

ANALYSIS OF NON FINANCIAL BUSINESS PERFORMANCE IN DRINKING WATER COMPANIES IN ACEH PROVINCE

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Abstract:

The purpose of this study was to determine the significant and positive direct and indirect effects of Human capital, Environmental Uncertainty, RICH, RICH through Organizational Innovation on the performance of the Aceh Province Drinking Water Company. This research was conducted at the Aceh Province Drinking Water Company, while the object of this research is limited only to the variables of human capital, environmental uncertainty, ambidexterity, rich resource induced coping housist, organizational innovation and non-financial business performance. To analyze the data in this study, the method of Structural Equation Modeling (SEM) was used with research tools or software in the form of Partial Least Square (PLS). SEM is divided into two types, namely Covarian-based Structural Equation Model (CB-SEM) and Partial Least Square-Structural Equati on Modeling (PLS-SEM). The construction of the path diagram in this study is as follows: The population is the totality of all objects or individuals that have certain, clear and complete characteristics to be studied (research materials), while the sample is part of the population taken through certain ways that also represent certain characteristics, are clear, and complete, which are considered to represent the population of at least 10 percent. The population in this study is the Aceh Province Drinking Water Company which is limited only to the Director of the Regional Drinking Water Company, Head of Section, and Head of Division totaling 210 population. The results of the study showed that there was a significant and positive direct influence on Human Capital, Environmental Uncertainty, Ambidexterity and RICH on the Innovation of Drinking Water Company Organizations in Aceh Province. There is a significant and positive direct influence on Human capital, Environmental Uncertainty, RICH, and Organizational Innovation on employee performance Aceh Province Drinking Water Company. There is a significant and positive indirect influence Human capital, Environmental Uncertainty, RICH, RICH through Organizational Innovation on the performance of Aceh Province Drinking Water Companies.

Keywords: Human capital, Environmental Uncertainty, Ambidexterity, RICH, Organizational Innovation, employee performance

I. INTRODUCTION

Performance is a description of the level of achievement of the implementation of an activity/program/policy in realizing the goals, objectives, vision and mission of the organization contained in the strategic planning of an organization. Performance appraisal is basically a human activity in achieving organizational goals. Performance appraisal as a periodic determinant of the operational effectiveness of an organization, part of the organization and employees based on the standard targets and criteria that have been set previously. Performance appraisal is actually an assessment of human behavior in playing a role in the organization (Mulyadi in Huda, 2013).

Related to organizational innovation at the Regional Drinking Water Company in Aceh Province, namely the low organizational innovation in managing local government assets, it raises problems. To avoid problems as known, local governments must increase organizational innovation. Innovation in an organization is not just something new, and is worth a luxury. However, appropriate solutions and methods are needed, quality human resources, and the availability of measurable resources so that they are expected to be able to overcome various problems. Innovation in organizations does not have to involve sophisticated technology. Organizational innovation is more likely to be a solution to the obstacles that are being faced in an organization. Human capital is a characteristic of Human Resources in the form of knowledge possessed and used to create value in the organization (Collin and Clark, 2016). Stewart et al (1998) (Sawarjuwono and Kadir, 2003) describe human capital as the life blood of intellectual capital, the source of innovation and improvement, but as a component that is difficult to measure.

Human capital is a collective ability to produce the best solutions according to the knowledge possessed by the people in the company, will increase if a company can use the knowledge possessed by its employees. The higher the intensity of human capital, the higher the organizational innovation (Widjajanti, 2014). Another factor that influences performance is Ambidexterity.

Organizational ambidexterity is defined as industry expertise to pursue exploitative innovation (incremental) and explorative (Sudarti et al. 2019). Ambidexterity in the context of marketing helps companies gain greater profits through the exploitation of existing products and markets (Adiwijaya et al. 2020).

