

ANALYSIS OF ENTREPRENEURIAL COMPETENCE ON BUSINESS PERFORMANCE IN MSMEs KAHUT SIGERBORI ECOPRINT BANDAR LAMPUNG

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Abstract

The purpose of this paper is to assess entrepreneurial competence and business performance in micro, small and medium enterprises (MSMEs) Kahut Sigerbori Ecoprint in Bandar Lampung, as well as to test the impact of entrepreneurial competence on business performance. This writing uses qualitative writing design, uses a descriptive approach and uses observation and interview methodologies. This writing uses data processing methodologies such as data collection, data reduction, data presentation, and conclusions. The writing population is 9 workers and 1 owner of Kahut Sigerbori Ecoprint Bandar Lampung. An interview was conducted with one of the individuals who served as the owner of an MSME. Research findings show that entrepreneurial competence plays an important role in managing and improving company performance in MSMEs Kahut Sigerbori Ecoprint. The business performance of MSMEs Kahut Sigerbori Ecoprint has shown remarkable progress, with significant and substantial revenue growth. There is a direct correlation between entrepreneurial ability and business performance. MSMEs Kahut Sigerbori MSMEs Ecoprint.

Keywords: Competence, Entrepreneurship, Business Performance, MSMEs

1. Introduction

MSMEs have an important role in encouraging economic growth. MSMEs play an important role in the economy because of their labor-intensive nature, uncomplicated use of technology, and ability to absorb large amounts of labor. MSMEs have attributes that can facilitate equal distribution of business opportunities and income (Tambunan, 2006). (MSMEs) as stated by Susilo (2010) are subsectors of economic activity that contribute significantly to the improvement of macroeconomic structure.

The role of entrepreneurship in (MSMEs) is very important because it is an important foundation for the success and expansion of the company. Entrepreneurship encourages the formation of new companies through the exploration of imaginative and inventive concepts that can overcome market vacancies or solve specific problems. The ability to manage risk becomes a critical aspect, requiring strategic decisions to deal with operational challenges that may arise. In addition, MSME entrepreneurs play an important role in product and service innovation, differentiating their business from competitors and answering the evolving needs of the market. Entrepreneurship also encourages the development of managerial skills necessary to effectively manage business resources and operations.

Employment increases, successful MSMEs supported by entrepreneurship can empower the local economy by providing development opportunities to local entrepreneurs. Successful MSME owners must also be able to build and maintain strong

business networks, forge partnerships and mutually beneficial relationships. Lastly, the role of entrepreneurship includes the ability to respond quickly and flexibly to market changes, involving a deep understanding of market trends, customer needs, and regulatory changes. Thus, entrepreneurship is not just about creating a business, but also about managing it smartly to achieve long-term success and make a positive impact on the local economy and community.

Kahut Sigerbori is an MSME that specializes in conventional suture techniques inspired by Japanese traditions. Anggraini Kumalasari, a housewife and skilled craftsman specializing in yarn and fabric crafts, founded this company in 2018. In addition, he also served as a mentor in the craft industry. Kahut Sigerbori comes from the Pesisir Lampung dialect, where "kahut" means affection or affection, "siger" symbolizes the crown of the Lampung emblem, and "bori" refers to the art of tying or making Japanese cloth patterns. The purpose of Kahut Sigerbori is to foster a high sense of admiration and pride in the people of Lampung for local goods, as well as foster the preservation of Lampung cultural heritage through its merchandise.

This research focuses on the impact of entrepreneurial competence of company owners in the ecological printing industry on business performance. Evaluating the capacity of MSME entrepreneurs to effectively handle risk, drive innovation, and understand the market are fundamental factors in understanding the intricacies of their organizations. This paper aims to examine the relationship between entrepreneurial competence and company performance. The findings of this paper can provide significant insights to increase growth (MSMEs), increase sector competitiveness, and contribute to local economic development in Bandar Lampung. Based on this description, researchers are interested in investigating the relationship between HR competence and entrepreneurial competence on business performance in MSMEs. The name of the place is "Khut Sigerbori Ecoprint Bandar Lampung".

