

Effect of Entrepreneurs' Characteristics, Marketing Orientation, and Managerial Capability towards Business Performance at Rag Doll SME's Center in Bandung

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Abstract

Business performance is the main factor in SME's sustainability. Optimal achievement of business performance on rag doll SME's in Bandung need to be supported by the characteristics of entrepreneurs, marketing orientation and managerial capability. Based on those cases, the goals of this research are to know and to analysis the following matters: 1) description of entrepreneurs' characteristics, marketing orientation, and entrepreneurs' managerial capability, as well as job performance of rag doll SME's in Bandung; 2) Simultan and partial hypothesis testing on the effect of entrepreneur characteristics, marketing orientation, and entrepreneurs' managerial capability towards job performance. Methods used by the present writer are a descriptive and explanatory survey, with 40 rag doll SME's entrepreneurs as sample drawn using a simple random sampling method. Analysis procedure used is path analysis.

The result of research shows as follows: 1) characteristics of entrepreneur is medium strong, marketing orientation used is not appropriate yet, meaning that the entrepreneurs have good managerial capability, but their business performance is low; 2) business performance of rag doll SME's both simultaneously and partially is affected by characteristics of entrepreneurs, marketing orientation, and managerial capability, with level of the strongest influence comes from characteristics on entrepreneurs, and the lowest one comes from marketing orientation.

Keywords : characteristics of entrepreneurs, marketing orientation, managerial capability, and business performance.

I. INTRODUCTION

1.1 Background

Role of small businesses in Indonesia has been admittedly very important for the sake of the national economy, especially aspects, such as increased employment, income distribution, rural economic development and an increase in non-oil exports. Accordingly, it should be recognized that emerging and developing an economic business is not only caused by the existence of a policy or program development by the government. The main determinant emerging or developing of economic business activities relate to economic, social, cultural and historical factors which finally affect on business performance.

As we know that economic and social factors can be classified into two categories, namely the demand side and the supply one. Factors belong to the demand side is the average income and the tastes of the public consumption as well as the structure, extent and nature of markets served. While the factors on the supply side is the labor supply in quantity and quality, managerial skills, information, technology, quantity and quality of raw materials, work ethic and discipline, as well as aspects related to entrepreneurship. In fact, government policies will only increase or decrease the influence of each of these factors. Differences in taste or consumption patterns in the community for the same goods also determine the size of a small industrial markets. Entrepreneurial behavior as a concrete form and an entrepreneurial factor must exist in the business activity; considering that this factor is very important because of it supports the progress of the business.

Based on those facts, in encountering current economic development undoubtedly an entrepreneurial role is important. Because the economy grows in a country mainly depends on the presence and activities of entrepreneurs. Such entrepreneurs are the ones who behave independently to choose a career according to their interest business areas and can create new jobs as much as possible.

In the area of Bandung city at Sukajadi district, there is an industrial center which uses waste as the raw material in making a rag doll. The industry has been growing since 1986, with the three founders of the puppet craft. Originally they only produce "Panda" shaped doll, but in its development began to develop and to innovate doll products. This industry is an individual effort and still relatively in small industry and households. Production activities and employees live not far from the place of production. This business, in fact, to be the one that can sustain the livelihood of economic life in the local communities.

This rag doll industry pertaining to small businesses has obstacles and problems experienced by the entrepreneurs. Such constraints include the limited capital, less optimal product marketing impact, rising raw material prices, high production costs, as well as the market conditions that varies. Also an increasing problems faced by the craftsmen of the rag doll is the difficulty of obtaining raw materials whose quality standards of production can meet their expectation. These things add to the long barriers faced by

entrepreneurs in the rag doll handicraft industry at Sukajadi district of Bandung. The impact of these problems results in reduced performance of small businesses of doll craft industry today. As matter of fact, the performance of the business decreased because of the following factors:

1. The market demand: the performance of the business will survive or improve its market share when the demand is not affected by the crisis or it even increases due to the crisis and vice versa.
2. The increase in raw material prices and the scarcity of raw materials will sustain or business performance improves if the price of raw materials used or its availability is not affected by the crisis and vice versa.

External factors are quite influential, namely levies, monopolies and deregulation which also resulted in the performance of small businesses. Additionally exportable raw materials also affects them. Small business performance rag doll can survive. The entrepreneurs who are not affected by the export of the product is generally an imported material.

The problems faced by small businesses in general and businessmen in particular at SME centers rag doll in Bandung Sukajadi include the following factors:

Capitalization

1. High interest rates on bank credit so that credit becomes expensive.
2. Information's sources of financing from non-bank financial institutions, such as SOE profit allowance funds and venture capital are still rare. This information includes information on the type of financing sources as well as the requirements and filing procedures.
3. Systems and procedures for credit from financial institutions and non-bank bank are complicated and long. In addition to the waiting time credit disbursement is uncertain.

Marketing

1. Bargaining power of small entrepreneurs in dealing with large employers are always weak, particularly with regard to pricing and payment systems, as well as the layout and small business products in department and supermarket.
2. Employers or professional associations have not been instrumental in coordinating the marketing of products of small businesses, so often it lead to unfair competition between similar business.
3. Information to market products at home and abroad is still rare, for example on the desired product, ready buyer, the place of purchase, or the potential market, the procedures for marketing products, and its main tender on their business.

