

ABSTRACT

The rapid changing on digital era causes business competition to become increasingly competitive tight and complicated. The organization have to improve the organizational performance in order to remind operationally active in the business or industry area. This includes for state owner enterprise (SOE). Improvement of the SOE performance is importance as considering that SOE is the one of state revenue. One of strategy to improve the organizational performance is to implement the learning organization. Various studies had explained that organizational learning capability (OLC) has a positive effect on organizational performance. The aim of this study is to design the OLC improvement with considering the flexible working arrangement to improve organizational performance. The samples was collected by using questioner to the manager in PT. Len Industri (Persero). We have developed a model and then validated it using the PLS-SEM technique on the data from 100 respondents. The finding showed that OLC has a positive influence and significant to the organizational performance (t -statistic = 7,611; P -value = 0,000). Another results is the confirmation that FWAs has support as a moderating variable of OLC and organizational performance (t -statistic = 2,25; P -value = 0,026). This study has conducted the multigroup analysis in the group which massively implement FWA and the group which not implemented FWA. By using multigroup analysis, we found that the OLC in the group which massively implement FWA had bigger influence on the organizational performance.

Keyword: *Organizational learning capability, flexible working arrangement, MGA, IPA.*