

**THE INFLUENCE OF LEADERSHIP AND EXTERNAL ENVIRONMENT ON  
PERFORMANCE THROUGH LEARNING ORGANIZATION AND THE  
INFLUENCE TOWARDS COMPETITIVENESS THROUGH PERFORMANCE OF  
INSTITUTE OF ECONOMIC SCIENCE IN JAVA**

**Budiyono**

Sekolah Tinggi Ilmu Ekonomi AAS Surakarta  
budiyono\_bk@yahoo.co.id

**Abstrak :** This study aims to provide information on how to improve the performance and competitiveness of STIE in Indonesia. The variables in this study consisted of two exogenous variables, namely leadership and the external environment. Three endogenous variables, i.e. organizational learning, performance and competitive. The method in this study uses SEM and the data processed by using Amos during the research period of five (5) months, from May 2017 to October 2017. The population in this study are Institute Of Economic Science in Java, amounting to 142 are Institute of Economic Science in Coordination of Private Universities (*Kopertis*) Region III to Region VII by reason of the island of Java is a barometer of higher education in Indonesia. The research result shows that the leadership has significant effect on the competitiveness of Institute of Economic Science, the external environment has a significant effect on the competitiveness of Institute of Economic Science, leadership has a significant effect on performance through organizational learning, the external environment has a significant effect on performance through organizational learning, leadership has a significant effect on competitiveness through performance, and the external environment has a significant effect on competitiveness through performance.

**Keyword :** *leadership, external environment, organizational learning, performance and competitiveness*

---

**INTRODUCTION**

Performance and competitiveness of the Institute of Economic Science in Indonesia is still relatively low, there are many Institute of Economic Science in Indonesia sanctioned form of guidance, should not accept new students, Performance and competitiveness of the Institute of Economic Science in Indonesia is still relatively low, there are many Institute of Economic Science in Indonesia sanctioned form of guidance, should not accept new students, freezing permits, even getting sanction of revocation of a license and was forced to shut down (forlap.dikti.go.id).

The low performance can be seen from the ranking results Universities in Indonesia, the results issued by the Higher Education rankings 2017 there is only one (1) College of Economics in Indonesia that fall within the TOP 100 best colleges Higher Education version as follows:

Table 1. Rangking Top 100 Universities Indonesia

No.	Name PT	Rank
1	Universitas Gajah Mada	1
2	Institut Teknologi Bandung	2
3	Institut Pertanian Bogor	3
4	Universitas Indonesia	4
5	Institut Teknologi Surabaya	5
6	STIE Malangkecewara	58

Source: The Minister of Higher Education (Kemenristek), 2017

When viewed from the Accreditation of Higher Education Institutions (AIPT) at the Institute of Economic Science in Indonesia are carried out by Accreditation of Higher Education (BAN-PT) in 2017 showed that the performance of the Institute of Economic Science in Indonesia is still low, namely:

Table 2.

Accreditation of Higher Education Institutions (AIPT) College of Economics in Indonesia					
Higher Education	accreditation AIPT A	accreditation AIPT B	accreditation AIPT C	No Accredited AIPT	amount
The College of Economics (STIE)	1	10	68	265	344

Source: Data processed Higher Education Accreditation (BAN-PT) 2017

In terms of the competitiveness of the Institute of Economic Science in Indonesia is still low when compared with universities and institutes. The indicator can be seen on the graduates to get the first job of more than 3 months, while a graduate of the University and the Institute of the majority get the job less than three months.

Based on the Decision The Minister of Higher Education No. 429a / M / Kp / VIII / 2015 on Classification and Ratings Universities in Indonesia preparing four measurements of the performance of universities in implementing the Three Roles of the University (Tri Dharma) is the quality and quantity of lecturers, quality of management, quality of student activities and the quality of research activities and social community service.

The increased performance of the organization also requires a leadership. According to Nurwanti (2013) stated that the role of the leader is a variable that gives the greatest influence on performance. As well as Siagian (1999: 47) stated that leadership as an activity to influence the behavior of people to work together toward a specific goal they want together. According to Roscahyo (2013), states that there is an influence of leadership style which consists of autocratic, democratic and free rein together on employee performance. Timothy et al., (2011) stated that the research results showed that transactional leadership style has positive and significant impact on performance.

Organizational performance is also affected by organizational learning in the management of the College of Economics in Indonesia purposed to enhance the skills and knowledge to improve the competence resources. Organizational learning carried out continuously to adapt to the external environment of Institute of Economic Science in Indonesia which always changing in order to achieve optimal performance. Nurwanti research (2013) shows that there is influence of leadership roles, organizational learning and organizational competencies towards performance. Invalid (2007) stated that learning organizations has significant influence. While by Heizer and Render (see Kuncoro, 2006) stated the external environment is an environment that is outside the organization which need to be analyzed to determine the opportunities and threats that will be faced by an organization, the external environment measured in five indicators, namely: government regulation, the market situation, science and technology, environment and social culture industry.