Raw material

1. Limited inadequate and fluctuating supply of raw materials.
2. The quality of raw materials is low, partly because the lack of standardization and manipulation of raw material quality.

3. The system for cash purchases of raw materials is difficult for small entrepreneurs, while product sales payments are generally not cash.

Technology

1. Skilled workforce is difficult to obtain and maintain, among other things, because education and training institutions are less able to produce skilled workers who fit the needs of small businesses.
2. Specification of equipment that suits your needs or appropriate technology is difficult to obtain.
3. The independent institution and has not played a role yet, especially institutions that examines the technology offered by the market to small businesses, so that this technology can not be utilized optimally.

Management

1. The pattern of management in accordance with needs and stages of business development are hard to find, among other things because of the knowledge and managerial skills of small entrepreneurs is relatively low. As a result, small businesses have not been able to develop a proper business strategy.
2. The separation between the financial management of the company and the family or household has not been done, so that small businesses have difficulty in controlling and managing cash flow, as well as in planning the financial statements.
3. The ability of employers to organize themselves and employees are still weak, resulting in the division of labor is not clear and often employers should act one men show.

Infrastructure

1. Electricity, water, telephone are expensive and they often impair as well as less good service,
2. Bounded Zone, such as P1K and LIK is not equipped with inadequate infrastructure, such as roads, electricity, telephone, water and sewage treatment facilities and interruption.

Partnerships

1. The partnership between small businesses with medium and large enterprises in the marketing and payment systems, both products and raw materials, is not very useful.
2. Partnership between small to medium business and large enterprises in technology transfer is still rare.

Based on this background the present writer is interested in analyzing the problems of small businesses in the rag doll Sukajadi SME centers, because their potential is enormous if there are parties who really pay attention to them. The industry also helps the local government, especially the city of Bandung in the utilization of waste. Products that are typical and generally manually technology into their repertoire of Indonesia, especially Bandung Tourism City in order to realize the rich culture of the area and make the creative industries evolving with the purpose of Bandung city into a city of creative industries.

1.2. Problems

Based on the background research above, it can be formulated the problems to be analyzed as follows: "How much is the effect of entrepreneurs' behavior, market orientation and managerial ability on the business performance at rag doll industrial enterprises centers at Sukajadi Bandung"

II. LITERATURE REVIEW

2.1 Entrepreneurship

As we know, entrepreneurial aspects in the analysis of the business or small entrepreneurs is very important, because they can not be separated from one another. Especially, if the business is a just starting business. Every businessman will expect that their business can survive. To start a business something to ponder is the key to success in business and understanding yourself. Before starting a business the important thing to know is whether the person already has an entrepreneurial spirit or not. How many characteristics of a successful entrepreneur that have been owned? Does it have the proper motivation to enter the world of business? What is the background and a supportive environment to play a role in entrepreneurship? Furthermore, how a business or what a business that can survive, we can understand through the following descriptions.

One expert, namely William D. Bygrave (2001: 2) distinguishes the sense of entrepreneurship and the process to become an entrepreneur: An entrepreneur is someone who perceives an opportunity and creates an organization to pursue it. The entrepreneurial process involves all functions, activities and actions associated with perceiving opportunities and creating organizations to pursue them. While the entrepreneur is someone who likes change, creates added value, provides benefits for himself and others, his creations are built continuously. (Khasali, R. in Susilo, 2005: 4) According to Robert Hisrich (1985) in Prof. Dr. H. Buchari Alma (2010: 23). Entrepreneurship is the process of creating something different to devote all his time and energy accompanied by bearing financial risk, psychological, social and receive remuneration in the form of money and personal satisfaction. Meanwhile, according to Eddy Soeryanto Soegoto (2009: 3) entrepreneurs are people who are creative and innovative spirit that is able to establish, construct, develop, promote, and make the company superior.

Then, an entrepreneur is a person who has the ability and independent, creative, innovative, resilient, farsighted attitudes, risk taker and without ignoring the interests of others in their business development. Further more an entrepreneur is someone who pays attention to the social environment in order to achieve a better standard of living for everyone. Entrepreneurship can also be interpreted as attitudes, values and the ability to search, view and take advantage of opportunities, create something new by using resources to provide remuneration and profit. An entrepreneur always thought to act to find solutions in accordance with the initiative that appears to target a certain dynamism. Entrepreneurial world is a business world that is full of uncertainty and risk that between success and failure can occur. For that entrepreneurial quality should be improved through the challenges and appropriate support in order to grow as a successful entrepreneur. Entrepreneurs should be able to

see an opportunity to analyze and take decisions to achieve a useful advantage for himself or the surrounding environment and the continuation of its business before these opportunities be exploited by others.

2.2 Small Business

The role of small businesses in the arena of national economy is very important. Apart from the exports that can increase foreign exchange also add jobs and improve living standards for the people of Indonesia. In an era of crisis and global competition many small businesses indicate economic stability compared to medium and large businesses.

2.2.1 Characteristics of Small Business

According Sadoko (1995: 37-38), typical characteristics of the small business are as follows :

- a) Having a small business scale and limited in capital, labor and market orientation.
- b) Many are located in rural areas and small towns or large suburban areas.
- c) The status of private or family-owned business.
- d) The source of labor coming from socio-cultural environment (ethnic, geographic).
- e) The pattern of work is often part-time or as a side business and other economic activities.
- f) Has a limited ability to adopt technology business manager and simple administration.
- g) The capital structure is dependent private equity and environment
- h) It often does not have a business license and official requirements that should be met, the involvement of many institutions as well as the burden of time and cost, though officially cost of obtaining a license is not expensiver.
- i) The company's strategy is influenced by environmental conditions and it often changes rapidly.

