

## ABSTRACT

This study aims to develop a new concept, called dynamic socio-emotional capabilities. The concept is then integrated with several other variables and forms a basic theoretical and empirical model as a solution to address research gaps.

Data collection was carried out empirically on the owners and / or managers of furniture companies which are family companies located in Jepara Regency, Central Java. In this study, the number of questionnaires distributed was 210 questionnaires and the sampling in this research was purposive sampling. Testing models and hypotheses using structural equation analysis (Structural Equation Model - SEM) with Smart PLS 3.0 software.

Of the seven hypotheses proposed, there are two hypotheses that are proven to have no significant effect, namely entrepreneurial orientation towards dynamic socio-emotional capabilities and entrepreneurial orientation on company performance. Organizational learning affects dynamic socio-emotional capabilities and also affects company performance. The indicator that presents organizational learning is that employees are encouraged to communicate clearly and raise awareness in employees that their knowledge can serve the company. Therefore, efforts that can be made to improve company performance are to encourage employees to communicate clearly and raise awareness in employees that their knowledge can serve the company. Meanwhile, dynamic socio-emotional capabilities affect company performance and proactive stakeholder engagement and proactive stakeholder engagement have a positive effect on company performance. Dynamic socio-emotional capabilities have a partial mediating effect on the relationship between organizational learning and firm performance. The indicator with the highest outer loading is the ability to integrate with internal and external stakeholders. To improve company performance, it is necessary to increase the ability to integrate with internal and external stakeholders.

By using the RBV theory and Stewardship theory, this study develops a novelty, namely the role of dynamic socio-emotional capabilities as a partial mediator of the relationship between organizational learning and company performance.

**Keywords:** dynamic socio-emotional capabilities, organizational learning, entrepreneurial orientation, proactive stakeholder engagement, and company performance.