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The influence of marketing abilities, innovation abilities and learning abilities on the performance of UKM in The Region Diy Province

Muhammad Muhlisin[1], Moh. Abd. Rahman[2]

[1]Postgraduate students, Faculty of business and economics, Program Magister Manajement, Indonesian Islamic University, [2]Shari'ah Economics Lecture, Faculty of Economics and Islamic Business, Zainul Hasan Genggong Islamic University

abdurrahmanbinauf39@gmail.com[1], m.muhlisinna@gmail.com[2]

Abstract. Small and Medium Enterprises (UKM) in various countries have proven to be the backbone of the economy, UKM are the largest group of economic players in Indonesia and have proven to be the key to securing the national economy during times of economic crisis as well as being the dynamics of post-crisis economic growth. The existence of small industries is a fact of a very large entrepreneurial spirit among the people that is able to support the national economy. The purpose of this study was to examine the effect of marketing ability on the performance of UKM in Yogyakarta Province. To test the influence of innovation ability on the performance of UKM in DIY Province, To test the effect of learning ability on the performance of UKM in the Province of DIY, To test the effect of marketing ability, innovation ability and learning ability simultaneously on the performance of UKM in Yogyakarta Province. The results of this study can be an input for UKM to survive in the fierce competition, especially in the long term for products offered by other competitors. Second, the results of this study can be an input for UKM, especially UKM affected by the Covid-19 pandemic, to pay attention to the products produced, for example in the form of applying the concept of innovation and creativity of products produced in both form and packaging. Third, the results of this study can be used as input for UKM to create learning patterns of production needs for technology. Fourth, the results of this study can be an input for UKM implementing innovation in their business activities will be able to encourage efforts to increase UKM business development. Furthermore, business development can boost the marketing capabilities of UKM, meaning that businesses continue to develop in line with the learning abilities and performance of UKM. Statistical analysis using the Statistical Product and Service Solutions (SPSS) program.

Keywords. marketing abilities, innovation abilities, learning abilities, performance of ukm

1. Introduction

Small and medium enterprises (hereinafter abbreviated to UKM) in many countries have proven capable of playing a role as the backbone of the economy. UKM are the largest group of economic players in the economy in Indonesia and have proven to be the key to safeguarding the national economy during times of economic crisis as well as being a dynamist for post-crisis economic growth. The main mission of UKM is to provide equal opportunity for doing business and working for the community. Meanwhile, the contribution of UKM to the country's economy

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are: First, UMKM are the basis of businesses that have been able to withstand the storms of the 1997 economic crisis. Second, the UKM sector has the potential to absorb labor. Third, UKM play a role in contributing to the structure of the national economy. UKM make up a significant proportion of the number of enterprises in most countries, in the United States of 5, The 5 million businesses that have been running are 95% small businesses, in the European region more than 99% of the existing companies are UMKM. In addition, UKM also contribute significantly to gross domestic product (GDP) and act as a source of innovation and job creation (Vajjhala, 2013)

UKM are required to have capabilities related to marketing, innovation and learning (marketing, innovation and learning capabilities) (Sok, O'Cass & Sok, 2013). In addition, SMEs must also have superior marketing capabilities and competitiveness in order to bring their products to market faster and serve customers better (Vorhies & Morgan, 2005; O'Dwyer et al., 2009). Regarding the relationship between marketing ability and SME performance conducted by Gaur et al., (2011), it was explained that UKM with a solid market marketing capability orientation were able to produce higher profit margins than UKM with weak marketing capability orientation. In line with the results of these studies, Li et al., (2008) stated that marketing ability has a positive and significant relationship with the performance of UKM and shows that small companies' marketing abilities can encourage companies to serve customer needs and achieve higher performance. This result is also corroborated by Lauksen et al., (2013) which states that marketing capabilities can create and maintain superior customer value and are responsive to market development information.

The current approach is a practical guide for UKM to innovate in order to help the ability of UKM in developing superior products to improve their performance (Saunila, 2016). This is a continuation of innovation capability in the announcement of a new product that can be considered as an indicator of UKM performance to be measured by including innovation activities such as R&D investment, patents, andnew products. However, these two indicators are unable to measure innovation in business services as well as in the software industry that make up the majority of UKM in Malaysia, particularly in Penang (Caloghirou et al., 2004). UKM can benefit from performance measurement when enhancing their innovative capabilities which include: leadership and management, task motivation as well as product quality and ability to meet customer needs (Franco & Bourne, 2003; Laitinen, 2003; Bourne et al., 2005; Ukko et al., 2008). The results of research conducted by Saunila et al., (2012) show that there is a positive relationship between innovation ability and UKM performance. In addition, the results of research conducted by Oke et al., (2007) show a positive relationship between innovation ability and UKM performance. This means that innovation capability is recognized in the structural performance measurement framework and is considered a determinant of actual performance. The results of research conducted by Oke et al., (2007) showed a positive relationship between innovation ability and UKM performance. This means that innovation capability is recognized in the structural performance measurement framework and is considered a determinant of actual performance. The results of research conducted by Oke et al., (2007) showed a positive relationship between innovation ability and UKM performance. This means that innovation capability is recognized in the structural performance measurement framework and is considered a determinant of actual performance.