2.2.2 Entrepreneurship Spirit.

Entrepreneurship is the result of a process, a systematic disciplined application of creativity and innovation to the needs and opportunities in the market "Thomas W. Zimmere (Suryana, 1996: 7). According to Eddy Soeryanto Soegoto (2009: 3) Entrepreneurship is a creative effort that is built on innovation for produce something new, have added value, benefit, creating jobs and the results are useful to others. Entrepreneurship implies self-employed or entrepreneurs which is the branch of economics that teaches how we can be self-sufficient in starting a business in order to achieve profitability and develop the full potential owned economy. According to Drucker (1959) in Suryana (2006: 2) entrepreneurship is the ability to create something new and different through creative thinking and innovative actions for the creation of opportunities. According Siswanto Sudomo (1989) in Eddy Soeryanto Soegoto (2009: 4) entrepreneurship is everything important about an entrepreneur, the people who have worked hard and sacrificed nature, concentrating all the power and the courage to take risks to realize their ideas. In terms of his actions, he is capable of and sensitive business opportunities.

Of actions, which stands out is taking concrete steps merging or combining resources, both of which have or have not owned to realize his idea to build a new business. Of his work, it is seen with the emergence of new companies with new products, new technology, and new jobs. Meanwhile, according to Schumpeter (1934) in Dollinger, (1999: 4) entrepreneurship is doing new combinations of individual new products, new services, new sources of raw materials, new production methods, new markets, new forms of organization. An entrepreneur must be a man who has a soul that is able to look ahead. Looking to the future instead of daydreaming empty, but look, think full calculation seek alternative choice of various problems and solutions. (BN. Marbun, 1993: 63).

2.3 Market orientation

First of all positioning strategy is to associate an object with one of the attributes or characteristics of the product. Develop effective association of this kind, because if the attribute is meaningful, the association can be directly translated into two assumptions, namely: assumptions to buy or not to buy the assumption of a brand (Aaker, 1997; 169). According to Kotler and Keller (2006: 288) positioning a good brand helps clarify the marketing strategy with brand essence, what the objectives are achieved to aid consumers, and the way companies do it in a unique way. The end result is the successful establishment of the position of customer-focused values convincing reasons why the target market should buy the product.

Then, Fisk (2006: 128) states market orientation exists in every heart of every strategy and a source of business success. In a perfect market, the commodity will never provide the level of return to shareholders more than their expectations. Differentiation is a source of added value, the source of excessive expectations or the source of the achievement of market and financial performance. Differentiation is farther than just names, colors, binders, or some additional products. Differentiation needs to be meaningful and lasting, strong enough to describe the people and capabilities required by the organization, and strong enough not to be imitated by competitors.

Furthermore, Kotler and Keller (2006: 288) states that not all the advantages an indicator that can be displayed to the market, but must be selected. An advantage that should be displayed must meet the following criteria: superior to the competitors, can be communicated, it is not easily imitated, affordable, and profitable. Hamel (2000) states that although the needs of the hypercompetitive economy a customer-oriented organization, it is not enough. The organization must also be creative. The company must build capabilities in innovation and strategic imagination. This advantage comes from the assembly tools, processes, skills, and measures that allow the company new ideas result in more and better than its competitors.

Therefore, a company possessing competitive advantage depends on its resources and what strategies chosen to empower internal resources to respond to external threats and opportunities. The strategy has a very important role in planning, because the strategy is the starting point in the

preparation or manufacturing of the company's plan (Blocher and Kung 2000: 325).

Building a sustainable competitive advantage is by looking at the widest factors on which the effectiveness of marketing strategies. According to Porter (1980: 34) the traditional view to building a competitive advantage is to focus on building a positional advantage which is the basis of the views include the cost leadership or differentiating. Each type of competitive advantage that can establish a connection to the market or focus on the target segment.

According to Kotler and Kartajaya (2005: 40) the ability of the organization is a combination of assets, people, and processes used by organizations to transform inputs into outputs. The ability of the organization includes a set of skills that allows the efficiency and effectiveness of faster, more responsive, quality, marketing has a higher performance, and so on. It can be found in any part of the company's activities, from product development, marketing, through to manufacturing. In many cases, the ability of an organization can be a major source of competitive advantage, which is created through a positional advantage that allows the company to take the same factor input and converts it into the output of products with more efficient processes or products with better quality.

Moreover, Gaspersz (2007: 211-212) states that if the top management is capable of applying and controlling model of organizational excellence, through the steps of: developing a vision and a Master of Improvement Story, apply strategies for improving learning and competence constantly, eliminating waste and reducing costs constantly by eliminating non-value adding activities, and improve selling and market share continuously, then certainly there will be an increase in business performance that create continuous business growth. According to Kotler (2005: 32-33) marketers are smart and effective leaders trying to imagine threats and new opportunities. In fact, they were able to get a chance at first it may be seen as a threat. All of this trend carries clear implications for marketers, also the leader of an organization must develop a strategy that fits the needs of consumers and markets are often changed to produce high-performance marketing.

