance organization with size non-financial (satisfaction customer). Study this use variable contextual (Culture organization) to performance organization (with *planning, organizing, actuating, controlling* and performance measures overall organization is in line with previous research conducted by Gordon, *et.al.*, 2021.

The influence of organizational culture that has indicators of wise entity leaders and mentors, loyalty and tradition is a togetherness of entities, culture is formed because of loyalty, is unique and different and continuously proven to have an effect on organizational performance which consists of indicators of investigation and examination of records and job analysis, transfer of information with subordinates, buying and selling transactions and contracts for the procurement of goods and services as well as attending meetings, financial and non-financial performance are equally important, as well as measurement of financial and non-financial performance simultaneously and in the same period.

Thus, this study gives the result that organizational culture has a positive effect on organizational performance. The higher the frequency of organizational culture which is the crystallization of the noble values that exist in the entity in this study, the higher the organizational performance of the entity.

### **Hypothesis 3 Affect Company's Reputation Against Performance Organization**

Hypothesis 3 was carried out with the aim of testing the positive effect of Company Reputation on Organizational Performance. The processing results are indicated by an estimated coefficient of 0.095, which means that a good corporate reputation will increase organizational performance and vice versa a bad corporate reputation will decrease organizational performance. The t-statistical value of 2.838 produces a p-value of  $0.002 < 0.05$ , which means  $H_0$  is Rejected ( $H_a$  is Accepted) so that the hypothesis stating that the company's reputation has a positive effect on organizational performance is proven.

The results of this study are also in line with resource-based theory so that it can be. It is said that a superior organization is an organization that has organizational performance which is proven by how much understanding of a reputation company has been done. This research match with previous research (Zahra and Garvis, 2000; Bisbe and Otley, 2004 and Henri, 2006) which execute variable contextual (innovation and strategy) on organizational performance with the research results contained significant and positive influence of contextual variables (innovation and strategy) on performance organization although on study this is variable reputation company which different.

This research supports the contingency theory which suggests that adaptation must be carried out by the organization with its contingency structure so that organizational goals can

be achieved with good (Hammad, *et.al.*, 2010). Influence reputation company to performance organization proven have significant influence positively so that could said that with understanding company reputation then performance organization can increase.

The company's reputation that is integrated in the indicators of giving employee rights well, after-sales service to customers, financial reports is the entity's liquidity and performance and is sensitive to the production and natural environment proven to have an influence on organizational performance which is manifested in the indicators of investigation and examination of records and job analysis, transfers information with subordinates, buying and selling transactions and contracts for the procurement of goods and services as well as attending meetings, financial and non-financial performance is equally important, as well as measuring financial and non-financial performance simultaneously and in the same period of time.

The higher the reputation of the company it will improve organizational performance. A good company reputation will stimulate customers to give a positive response so as to improve overall organizational performance.

Below, table 14 describes the summary of the hypothesis and the value of the significant measure of the path coefficient in this study.

**Table 6. Result of This Study**

	<b>Hypothesis</b>	<b>Coefficient</b>	<b>t statistics</b>	<b>p-Value</b>	<b>Decision</b>
H <sub>1</sub>	Learning Organization Has Positive Effect on Organizational Performance	-0.074	2.876	<b>0.002</b>	Hypothesis Not Supported
H <sub>2</sub>	Organizational Culture Positively Affects Organizational Performance	0.021	4.768	<b>0.000</b>	Hypothesis Supported
H <sub>3</sub>	Company Reputation Positively Affects Organizational Performance	0.095	2.838	<b>0.002</b>	Hypothesis Supported

Source: processed data

### **Conclusion of implications and limitations and suggestions**

Some conclusions that can be drawn from the research findings are:

- 1) *Learning Organization is not proven* to have a direct positive effect on Organizational Performance
- 2) Organizational Culture has been shown to have a positive effect on Organizational Performance
- 3) Company reputation has been proven to have a positive effect on Organizational Performance

The model built in this study refers to contingency theory and resource-based theory. Based on the results of data analysis and hypothesis testing, this study resulted in findings, namely: that an understanding of a good learning organization opens up space for re-examination of organizational performance.

### Research Implication

- 1) This research provides support for the concept and practice of contingency theory and human resource theory. However, practically in this study, not all research variables are statistically supported by the hypothesis. This proves that the object of research will affect the results of the study and of course there will be differences in results on objects outside this research.
- 2) The medium and large scale manufacturing industry in Indonesia is an industry with a high level of complexity so that entities have different methods, strategies and goals from one entity to another. This study focuses on *organizational learning*, organizational culture, company reputation and organizational performance which is carried out by testing the influence and analysis and produces hypotheses that are supported and some are not statistically supported. This is the basis that the implications of research variables depend on the process of the research methodology being carried out. However, this research has been carried out based on a research methodology that should be systematic and methodical.

### Limitedness and Suggestions

Limitedness in this study, as follows:

- 1) This research is based on research variables of *learning organization*, organizational culture, company reputation and organizational performance. For further research, it is recommended to expand the research variables, for example by adding elements contained in *corporate social responsibility*, *corporate governance*, *tax avoidance* and so on.
- 2) The object of research in this study is in the small-scale manufacturing industry medium and large in Indonesia which is recorded in BPS through department industry. Not in the ASEAN region because no one gets access to ASEAN countries. Suggestions for further research by expanding the object of research, for example, the ASEAN region and even some developing and developed countries at the international level so that the research area becomes more diverse and will add to the scientific treasures, especially in the field of management accounting. The number of invalid data results processed so that theory and results processed that are concluded not in line
- 3) Decision making LO hypothesis against KNO, KO against KNO, RP against KNO, it is suggested could be done on research next with consideration of companies that become subject to future research.