Furthermore, the ability to learn about new knowledge to carry out business activities is needed as a significant index of the competitiveness of UKM. Learning ability is a key ability for UKM in an effort to achieve superior performance (Newbert, 2007; Vorhies et al., 2009). The creation of superior customer value is directly linked to superior performance that is a prerequisite for the competitive advantage and performance of UKM. These include

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leadership and management, task motivation, quality of operations and product ability to meet employee customer needs (Chang & Caloghirou, 2004). Regarding the learning ability of UKM, previous research shows that this variable has a positive effect on the performance of UKM. For example, research conducted by Lin Peng.

The performance of UKM is a continuation of the attention which is the starting point for the emergence of the desire to carry out activities. UKM have different characteristics from large companies, UKM may also have a flat and flexible structure, high potential, reactive mentality, informal and dynamic strategies (Hudson et al., 2007). Another characteristic is that due to their relatively small size, UKM have the advantage of faster decision making, willingness to take risks and flexibility in responding to market opportunities. These strengths balance some of the weaknesses of UKM, including limited resources and innovation capabilities of UKM.

In the Indonesian context, several studies have linked marketing ability, innovation ability and learning ability as well as the influence of these three factors on the performance of UKM. For example, research conducted by Sismanto (2012) proves that there is a positive and significant effect of the role of learning orientation, market orientation and innovation on the marketing performance of food product UKM in Bengkulu Province. In addition, the results of research conducted by Elwisam (2019) prove that creative product innovation and marketing strategies have a positive and significant effect on the marketing performance of UKM in Tangerang Selatan, Banten. Then the results of research conducted by Nur Azizah et al., (2017) prove that competency in marketing knowledge, entrepreneurial orientation, Marketing capability has a positive and significant effect on the performance of fisheries UKM in Malang, East Java. UKM performance is a calculation of the achievements achieved by UKM in a certain time. To find out the performance of UKM, it takes a long time to analyze it in order to obtain satisfactory results.

Research conducted by Sismanto (2012) only focuses on one research subject, namely using food product UKM in Bengkulu Province so that the picture of UKM in other fields is not represented. Meanwhile, the research conducted by Elwisam (2019) shows contradictory results between variables and is different from the results of the majority of previous studies. Market orientation variables have a negative role, while creative product innovation and marketing strategies have a positive role on marketing performance. This is in line with research conducted by Afzal (2009), proving that marketing ability affects the performance of companies in Pakistan. While the research conducted by Nur Azizah et al.

Based on the analysis of several previous studies, this study aims to close the research gap, especially with regard to the implementation of marketing, innovation and learning capabilities on the performance of UKM in various fields or types of UKM. The novelty of the research built in this study is incremental in the Indonesian context. This is in line with research conducted by Terziovski (2010) which proves that the performance of UKM in the manufacturing sector tends to increase significantly, supported by innovation capabilities. Whereas in this study only the variables of marketing ability, innovation ability and learning ability to measure the performance of SMEs so that the conclusion would not apply to other measuring tools

This research is an extension of the research conducted by Sok, O'Cass & Sok (2013) which will be tested on UKM in the Special Region of Yogyakarta (DIY). The focus of research is on UKM in DIY because DIY is known as the home for many UKM in Indonesia.

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2. Review of literature

2.1 Definition of Small and Medium Enterprises (UKM)

UKM has several different definitions that refer to the criteria of an institution or agency as well as laws and regulations. The Central Statistics Agency (BPS) provides a definition of UKM based on the use of the number of workers in each business unit. Small businesses have a workforce of 5 to 19 people. Meanwhile, medium enterprises have a workforce of 20 to 99 people.

Whereas the definition of UKM according to Law 20/2008 which discusses Micro, Small and Medium Enterprises sets limits on the criteria for micro, small and medium enterprises to have a net worth of at most IDR 50,000,000.00 (fifty million rupiah) excluding land and buildings where the business is or has results annual sales of not more than Rp. 300,000,000.00 (three hundred million rupiah).

Meanwhile, the criteria for a small business are having a net worth of more than Rp.50,000,000.00 (fifty million rupiah) up to a maximum of Rp. 500,000,000.00 (five hundred million rupiah) excluding land and buildings where the business is carried out or having annual sales of more than Rp. Rp. 300,000,000.00 (three hundred million rupiah) up to a maximum of Rp. 2,500,000,000.00 (two billion five hundred million rupiah).

The criteria for a medium-sized business are having a net worth of more than Rp. 500,000,000.00 (five hundred million rupiah) up to a maximum of Rp.10,000,000,000.00 (ten billion rupiah) excluding land and buildings for business or having annual sales of more than IDR 2,500,000,000.00 (two billion five hundred million rupiah) up to a maximum of IDR 50,000,000,000.00 (fifty billion rupiah).