In addition to the entrepreneurial competence, performance improvement is also determined by the ability of the company in the market-oriented. Any organization that is consistently used as a market oriented marketing activities, then the organization should be able to develop intelgent aspects of market information, dissemination of information, and the ability to respond. If these three aspects are not optimal, the company will be difficult to improve their business performance as desired.

2.4 Managerial Capability

Managerial ability is the application of economic theory and the analysis of decision science to discuss how an organization can achieve the goal or point in an efficient manner.

2.4.1 Managerial capability

According Siagian (1999: 107) managerial capability is the ability to manage the business, which includes:

1. Planning: to elect or set organizational goal and to determine strategies, policies, projects, programs, procedures, methods, systems budgets and standards needed to achieve goals.
2. Organizing: governing the organization,
3. Provision of motivation: giving the driving force that creates the excitement of a person, so that they can work together, to work effectively and integrate all resources and efforts to achieve satisfaction.
4. Supervision: the process in establishing performance measures and taking actions that can support the achievement of expected results in accordance with the set performance.
5. Assessment: something which contains a systematic process of gathering information, analyzing, and interpreting that information to make decisions.

The management function which is used by businesses in planning, decision making, budgeting, organizing, coordinating, and monitoring. Having the ability to carry out the work with or without the presence of others. Illustrated managerial skills of how to educate entrepreneurship behavior, developing the potential of performance.

2.5 Business Performance

Business performance is the result of work that can be achieved by a person or group of people within an organization, in accordance with its authority and responsibilities of each, within the framework of efforts to achieve the goals of the organization concerned legally, do not violate the law and in accordance with moral and ethical (Prawirosentono, 1999: 1). Performance is one measure of actual behavior in the workplace (Johnson, 1991: 19) where the dimension of work include:

1. The quality of the output, for example, give the best to its customers
2. The quantity of output, providing services in accordance with the customer wants
3. Working time, just at the time that the specified job and the manager is always on discipline in their work.
4. Collaboration with colleagues, for example, to do business with entrepreneurs in collaboration with colleagues in order to get the results you well.

2.5.1 Definition of Performance

Performance is work that can be achieved by a person or group of people within the organization, in accordance with the authority and responsibilities of each in order to achieve organizational goals (Suyudi, 1999). If the individual performance is good, it is likely performance of the company or organization will be good. According to Levrinson (1979) Performance or achievement is a person with regard to the tasks assigned to him. While Mathis and Jackson (2001) argued that the performance is a function of ability, effort and support. Empirically can be expressed by the following equation:

Performance = $f(A \times E \times S)$

A = Ability

E = Effort

S = Support

Factors (A) associated with recruitment and selection that is a natural ability to choose talented people and has a proper interest in the job.

Factor (E) is the work done by someone who affects human resource issues, such as motivation, incentives and job planning.

Factor (S) is the support of organizations such as, training, consistency management, employees' career development are clear and fair, adequate equipment provided and expectations. Individual performance can be seen from the three main elements, namely: productivity, quality and service.

Individual performance can be seen from three components. According Veithzal Rival Ahmad Fawzi MB, (2005) Performance is the result or the success rate of a person as a whole during a certain period in the duty compared to the various possibilities, such as the standard of the work, the target or targets or criteria that have been determined in advance. If viewed from the original word performance is the translation of the English word 'performance', which according to The Scribner-Bantam English Dictionary, published by the United States and Canada (1979), derived from the root "to perform" with several "entries" are:

1. Conduct, run, carry out and execute
2. Meets or obligations an intention or vow
3. Implement or enhance the responsibility
4. Do something expected by a person or machine.

Accordingly, performance is determined by factors of ability, motivation and opportunity. Chance-level performance is the high level of performance which is partly a function of the lack- obstacles that constrain the employees. Although an individual may be willing and able, there may be obstacles that become a hurdle. Accordingly, the performance is the willingness of a person or group of people to do activities and refine them in accordance with his responsibilities with the expected results. If related to the performance as a noun where one entry is a result of any work, the notion of performance is the result of work that can be achieved by someone or group of people in a company in accordance with the authority and responsibilities of each in achieving corporate objectives legally, do not violate the law and not contrary to morals or ethics. Performance in carrying out its functions do not stand alone, but is related to job satisfaction and rates of return, are influenced by the skills, abilities and individual traits. Therefore, according to the model-lawyer partner (Donnelly, Gibson and Invancevich: 1994), individual performance is essentially influenced by factors;

- a) expectations of regarding rewards
- b) Encouragement
- c) the ability, needs and nature
- d) perceptions of task
- e) internal and external rewards

- f) the perception of the level of remuneration and job satisfaction.

Thus, the performance is basically determined by three things:

- a) the ability
- b) the desire
- c) the environment.

