

The Influence of Entrepreneurial Characteristics, Entrepreneurship Orientation, Entrepreneurship Competence on Organizational Capability and Business Performance (Survey of Micro Small and Medium Enterprises in Bajawa District, Ngada Regency, East Nusa Tenggara)

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Abstract

This research is based on background by the influence of entrepreneurial characteristics, entrepreneurial orientation, entrepreneurial competence on organizational capability and business performance in Bajawa District, Ngada Regency, East Nusa Tenggara. Data collection in this study uses a questionnaire method distributed to 122 respondents, using a simple random method with Proportional Random Sampling allocation. While the analysis technique is done using Partial Least Square. The results showed that Entrepreneurial characteristics had a positive influence on Organizational Capability with a path coefficient of 0.2143. Entrepreneurship Orientation has a positive influence on Organizational Capability with a path coefficient of 0.2534. Entrepreneurship Competence has a positive influence on Organizational Capability with a path coefficient of 0.4117. Entrepreneurial characteristics have a positive influence on Business Performance with a path coefficient of 0.2087. Entrepreneurship Orientation has a positive influence on Business Performance with a path coefficient of 0.203. Entrepreneurship competencies have a positive influence on Business Performance with a path coefficient of 0.2061. Organizational capability has an influence on Business Performance with a path coefficient of 0.2932. These results indicate that entrepreneurial characteristics, entrepreneurial orientation, entrepreneurial competencies possessed by MSMEs owners in Bajawa Subdistrict can improve the organizational capabilities and performance of MSMEs.

Keywords: entrepreneurial characteristics, entrepreneurial orientation, entrepreneurial competence, organizational capability, business performance.

INTRODUCTION

Entrepreneurship is the application of creativity and innovation to solve problems and efforts to take advantage of opportunities [1]. Creativity, innovation, and entrepreneurship are three interrelated dimensions. These three dimensions synergize into a unity that cannot be separated in a business activity. Therefore, creativity and innovation are thoughts and actions that must be owned by an entrepreneur and carried out continuously without stopping as an effort to maintain business continuity [2].

Entrepreneurship is recognized as a source of economic growth and factors that influence the socio-economic well-being of a society [3]. [4] the entrepreneurial process is a major factor in economic development and entrepreneurs are the key to economic growth. The evolution of new business also opens up social prospects.

Entrepreneurship is considered a key source of job creation, poverty reduction, innovation and community development and economic competitiveness [5]; [6]. Therefore, business growth is needed for social welfare and economic development.

The advancement of technology and science has contributed to encouraging entrepreneurial practices which ultimately can create a variety of new products and services. Entrepreneurship in various countries is proven to be able to open employment opportunities, open new markets, and in the long run can create overall economic stability in the nation as a result of business growth in various sectors [7].

As indicated, the development of entrepreneurship in Indonesia has always been equated with small and medium-sized micro-enterprises [8]. Small and medium-sized micro-enterprises (MSMEs) play an important role in development, economic improvement and income distribution and income generation, not only in developing countries, but also in developed countries [9]. MSMEs contribute to improving the

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regional economy and defense of the national economy. The contribution of MSMEs can be seen from various aspects, including in terms of business units, employment and gross domestic product (GDP) contributions. However, the role of MSMEs has not been sufficient to encourage economic growth and increase the income of the higher population. Some common problems in MSMEs are related to three groups of issues, namely infrastructure, institutions, and economic problems.

The characteristics of entrepreneurship, entrepreneurial orientation, entrepreneurial competence are expected to be able to encourage businesses to further enhance their entrepreneurial spirit and performance, also can be seen in MSME actors in Bajawa Subdistrict which are pioneers in building Ngada District so that they can compete with MSMEs in other cities and as development and empowerment of MSMEs in a better direction.