2.2 Performance of Small and Medium Enterprises (UKM)

The performance of UKM in a narrow sense is often interpreted as profitability. The definition of profitability is the company's ability to profit from its operations. In general, the measurement of profitability uses financial ratios (Munawir, 2011).

Efforts to improve the performance of UKM must be well-planned, systematic and comprehensive at the macro, meso and micro levels which include: 1) Creating a business climate in order to open up business opportunities as widely as possible and ensure business certainty along with economic efficiency, 2) Development of a business support system for UKM to increase access to productive resources so that they can take advantage of open opportunities and the potential of available local resources, 3) Entrepreneurship development and competitive advantages of UKM, and 4) Empowerment of micro-scale businesses to increase the income of people engaged in economic business activities in the informal sector with the scale of micro enterprises, especially those with the status of poor families (Widodo, 2013).

The performance of UKM consists of financial and non-financial. The first group regarding financial performance includes profitability, return on investment, and stock prices. Next, the second group regarding non-financial performance is share or growth (Munawir, 2011). According to Varadarajan (2009), financial performance is very important for the survival, growth and profitability of an organization. UKM act as prerequisites and facilitators for efficient use of technical product and process innovation, and therefore they are a source of competitive advantage. The performance of UKM itself has an impact on non-financial performance related to productivity, waiting time, quality, and flexibility (Armbruster et al., 2008).

Therefore, the discussion of sustainable development within UMKM is focused on the environmental and economic dimensions of sustainability performance measures (Wang et

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al., 2015). In this study, the performance of UKM will be measured based on financial performance and operational performance. In this study, the UKM performance variables follow the modified items from the study conducted by Minna (2014).

According to Calantone et al., (2002) innovation is the most important determinant of organizational performance. Tidd (2001) divides the measures used to prove the relationship between innovation and business performance, into two categories. The first group concerns accounting and financial performance, which includes profitability, return on investment, and stock prices. The second group concerns market performance, for example share or growth (Tidd, 2001). Several studies have examined the relationship between innovation and firm performance (Calantone et al., 2002; Cainelli et al., 2004; Keskin, 2006; Bowen et al., 2010; Jime'nez-Jime´nez and Sanz-Valle, 2011) and support the idea that innovation is a key driver of corporate success.

2.3 UKM Marketing Capability and Performance

Marketing capability is defined as the organizational culture that most effectively creates the behaviors necessary for creating superior value for buyers so as to create sustainable superior performance (Narver & Slater, 1990). Regarding marketing ability, previous research shows that this variable has a positive effect on the performance of UKM. For example, research conducted by Morgan et al., (2009) states that marketing capability can be defined as a market-based knowledge asset which is key when a resource-based view is applied. The results of research conducted by Ngo & O'Cass (2012) show that marketing ability is seen as an intangible resource.

In measuring the marketing ability variable, this study refers to the dimensions of identification proposed by Sok, O'Cass & Sok (2013) which summarizes several issues such as product pricing, market testing, product distribution, advertising and promotion, new product marketing, launching. new products, marketing strategies.

On the basis of this, it can be explained that UKM are able to place and be of great concern, able to offer friendly services at predetermined product prices and fulfill superior products as the basis for achieving UKM performance. These results are supported by the results of research by Kirca et al., (2005) which concluded that marketing ability has a positive influence on the performance of UMKM. In addition, the results of Pelham's (2000) study define that high marketing ability affects competitive advantage and the performance survival of small UKM.

These results are also supported by research conducted by Vorhies and Morgan (2005) who examined the ability of marketing to UKM performance that the company's marketing activities are much better than other companies on a 7-to-1 scale. Based on this explanation, the following hypothesis can be formulated:

H1: Marketing ability has a positive effect on UKM performance.

2.4 Innovation Capability and Performance of UKM

Innovation capability is an aspect that affects an organization's ability to manage innovation (Saunila and Ukko, 2012). The ability of innovation according to Hult et al., (2004) describes a process that begins with an idea, development results or findings and the introduction of new products, processes and new services in the market. In the process of innovation, a company gradually forms its own practices and beliefs in responding to information. That is, when developing new products, innovation is more interested in the beliefs and practices that have brought success to its products. This shows that product

innovation has proven to be impractical. As innovation activities progress, the development process can become the practice and belief that exists to assess,

On the basis of this definition, innovation ability has at least the following characteristics (Neely et al., 2001; Lawson & Samson, 2001; Laforet, 2011):

1. Innovation capability refers to the potential or ability for product innovation.
2. Innovation ability is an internal capability.
3. Innovation capability requires continuous improvement
4. Innovation capabilities aim to add value.

Research conducted by Saunila Minna (2014) states that innovation capability is defined as an aspect of a company's ability to influence an organization's ability to achieve innovation. In measuring the innovation capability variable, this study refers to the dimensions of identification proposed by Saunila Minna (2014), namely:

1. Participatory leadership culture.
2. Creation of ideas and organizing structures.
3. Work climate and welfare factors.
4. Knowledge development factors.
5. Regeneration.
6. External knowledge factor.
7. Individual employee factors.