The results about a leadership influence on competitiveness by Catalina (2009); Kuncoro (2006); Gakure et al., (2014) stated that the leadership effect on competitiveness. This is in line with the results of the Al-Zoubi (2012); Khan and Anjum (2013) which stated that the leadership effect on competitive advantage. However, it is different from the research results of Ling and Jaw (2011) which stated that the leadership does not have influence to competitiveness.

The results of research on the influence of the external environment on competitiveness by Kraja and Osmani (2015) stated that the external environment has a positive influence on competitive advantage. However, these studies do not concur with Ingga's research (2009), that there is no significant influence of the external environment on competitive advantage.

The research result about leadership effects on performance by Hurduzeu (2015); Babatunde (2015); Nurwanti (2013); Hilmi (2013); Cahyono (2012); Trang (2013); Inaray et al., (2016) stated that there is a leadership influence on performance. In contrast to the results of research Yuliana (2010); Brahmasari and Suprayetno (2008); Timothy et al., (2011); Tongo-Tongo (2014) stated that the leadership does not have a substantial and direct effect on performance.

The research results on the influence of the external environment on performance. According to Wulandari (2009), the external and internal environment affect on performance, but it is not in line with the Namusonge and Koech research (2012), which stated that there is no significant influence of the external environment on organizational performance.

The results of the research on the influence of leadership on performance by Babatunde (2015); Hilmi (2013); Cahyono (2012); Trang (2013); Inaray et al., (2011), leadership take effect and influence on the performance, but not in line with the results of Yuliana's research (2010); Brahmasari and Suprayetno (2008); Timothy et al., (2011) stated that the leadership has no significant effect on performance.

The results of research on the influence of the external environment on competitiveness by Kraja and Osmani (2015) showed that the external and internal environment has an influence on competitiveness. In contrast to the results of research Ingga (2009), which showed that there is significant influence between the external environment and competitiveness.

## **LITERATURE REVIEW**

### **1. Leadership**

Leadership is a person's ability to influence a group in canoes to reach the goal. The shape of the impact that can be done formally as a managerial level in a particular organization. Because management positions consisting of levels which usually describes the authority, an individual could assume a leadership role as a result of the position held in the organization (Robbins, 2012: 36),

According to Robbins and Coulter (2012) stated there are three styles of leadership; autocratic leadership style, Laissez-Faire leadership style (Full Free), and democratic leadership style.

Leadership in this study is a democratic leadership style, democratic leadership style is oriented to humans, and provide efficient guidance to his followers. There is coordination of the work of his staff, with an emphasis on internal responsibility and the good responsibility (Kartono, 2013:86). This leadership strength lies in its unity which is the strength in running the organization. Democratic leadership highly appreciated the potential of every individual involved may want to listen to the advice and suggestions to subordinates, who are willing to admit recognize the special expertise with the field in each of these aspects is able to provide the capacity of each member of a very effective way possible at the moment and the right conditions. In other words, according (Kartono, 2013: 86) stated that the democratic leadership is a leadership group of developers that can be said to be effective with the following indications:

- a. Delegation of authority.
- b. Awareness and responsibility for the duties and obligations of each.
- c. Giving priority to the welfare and smoothness of all aspects of the organization.
- d. Teamwork.

## **2. External Environment**

An organization is always influenced by the environment around him. The changes to the organization should have to analyze the factors that influence the occurrence of a change. Changes in the organization can be influenced from external and internal factors. As a discourse and disclosed by Drucker (1993), the presence of a source of organizational change is able to come out of the condition and situation of the external and internal that are not expected to be able to anticipate, innovation based on the needs of the process, the emergence or the emergence of irregularities, changes in market structure or the structure of the industry, demographics, changes in perception, atmosphere and meaning and also new knowledge. All of them lead to the existence of a demand or request to an organization that is always trying to hold development in various ways for the betterment of the organization.

External factors are the business environment surrounding the operating company of her emerging opportunities and threats business. The size of these opportunities depends on the competitive advantages possessed by an industry. If the competitiveness compete owned a industry stronger than the competitors which means that the opportunity to seize the opportunities will be greater. However, if the competitive advantage held low, of the opportunity to seize the opportunities will be smaller, will face even greater threats (Ingga, 2009).

The internal environment consists of a structure, culture, resources (Wheelen and Hunger, 2002: 9). The internal environment consists of a structure, culture, and resources. Internal environment should be analyzed to determine the strength and weaknesses in the company. The structure is the way of organizations to manage the organizational resources with regard to communication, authority, and work flows.

While Heizer and Render in Kuncoro (2006) states the factors that influence the external environment, namely:

- a. Government regulations
- b. The market situation
- c. Science & Technology
- d. Industrial environments
- e. Social-cultural

## **3. Performance**

The performance is a reflection that appears on the achievement of the company's success that can be used as the achievements of the various activities or activities undertaken (Venkatraman and Ramanujam, 1986). Then the performance according to Waterhaouse and Svendsen (1998) is defined as an actions or activities that can be measured. Then the performance is a reflection of the achievements of the both the quantity and quality of the work produced by individuals, groups and organizations and can be measured. The same opinion was also expressed by Wells and Spinks (1996) stated that the performance shows the results of behavior that's valuable to the criteria or quality standards. With reference to the opinion of Rue and Byard (1997) and Anthony and Govindarajan (2001), in this study the performance is defined as the end result or achievements of the College of Economics for a specific period.