2. Theoretical Background

2.1 Entrepreneurship

Entrepreneurship comes from the French word "entreprendre" meaning "to do", and later gained popularity in English as "entrepreneurship". It can be defined as a challenging, complicated, and risky endeavor proactively, with the aim of achieving profit or profit. Attempts to exploit favorable circumstances whenever such circumstances arise (Jati and Priyambodo, 2015).

According to Suryana (2014), entrepreneurship is a field of science that examines the values, abilities, and behaviors of individuals in facing life's difficulties and obtaining possibilities despite the dangers that accompany them. Entrepreneurship is an independent field of study that follows a structured approach and can be applied through the use of originality and novelty. Entrepreneurship can be seen as a mindset and approach that consistently seeks to improve one's work results with the goal of increasing income. Meanwhile, as stated by Zimmerer (2002).

Entrepreneurship involves using creativity and innovation to overcome challenges and seize opportunities. Creativity refers to the capacity to generate ideas and find new approaches in problem solving, while innovation refers to the capacity to use creativity to overcome problems and take advantage of opportunities, thereby improving the quality of life.

Based on the previous description, it can be concluded that entrepreneurship is very important not only for starting a company, but also for managing various aspects of daily life.

2.2 Entrepreneurial Competence

In essence, the term "competence" comes from the word "competence" itself which means proficiency, ability, and power. Competence, in the etymological sense, refers to behavioral aspects of expertise or excellence of a leader or staff, including his abilities, knowledge, and behavior (Soegoto, 2009). Sulaksana (2003) defines competence as a comprehensive mastery of a task, including abilities, attitudes, and rewards, which are needed to achieve success.

In accordance with Law of the Republic of Indonesia no. 13 of 2003 concerning Manpower, entrepreneurial competence refers to a person's ability to do work, including knowledge, abilities, and work attitudes that meet predetermined requirements. According to Mangkunegara (2005), entrepreneurial competence is an important attribute that distinguishes those who have extraordinary skills from those who have ordinary abilities. Entrepreneurial competence refers to the personal qualities and behaviors that enable entrepreneurs to achieve and maintain success in their business (Askher and Wilson, 2006).

According to Man et al. (2002), entrepreneurial competence is a comprehensive attribute that includes personality qualities, abilities, and knowledge. It represents the entire ability of an entrepreneur to fulfill work functions effectively. Baum et al. (2001) define competence as individual attributes including the knowledge, skills, and talents required to perform a particular task or role. Competency refers to an individual's talent, expertise, and capacity to achieve the desired level of performance.

The indicators of entrepreneurial competence proposed by Kurniawan and Yun Yun (2018) are 1) competence in identifying opportunities and 2) competence in organizing. Competencies can be categorized into four groups: strategic competencies, social competencies, commitment competencies, and conceptual competencies. According to Dhamayanie and Fauzan (2017), competence can be measured using markers such as knowledge, skills, and abilities.

2.3 Business Performance

Based on the findings of Hepiana Patmarina and Tommy (2018), performance can be interpreted as the successful completion of tasks assigned to workers by the organization. Therefore, it can be evaluated based on organizational achievements. According to Hasibuan (2002), performance refers to the work results achieved by individuals or organizations when carrying out certain tasks, which are influenced by talent, experience, dedication, and time invested. Performance in the context of work performance is the result of employee effort both the quality and quantity of work completed, in line with the tasks given (Mangkunegara, 2005). According to Rivai (2005), performance can be defined as the extent to which an individual's success in completing a task within a certain period of time, compared to goals, objectives, objectives, or criteria that have been mutually agreed upon. In addition, Helfert in Srimindarti (2004) provides an alternative definition of performance as a comprehensive representation of the state of a company within a certain period of time. This is a result or achievement that is influenced by the company's operational efforts in utilizing its resources effectively.

An entrepreneur consistently nurtures and enhances their talents, according to Rakib's (2010) statement that good communication skills are essential for successful entrepreneurs to manage and improve company performance effectively. The importance of good communication in influencing small business operations is enormous. Meanwhile, as stated by Tajidan in 2013. Performance is an assessment that can be measured against the level of achievement in achieving the desired goals. The welfare of farmers may be directly affected by effective performance, that is, performance that achieves goals effectively.