RICH has a significant and positive effect on organizational innovation. Studies have supported the coping effects of these actions in many business situations commonly experienced by entrepreneurs, including management organizations (Zellars, Hochwarter, Lanivich, Perrewé, & Ferris, 2011), (Halbesleben, 2006), employee turnover (Wheeler, Halbesleben, & Harris, 2011), and corporate sustainability (Miller & Friesen, 1984). RICH contributes to this flow of knowledge by representing cognitive mechanisms for coping with resource loss, whose effects can influence entrepreneurial outcomes at all stages and levels of analysis. The following paragraphs describe the three salient factors of the behavior of the COR theory consisting of RICH.

COR theory explains that individuals who experience loss of resources (potential or actual) are encouraged to acquire, protect, and develop resources (Hobfoll, 2001). With regard to the potential loss of resources, the process of acquiring, protecting, and developing resources described by COR theory provides a security blanket effect, where having resources that have the potential to replace lost resources leads to increased organizational performance (Hobfoll, 2001).

The local government drinking water company in Aceh province, which provides services to the community in the form of services, has an important role for both the agency and the community, because it provides guarantees and accountability for all government management

carried out. The role of Human capital in creating good organizational innovation for the government is very much needed, especially individual capability and the organizational climate. An educated and trained workforce (individual capability) is needed, because they are the ones who will deal directly with the community and provide services as needed. In addition, the condition of government institutions (the organizational climate) both formal and informal in Ambidexterity also determines and supports the performance of human capital.

The novelty in this research is mainly the use of ambidexterite variables and rich resource indexed coping housist and using the SEM model in the analysis model at the Aceh Province Drinking Water Company. While in previous studies there were many studies that only examined performance in drinking water companies, but related to organizational innovation variables, there were also no previous studies that examined drinking water companies.

Based on several results of empirical journal reviews and other sources, the authors have not found the same variables as the authors did, where the scientific contribution or novelty of this research model lies in the combination of environmental uncertainty, ambidexterity, rich resource indexed coping housist as exogenous variables, which affect performance either directly or through mediation in the context of organizational innovation.

II. LITERATURE REVIEW

1. Performance

Robbins (2011) states that performance is the result or level of success of the organization as a whole during a certain period in carrying out tasks compared to various possibilities, such as work standards, target or criteria. Suryana (2011) states that performance is the result of work that can be achieved by a person or group of people in an organization, in accordance with their respective responsibilities and authorities in an effort to achieve organizational goals. There is a close relationship between individual performance and organizational performance, in other words, if the employee's performance is good, the possibility of organizational performance is also good.

Arifin at all (2015) states that performance is the result of work that can be achieved by a person or group of people in an organization, in accordance with their respective responsibilities and authorities in an effort to achieve organizational goals. The increase in financial returns is the result of various operational performances, including increased consumer confidence in the products produced by the company, the increase in cost effectiveness is due to the internal business processes used by the company to produce products, increasing productivity and employee commitment (Mulyadi & Setyawan 2001).

Performance indicators according to Buyung (2007), namely: (a) Quality of work is for customer satisfaction, (b) Quantity of work is to measure productivity level, (c) Self-employed communication is to be reliable, (d) Knowledge and work skills are to get quality work results, and (e) Responsibility: is the responsibility of an employee towards equipment and processes, materials and work safety for others.

2. Organizational Innovation

Innovation begins with a creative idea. This creative idea does not always have to be an effort to find or achieve something "big" but can also take the form of small change efforts to improve current practices. West (2017) innovation is the introduction of new, better ways of doing things in the workplace. Carnegie and Butlin (Avanti, 2016) describe innovation as something new or improved that is produced by an institution in order to create significant added value either directly or indirectly that benefits the institution. Terziovski (2016), states that this innovation capability provides the potential for the emergence of effective innovation. Varadarajan and Jayachandran (2017), explain the concept of organizational innovation is to refer to a series of beliefs and ways of working that influence an organization's view of how innovation and change should be handled. According to Lawson and Samson (2001) the ability to innovate as an integration capability at a higher level, namely the ability to integrate the main capabilities and resources of an institution to stimulate innovation.