Based on the Decision The Minister of Higher Education No. 429a / M / Kp / VIII / 2015 on Classification and Ratings Universities in Indonesia in 2015 and the Circular Letter Coordinator Kopertis VI No. 429 / K6 / KL / 2015 prepare four measurements of the performance of universities in implementing *Tri Darma* namely the quality and quantity of lecturers, quality of management, quality of student activities and the quality of research activities and community service. As for each of the following indicators:

- a. The quality and quantity of lecturers
- b. Quality management
- c. The quality of student activities
- d. Total achievements (gold, silver, bronze) achievements in national and international competitions
- e. The quality of research activities and social community service

#### **4. Organizational Learning**

Argyris (1976) stated that organizational learning is a process to detect and fix errors that exist. Learning organization based think Taylor is the opportunity given to the employee or employees so that the organization becomes more efficient (Luthans, 1998). Organizational learning means the process of improvement actions through knowledge and a better understanding (Fiol and Lyles, 1985), Next, Garvin (2002) provided an understanding of organizational learning as an organizational skill or expertise to create, acquire, interpret, transferring, and sharing knowledge, which is aimed at modifying its behavior to describe the knowledge and new insights.

Organizational Learning is a membership organization to create, acquire, interpret. transfer and sharing of knowledge. Aims to modify his behavior in order to illustrate the Barudan insight knowledge (Garvin, 2000: 11). The views expressed by Taylor organizational learning is every opportunity given to an employee or employees so that the organization becomes more efficient (Luthans, 1995: 173).

Marquardt (2002: 30) the dimensions of organizational learning is measured by using 6 (six) indications are: systems thinking, mentality, professional skills, teamwork, expertise sharing vision, and dialogue.

#### **5. Competitiveness**

Porter (1995: 5) says: "competition is at the core of the success or failure of firms". That competition is the core of the success or failure of the company. There are two sides posed by competition namely the success to encourage companies to be more dynamic and compete in providing products and provide the best service for the market, so the competition is considered as an opportunity to motivate. On the other hand the failure would weaken the companies whihc is static, fear of competition and are not able to produce products that have a good quality, so the competition is a threat for his company. According Muhardi (2007: 39) competitiveness of the operation is the function-oriented operation not only into the internal, but also out (external) that respond to their business market proactively.

Higher Education Accreditation (BAN PT) measures indication in the accreditation field assessment study programs based description of learning achievement of graduates Indonesia National Qualification Framework (KKNI) which refers to Permenristek Higher Education No. 44 of 2015 Articles 5 and 6 as follows: attitudes, knowledge, skills (specific skills and general skills) and work experience.

#### **METODOLOGI PENELITIAN**

The method in this study using SEM and the data processed using Amos, during the research period of five (5) months, the month of May 2017 to October 2017. The population in this study is the Institute of Economic Science in Java, amounting to 142 STIE

## HASIL PENELITIAN DAN PEMBAHASAN

### 1. SEM Analysis Results

#### a. Confirmatory Factor Analysis of Leadership (X<sub>1</sub>)

Table 12.

The value of Loading factor Coefficient for leadership constructs

Variables	Indicator	Loading Factor	SE	CR	P	Information
leadership (X <sub>1</sub> )	X1_1	0.361	0.063	5.780	***	valid
	X1_2	.330	0.065	5.043	***	valid
	X1_3	.437	0,066	6.657	***	valid
	X1_4	.424	0.07	6,016	***	valid

Description \*\*\* = probability of less than 1%

Based on a 5:17 table can be explained that the leadership construct can be considered valid based on the loading factor that has been qualified with is probability value  $< 0.05$  and Critical Ratio above 2.58. The data in the table 5:17 indicate that there are four indicators of leadership declared valid and capable of forming a leadership construct because it has met the critical ratio value and its probability.

#### b. Confirmatory Factor Analysis External Environment (X<sub>2</sub>)

Table 13.

The value of Loading Coefficient Factor for External Environment constructs

variables	Indicator	Loading Factor	SE	CR	P	Information
External Environment (X <sub>2</sub> )	X2_1	0,482	0,054	8.886	***	valid
	X2_2	0,548	0,066	8.370	***	valid
	X2_3	0.477	0,066	7.276	***	valid
	X2_4	0,447	0.065	6.871	***	valid
	X2_5	0,483	.058	8.301	***	valid

Description \*\*\* = probability of less than 1%

Based on table 5:18, it can be explained that the construct of external environment can be declared invalid based on the loading factor that has been qualified with is probability value  $< 0.05$  and Critical Ratio above 2.58. The data in table 5:18 indicate that there are four indicators of external environment which are declared to be valid and capable of forming an external environment because it has met the critical ratio value and probability.

