ABSTRACT

SUHARYONO. The analysis of organizational capability and business environment on business performance and its implications for business development in traditional market PD Pasar Jaya (H. MUSA HUBEIS as head of supervising commission, SETIADI DJOHAR and HARTOYO as members of supervising commission).

Small and Medium Enterprises (SMEs) occupies the largest proportion of the industrial sector and plays an important role in economic development, improvement of social welfare and employment in many countries, especially developing countries (including Indonesia). The contradiction between the role of SMEs and limited capability organization of SMEs is a reality that needs to get its own research. The organizational capability in aspects of program implementation and strategic policy and environmental changes in aspects of availability resources, supplier and buyer power, new competitors, and government regulations are expected to be a factor determining achievement of level of the expected business performance.

The purpose of this study is to determine the dominant factors in the organizational capability and corporate environments that have real impact on entrepreneur business performance in specific traditional markets PD Pasar Jaya DKI Jakarta. This study use Analysis of variance (ANOVA) to analyze sales data and the Structural Equation Modeling (SEM) to analyze perception data. In addition, this study tries to propose priority business development strategy which is the result of Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis. Data used in this study are primary and derived from the 260 respondents which are separated in seven markets PD Pasar Jaya selected as research objects.

Based on SEM analysis has found dimensions and the dominant factors that affect positive and real. They are technology that perceived as way of working and controlling planned, marketing performance that perceived by loyal customers, sales of qualified product with competitive price, and old customers that move to other sellers. All of these are being stimulus that can improve business performance in aspect of profit. Based on SWOT analysis, it is proposed several business development strategies that will be productive if implemented simultaneously. These strategies include market orientation strategy, (S-O strategies); technology orientation strategy (S-T strategy), market and technology orientation strategy (W-O strategy), human resources development and financial management orientation strategy (W-T strategy).

Keywords: SMEs, traditional market, perception scale, organizational capability, environmental business, marketing and business performances, ANOVA, SEM, SWOT, development strategy.