The empirical results conducted by O'Cass and Sok (2014) show that when the combination of intellectual resources, product innovation capabilities, reputation resources and marketing capabilities is high, the performance of UKM can be improved. The results of other research conducted by Sulistyo and Siyamtinah (2016) prove that the ability of innovation has a significant effect on the performance of the Troso weaving UKM in Jepara. The results of this study are also in line with the results of research conducted by Al-Khowarizmi and Nyoman Kerti Yasa (2016) which prove that the ability of innovation has a positive and significant effect on the performance of UMKM in the food industry sector in Denpasar City. Based on this explanation, the following hypothesis can be formulated:
H2: The ability of innovation has a positive effect on the performance of UKM.

2.5 Learning Ability and Performance of UKM

Organizational learning ability is defined as the ability to create, acquire, transfer, integrate knowledge and foster behavior to reflect new cognitive situations with the aim of improving organizational performance (Jerez-Gomez, Cespedes-Lorente, & Valle-Cabrera, 2005). The definition of learning ability that is almost the same is also formulated by Hsu and Fang (2009), namely the ability of organizations to absorb and change new knowledge and apply it to developing new products with competitive advantages and high production speeds.

Organizational learning abilities act as facilitators of organizational learning processes (Goh & Richards, 1997), organizations are understood as tangible and intangible resources, such as skills that act as a means of promoting competitive advantage, and this enables the organizational learning process (Alegre & Chiva, 2008).). Hsu and Fang (2009) explain that organizational learning ability is understood as the organization's ability to absorb and change new knowledge and apply it to the development of new products with competitive advantage and high production speed.

In addition, Chiva et al. (2007) believe that organizational learning ability is an organizational as well as managerial feature that facilitates the learning process in organizations. (Mbengue & Sané, 2013). These practices are at the core of an organization's learning capabilities, which can be defined as a set of management practices that facilitate the

learning process, or, as a series of mechanisms that enhance an organization's ability to maintain and improve performance (Alegre & Chiva, 2008; Mbengue & Sané, 2013) .

According to Huizingh & Lichtenthaler (2011), this modern theoretical contribution is a basic ability that is useful for learning subsequent empirical research on how companies perform. This is in accordance with the concept of "open innovation strategy" introduced by Chesbrough (2003), which allows the transfer of knowledge both inside and outside which can be integrated and bring ideas from technology management. (

The learning ability variable in this study was measured using indicators that refer to the opinions expressed by Sok, O'Cass & Sok (2013), namely:

1. Training and education.
2. New knowledge.
3. Dialog.

Basically organizational learning is the development of knowledge or insight that has the potential to determine behavior. UKM learning arises when people in UKM act as learning agents, namely by responding to changes that occur in the environment around the company, detecting and correcting errors that occur in practice and sharpening the functions of the UKM. This is in line with research conducted by Sismanto (2006) which proves that learning orientation has a positive effect on UKM performance, that the higher the learning orientation, the higher the product produced. Based on this explanation, the following hypothesis can be formulated:

H3: Learning ability has a positive effect on the performance of UKM

2.6 Interaction Relationship Between Marketing Capability, Innovation Ability, Learning Ability and UKM Performance

Sanz-Valle & Jimenez-Jimenez (2011) said that the innovation ability of a company can have an impact on performance, namely that innovation ability is seen as a contributing factor to higher performance in a number of industrial sectors and can strengthen the competitive advantage of the company and help companies survive in the market. The performance of UKM sometimes does not recognize the opportunities and benefits available in the market, including the flexibility of UKM to adapt products and services to customer needs (O'Regan et al., 2006). Several research results related to marketing ability, innovation ability and learning ability in influencing the performance of UKM have been carried out. As research conducted by Freel (2000) which proves that there is a positive relationship between marketing ability and innovation ability on performance. In addition, research conducted by Keskin (2006) states that UKM with innovative abilities and learning abilities can improve their performance. According to the opinion of Otero-Neira et al., (2009) innovation ability, marketing ability and learning can positively influence company performance based on the types of innovations developed. The marketing capability of SMEs by serving the market is to establish close contact with their customers and this can be achieved if UKM have high performance by focusing on certain product groups (Adams & Hall, 1993).