#### c. Confirmatory Factor Analysis Organizational Learning (Y<sub>1</sub>)

Table 14.

The value of Loading Factor Coefficient for Organizational Learning Construct

variables	Indicator	Loading Factor	SE	CR	P	Information
Learning Organizations (Y <sub>1</sub> )	Y1_1	0.68	0.08	8.51	***	valid
	Y1_2	.572	0.077	7.422	***	valid
	Y1_3	0.525	0.074	7,11	***	valid
	Y1_4	0.555	0.073	7.579	***	valid
	Y1_5	0.633	0,072	8.85	***	valid
	Y1_6	0.573	0.061	9.406	***	valid

Description \*\*\* = probability of less than 1%

Based on the table 5:19, it can be explained that the Organizational Learning construct can be declared invalid based on the loading factor that has been qualified with is probability value  $< 0.05$  and Critical Ratio above 2.58. The data in table 5:19 indicate that there are four indicators of the organizational learning which declared to be valid able to form organizational learning construct because it has met the critical ratio value and its probability.

#### d. Confirmatory Factor Analysis Performance (Y2)

Table 15.  
The value of Loading Factor Coefficient for Performance Construct

Variables	Indicator	Loading Factor	SE	CR	P	Information
Performance (Y <sub>2</sub> )	Y2_1	0.345	0.082	4,224	***	valid
	Y2_2	.510	.080	6.346	***	valid
	Y2_3	0,646	.090	7.147	***	valid
	Y2_4	.451	0,066	6.837	***	valid

Description \*\*\* = probability of less than 1%

Based on the table 5:20, it can be explained that the construct of organizational learning can be declared valid based on the loading factor that has been qualified with the probability value  $< 0.05$  and Critical Ratio above 2.58. The data in the table 5:16 indicate that there are four indicators of organizational learning whcih are declared valid and capable of forming a construct of performance because it has met the critical ratio value and its probability.

#### e. Confirmatory Factor Analysis Competitiveness (Y3)

Table 16.  
The value of Loading Factor coefficient for Competitiveness Construct

variables	Indicator	Loading Factor	SE	CR	P	Information
Competitiveness (Y <sub>3</sub> )	Y3_1	.435	0,066	6.554	***	valid
	Y3_2	.736	0.107	6.878	***	valid
	Y3_3	0.605	.103	5.877	***	valid
	Y3_4	.429	.060	7.180	***	valid

Description \*\*\* = probability of less than 0.01 (1%)

Based on the table 5:21, it can be explained that the competitiveness construct can be declared valid based on loading factor value that has been qualified with the probability value  $< 0.05$  and Critical Ratio above 2.58. The data in table 5:21 indicate that there are four indicators of competitiveness which are declared valid and capable of forming a competitiveness construct because it has met the critical ratio value and its probability.

## 2. SEM Assumptions Test Results

### a. Outlier Test

Detection of *multivariate outlier* performed by Mahalanobis distance at the level of  $p < 5\%$ . The results of this study on the level of  $p_1$  for observation number 12 is obtained value of 0.023 which is smaller than the tolerance value of 0.05 it can be said that it does not happen outlier.

**b. Normality Test**

The results showed that the value of *c.r.multivariate* in the table of -0.520 is between -2.58 to 2.58, it means that the normality assumption has been met, and the research data used to estimate the model worthy of study.

**c. Multicollinearity Test and Singularity**

The Result of the *Condition number* = 44.275, this value is more than zero so that it can be concluded that there is no multicollinearity problems and singularity on the analyzed data, means that the data in this study can be used in subsequent estimates.

**d. Conformance Test Results Model**

The result of goodness of fit indices test on the model of structural equation shows that the data is fit because it has not met the required criteria. Chi Square Test Results of  $239,956 < \chi^2_{(5\%;213)} = 248,048$  means the aggregate model is acceptable. Demon also with RMSEA of  $0.035 < 0.08$ , GFI value of  $0.921 > 0.90$ , AGFI value of  $0.917 > 0.90$  so that in general the results can be accepted with the marginal / good so it remains eligible. This means that the data in accordance with the model.

**DISCUSSION**

**Leadership (X<sub>1</sub>)**

The average value of the leadership variable 4.47 which indicates a very high score. Thus it can be interpreted that the average of the leadership on the entire Java higher education of Economics College (STIE) have high category. The other interpretations indicate that the leadership is going well.

From the Leadership variable (X<sub>1</sub>) it get the value of the highest order to the lowest value of the order value as follows, namely, the highest score by an average of 4.52 i.e. indicator Welfare Prioritize And Smoothness whole aspect within Such Organizations (X<sub>1.3</sub>), second namely indicators of the Delegation of Authority (X<sub>1.1</sub>) with a value of 4.50, the third is the indicator of Teamwork (X<sub>1.4</sub>) with a value of 4.48, and the lowest value in the Awareness indicator and Responsibility for the Duties and Obligations of each (X<sub>1.2</sub>) with a value of 4.37.