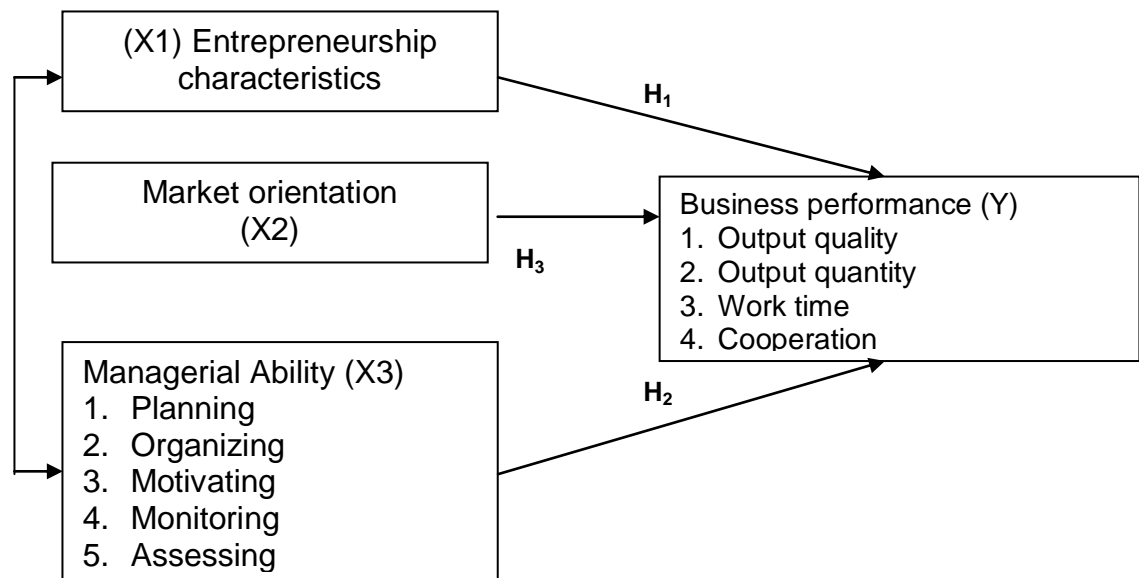
Therefore, in order to have good performance, one must have a high desire to work and to know his job. Without knowing these three factors of good performance will not be achieved. In other words, the individual performance can be improved if there is compatibility between work and ability. Individual performance is influenced by job satisfaction. Job satisfaction itself is individual feelings toward his work. These feelings in the form of an assessment of how much work as a whole is able to satisfy its needs.

2.6 Framework of Thought

One of the factors in the success of an organization is the human resources that are reliable in carrying out its duties and authorities. Nevertheless, on the other hand one must have to pay attention to various fields sudat regarding human resources. It is very difficult to cope with as a driver or a human face in running a business purpose. So here the need for integration is good enough from the elements associated therein. Human resources are not as the same as other inanimate objects, human beings have feelings and thoughts. Secondly it will be consistent in carrying out tasks within an organization or company if supported by the competence or entrepreneurial skills of each individual. In entrepreneurship, one entrepreneur means a person who has the ability to get opportunities successfully. Employers can have high education, training, and skill or perhaps an illiterate who has a high expertise among people who act like that.

Moreover, there are four (4) capabilities or core competencies required to achieve a balanced experience that entrepreneurs can succeed, including technical competence, which has competence in the field of design in accordance with a form of business that will be selected. Marketing competence, which have competence in finding a suitable market, identify customers and maintain the viability of the company. Financial competence, which have competence in the areas of finance, purchasing, sales, accounting and the calculation of profit and loss. Human relations competence, namely competence in developing personal relationships, such as the ability to relate and establish a partnership between the company and should know the healthy inter-personal relationships.

In addition to entrepreneurial competencies and performance improvement is also determined by the ability of the company in the market-oriented. Any organization that is consistently used as a market oriented marketing activities, then the organization should be able to develop intelligent aspects of marketing information, dissemination of information, and the ability to respond. If these three aspects are not optimal, the company will be difficult to improve their business performance as desired.



Research Paradigm: Effect of entrepreneurship characteristics, market orientation and managerial ability on business performance

2.7 Hypothesis

The hypotheses of this research are as follows:

1. Entrepreneur's characteristics affects the business performance,
2. Market orientation affects the business performance
3. Managerial ability affects the business performance

III. OBJECT AND METHODS

3.1 Research Object

Object of this research is the rag doll entrepreneur in Sukajdi Bandung. In this research, the present writer study the relationship between independent variables of entrepreneur characteristics, market orientation and managerial ability with the dependent variable of business performance.

3.2 Research Methods

Type of method used in this study is descriptif survey and explanatory survey. The data in this study is primary data.

3.3 Sampling Technique

The population in this study is 200 rag doll entrepreneurs. To determine the sample size (n) the level of significance of 5% ($\alpha = 0.05$) is used with the confident interval as much as 95% ($1 - \alpha = 0.95$). In this study, the writer took a sample of 50 people out of the population. The sampling technique conducted is purposive sampling.

3.4 Technique of Data Collection

The technique of data collection used by the present writer in this research is literature study, field research, namely observation, interview, and questionnaire distribution,

3.5 Method of Analysis

Data analysis method used is divided into two parts, namely descriptive analysis and verification analysis.