This is in accordance with research conducted by Weinzimmer et al., (1998) which states that turnover (change to be either positive or negative) is believed to offer convenience but a reliable indicator of how well performance is doing marketing ability, innovation ability and learning ability. optimal. The growth in turnover may be due to various reasons namely higher prices charged to customers, increased market share or a larger share of turnover or all together. According to Weinzimmer et al., (1998) that using turnover growth to increase the number of employees or company assets as an indicator of growth is highly recommended. optimizing marketing capabilities, innovation abilities and learning abilities so that if UKM

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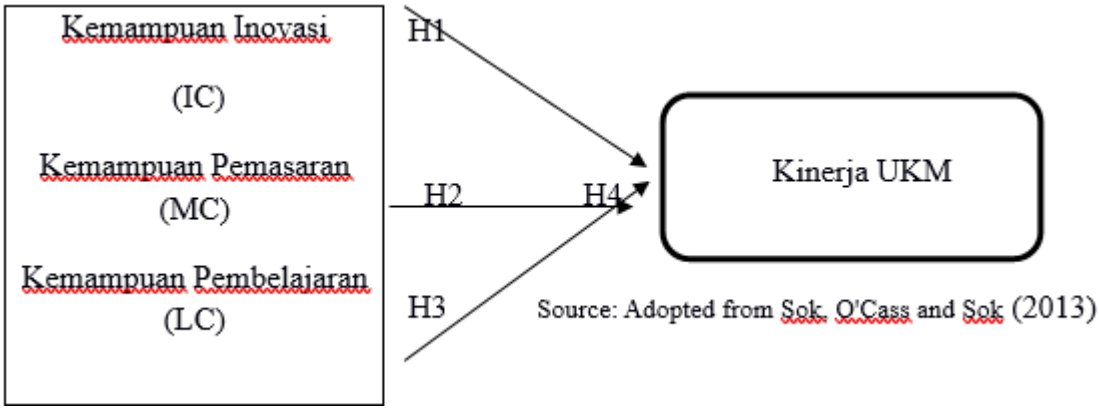
increase prices, the number of employees and assets remains the same . Based on this explanation, the following hypothesis can be formulated:

H4: The interaction between marketing ability, innovation ability and learning ability together have a positive effect on the performance of UKM.

2.7 Research Concept Framework

Figure 2.1 shows the conceptual framework in this study. This conceptual framework is an extension of the research conducted by Sok, O'Cass & Sok (2013). The first analysis is to test the marketing ability of UKM performance. Second, to test the ability of innovation to the performance of UKM. Third, to examine the effect of learning ability on the performance of UKM. Fourth, to test the effect of marketing ability, innovation ability and learning ability simultaneously on the performance of UKM in the DIY Province. These stages are shown in Figure 2.1 as follows:



Source: Adopted from Sok, O'Cass and Sok (2013)

3. Research method

3.1 Population and Research Sample

1. Population

Population is a generalization area consisting of objects / subjects that have certain qualities and characteristics that are determined by the researcher for study and then draw conclusions. If someone wants to research all the elements in the research area, then the research is a population research or population study or census study (Sugiyono, 2016). So the population is not only people but also objects and other natural objects. Population is also not just the number that is in the object / subject being studied, but includes the characteristics / properties of the object / subject (Arikunto, 2017). The population in this study were UKM in DIY.

2. Sample

The sample method used is Non-Probability Sampling with a convenience sampling technique, where samples are taken based on the availability of elements and the ease of obtaining them (Simamora, 2015)

In this study, the number of samples was taken based on the minimum calculation results according to Hair et al., (2010), namely:

(Number of indicators + number of latent variables) x (estimated parameter)

Based on this formula, the minimum sample size for this study is:

(40 + 4) x 4 = 176 respondents

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Based on the formula above, the minimum sample size in this study is 176 respondents. To avoid non-returning questionnaires, this study will take a sample of 180 respondents. This study will use research subjects with criteria, namely employees, managers and / or owners of UKM in Yogyakarta City.

3.2 Data and Data Collection

The data obtained in this study are data obtained from distributing questionnaires to research subjects. Data collection in this study uses:

1. Questionnaire

   The questionnaire is a data collection technique in which the participation / respondent fills in a question or statement then returns it to the researcher after it is filled in completely. This study uses a questionnaire that is distributed to respondents.

2. Measurement Scale

   To measure primary data, the researchers distributed questionnaires related to the research variables to respondents. The scale used in this study is a Likert scale. The scale is commonly used to measure the attitudes, opinions and perceptions of a person or group of people by agreeing or disagreeing with a particular subject, object or event. In this study the answers to the questionnaire used a Likert scale which had a gradation from strongly disagreeing with a score of 1, disagreeing with a score of 2, Neutral with a score of 3, agreeing with a score of 4 and finally strongly agreeing with a score of 5.The following is the Likert scale assessment score table:

Table 3.1 Assessment Score

No.	Category	Scale
1	Strongly Disagree	1
2	Disagree	2
3	Neutral	3
4	Agree	4
5	Strongly agree	5

Learning Ability

Internally, what can improve the performance of SMEs, in this case is the knowledge obtained from customers and other external relationships (Storey et al., 2016). In measuring the market orientation variable, this study refers to the dimensions of identification proposed by Sok, O'Cass & Sok (2013). The description of items in this aspect, namely:

a. Analyze the training and educational needs of employees at our UKM.
b. Improve the knowledge and skills of our SME employees.
c. Learn new knowledge for the continuation of business activities in our UKM.