**External Environment (X<sub>2</sub>)**

Respondents have a tendency to answer the questionnaire in category score of 4 to 5. On the external environment variables obtained an average of 4.37 which are in very high category. The average value per indicators have varying values, namely X<sub>2.1</sub> has an average value of 4.42 which is on the very high category. X<sub>2.2</sub> indicator has an average value of 4.35 which is on the very high category. X<sub>2.3</sub> indicator has an average value of 4.30 which is on the very high category. X<sub>2.4</sub> indicator has an average value of 4.30 which is on the very high category and indicator X<sub>2.5</sub> has an average value of 4.45 which is on the very high category.

From the external environment variables (X<sub>2</sub>) on to the value of the highest order to the lowest value of the order value as follows, namely, the highest score by an average of 4.45 which is on Socio-Cultural indicators (X<sub>2.5</sub>); The second is an indicator of Government Regulation (X<sub>2.1</sub>) with a value of 4.42; The third is on the market situation indicator (X<sub>2.2</sub>) with a value of 4.35; and the lowest value contained in the two indicators of science and technology (X<sub>2.3</sub>) and Environmental indicators Industrial (X<sub>2.4</sub>) with a value of 4.30.

### **Learning Organizations ( $Y_1$ )**

From the Organizational Learning variable ( $Y_1$ ) it can value from the highest to lowest score with a sequence of values as follows, namely, the highest score by an average of 4.29 is the indicator Dialogue ( $Y_{1.6}$ ); The second is an indicator of Thinking Systems ( $Y_{1.1}$ ) with a value of 4.27, the third is on the Shared Vision indicator ( $Y_{1.5}$ ) with a value of 4.17; namely the fourth Profession Expertise indicator ( $Y_{1.3}$ ) with a value of 4.15; The fifth is the mentality indicator ( $Y_{1.2}$ ) with a value of 4.14 and the lowest value in the indicator Teamwork ( $Y_{1.4}$ ) with a value of 4.09.

### **Organizational Performance ( $Y_2$ )**

From the Organizational Performance variable ( $Y_2$ ) it can the value of the order from highest to lowest score with a sequence of values as follows, namely, the highest score by an average of 3.16 which is the indicator of management quality ( $Y_{2.2}$ ); The second are indicators of Quality and Quantity Lecturer ( $Y_{2.1}$ ) with a value of 3.05; The third is the Student Activities Quality indicators ( $Y_{1.3}$ ) with a value of 2.30; and the lowest rate at which activity Quality indicators Research and Community Service ( $Y_{2.4}$ ) with a value of 2.18.

### **Competitiveness ( $Y_3$ )**

From the higher education competitiveness variable ( $Y_3$ ) it can value which ordered from the highest to lowest score with a sequence of values as follows, namely, the highest score by an average of 4.41 that is the attitude indicator is correct and civilized behavior (moral and ethical high) ( $Y_{3.1}$ ); The second is an indicator of practical experience working student ( $Y_{3.4}$ ) with a value of 3.25; The third is the indicator of knowledge is mastery of concepts, theories, methods, and / or philosophy of different disciplines (average GPA) ( $Y_{3.2}$ ) with a value of 3.18; and the lowest score on that indicator general skills and specific skills (graduates have a companion certificate diploma) ( $Y_{3.3}$ ) with a value of 3.16.

### **The result of the hypothesis 1 (one). Leadership effect on competitiveness**

Leadership significant positive effect on the competitiveness accepted, means that there are positive significant between the leadership on competitiveness. The influence of the leadership on the competitiveness of the direct coefficient of 0.361 with critical ratio (CR) 2.537 (Table 5:16). The result of analysis p-value = 0,011 < 0,05, hence expressed significant positive effect. This means that leadership improvement ( $X_1$ ) significantly affects the improvement of competitiveness ( $Y_3$ ), thus the better the leadership, the better the competitiveness.

### **The result of the research hypothesis 2 (two). The external environment shows significant positive effect on competitiveness**

Influence the external environment affects the competitiveness with direct coefficient of 0,339 with a critical ratio of 2.943 > 1.96 with p value = 0.003 < 0.05. These results provide information that the influence of external environmental variables on competitiveness accepted, means the better external environment the better the competitiveness.

### **The result of the hypothesis 3 (three). Leadership influence performance through organizational learning.**

The results of the analysis of leadership on organizational learning in Table 5:16 is equal to 0, 051 and value of critical ratio of 3.400 > 1.96 with a p-value = 0.029 < 0.05, organizational learning on performance with the coefficient value of 0, 188 with the critical ratio (CR) of 2.162 > 1.96 with a p-value = 0.031 < 0.05, and the leadership of the performance with a coefficient of 0.051 with a critical ratio (CR) of 3,400 to 0,029 p value < 0.05),  $X_1$  against significant  $Y_1$ ,  $Y_1$  to  $Y_2$  significant.