3.5.1 Descriptive Analysis

Descriptive analysis is quantification of qualitative data by transforming the data with the scoring system, which gives value to variables that have been interpreted according to the criteria of the data. From the data that have been collected, some data obtained based on the needs of each indicator variables, then they are presented with the following formula:

$$P = \frac{F}{N} \times 100\%$$

Explanation:

P = number of respondent's response percentage

F = number of respondent's count percentage

N = number of respondents

In order to know the assessment, name the real score from every indicator obtained using interval scale calculation using the following formula:

$$I = \frac{(S_{ktxn}) - (S_{krxn})}{N}$$

where:

I = Interval

S_{kt} = the highest score

S_{kr} = the lowest score

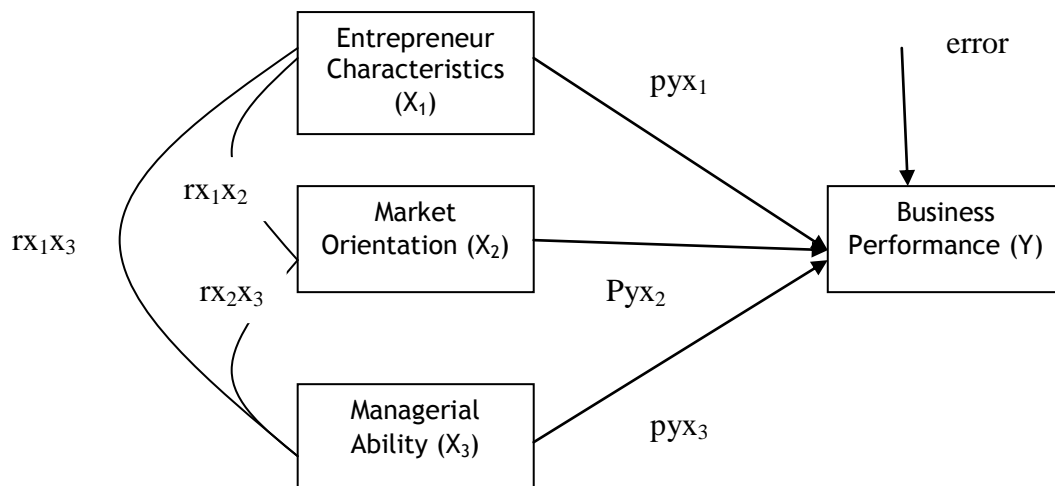
N = number of criteria / category

n = number of respondents

3.5.2 Analysis of Verification

Verification of data analysis technique used in this research is path analysis. Path analysis is basically a method to assess the influence of the variables that are presented as cause and effect. Once the data are known respectively as significant, it can be calculated using the correlation between the dependent variable and the independent variables.

At a later stage after new data processing proves that each independent variable affects on the dependent variable. The model of the relationship among variables is as follows:



3.6 Design of Hypothesis Testing

Hypothesis testing is divided into two parts: simultan hypothesis testing and partial hypothesis testing. The criteria of simultan hypothesis testing is as follows:

- If $F \text{ count} \geq F \text{ table}$ with significance level 0.05 then the testing is significant or there is real effect of X_1 , X_2 , and X_3 or at least of one of them on the dependent variable Y .
- If $F \text{ count} < F \text{ table}$ with a significance level of 0.05 then testing is not significant or there is no real influence of X_1 , X_2 and X_3 toward Y .

The criteria of simultan hypothesis testing is as follows:

- If $t \text{ count} \geq t \text{ table}$ with a significance level of 0.05 then the test is significant and it means that the effect of each X_1 , X_2 and X_3 toward Y is real.
- If $t \text{ count} < t \text{ table}$ with a significance level of 0.05 then the test is insignificant and it means there is no real influence of each X_1 , X_2 and X_3 toward Y . To determine the strength of the relationship between the variables studied is used the criteria of Guilford. By looking at the criteria mentioned above, the design of a possible hypothesis testing are as follows:

Simultan Hypothesis

H₀: entrepreneur characteristics, market orientation and managerial ability do not affect business performance significantly

H₁: entrepreneur characteristics, market orientation and managerial ability affect business performance significantly

Partial Hypothesis

First Hypothesis:

H₀: entrepreneur characteristics does not affect business performance significantly

H₁: entrepreneur characteristics affects business performance significantly

Second Hypothesis

H0: market orientation does not affect business performance significantly

H1: market orientation affects business performance significantly

Third Hypothesis

H0: managerial ability does not affect business performance significantly

H1: managerial ability affects business performance significantly

IV. RESULTS AND DISCUSSION

4.1 Description of Research Results

4.1.1 Descriptive Analysis Characteristics of Entrepreneurship

Entrepreneurs' characteristics of rag doll businessmen in Sukajadi that have been revealed through respondents' answers is as follows:

1) Self Confidence

Self confidence of rag doll businessman in the district of Bandung Sukajadi is measured using a two point statement. Here is the recapitulation of respondents' score:

Table 4.1
Respondents' Recapitulation Score On Self- Confidence Indicator

Statement		Response Score					% of Score
		5	4	3	2	1	
Self Confidence	F	0	4	2	4	3	63,8
	%	15,38	23,08	30,77	23,08	7,69	
Job orientation and output	F	3	5	14	4	0	65,38
	%	11,54	19,23	53,85	15,38	0,00	
Bravity to take the risk	F	2	5	6	4	9	50,00
	%	7,69	19,23	23,08	15,38	34,62	
Leadership	F	3	6	21	5	4	59,49
	%	7,69	23,08	80,77	19,23	15,38	
Originality	F	0	4	11	6	5	50,77
	%	0,00	15,38	42,31	23,08	19,23	
Future orientation	F	1	7	4	1	0	63,08
	%	7,69	53,85	30,77	7,69	0,00	
Total							59.10

Through the accumulation of respondents' score, it can be seen that the self confidence of entrepreneurs assessed by the ability and timeliness of completing the work is good enough; because the skill is moderate maximum that makes a person feel confident in doing business , Similarly to the character orientation of the task and the work results also includes in the modertae category. This is because of the large number of employees to be sufficient to support the execution of the task.