UKM performance

The performance of UKM in a narrow sense is often interpreted as profitability. The definition of profitability is the company's ability to profit from its operations. In general, the measurement of profitability uses financial ratios (Munawir, 2011). In measuring UKM performance variables, this study refers to the dimensions of identification according to the opinion of Minna (2014). that is:

a. Financial performance

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The dimension of financial performance according to Minna (2014) is a financial report to provide useful information for making economic decisions so that the goals of UKM are achieved. The description of items in this aspect, namely:

1) The financial condition of our UKM for the last three years (2017, 2018, 2019 or before the pandemic).
2) The financial condition of our UKM during the Covid-19 pandemic.

b. Sales Performance

The description of items in this aspect, namely:

1) The condition of our UKM product sales for the last three years (2017, 2018, 2019 or before the pandemic).
2) The condition of our UKM sales during the Covid-19 pandemic.

c. Operational Performance

The operational performance dimension according to Minna (2014) is the company's ability to benefit from its operations. The description of items in this aspect, namely:

1) The ability of our UKM to produce products for the last three years (2017, 2018, 2019 or before the pandemic).
2) The ability of our UKM to produce products during the Covid-19 pandemic.

Validity

Validity is used to determine the similarity between the data collected and the data that actually occurs in the project under study. This is because the results of the bivariate correlation analysis and the results of the analysis by looking at the Cronbach Alpha output in the Correlated Item-Total Correlation column are identical because they both measure the same thing (Ghozali, 2017). Thus, to assess the validity of the scale requires a number of evidences. To evaluate the validity of measuring instruments in this study, the researcher will follow the following rules: (a) the scale must be reliable, (b) the construct of the scale statement items must reflect what is being measured. The more evidence that can be shown, the better the validity of the measuring instrument. According to Priyatno (2012), data can be said to be valid by paying attention to the following:

a. Comparing the calculated r value (pearson correlation value) with r table (obtained from table r), if r count> r table, then the question item or variable is valid and if r count <r table, then the question item is invalid.
b. If the significance <0.05 then the item is valid, but if the significance> 0.05 then the item is not valid. The steps in measuring the validity of the questionnaire are as follows:

- Tested the questionnaire by asking 35 respondents to answer the existing questions. Respondents in this study were UKM employees, UKM owners and UKM managers selected from 5 UKM, namely Ebjed Product, Prima Roti, Bakpia Pathok 25, Batik Surya Kencana and Kistodiharjo Craft.
- Preparing the tabulated answer table, the results of the answers and the respondent are entered into the tabulation table.
- Calculating the correlation between data in each statement, in this case the researcher uses SPSS version 22 software to analyze or test the validity of the questionnaire. The results of the validity test can be shown in the following table:

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Table 3.2 The Results of the Pilot Study Validity Test of 35 Samples

Question Items	Validity Coefficient (r-count)	Significance 5% (r table)	Information
Marketing Capability			
KP 1	0.929	0.333	Valid
KP 2	0891	0.333	Valid
KP 3	0.581	0.333	Valid
Innovation Capability			
KI 1	0.934	0.333	Valid
KI 2	0.941	0.333	Valid
Learning Ability			
KPB 1	0.857	0.333	Valid
KPB 2	0.799	0.333	Valid
SME performance			
KU 1	0.707	0.333	Valid
KU 2	0.691	0.333	Valid

Based on the results of the validity test on the UKM performance variables, it was found that all items had a correlation coefficient ≥ 0.3. So that all items are declared valid and represent the measurement of the research variables.

Reliability

Reliable data in the research instrument means that the data can be trusted. The reliability test in this study used the Cronbach's Coefficient Alpha. If the Cronbach's Alpha value is more than 0.70, then the instrument can be declared reliable (Ghozali, 2017).

Table 3.3 Reliability Test Results of the 35 Samples Pilot Study

Variable	Cronbach's Alpha Coefficient (> 70)	Information
Marketing Capability	0.883	Reliable
Innovation Capability	0.910	Reliable
Learning Ability	0.858	Reliable
SME performance	0.842	Reliable

Based on the results of the reliability test on each measuring instrument, the statement item has an alpha value of more than 0.70.

3.3 Analysis Tools

Statistical analysis is divided into two, namely descriptive statistics and inferential statistics.

1. Descriptive statistics

This analysis discusses research items in relation to respondent characteristics (age, gender, latest education, years of service at UKM) and research variables. Thus it can be concluded that descriptive statistics are intended to carry out data analysis according to the classification of respondents into percentages (Ghozali, 2017).