When viewed against the direct influence  $X_1$  towards  $Y_2$  = coefficient value 0,636 and critical ratio value  $3.439 > 1.96$  (0.05 significance), and  $X_1$  towards  $Y_1$  through  $Y_2$  equal  $(X_1 \rightarrow Y_1) * (Y_1 - Y_2) = 0.1191$ . The research proves that the indirect effect is greater when compared to the direct effects of organizational learning and could mediate the effect of leadership on the performance, the better the leader improves the organizational learning then it can improve the performance.

**Result of hypothesis 4 (four). The external environment shows significant positive effect on organizational performance through learning.**

Based on the data processing is known that the coefficient on the external environment to the organizational learning in Table 5:16 was 0,005 and the critical ratio of  $3.333 > 1.96$ , p-value =  $0.026 < 0.05$ , the coefficient of organizational learning on performance of 0.188 and critical ratio of  $2.162 > 1.96$ , p-value =  $0.031 < 0.05$ , the coefficient of the external environment on the performance of the 0,005 and the critical ratio (CR) sebesar  $3.333 < 1.96$  to p value 0.026.

If compared between the direct influence of  $X_2$  to  $Y_2$  = coefficient value 0,005 and critical ratio  $3.333 > 1.96$  with a p-value =  $0.026 < 0.05$ , while the external environment on performance through organizational learning is equal to  $(X_2 - Y_1) (Y_1 - Y_2) = 0.108$  means that the indirect effect is greater than the direct effect. and organizational learning may mediate the effect of the external environment on the performance, the better the external environment improves organizational learning, it can improve the performance. The results are consistent with the Munizu's research (2010), which states that external factors have significant and positive impact on the performance as well as research conducted by Invalid (2007) where the results showed that organizational learning has a significant effect on performance.

**Result of hypothesis 5 (five). Leadership has a positive effect on competitiveness through performance.**

Based on the data processing is known that the coefficient of influence between the leadership of 0.361 with the critical ratio (CR) of  $2.537 > 1.96$  with a p-value =  $0.011 < 0.05$ ; the influence coefficient value between performance on the competitiveness of 0.538 with a critical ratio (CR) of  $2.045 > 1.96$  with a p-value =  $0.041 < 0.05$ ; the coefficient of influence of leadership on the competitiveness of 0.361 with a critical ratio (CR) of  $2.537 > 1.96$  with a p-value =  $0.011 < 0.05$ .

If it is compared between the direct influence of leadership on the competitiveness of the value of the coefficient 0,361 and critical ratio value  $2.537 > 1.96$  with p value =  $0.011 < 0.05$ , while the  $X_1$  to  $Y_2$  through  $Y_3$  through equal to  $(X_1 - Y_2) * (Y_2 - Y_3) = 0.027$  means that the indirect effect is smaller than the direct effect. Performance may mediate the effect of leadership on competitiveness, but a direct influence on the competitiveness of leadership is greater than through performance.

**The external environment has a positive effect on competitiveness through performance**

Based on the data processing is well known that the external environment on the performance coefficient of 0.005 with a critical ratio (CR) of  $3.333 > 1.96$  with a p-value =  $0.026 < 0.05$ ; the coefficient value of the performance towards the competitiveness of 0.538 with a critical ratio (CR) of  $2.045 > 1.96$  with p value =  $0.041 < 0.05$ ; the coefficient of the external environment on the competitiveness is 0,339 by the critical ratio (CR) of  $2.943 > 1.96$  with a p-value =  $0.03 < 0.05$ .

If it compared between the direct influence of  $X_2$  to  $Y_3$  = coefficient value and the value of the critical ratio  $0.339 \ 2.943 > 1.96$  (0.05 significance), while  $X_2$  to  $Y_2$  through  $Y_3$  equal to  $(X_2 - Y_2) * (Y_2 - Y_3) = 0,0269$  means that the indirect effect is smaller than the direct effect.

Performance may mediate the effect of the external environment on the competitiveness, but the direct influence of the external environment on the competitiveness is greater than through performance.

## **RESEARCH FINDINGS**

Empirically, this research could prove that the influence of leadership on organizational performance through learning has a significant effect on the Institute of Economic Science in Java. The mediation test results of the direct influence of leadership on performance with significant results and indirect influence of leadership on performance through organizational learning is also significant then organizational learning acts as a partial mediation variable (Solimun 2017: 90,91).

Empirically, this research could prove that the influence of the external environment on the performance through organizational learning have a significant effect on the Institute of Economic Science in Java. The test results mediating direct influence on the performance of the external environment with significant results and the indirect influence of the external environment on performance through organizational learning learning organization is also significant that acts as a partial mediating variables (Solimun 2011: 90.91).

Empirically, this study produced findings that performance mediates the influence of the leadership on competitiveness. The mediation test results show the direct influence of the leadership on competitiveness with the significant results and the indirect effect of leadership on competitiveness through performance is also significant so that the performance variable serves as a partial mediating variables (Solimun 2011: 90.91).