### References

- [1] Basten, D., & Haamann, T. (2018). Approaches for Organization Learning: A Literature Review. SAGE Open, 8(3). <https://doi.org/10.1177/2158244018794224>
- [2] Bisbe, J., & Otley, D. (2004). The effects of the interactive use of management control systems on product innovation. Accounting, Organizations and Society, 29(8), 709–737. <https://doi.org/10.1016/j.aos.2003.10.010>
- [3] Darroch, J. (2005). Knowledge management, innovation and firm performance. Journal of Knowledge Management, 9(3), 101–115. <https://doi.org/10.1108/13673270510602809>
- [4] Ghozali, I. (2019). Model Persamaan Struktural: Konsep dan Aplikasi dengan Program AMOS Ver. 16. Badan Penerbit Universitas Diponegoro Semarang.
- [5] Ghozali, I. (2006). Structural Equation Modelling: Teori, Konsep, dan Aplikasi dengan Program Lisrel 8.54. Badan Penerbit Universitas Diponegoro Semarang.

- [6] Gordon, L. A., & Narayanan, V. K. (1984). Management accounting systems, perceived environmental uncertainty and organization structure: An empirical investigation. *Accounting, Organizations and Society*, 9(1), 33–47. [https://doi.org/10.1016/0361-3682\(84\)90028-X](https://doi.org/10.1016/0361-3682(84)90028-X)
- [7] Hair, J.F.Jr., Black, W.C., Babin, B.J., Anderson, R.E., and Tatham, R.L. (2019). *Multivariate Data Analysis*, 7th Edition. Pearson Education, Inc., Upper Saddle River, NJ.
- [8] Hammad, S. A., Jusoh, R., & Oon, E. Y. N. (2010). Management accounting system for hospitals: A research framework. *Industrial Management and Data Systems*, 110(5), 762–784. <https://doi.org/10.1108/02635571011044777>
- [9] Han, J. K., Kim, N., & Srivastava, R. K. (2014). Market Orientation and Organizational Performance: Is Innovation a Missing Link? *Journal of Marketing*, 62(4), 30–45. <https://doi.org/10.1177/002224299806200403>
- [10] Henri, J. F. (2006). Management control systems and strategy: A resource-based perspective. *Accounting, Organizations and Society*, 31(6), 529–558. <https://doi.org/10.1016/j.aos.2005.07.001>
- [11] Kaplan, R. S. & Norton (2016). Measuring manufacturing performance: a new challenge for managerial accounting research. *Readings in Accounting for Management Control*, 1983, 284–306. [https://doi.org/10.1007/978-1-4899-7138-8\\_14](https://doi.org/10.1007/978-1-4899-7138-8_14)
- [12] Larentis, F., Antonello, C. S., & Slongo, L. A. (2018). Cultura organizacional e marketing de relacionamento: Uma perspectiva interorganizacional. *Revista Brasileira de Gestao de Negocios*, 20(1), 37–56. <https://doi.org/10.7819/rbgn.v20i1.3688>
- [13] Magaji, A., Suleiman, N., & Yahaya, L. (2018). Explored and Critique of Contingency Theory for Management Accounting Research. *Journal of Accounting and Financial Management*, 4(July), 11. [https://www.researchgate.net/publication/326156499\\_Explored\\_and\\_Critique\\_of\\_Contingency\\_Theory\\_for\\_Management\\_Accounting\\_Research#fullTextFileContent](https://www.researchgate.net/publication/326156499_Explored_and_Critique_of_Contingency_Theory_for_Management_Accounting_Research#fullTextFileContent)
- [14] Ocai,. (2018). the growth Organization Performance is the competitive Organization Performance which seeks to develop the company in accordance with the size of the amount agreed upon to achieve the 5(2), 101–114. [https://doi.org/10.1007/978-1-4899-7138-8\\_2](https://doi.org/10.1007/978-1-4899-7138-8_2)
- [15] Odor, H. O. (2018). A Literature Review on Organization Learning and Learning Organizations. *International Journal of Economics & Management Sciences*, 07(01). <https://doi.org/10.4172/2162-6359.1000494>
- [16] Sedevich-Fons, L. (2018). Linking strategic management accounting and quality management systems. *Business Process Management Journal*, 24(6), 1302–1320. <https://doi.org/10.1108/BPMJ-02-2018-0038>
- [17] Soobaroyen, T., & Poorundersing, B. (2008). The effectiveness of management accounting systems: Evidence from functional managers in a developing country. In *Managerial Auditing Journal* (Vol. 23, Issue 2). <https://doi.org/10.1108/02686900810839866>
- [18] Suryani, S., & Syahbudi, M. (2022). The Role of Learning Organizations in Improving Employee Performance at the Central Statistics Agency of Deli Serdang Regency. *SIBATIK JOURNAL: Scientific Journal of Social, Economic, Cultural, Technological, and Educational Fields*, 1(5), 707–716. <https://doi.org/10.54443/sibatik.v1i5.84>
- [19] Zahra, S. A., & Garvis, D. M. (2000). International corporate entrepreneurship and firm performance. *Journal of Business Venturing*, 15(5–6), 469–492. [https://doi.org/10.1016/s0883-9026\(99\)00036-1](https://doi.org/10.1016/s0883-9026(99)00036-1)