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2. Inferential Statistics

Inferential statistics, often called inductive statistics or probability statistics, are statistical techniques used to analyze sample data and the results are applied to the population and the researcher wants to make conclusions that apply to the population. The conclusion from the sample data that will be applied to that population has the opportunity for error and truth (belief) which is stated in the form of a percentage. If the chance of error is 5%, the confidence level is 95%, if the chance of error is 1%, then the confidence level is 99%. The probability of error and belief is called the significance level. Testing the significance level of the results of an analysis will be more practical if it is based on the table according to the analysis technique used, in this study linear regression analysis is used. So,

Hypothesis Prerequisite Test

The hypothesis in the statistics being tested is the null hypothesis. "The null hypothesis is used for testing. It is a statement that no different exists between the parameter and statistic being compared "(Emory, 1985). So the null hypothesis is a statement that there is no difference between parameters and statistics (sample data). The opposite of the null hypothesis is the alternative hypothesis which states that there is a difference between parameters and statistics. The null hypothesis is given the notation Ho, and the alternative hypothesis is given the notation Ha.

Prerequisite test to determine whether the data distribution is normal or not with the normality test. To test the normality of the data in this study using the Kolmogorov-Smirnov (KS) non-parametric statistical test, provided that if the significant value is above 0.05, the residual data is normally distributed (Ghozali, 2017). Linearity test is used to see whether the model specifications used are correct or not. With the linearity test, information will be obtained whether the empirical model should be linear, quadratic or cubic. In this study, the linearity test used the Sig Deviation From Linearity which is contained in the compare means menu in SPSS for windows, provided that if the sig value is> 0.05, the model is linear (Ghozali, 2017). All these tests were carried out with the help of a computer program called SPSS version 22.

Multiple Linear Regression Analysis

a. Correlation Coefficient Test (R) and Determination (R2)

Multiple correlation coefficient (R) is used to determine the strength or weakness of the relationship between the independent variable and the dependent variable. The coefficient of determination (R2) is used to determine to what extent the percentage of variation in the independent variables in the model can explain the dependent variable. The coefficient of determination is expressed as a percentage whose value ranges from 0 <R2 <1. ScoreR^2 Small means that the ability of the independent variables to explain the variation in the dependent variable is limited. A value close to one means that the independent variables provide almost all the information needed to predict the variation in the dependent variable. In this study, to find out how much the percentage of variation in the dependent variable can be explained by the independent variable using the adjusted R square (Ghozali, 2017).

b. F-test

The F-test is used to determine the significance of the effect of the independent variables X1, X2, X3 and X4 simultaneously with the dependent variable Y according to the following hypothesis formulation:

Ho: There is no positive and significant influence between marketing ability, innovation ability and learning ability simultaneously on the performance of UKM in the DIY province.

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Ha: There is a positive and significant influence between marketing ability, innovation ability and learning ability simultaneously on the performance of UKM in the DIY Province.

If the calculated F value is greater than F table or the sig value <0.05 then Ha is accepted, or there is a positive and significant influence between marketing ability, innovation ability and learning ability simultaneously on the performance of UKM in the DIY Province.

c. T-test

The t-test is used to test the significance of the effect of the independent variable with the dependent variable partially according to the following hypothesis formulation:

1) Significance test of the effect of marketing ability on the performance of UKM.
2) The significance test of the effect of innovation ability on the performance of UKM.
3) The significance test of the effect of learning ability on the performance of UKM.
4) Test the significance of the interaction between marketing ability, innovation ability and learning ability together on the performance of UKM.

The condition is that if the t value is greater than t table or the sig value <0.05, then there is an influence between the independent variable and the dependent variable.

4. Research and discussion

This research is quantitative in nature where the resulting data will be in the form of numbers. From the data obtained, data analysis was carried out. The first data analysis is descriptive analysis in the form of a description or description of the data as a whole. The second data analysis is multiple linear regression analysis with SPSS Ver 22 software.

4.1 Prerequisite Test

1. Normality test

The data normality test is used to test whether in the regression model, confounding or residual variables have a normal distribution. The results of normality testing using the Kolmogorov-Smirnov (KS) test are as follows:

Table 4.8 Normality Test Results for Each Variable

Variable	KS value	Sig.	Information
Marketing Capability	1,238	0.147	Normal
Innovation Capability	1,316	0.198	Normal
Learning Ability	0.994	0.277	Normal

Based on the results of the normality test, the results show that the asymp.sig value obtained by each variable is> 0.05, so it can be concluded that in the regression model, the confounding or residual variables meet the normality assumption.

2. Linearity Test

Linearity test is used to determine whether the model used is linear or not. The results of linearity testing can be seen in table 4.9 below.

Table 4.9 Linearity Test Results

Model	F count	Sig.	Information
X1 against Y	0.714	0.678	Linear
X2 against Y	1,117	0.359	Linear
X3 against Y	1,476	0.108	Linear

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Based on the results of linearity testing, the model in this study has a sig> 0.05, so it can be concluded that the independent variable and dependent variable have a linear relationship.

4.2 Hypothesis Test Results

1. First Hypothesis Test

To test the first hypothesis which states that marketing ability has a positive effect on the performance of UKM, a partial correlation is used. The test results can be seen in the following 4:10 table.

Table 4.10 Partial Correlation Results

Independent Variable	t	P	r	N
Marketing Capability (X1)	2,210	0.029	0.138	176

Based on the test results above, it is found that the marketing ability variable has a t value of 2,210 and a significance value of 0.029 <0.05. Thus it can be concluded that marketing ability has a positive and significant effect on the performance of UKM. So that H1 in this study is supported.