Based on the analysis above, it can be concluded that business performance is the achievement of overall work objectives, objectives, objectives, or criteria that have been determined and agreed upon in a business entity, taking into account the criteria of assets and turnover that have been determined. Legal field.

Performance indicators, as defined by Riyanti (2003), cover three main areas: 1) company profitability, 2) administrative, operational, and strategic performance, and 3) productivity, personnel turnover, and financial ratios. In addition, Rante (2010) said that the metrics used to assess the success of micro and small enterprises include 1) increase in output, 2) expansion of business units, 3) higher sales, and 4) profits.

2.4 Micro, Small and Medium Enterprises (MSMEs)

Micro, Small and Medium Enterprises (MSMEs) are one of the business entities that always receive attention and are always prioritized by the government. The definition of MSMEs is determined by Law of the Republic of Indonesia No. 20 of 2008 which specifically discusses Micro, Small and Medium Enterprises.

Micro enterprises refer to productive businesses run by a person or a business entity that meets specific standards outlined in relevant laws and regulations. Small business refers to an independent and economically productive business run by an individual or business entity that is not a subsidiary or branch of a large company. These larger companies may directly or indirectly relate to small or large businesses that meet the requirements to be classified as small businesses under the law.

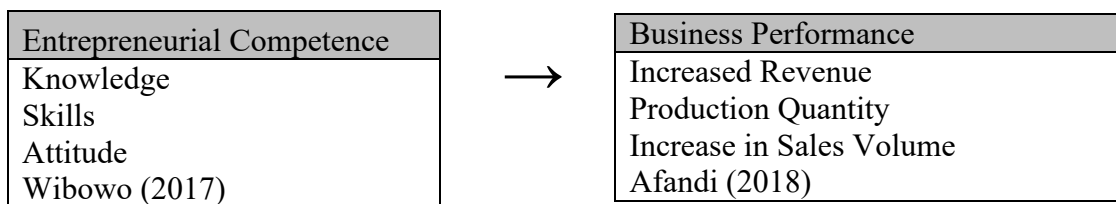
According to Article 6 of the law, MSMEs are defined based on their net worth or asset value, excluding the land and buildings where the company is located, or its annual sales revenue. Based on the given criteria:

The requirements to classify a business as a micro enterprise are as follows: a) have a net worth of at most Rp50,000,000.00 (fifty million rupiah), excluding the value of the land and building where the business is located; b) must have an annual sales receipt of at most Rp300,000,000.00 (three hundred million rupiah).

The requirements for small businesses are as follows: a) Net worth must be greater than IDR 50,000,000.00 (fifty million rupiah) but not exceed IDR 500,000,000.00 (five hundred million rupiah), excluding the value of the land and building where the business is located. b) Annual sales results should be more than Rp300,000,000.00 (three hundred million rupiah) but not exceed Rp2,500,000,000.00 (two billion five hundred million rupiah).

According to Fugate (2005), micro-enterprises refer to an entrepreneurial approach that aims to achieve economic self-sufficiency. It allows individuals involved in micro-enterprises to generate their own employment opportunities and income using grassroots techniques. The categorization of micro-enterprises according to Fugate includes street vendors, small craftsmen, small shop owners, and small traders.

2.5 Conceptual Framework



3. Method

3.1 Types of Research

This research uses a descriptive methodology, which uses data presented in the form of written words or documents. Some examples or types of procedures used include:

a. Observation

In particular, the process involves the systematic observation and collection of data regarding a symptom exhibited by the subject of investigation. This writing uses ordinary observation, which explicitly acknowledges that the researcher was involved in the writing.

b. Interview

According to Ezterbeg Sugiyono (2019), interview is a method of data collection when two individuals meet directly and exchange information and thoughts through a series of questions and answers to obtain the necessary data.

3.2 Data Type

Primary Data

As stated by Sugiyono (2019), primary data is data provided directly by the data owner and utilized by data collectors. According to Wardiyanta in writing Sugiarto (2017), primary data is information collected directly from informants or sources. The data source chosen for this study is an MSME owner Kahut Sigerbori Ecoprint. Through direct interviews with MSME owners.