The dimensions of organizational innovation refer to the study of Wang and Ahmed (2015) which include: (1) Product innovation, namely products that are introduced in the market on time, (2) Market innovation, related to the targeted market, (3) The innovation process is related to methods, new management approaches and new technologies that can be used to improve production and management processes, (4) Behavioral innovation is related to an innovative culture, and (5) Strategic innovation relates to an organization's ability to manage ambitious.

3. Rich

Conceptually, RICH is a function of performing COR theory behavior (i.e., acquiring, protecting, and developing resources to address potential or actual resource losses) without full consideration of individual instances where resources are available for acquisition, protection, or development. Although the behavioral concept of COR theory has been applied to the realm of organizational concern as a theoretical framework for conserving resources (Gavetti, Levinthal, & Rivkin, 2005; Halbesleben, 2006; Hobfoll, 1989; Wright & Cropanzano, 1998), it has not been tested as a heuristic mechanism by which individuals cope ambiguity, and the unknown, is inherent in the context of uncertainty.

Busenitz and Barney (1997) recognize the importance of heuristic mechanisms as: a distinguishing factor between entrepreneurs and managers. Heuristics have also been proposed to influence the way entrepreneurs assimilate the stimuli of the new Aceh Province Water Company (Holcomb, Ireland, Holmes, & Hitt, 2009) and make decisions (Grégoire, Corbett, & McMullen, 2011). Relatedly, the heuristics used by business founders have been shown to shape the entrepreneurial process and its outcomes by influencing start-up decisions (Simon, Houghton, & Aquino, 2000), and evaluation of opportunities (Farsi, Imanipour, & Shirana Mahlouji, 2012). However, although resource loss is inherent in all stages of venture creation, little research has focused on the implications of using heuristics to address resource loss during the entrepreneurial process.

In this study, RICH was measured on several dimensions, including: (1) State Uncertainty including: Changes in technology, taste and needs; trend changes; banking policy; government

regulations, and competition; (2) Effect uncertainty refers to the inability of the manager-owner to predict the influence of the Aceh Province Drinking Water Company on the organization, namely the understanding of cause-and-effect relationships. The uncertainty effect construct is formed from phenomena based on manager-owner perceptions (Sund, 2015).

4. Ambidexterity

Organizational ambidexterity is defined as the firm's ability to pursue exploitative (incremental) and exploratory (radical) innovations (Tushman & O'Reilly, 2004). On the one hand the exploitation is meant to expand current knowledge, seeking greater efficiencies and improvements to enable additional innovation (Atuahene-Gima, 2005). On the other hand, exploration involves the development of new knowledge, seeking the variety and novelty required for more radical innovations (Atuahene-Gima, 2005). Organizational ambidexterity refers to the organization's ability to be aligned and efficient in managing current business demands while simultaneously being adaptive to changes in the Aceh Province Drinking Water Company (Raisch & Birkinshaw, 2008). Various definitions of ambidexterity have pointed to the tension between exploitation and exploration. Many studies confirm the strong relationship between organizational ambidexterity and various aspects of performance such as sales growth (He & Wong, 2004), innovation (Adler et al., 2013) and survival (Hill & Birkinshaw, 2014) and (Birkinshaw & Gibson, 2004).

For executives who want to build an ambidextrous organization, there are five important things as indicators to do to build an ambidextrous organization (Birkinshaw and Gibson, 2014): (1) Diagnose your organizational context, (2) Focus on multiple levers, and use them consistently, (3) Build understanding across all levels of the enterprise, (4) See contextual ambidexterity and structural ambidexterity as complementary, and (5) View contextual ambidexterity initiatives as "integration-driven leadership", not as "integration-driven leadership".