2) Orientation Tasks and Work Results

Orientation of entrepreneurs on the tasks and the work results measured using a two point statement. Here is the recapitulation score of respondents:

Table 4.2
Respondents Recapitulation Score On Task Orientation Indicator and Work Result

Statement		Response score					% of score
		5	4	3	2	1	
High demand of success in work result	F	1	2	7	3	0	61,54
	%	7,69	15,38	53,85	23,08	0,00	
Apply work hard spirit	F	2	3	7	1	0	69,23
	%	15,38	23,08	53,85	7,69	0,00	
Total	F	3	5	14	4	0	65,38
	%	11,54	19,23	53,85	15,38	0,00	

The table above shows that the orientation of the entrepreneurs on the task and the work results are good enough; because of the large number of employees to be sufficient to support the execution of the task. This can be known from the accumulated percentage of respondents score of 65.38 which is between 52-68 and is categorized quite good. The following is a description of respondents to each item statement contained in Table 4.2 above.

a. Demands to succeed in doing the job

In table 4.2 of the statement "When working, the demand to achieve success is very high". Most of the respondents answer quite true option (score 3). Nevertheless many respondents answer less true option (score 2) and even many respondents select very true option (score 5). Then the percentage of respondents score of 61.54 is in the interval 52-68 and is categorized quite good. It means that the majority of rag doll entrepreneurs in the district Sukajadi Bandung have demands to succeed in doing their business.

b. Attitude on Hard Worker

In table 4.2 for the statement "Always apply the hard-working attitude". Most of the respondents answer quite true option (score 3); nevertheless also there are many respondents answer correctly option (score 4) and even some select very correct option (skor5). Then the percentage of respondents score of 69.23 is in the interval 68-84 and is included in good category. It means that most of the rag doll entrepreneurs in the district Sukajadi Bandung have applied a hardworking attitude.

3) Courage in Taking Risks

Rag doll entrepreneurs' courage of in the district Sukajadi at Bandung City in taking risks are measured using a two point statement. Here is the recapitulation score of respondents.

Table 4.3
Respondents Recapitulation Score On Courage to Take Risk Indicators

Statement		Response score					% of score
		5	4	3	2	1	
Courage to take risk in producing many dolls	F	2	3	1	3	4	53,85
	%	15,38	23,08	7,69	23,08	30,77	
Courage to take risk with little capital and small market	F	0	2	5	1	5	46,15
	%	0,00	15,38	38,46	7,69	38,46	
Total	F	2	5	6	4	9	50,00
	%	7,69	19,23	23,08	15,38	34,62	

Through the accumulation of respondents' score, it can be seen that the courage of the entrepreneurs in taking risks is still low, because the company is not willing to accept the risk in this aspect of bankruptcy due to the very little capital. They do not want to lose their money. Therefore the rag doll entrepreneurs should utilize all the opportunities although with very little capital they can still produce dolls in order to avoid losses. This can be known from the accumulated percentage of respondents score of 50.00 which is between 36-52 that are included in the weak category.

The following is a description of respondents to each item statement contained in Table 4.3 above.

a. The courage to take the risk of production

In Table 4.3 to the statement "Dare to take risks in producing more cloth dolls" It can be seen that the most respondents answer "did not dare" (score 1); nevertheless there are also many respondents who answer "brave" (score 4). Then the percentage of respondents score of 53.85 is in the interval 52-68 is and categorized quite good/ It means that the majority of rag doll entrepreneurs in the district Sukajadi, Bandung shows little bravery in taking risks to produce more cloth doll.

b. The courage to capital risk

In Table 4.3 to the statement "Dare to take risks with very little capital and small market". Most respondents select "brave enough" (score 3); nevertheless there are also many respondents who answer "did not dare" (score 1). Then the percentage of respondents score of 46.15 is in the interval 36-52 and are included in the moderate category. It means that the majority of rag doll entrepreneurs in the district Sukajadi Bandung have low courage to take risk.

4) Leadership

Leadership of rag doll entrepreneurs in the district of Sukajadi Bandung is measured using the three point statement. Here is the recapitulation score of respondents.

Table 4.4
Respondents Recapitulation Score On Leadership Indicators

Statement		Response Score					% of Score
		5	4	3	2	1	
As business owners they are fair in doing their business	F	2	3	5	2	1	64,62
	%	15,38	23,08	38,46	15,38	7,69	
As business owners they are wise in doing their business	F	0	1	12	0	0	61,54
	%	0,00	7,69	92,31	0,00	0,00	
They often motivate their subordinates to create optimism	F	1	2	4	3	3	52,31
	%	7,69	15,38	30,77	23,08	23,08	
Total	F	3	6	21	5	4	59,49
	%	7,69	23,08	80,77	19,23	15,38	

Through the score accumulation of respondents it can be seen that rag doll entrepreneurs in the district Sukajadi Bandung have implemented good leadership and have been effective in performing their duties to his subordinates. This can be known from the accumulated percentage of respondents score of 59.49 which is in the interval 52-68 and is categorized quite good.

