

ABSTRACT

The objective of this research is to build an entrepreneurship orientation theoretical model and social capital and their influences on the organizational performance. This research examines empirically and analyzes the influences of entrepreneurship orientation in forms of idea discovery, opportunity-searching orientation and risk-taking orientation, organizational learning, and innovative creativity on the organizational performance. Besides that, it examines empirically and analyzes the influences of social capital in forms of network quality and trust, innovations of organizational performance.

The populations in this research were the medium furniture businesses in Central Java. This research took samples as many as 127 respondents. The respondents were the managers/medium wooden furniture business owners with the manpower ranging from 20 to 100 people. Data collection technique used questionnaires, and *focus group discussion* with the managers/ business owners. The used technique of analysis was the Structural Equation Modeling (SEM) with Amos Ver. 5.0 *software*. The examination on the influence of the moderation of environmental adaptability properties used the *Multi-Grouped Sequential Equation Modeling*.

The theoretical finding in this research is that, it is able to explain (1) *research gap* of the causal relationship between the courage of taking risk, idea discovery supports, and tendency of opportunity-searching on the organizational performance, (2) uncertainty of the roles of social capital, network, and trust in improving organizational performance, (3) uncertainty of the roles of organizational learning in mediating the *entrepreneurship* orientation on the organizational performance, (4) uncertainty of the role of innovation in mediating the *entrepreneurship* orientation and social capital on the organizational performance, (5) uncertainty of the role of environment moderating the causal relationships among social capital, innovation, and organizational performance, and (6) it is able to add the literature concerning *entrepreneurship* orientation and social capital, especially the matters concerning wooden *furniture* medium business, which are still relatively limited. Meanwhile, the managerial finding in this research is the model of business performance development model, which is the Strategy of Organizational Performance Improvement Triangle (SOPIT).

Keywords: **organizational performance, entrepreneurship orientation, social capital, organizational learning, innovation**