5. Environmental Uncertainty

According to Milliken (1987) in Astuti (2007), environmental uncertainty is a person's sense of inability to predict something accurately from all social and physical factors that directly influence the decision-making behavior of people in the organization. Furthermore, Noreen (2000:9) reveals that environmental uncertainty affects managerial accounting practices. Where this condition is very beneficial for consumers because increasingly intensive competition drives lower prices, higher quality and more choices. This is due to the fact that companies that compete with each other in various tools to meet their needs and innovate services and products have developed quite rapidly. Basically, environmental uncertainty is an external condition that can affect the company's operations. Environmental uncertainty makes managerial planning and oversight. The current state of the business environment in Indonesia can be said to be uncertain due to political turmoil and uncertain economic conditions. This will have an impact on unstable trade in business transactions. Indicators for measuring environmental uncertainty variables (Adelia, 2015) are as follows: (1) State uncertainty, (2) Effect uncertainty, and (3) Response uncertainty.

6. Human capital

Human capital is defined as humans themselves who are personally loaned to institutions with their individual capabilities, commitments, knowledge, and personal experience. Although not solely seen from individuals but also as a work team that has personal relationships both inside and outside the institution (Stewart 2017 in Totanan 2015). Although not solely seen from individuals but also as a work team that has personal relationships both inside and outside the institution (Stewart 2017 in Totanan 2015). Endri (2016), Human capital is defined as the economic value of human resources related to their abilities, knowledge, ideas, innovation, energy, and commitment.

Human capital is important because it is a source of innovation and strategic renewal that can be obtained from brainstorming through laboratory research, management dreams, process reengineering, and improvement or skill development of workers. In addition, Human capital provides added value in the institution every day, through motivation, commitment, competence and team work effectiveness. The added value that can be contributed by workers is in the form of: development of competencies possessed by the institution, transfer of knowledge from workers to institutions and changes in management culture (Mayo 2017 in Rachmawati et al. 2015).

III. RESEARCH METHODS

This research was conducted at the Aceh Province Drinking Water Company, while the object of the research was limited to the variables of human capital, environmental uncertainty, ambidexterity, rich resource induced coping housist, organizational innovation and non-financial business performance. The population is the totality of all objects or individuals that have certain, clear and complete characteristics under study (research materials), while the sample is part of the population taken through certain means which also represent certain characteristics, are clear, and complete, which are considered representative of the population. Population of at least 10 percent (Iqbal, 2009). The population in this study is the Aceh Province Drinking Water Company which is limited to only the Director of PDAM, Head of Section (Kabag), and Head of Division (Kabid) totaling 210 populations.

To analyze the data in this study, the method of Structural Equation Modeling (SEM) was used with research tools or software in the form of Partial Least Square (PLS). SEM is divided into two types, namely Covarian-based Structural Equation Model (CB-SEM) and Partial Least Square - Structural Equati on Modeling (PLS-SEM) (Ghozali and Latan: 2012). The construction of the path diagram in this study is as follows:

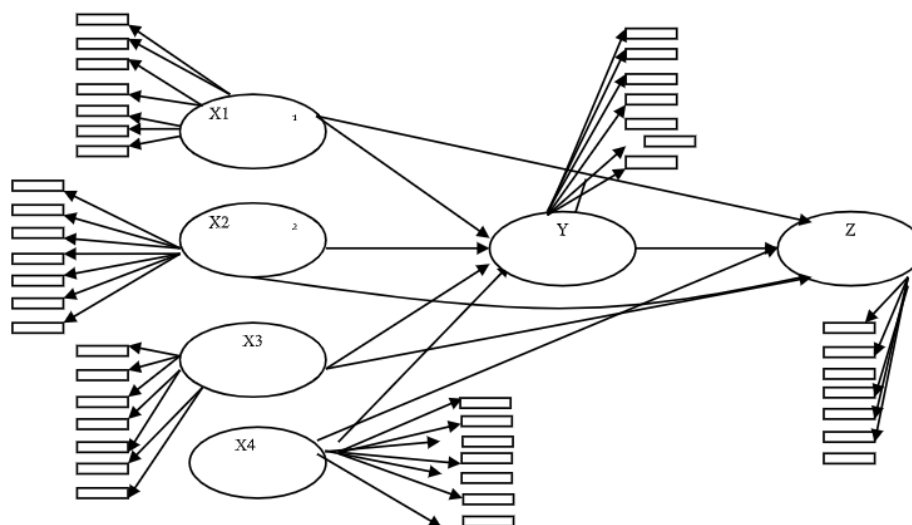


Figure 1. Path Diagram Construction

IV. RESULTS

1. Uji Convergent Validity

The results of the calculation of the PLS SEM model seen from the loading factor values of the indicators on each variable can be seen in Table 1.

Table 1: Outer Loadings (Measurement Model)

Indicator	Outer Loadings		Indicator	Outer Loadings	
	Original Sample (O)	P Values		Original Sample (O)	P Values
Performance	0.758	0.000	Environmental Uncertainty	0.785	0.000
Performance	0.841	0.000	Environmental Uncertainty	0.811	0.000
Performance	0.850	0.000	Environmental Uncertainty	0.881	0.000
Performance	0.537	0.000	Environmental Uncertainty	0.821	0.000
Performance	0.837	0.000	Environmental Uncertainty	0.823	0.000
Performance	0.815	0.000	Environmental Uncertainty	0.852	0.000
Performance	0.803	0.000	Environmental Uncertainty	0.821	0.000
Organizational Innovation	0.824	0.000	Ambidexterity	0.513	0.000
Organizational Innovation	0.835	0.000	Ambidexterity	0.718	0.000
Organizational Innovation	0.523	0.000	Ambidexterity	0.780	0.000
Organizational Innovation	0.823	0.000	Ambidexterity	0.851	0.000
Organizational Innovation	0.858	0.000	Ambidexterity	0.875	0.000
Organizational Innovation	0.557	0.000	Ambidexterity	0.588	0.000
Organizational Innovation	0.584	0.000	Ambidexterity	0.888	0.000
Human capital	0.835	0.000	Rich Resource Indiced Coping Housist	0.525	0.000
Human capital	0.800	0.000	Rich Resource Indiced Coping Housist	0.755	0.000
Human capital	0.851	0.000	Rich Resource Indiced Coping Housist	0.745	0.000
Human capital	0.857	0.000	Rich Resource Indiced Coping Housist	0.845	0.000
Human capital	0.818	0.000	Rich Resource Indiced Coping Housist	0.855	0.000
Human capital	0.845	0.000	Rich Resource Indiced Coping Housist	0.555	0.000
Human capital	0.835	0.000	Rich Resource Indiced Coping Housist	0.877	0.000

Source: Data Processing Results (processed, 2022)

Table 1 shows the value of the outer model or the correlation between the constructs and the variables analyzed has met convergent validity, because all indicators have a loading factor

value above 0.50, meaning that all constructs in each variable tested with the modified model have met convergent validity.

2. Composite Reliability Test and Average Variance Extracted (AVE)

The validity and reliability criteria can also be seen from the reliability value of a construct and the Average Variance Extracted (AVE) value of each construct. The construct is said to have high reliability if the value is 0.70 and the AVE is above 0.50. In Table 4.8 the Composite Reliability and AVE values will be presented for all variables.

Table 2: Composite Reliability dan Average Variance Extracted

Variable	Average Variance Extracted (AVE)	Composite Reliability
Human capital	0.663	0.862
Environmental Uncertainty	0.612	0.801
Ambidexterity	0.623	0.803
Rich Resource Indiced Coping Housist	0.646	0.864
Organizational Innovation	0.777	0.876
Performance	0.778	0.879

Source: Data Processing Results (processed, 2022)

From Table 2, the AVE value generated by all constructs is above > 0.50 meaning that it meets the requirements of convergent validity. Composite Reliability values for all constructs are very good, namely > 0.70 , meaning that all construct indicators are reliable or meet the reliability test. The results of the evaluation of the first order measurement model of the reflexive indicator construct above can be seen in Table 3.