3.3 Data Processing Techniques:

a. Data collection

Data collection is the process of collecting field data that will be used to overcome the symptoms investigated. Reasons for data collection. Data collection requirements are legitimate and of high quality.

b. Data reduction

Data reduction is a data processing technique that involves organizing data based on the symptoms seen in this investigation. The data obtained in writing is still in an unclean data state, therefore it is necessary to reduce data to eliminate useless data.

c. Data Presentation

The presentation of data is an integral component in compiling a report based on the findings of the writing. The goal is to facilitate understanding by presenting data in a straightforward, clear, and easily accessible manner.

d. Conclusion

Conclusions refer to the final results or findings that have been carefully studied and accompanied by clear and understandable explanations.

4. Results and Discussion

a. Entrepreneurial Competence in MSMEs Kahut Sigerbori

Interviews conducted with the owners and staff of Kahut Sigerbori Ecoprint Bandar Lampung show that entrepreneurial competence plays an important role in managing and improving company performance. For this situation, a deep understanding of the sector, strong management capabilities and willingness to take risks are essential. The study's findings also emphasize marketing tactics that prioritize sustainability as a catalyst for product appeal.

b. Business Performance in MSMEs Kahut Sigerbori

Based on the results of interviews with owners Kahut Sigerbori Ecoprint Bandar Lampung can be concluded that Kahut Sigerbori Ecoprint Bandar Lampung business achieved impressive performance with a significant increase in revenue. Business owners assert that this success is largely due to marketing strategies that focus on sustainability and eco-friendly products. Strategic measures such as product line expansion to meet new customer demand contributed to the increase in revenue. In addition, there was an increase in the amount of production to accommodate demand growth, and a consistent increase in sales volume. This success goes hand in hand with employee engagement and the development of entrepreneurial skills within the team, which contributes to operational efficiency and productivity. Thus, this positive performance is measured through indicators of increased revenue, larger production quantities, and increased sales volumes, reflecting the success of business strategies and adaptation to competitive markets.

c. The Effect of Entrepreneurial Competence on Business Performance of Kahut Sigerbori

From interviews conducted with owners and workers at Kahut Sigerbori Ecoprint Bandar Lampung, it can be concluded that entrepreneurial competence has a significant effect on the success of micro companies at Kahut Sigerbori Ecoprint. Company owners affirm that a deep understanding of the industry, efficient administrative capabilities, and a calculated capacity to take risks are key foundations for controlling and improving company performance. Therefore, this entrepreneurial competence has a direct impact on strategic choices, such as expanding the product range, thus contributing greatly to revenue growth and sales volume. In addition, the importance of employee engagement and the development of entrepreneurial capabilities in teams is recognized as important elements that increase operational efficiency and increase productivity. Therefore, it can be concluded that entrepreneurial talent has a good influence on the success of micro companies in Kahut Sigerbori Ecoprint.

5. Conclusion

The study approach has resulted in the following conclusions; The entrepreneurial competence of MSMEs Kahut Sigerbori Ecoprint plays an important role in managing and improving company performance. For this situation, a deep understanding of the sector, strong management capabilities and willingness to take risks, is essential

Kahut Sigerbori Ecoprint MSMEs have shown remarkable business success, marked by considerable revenue growth. This success goes hand in hand with employee engagement and the development of entrepreneurial skills within the team, which also supports operational efficiency and productivity. There is a beneficial relationship

between entrepreneurial competence and company success in MSMEs Kahut Sigerbori Ecoprint. These entrepreneurial competencies have a direct impact on strategic choices, such as expanding product range, thus contributing greatly to revenue growth and sales volume.

The author provides recommendations based on research findings, namely; Stores are expected to improve sustainable marketing tactics or strategies by assessing and improving campaigns that prioritize sustainability. In addition, it is recommended to improve the competence of personnel through training. Researchers recommend that subsequent researchers use this writing by considering additional information relevant to their own writing. Researchers are expected to have the ability to incorporate more factors and increase sample size in future investigations.

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