Empirically, this study produced findings that the performance mediate the influence of the external environmental on competitiveness through performance. The mediation test results show the direct influence of the external environment on the competitiveness with significant results and the indirect influence of the external environment on the competitiveness through performance is also significant, then the variable performance serves as a partial mediating variables (Solimun 2011: 90.91)

## **CONCLUSION**

Leadership has an effect on the competitiveness of the Economics College (STIE) in Java means the better leadership in Institute of Economic Science the level of competitiveness in Institute of Economic Science will be higher. The external environment has an effect on the competitiveness of Economics College (STIE) in Java is accepted means the better attention to the External Environment then the higher the competitiveness in the Institute of Economic Science. Leadership influences the performance of the Institute of Economic Science through organizational learning. This means that the better leadership, the better of the organizational learning and the better organizational learning, means the better performance of the Institute of Economic Science. The external environment affects the performance of the STIE through organizational learning. It means the better the external environment, the better learning and the better organizational learning will have an effect on the improvement of Performance in Institute of Economic Science. Leadership affects competitiveness through Institute of Economic Science performance. This means that the better leadership will be able to improve performance, as well as performance improvement will improve competitiveness in the Institute of Economic Science. The external environment affects competitiveness through the Institute of Economic Science performance. This means that the better the external environment will be able to improve performance, as well as the better performance will affect the increased of the competitiveness in the Institute of Economic Science.

## **BIBLIOGRAPHY**

- Absah. (2007). Pengaruh Kemampuan Pembelajaran Organisasi Terhadap Kompetensi, Tingkat Diversifikasi Dan Kinerja Perguruan Tinggi Swasta Di Sumatera Utara'. *Dissertation. Universitas Airlangga*. Surabaya.
- Al-Zoubi, M. R. 2012. Leadership Competencies and Competitive Advantage"Empirical Study on Jordan Telecommunications". *European Journal of Business and Management* 4(7): 234-247.
- Anthony, R. N. and Govindarajan, V. (2015) *Management Control System*. Jakarta: Salemba Empat.
- Argyris, C. (1976) 'Single-Loop and Double-Loop Models in Research on Decision Making', 21(3), pp. 363–375.
- Brahmasari, I. A. dan A. Suprayetno. 2008. Pengaruh Motivasi Kerja, Kepemimpinan dan Budaya Organisasi Terhadap Kepuasan Kerja Karyawan serta Dampaknya pada Kinerja Perusahaan (Studi kasus pada PT. Pei Hai International Wiratama Indonesia). *Jurnal Manajemen dan Kewirausahaan* 10(2): 124-135.
- Cahyono, A. 2012. Analisis Pengaruh Kepemimpinan, Motivasi, dan Budaya Organisasi terhadap Kinerja Dosen dan Karyawan di Universitas Pwiyatan Daha Kediri. *Jurnal Ilmu Manajemen dan Revitalisasi* 1 (1).
- Catalina, R. G. 2009. The Influence of Leadership on Organization's Level of Competitiveness. *Review of International Comparative Management* 10(5): 959-967.
- Drucker, P. F. 1993. *Innovation and Entrepreneurship*. Harper Business. New York.
- Fiol, C. M. dan M. A.Lyles. 1985. Organizational Learning. *Academy of Management Review*10(4): 803–813.
- Garvin, D. 2002. *Learning In Action: A Guide To Putting The Learning Organization To Work*. Harvard Business Review. USA.
- Gakure, R. W., D. M. Gichuhi dan A. G. Waititu. 2014. Influence of organizational leadership on competitiveness of Public Universities in Kenya. *Journal Of Humanities And Social Science* 19 (1): 13-19.
- Ghozali, I. 2013. *Aplikasi Analisis Multivariate Dengan Program IBM SPSS 19*. Edisi Ketiga. Badan Penerbit Universitas Diponegoro.Semarang
- Hilmi. 2013. Kinerja Perguruan Tinggi Agama Islam: Sudi Persepsi Dosen tentang Pengaruh Kepemimpinan, Iklim Organisasi, dan Komitmen Dosen terhadap Kinerja IAIN Sultan Thaha Saifuddin, Jambi., *Disertasi*.UPI.
- Hurduzeu, R.-E. 2015. The Impact of Leadership on Organizational Performance, *Practical Application of Science* 3(1): 289–293.
- Inaray, J. C., O. S. Nelwan dan V. P. K.Lengkong. 2016. Pengaruh Kepemimpinan Dan Motivasi Kerja Influences Of Leadership And Working Motivation To Employees Performance At PT . Amanah Finance In Manado City.*Jurnal berkala Ilmiah Efisiensi* 16(2): 459–470.
- Ingga, I. 2009. Pengaruh Lingkungan Eksternal, Lingkungan Internal, Strategi Kepemimpinan Biaya, Strategi Diferensiasi terhadap Nilai Pelanggan dan Keunggulan Bersaing.*Jurnal Aplikasi Manajemen* 7(2): 284–292.
- Khan, S.dan M. A.Anjum. 2013. Role of leadership style and its impact on getting competitive advantage. *European Journal of Applied Sciences* 5(2): 53-61.
- Kuncoro, M. (2006). Strategi: Bagaimana Meraih Keunggulan Kompetitif. Erlangga. Jakarta.
- Ling, Y. H. dan B. S. Jaw. 2011. Entrepreneurial leadership, human capital management and global competitiveness An empirical study of Taiwanese MNCs. *Journal of Chinese Human Resource* 2 (2): 117-135.
- Luthans, F. (1998) *Organizational Behavior*. McGraw - Hill Co.New York.