2. Second Hypothesis Test

To test the second hypothesis which states that the ability of innovation has a positive effect on the performance of UKM, a partial correlation is used. The test results can be seen in the following table 4:11.

Table 4.11 Results of Partial Correlation

Independent Variable	t	P	r	N
Innovation Capability (X2)	2,134	0.035	0.172	176

Based on the test results above, it was found that the innovation ability variable had a t value of 2.134 and a significance value of 0.035 <0.05. Thus it can be concluded that the ability of innovation has a positive and significant effect on the performance of UKM. So that H2 in this study is supported.

3. Third Hypothesis Test

To test the third hypothesis which states that learning ability has a positive effect on the performance of UKM, partial correlation is used. The test results can be seen in the following 4:12 table.

Table 4.12 Results of Partial Correlation

Independent Variable	t	P	r	N
Learning Ability (X3)	2,045	0.043	0.615	176

Based on the test results above, it is found that the learning ability variable has a t value of 2.045 and a significance value of 0.043 <0.05. Thus it can be concluded that learning ability has a positive and significant effect on the performance of UKM. So that H3 in this study is supported.

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4. Fourth Hypothesis Test

To test the fourth hypothesis which states that the interaction between marketing ability, innovation ability and learning ability together have a positive effect on SME performance, multiple linear regression analysis is used. The results of the multiple linear regression test can be seen in the following table 4:13.

Table 4.13 Correlation and Determination Coefficients

	Score
Correlation coefficient (R)	0.409
The coefficient of determination (R2)	0.167

Based on the results obtained, the correlation coefficient and determination shows that the R value is 0.409, meaning that the variables of marketing ability, innovation ability and learning ability have a weak relationship with the performance of UKM. This is supported by the R square value of 0.167 which means the variable ability of marketing ability, innovation ability and learning ability in influencing the performance of UKM in the DIY province is 16.7%. This shows that there are other factors that affect the performance of UKM outside the model in this study. The results of the F test can be seen in the table below.

Table 4.14 F Test Results

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	149,637	2	74,819	4,837	.010a
	Residual	1686,041	173	15,468		
	Total	1835,679	175			

a. Predictors: (Constant), marketing skills, innovation abilities, learning abilities

Based on the results of the F test, it is found that the interaction between the variables of marketing ability, innovation ability and learning ability has a positive and significant effect on the performance of UKM in the DIY province, which is indicated by the sig value of 0.010 <0.05. So that H4 in this study is supported.

5. Discussion and conclusion

This research can be interpreted that marketing capabilities and human resource input involving market information management as well as the development and implementation of marketing strategies contribute greatly to creating value for customers and UKM so as to improve their performance.

This study also proves that collectively, the performance of UKM in the DIY Province is influenced by the interaction of marketing abilities, innovation abilities and learning abilities. Although this influence is relatively small, only 16.7%. The remaining 83.3% is influenced by other factors outside of this study.

Some of the conclusions from this study are as follows:

First, marketing ability has a positive and significant effect on the performance of UKM. So that H1 in this study is supported. These results are supported by research conducted by Sarwat (2009). It can be explained that marketing ability is a starting point that might be useful in monitoring the performance of UKM with competitors and colleagues on previous UKM

performance. In addition, superior marketing capabilities are expected to achieve competitive advantages that result in better performance of UKM than less competent competitors (Sarwat, 2009).

Second,innovation ability has a positive and significant effect on the performance of UKM. So that H2 in this study is supported. These results are supported by research conducted by Prakash & Gupta (2008). This can be explained that resistance to changing conditions and changing economic uncertainty such as the Covid-19 pandemic tends to encourage UKM to increase their product innovation capabilities as the main driver of product excellence that leads to satisfactory UKM performance and brings closer relationships between customers and suppliers. Technical activities, design, involvement in marketing product pricing, pricing or better use of new equipment through the creative potential of employees can improve and develop different products to compete in the market (Terziovski, 2010).

Third, learning ability has a positive and significant effect on the performance of UKM. So that H3 in this study is supported. These results are supported by research conducted by Gomes & Wojahn (2017). It can be explained that the dynamics that are so fast in strengthening innovation capabilities encourage UKM to communicate well in order to increase the distribution of marketing knowledge to customers within UKM. Managers and / or owners can encourage creative and innovative problem solving and encourage experimentation with new alternatives for better product management and development. This makes UKM absorb a viewpoint of reality and tend to adopt new technologies and procedures. Therefore,

Fourth, Marketing ability, innovation ability and learning ability have a positive and significant impact on the performance of UKM in the DIY Province. So that H4 in this study is supported. These results are supported by research conducted by Sok, O'Cass & Sok (2013). This means that everything that happens in UKM is considered to have an impact on UKM performance, including: leadership and management, employee task motivation, production quality, product ability to meet customer needs (Minna, 2016).

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