MATERIAL AND METHOD

This research has used quantitative descriptive approach which pointed to theory and concept examination through variable measurement in matrix and number. That is according to data analysis procedure and statistic tools to measure and examine hypothesis. This also has used survey methods to get a decided information and population. This research was conducted in SMEs in Bajawa District, Ngada Regency. The technique used in analyzing data is PLS (Partial Least Square):

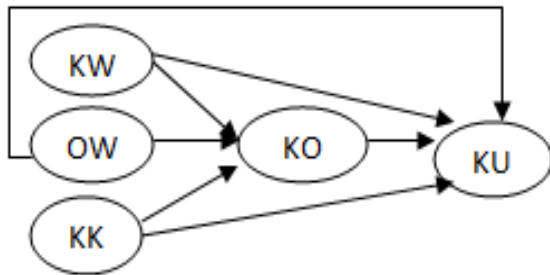


Figure 1. Research Conceptual Model

This conceptual framework is a relationship between entrepreneurial characteristic variables, entrepreneurial orientation, entrepreneurial competence on organizational capabilities and business performance.

Data collection

This research has uses primary data and secondary data. Primary data is the results of answers given by respondents to meet the research criteria are determined through questionnaires given to respondents and observations. The secondary data sources are complementary to primary data that are tailored to the research objectives, in the form of data obtained from

written material such as documents from research objects in the form of Micro, Small and Medium Enterprises in the Bajawa sub-district, related agencies, journal literature, and documents relevant to this research.

RESULT AND DISCUSSION

Variable	Original Sample	T Statistics (O/STERR)	information
X1-> Y1	0.2143	2.5571	Signifikan
X2-> Y1	0.2534	3.2133	Signifikan
X3-> Y1	0.4117	4.2909	Signifikan
X1-> Y2	0.2087	2.4347	Signifikan
X2-> Y2	0.203	2.4175	Signifikan
X3-> Y2	0.2061	2.0373	Signifikan
Y1-> Y2	0.2932	2.7781	Signifikan

H1: Entrepreneurial characteristics have a significant effect on organizational capabilities

The results of the first hypothesis testing show that Entrepreneurial Characteristics have a positive influence on Organizational Capability with a path coefficient of 0.2143 and a t-statistic of 2.5571 greater than t table (1.960) and significant or $p < 0.05$. The results above show that H_0 is rejected, meaning Entrepreneurial Characteristics have a significant influence on Organizational Capability. This means that the first hypothesis is accepted.

According to the results of the study, it can be concluded that the capability of the organization will increase if the characteristics of the entrepreneurship have been achieved, the indication is that the owner has good business experience and has a hardworking nature in pursuing the business. Therefore, entrepreneurial characteristics in MSMEs in Bajawa Subdistrict are said to be good in improving organizational capabilities, the indication that psychological factors, experience and family influence are able to improve the capabilities of MSME organizations in Bajawa Subdistrict.

H2: Entrepreneurship orientation has a significant effect on organizational capabilities

Entrepreneurship Orientation has a positive influence on Organizational Capability with path

coefficients of 0.2534 and t-statistics of 3.2133 greater than t table (1.960) and significant or $p < 0.05$. The results above show that H_0 is rejected, meaning that the Entrepreneurship Orientation has a significant influence on Organizational Capability. This means that the second hypothesis is accepted.

According to the results of the study, it can be concluded that organizational capability will increase if the entrepreneurial orientation has been achieved, the indication that the owner / manager has creative ideas, is able to promote new products that are innovative and active in innovating. Therefore, the entrepreneurial orientation of MSMEs in Bajawa Subdistrict is said to be good in improving organizational capability, the indication that proactive, risk-taking, innovative, aggressive in competing and autonomy is the higher the organizational capability obtained by SMEs in Bajawa District.

H3: Entrepreneurial competence has a significant effect on the capabilities of the organization

Entrepreneurship Competence has a positive influence on Organizational Capability with a path coefficient of 0.4117 and t-statistics of 4.2909 greater than t table (1.960) and significant or $p < 0.05$. The results above show that H_0 is rejected, meaning Entrepreneurship Competence has a significant influence on Organizational Capability. This means that the third hypothesis is accepted.

In accordance with the results of the study, it can be concluded that organizational capability will increase if entrepreneurial competencies have been achieved which indicates that the owner / manager establishes good relationships with customers or competitors and employees, builds trust with customers or competitors and employees and promotes teamwork. Therefore, entrepreneurial competence in MSMEs in Bajawa Subdistrict is said to be good in improving organizational capabilities, indications that building concepts, exploiting opportunities, building relationships, learning, and personal abilities will increase the organizational capability of MSMEs in Bajawa Subdistrict.