Table 3: Overview

Variable	AVE	Composite Reliability	R Square	Cronbachs Alpha
Human capital	0.663	0.862	-	0.942
Environmental Uncertainty	0.612	0.801	-	0.942
Ambidexterity	0.623	0.803	-	0.880
Rich Resource Indiced Coping Housist	0.646	0.864	-	0.889
Organizational Innovation	0.777	0.876	0.826	0.942
Performance	0.778	0.879	0.869	0.964

Source: Data Processing Results (processed, 2022)

3. Structural Model Testing (Inner Model)

R² analysis

The value of R² shows the level of determination of the exogenous to endogenous variables. The greater the R² value, the better the level of determination.

Table 4: R Square

Variable	R Square	Adjusted R Square
Organizational Innovation	0.869	0.969
Performance	0.853	0.952

Source: Data Processing Results (processed, 2022) Table 4 shows the R-square value for the Organizational Innovation variable of 0.869, and for the performance variable of 0.853. Organizational Innovation of 0.869, meaning that the Organizational Innovation of the Aceh Province Drinking Water Company employees can be influenced by the Human capital variable, Environmental Uncertainty, Ambidexterity and RICH by 86.9 percent, and the remaining 13.1 percent is influenced by other variables outside this research model. While the value of R square for the performance variable is 0.853, meaning that the performance variable of the Aceh Province Drinking Water Company is influenced by the Human capital variable, Environmental Uncertainty, RICH, RICH and Organizational Innovation by 85.3 percent and the remaining 4.7 percent is influenced by other variables outside this research model.

4. Q2 Analysis

The value of Q^2 structural model testing is done by looking at the value of Q^2 (predictive relevance). To calculate Q^2 can be used the formula:

$$Q^2 = 1 - (1 - R_1^2) (1 - R_2^2)$$

$$Q^2 = 1 - (1 - (0.869)^2) (1 - (0.853)^2)$$

$$Q^2 = 1 - (0.755) (0.727)$$

$$Q^2 = 1 - 0.549$$

$$Q^2 = 0.451$$

The results of the calculation of Q^2 show that the value of $Q^2 = 0.994$. The value of Q^2 can be used to measure how well the observed values are generated by the model and also the estimated parameters. A Q^2 value greater than 0 (zero) indicates that the model is said to be very good, while a Q^2 value smaller than 0 (zero) indicates that the model is said to have less predictive relevance. Based on this opinion, the results of the Q^2 calculation in this study indicate that the model is very good.

5. Goodness Of Fit Analysis (GoF)

To validate the model as a whole, goodness of fit (GoF) is used. This GoF index is a single measure used to validate the combined performance of the measurement model (outer model) and structural model (inner model). The GoF index value is obtained from the AVE value multiplied by the R^2 model. Here is the GoF index formula:

$$\text{GoF} = (\text{AVE} * R^2)^{1/2}$$

$$\text{GoF} = (0.875 * (0.869)^{1/2})$$

$$GoF = (0.875 * 0.932)$$

$$GoF = 0.8155$$

Hasil GoF 0,8155 > 0.38 maka dapat disimpulkan GoF model termasuk dalam kategori large.