- Kartono, K. 2013. *Pemimpin Dan Kepemimpinan: Apakah Kepemimpinan Abnormal Itu?* Pertama. PT. Rajawali. Jakarta.
- Koech, P. M. dan G.S. Namusonge. 2012. The Effect of Leadership Styles on Organizational Performance at State Corporations in Kenya. *International Journal Business and Commerce* 2(1): 1-12.
- Kraja, Y. dan E. Osmani. 2013. Competitive Advantage and Its Impact in Small and Medium Enterprises (SMEs) (Case of Albania). *European Scientific Journal* 9 (16) : 76-85.
- Marquardt, M.J. 2002. *Building the learning organization*. McGraw-Hill. New York
- Muhardi. 2007. *Strategi Operasi Untuk Keunggulan Bersaing*. Garaha Pustaka. Yogyakarta.
- Munizu, M. 2010. Pengaruh faktor-faktor eksternal dan internal terhadap kinerja usaha mikro dan kecil (UMK) di Sulawesi Selatan. *Jurnal Manajemen dan Kewirausahaan* 12(1): 33-41.
- Nurwanti. 2013. Peran Pemimpin, Organisasi Pembelajaran Dan Kompetensi Organisasi, Serta Dampaknya Pada Kinerja Organisasi. *Jurnal Bisnis dan Akuntansi* 15(2): 177–186.
- Porter, M. 1995. *On Competition*. Harvard Business School. Boston.
- Rue, L. L. dan L. L. Byard. 1997. *Management, Skill and Application*. McGraw-Hill Co. New York.
- Robbins dan Coulter. 2012. *Management*. 7th edn. Prentice Hall, Inc. New Jersey.
- Roscahyo, A. 2013. Pengaruh Gaya Kepemimpinan Terhadap Kinerja Karyawan Pada Rumah Sakit Siti Khodijah Sidoarjo. *Jurnal Ilmu dan Riset Manajemen* 2(12): 1–16.
- Siagian, S. 1999. *Manajemen Sumber Daya Manusia*. Bumi Aksara. Jakarta.
- Solimun. 2011. *Multivariate Analysis Structural Equation Modelling (SEM) Lisrel dan Amos*. Fakultas MIPA. Universitas Brawijaya.
- Timothy C., O., T. O. Andi, O., A. Victoria dan A., N. Idowu. 2011. Effects of Leadership Style on Organizational Performance: a Survey of Selected Small Scale Enterprises in Ikosi-Ketu Council Development Area of Lagos State, Nigeria. *Australian Journal of Business and Management Research* 1(7): 100–111.
- Trang, D. S. 2013. Gaya Kepemimpinan dan Budaya Organisasi Pengaruhnya Terhadap Kinerja Karyawan (Studi Pada Karyawan BPKP Provinsi Sulawesi Utara). *Jurnal EMBA* 1 (3): 208-216.
- Tongo-Tongo, Y. 2014. Pengaruh Gaya Kepemimpinan Dan Disiplin Kerja Terhadap Kinerja Anggota Detasemen A Pelopo Satuan Brigade Mobil Kepolisian Daerah Sulawesi Utara. *Jurnal Riset Bisnis dan Manajemen* 2(4): 103–117.
- Venkatraman, N. dan V. Ramanujam. 1986. Measurement Of Business Performance In Strategy Research: A Comparison Of Approaches, *Academy Of Management Review* 11(4): 801–814.
- Waterhouse, J. dan A. Svendsen. 1998. *Strategic Performance Monitoring and Management: Using Non Financial Measures to Improve Corporate Governance*. Quebec: The Canadian Institute Of Chartered Accountant.
- Wells, B. dan N. Spinks. 1996. Ethics must be communicated from the top down!. *Career Development International* 1(7): 28–30.
- Wheelen, T. dan J. Hunger. 2002. *Strategic Management Business Policy*. 6<sup>th</sup> edition. Reading: Addison-Wesley. 9-66.
- Wulandari, A. 2009. Pengaruh Pengaruh Lingkungan Eksternal Dan Lingkungan Internal Terhadap Orientasi Wirausaha Dalam Upaya Meningkatkan Kinerja Perusahaan. *Jurnal Pengembangan Wiraswasta* 11 (2): 142-152.
- Yuliana, C. 2010. Peran Kepemimpinan Dalam Pencapaian Kinerja Organisasi Melalui Budaya, Strategi, Dan Sistem Akuntansi Manajemen Organisasi. *Simposium Nasional Akuntansi*: 1–27.