H4: Entrepreneurial characteristics have a significant effect on business performance

Entrepreneurial characteristics have a positive influence on Business Performance with path coefficients of 0.2087 and t-statistics of 2.4347 greater than t-table (1.960) and significant or $p < 0.05$. The results above show that H_0 is rejected, meaning Entrepreneurial Characteristics have a significant influence on Business Performance. This means that the fourth hypothesis is accepted.

In accordance with the results of the study, it can be concluded that business performance will

increase if the entrepreneurial orientation has been achieved which indicates that the owner / manager has creative ideas, is able to promote new products that are innovative and active in innovating. Therefore, the higher the entrepreneurial orientation built by MSMEs in Bajawa Subdistrict through proactive, risk-taking, innovative, aggressive in competing and autonomy, the higher the business performance obtained by UMKM in Bajawa Subdistrict.

H5: Entrepreneurship orientation has a significant effect on business performance

Entrepreneurship Orientation has a positive influence on Business Performance with a path coefficient of 0.203 and a t-statistic of 2.4175 greater than t-table (1.960) and significant or $p < 0.05$. The results above show that H_0 is rejected, meaning that the Entrepreneurship Orientation has a significant influence on Business Performance. This means that the fifth hypothesis is accepted.

In accordance with the results of the study, it can be concluded that business performance will increase if the entrepreneurial orientation has been achieved which indicates that the owner / manager has creative ideas, is able to promote new products that are innovative and active in innovating. Therefore, the higher the entrepreneurial orientation built by MSMEs in Bajawa Subdistrict through proactive, risk-taking, innovative, aggressive in competing and autonomy, the higher the business performance obtained by UMKM in Bajawa Subdistrict.

H6: Entrepreneurial competence has a significant effect on business performance

Entrepreneurship Competence has a positive influence on Business Performance with a path coefficient of 0.2061 and a t-statistic of 2.0373 greater than t-table (1.960) and significant or $p < 0.05$. The results above show that H_0 is rejected, meaning Entrepreneurship Competence has a significant effect on Business Performance. This means that the sixth hypothesis is accepted.

In accordance with the results of the study, it can be concluded that business performance will increase if entrepreneurial competencies have been achieved which indicates that the owner / manager establishes good relationships with customers or competitors as well as employees, builds trust with customers or competitors and employees and promotes teamwork. Therefore the higher the entrepreneurial competency that was built by MSMEs in Bajawa Subdistrict through the indicators of building concepts, utilizing opportunities, building relationships, learning, and personal

abilities, the higher the business performance obtained by UMKM in Bajawa Subdistrict.

H7: Organizational capability has a significant effect on business performance

Organizational capability has an influence on Business Performance with path coefficients of 0.2932 and t-statistics of 2.7781 greater than t-table (1.960) and significant or $p < 0.05$. The results above show that H0 is rejected, meaning that organizational capability has a significant influence on business performance. This means that the seventh hypothesis is accepted.

In accordance with the results of the study, it can be concluded that business performance will increase if entrepreneurial competencies have been achieved which indicates that the owner / manager establishes good relationships with customers or competitors as well as employees, builds trust with customers or competitors and employees and promotes teamwork. Therefore, the higher the entrepreneurial competence built by MSMEs in Bajawa Subdistrict through the indicators of building concepts, utilizing opportunities, building relationships, learning, and personal abilities, the higher the business performance obtained by UMKM in Bajawa Subdistrict.

CONCLUSION

The results of the study of the influence of entrepreneurial characteristics, entrepreneurial orientation, entrepreneurial competence on organizational capability and business performance of MSMEs in Bajawa District, Ngada Regency, East Nusa Tenggara supported previous research. Which, this study found that entrepreneurial characteristics, entrepreneurial orientation, entrepreneurial competence have a good influence on organizational capability and business performance. Therefore, it is hoped that this research will be able to encourage MSME actors and managers to continue to develop their businesses and further enhance their capabilities and performance.

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