V. DISCUSSION

1. The Effect of Human Capital on the Innovation of Drinking Water Company Organizations in Aceh Province

Human capital has a significant and positive effect on organizational innovation, the influence of human capital on the Organizational Innovation of the Aceh Province Drinking Water Company shows that the Aceh Province Drinking Water Company is successful in developing the human capital of its employees so that they are able to create innovations. The results of this study are in line with research conducted by Widjajanti (2014), that to increase organizational innovation, it can be done by increasing human capital. The fundamental problem of the organization is how to encourage HR to contribute their knowledge for the benefit of the organization. People may be reluctant to share knowledge, for fear of losing ownership, important position or superiority. Therefore, in the interests of the organization, managers must emphasize the development of capabilities and commitment (willingness and desire to contribute to the success of the institution). Then human capital must involve HR competencies (eg: skills, knowledge and capabilities) as well as their commitment (eg: willingness to dedicate life and work for the institution). Hitt et al (2016) a group of highly committed and highly skilled people (human capital) able to build and utilize institutional resources in ways to create institutional innovation. Klane (2018) also said the same thing that knowledge sharing is a behavior that a person has to disseminate knowledge with other members in an organization so that it can create organizational innovation.

2. The Effect of Environmental Uncertainty on the Innovation of Water Company Organizations Drink Aceh Province

The results of the study show that Environmental Uncertainty has a significant and positive effect on the Organizational Innovation of Aceh Province Drinking Water Companies, it turns out that Environmental Uncertainty is related to the willingness and ability of employees to provide continuous efforts to help organizations succeed in increasing employee organizational innovation. The results of this study are in line with research conducted by Perez et al., (2014) this argument supports the theory of strategic flexibility which can be defined as an organization's ability to identify major changes in the external environment by leveraging existing resources to respond to changes, and to recognize and act immediately when it is time to quit (Shimizu and Hitt, 2004).

3. The Effect of Ambidexterity on the Innovation of Drinking Water Company Organizations in Aceh Province

The results of the study, Ambidexterity has a positive and significant effect on Organizational Innovation of employees. The Aceh Province Drinking Water Company has a Aceh Province Drinking Water Company that is a very good place to work, of course this condition has an impact on greater organizational innovation for its employees. Raisch et al (2009) ambidexterity can be achieved by emphasizing at the individual and organizational levels. First, that managers can demonstrate (to varying degrees) personal engagement by engaging in exploitation and exploration activities. Second, the extent to which managers are ambidextrous varies within and across contexts. Ambidexterity has a positive and significant and positive effect on Organizational Innovation. Companies can choose to focus on certain dimensions, whether more on innovation, flexibility, explore new opportunities or choose a dimension that focuses more on efficiency, control, and exploitation of existing resources but now companies must find ways to combine the two, in other words become an ambidextrous organization (Adler and Heckscher, 2013).

4. RICH's effect on the Innovation of Provincial Water Company Organizations

Aceh

RICH shows the perceptions, feelings and attitudes of organizational members that reflect the norms, values, attitudes and culture of the organization. RICH contributes to this flow of knowledge by representing cognitive mechanisms for coping with resource loss, whose effects can influence entrepreneurial outcomes at all stages and levels of analysis. The following paragraphs describe the three salient factors of the behavior of the COR theory consisting of RICH. The terminology used is carried over from previous descriptions of the behavioral theory of COR (Hobfoll, 1989, 2001). The detailed description below adds depth to the fundamental COR theory of behavioral jargon.

The terminology used is carried over from previous descriptions of the behavioral theory of COR (Hobfoll, 1989, 2001). The detailed description below adds that RICH has a significant and positive effect on organizational innovation. Studies have supported the coping effects of these actions in many business situations commonly experienced by employers, including organizational management (Zellars, Hochwarter, Lanivich, Perrewé, & Ferris, 2011), burnout (Halbesleben, 2006), employee turnover (Wheeler, Halbesleben, & Harris, 2011), and corporate sustainability (Miller & Friesen, 1984).

5. The Effect of Human Capital on the Performance of Drinking Water Companies in Aceh Province

Human capital has a significant and positive effect on the performance of the Aceh Province Drinking Water Company. Human capital is a series of processes that companies carry out to identify, develop, retain, and place the right people in the right places. The results of this study are in line with research conducted by Bontis (1999), one of the elements that can create a positive market perception for the company is the personal skills possessed by employees so

that the company can outperform the competition and sales which in turn affects the company's performance improvement.

6. The Effect of Environmental Uncertainty on the Performance of Drinking Water Companies Aceh Province

Environmental Uncertainty has a significant and positive effect on the performance of the Aceh Province Drinking Water Company. With the influence of Environmental Uncertainty on employee performance, agencies can improve the performance of their employees through efforts to increase Environmental Uncertainty. Employees who have strong ties to the agency will improve their performance in their work for the benefit of the company. This study is in line with research conducted by Arnold et al., (2015) that a dynamic external environment causes decision makers to take strategic flexibility steps, which have a positive relationship with performance. Decision makers in order to improve their ERM increase flexibility and have a positive impact on performance. The biggest influence that affects organizational performance during this disruption is the entrepreneurial spirit that must be possessed by both leaders and employees. The era of disruption represented by this environmental uncertainty has the greatest influence on the courage of managers or employees in taking risks to maintain the company's existence (Darya, 2012).

7. The Effect of Ambidexterity on the Performance of Drinking Water Companies in Aceh Province

Ambidexterity has a significant and positive effect on the performance of the Aceh Province Drinking Water Company employees. The better the Ambidexterity atmosphere, the higher the employee performance, the results of this study are in line with research conducted by Josephine & Harjanti, (2017), that Ambidexterity has a positive and significant effect on performance. Ambidexterity has a positive and significant and positive effect on performance (Adler and Hecksher, 2013).

8. The Influence of RICH on the Performance of Drinking Water Companies in Aceh Province

RICH berpengaruh signifikan dan positif terhadap kinerja pegawai Perusahaan Air Minum Provinsi Aceh. Semakin baik RICH maka semakin meningkat kinerja pegawai Perusahaan Air Minum Provinsi Aceh. RICH berdampak signifikan dan positif terhadap kinerja organisasi (Gavetti, Levinthal, & Rivkin, 2005; Halbesleben, 2006; Hobfoll, 1989; Wright & Cropanzano, 1998). RICH berpengaruh signifikan dan positif terhadap kinerja organisasi (Bradley, Wiklund, & Shepherd, 2011; George, 2005; Mousa & Reed, 2013).

9. The Effect of Organizational Innovation on the Performance of Aceh Province Drinking Water Companies

Organizational Innovation has a significant and positive effect on the performance of the Aceh Province Drinking Water Company employees, the higher the level of Organizational Innovation, the higher the employee's performance. Walker, Damanpor and Devece (2010) found that: 1) management innovation has no direct effect on organizational performance, 2)

management performance has a direct effect on organizational performance, and 3) the influence of management innovation on organizational performance is mediated by management performance. Knowledge of information technology has a positive effect on changes in business processes in the banking industry (Nielsen, 2003). This finding is supported by the results of research by Han, et.al (1998) who concluded that the relationship between innovation and performance not only emphasizes the separation of the contribution of administrative and technical innovation to company performance but also supports the synergy between the two types of innovation to improve overall company performance.

10. The Influence of Human Capital, Environmental Uncertainty, RICH, RICH Through Organizational Innovation on the Performance of Drinking Water Companies in Aceh Province

Based on the results of the study, it was found that Human capital, Environmental Uncertainty, RICH, RICH through Organizational Innovation had a significant and positive effect on the performance of Aceh Province Drinking Water Companies.

VI. CONCLUSION

There is a significant and positive direct influence on Human Capital, Environmental Uncertainty, Ambidexterity and RICH on the Innovation of the Aceh Province Drinking Water Company Organization.

There is a significant and positive direct influence on Human Capital, Environmental Uncertainty, RICH, RICH and Organizational Innovation on the performance of the Aceh Province Drinking Water Company employees.

There is a significant and positive indirect influence Human capital, Environmental Uncertainty, RICH, RICH through Organizational Innovation on the performance of Aceh Province Drinking Water Companies

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