The following is a description of respondents to each item statement contained in Table 4.4 above

a. Fair attitude in running the business

In Table 4.4 to the statement "As business owners are always fair in conducting the business" Most respondents answer "quite fair" (score 3); nevertheless there are also many respondents who answer "less than fair" (score 4). Then the percentage of respondents score of 64.62 is in the interval 52-68 and is categorized quite good. It means that the majority of rag doll entrepreneurs are fair in running the business.

b. Prudent attitude in running the business

In Table 4.4 to the statement "As business owners always exercise prudence in running the business". Most respondents answer "quite discreet" (score 3). Then the percentage of respondents score of 61.54 is in the interval 52-68 and is categorized quite good. It means that the majority of rag doll entrepreneurs are wise but they are not optimal in their business yet.

c. Motivate subordinates

In Table 4.4 to the statement "Often encourage and motivate subordinates to create optimism" Most respondents answer "quite often" (score 3). Then the percentage of respondents score of 52.31 is in the interval 52-68 and is categorized quite good. It means that the majority of rag doll entrepreneurs have encouraged and motivated subordinates to create optimism in the work

activity.

5) Originality

Originality of ideas of rag doll entrepreneurs in the district of Sukajadi Bandung is measured using a two point statement. Here is recapitulation score of respondents:

Table 4.5
Respondents' Recapitulation Score on Originality Indicator

Statement		Response Score					% of score
		5	4	3	2	1	
Product sold originates from their own ideas	F	0	2	4	4	3	47,69
	%	0,00	15,38	30,77	30,77	23,08	
They often have new ideas to create new products	F	0	2	7	2	2	53,85
	%	0,00	15,38	53,85	15,38	15,38	
Total	F	0	4	11	6	5	50,77
	%	0,00	15,38	42,31	23,08	19,23	

Through the respondents' score accumulation, it can be seen that the rag doll entrepreneurs in the district of Sukajadi Bandung in general in creating the product lack originality, because the company is seldom in creating new ideas. This can be known from the accumulated percentage of respondents score of 50.77 which is in the interval 36-52 and is included in the poor category.

The following is a description of respondents to each item statement contained in table 4.5 above

a. The original idea

In Table 4.5 to the statement "The products are made comes from the idea / ideas of your own" Most of the respondents answer "quite true" (score 3); nevertheless there are also many respondents who answer "not true" (score 2). Then the percentage of respondents score of 47.69 is in the interval 36-52 and is included in the moderate bcategory. It mean that most of the rag doll entrepreneurs in the district of Sukajadi Bandung have less original idea in making the product.

b. The new idea for something new

In Table 4.5 to the statement "Having new ideas to produce something new". Most of the respondents answer "quite true" (score 3); nevertheless there are also many respondents who answer "correctly" (score 4). Then the percentage of respondents score of 53.85 is in the interval 52-68 and is categorized quite good. It means that the majority of rag doll entrepreneurs in the district Sukajadi Bandung still have less new ideas to produce something new.

6) Future Orientation

Future orientation of rag doll entrepreneurs in the district of Sukajadi Bandung is measured using one point statement. The following is scores of

respondents:

Table 4.6
Scores Recapitulation of Future Orientation Indicator

Statement		Response Score					% of score
		5	4	3	2	1	
To set up vision and mission to meet the goals of the business	F %	1 7,69	7 53,85	4 30,77	1 7,69	0 0,00	72,31

Through percentage score of respondents, it can be seen that rag doll entrepreneurs in the district Sukajadi Bandung have good future-oriented attitude; because they have a perspective about what they did yesterday and what they will do tomorrow as in the determination of planning and achieving the company's goal. This can be known from the accumulated percentage of respondents score of 72.31 which is in the interval 68-84 and it is included in good category. Distribution of respondents also indicate that the majority of respondents have already prepared the vision and mission to achieve the objectives in the future.

After learning the entrepreneurial characteristic features of each indicator then the writer calculated the percentage score of respondents for each item. Based on the calculations, the percentage score of respondents is shown in the following table:

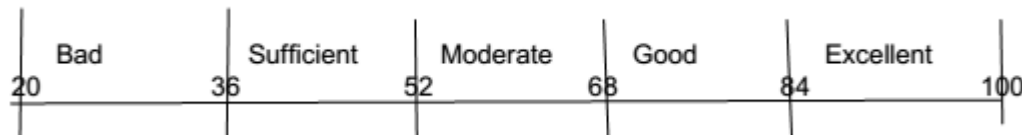
Table 4.7
Score Percentage of Respondents Answers Regarding Entrepreneurship Characteristics

Statement	Actual Scores	Ideal Scores	% of actual score	Category
1	45	65	69,23	Good
2	37	65	56,92	Moderate
3	40	65	61,54	Moderate
4	45	65	69,23	Good
5	35	65	53,85	Moderate
6	30	65	46,15	Low
7	42	65	64,62	Moderate
8	40	65	61,54	Moderate
9	34	65	52,31	Moderate
10	31	65	47,69	Low
11	35	65	53,85	Moderate
12	47	65	72,31	Good
TOTAL	461	780	59,10	Moderate

(Source: Data Analysis, 2012)

Furthermore, the percentage of the respondents' total score in the above table is interpreted into the following table scale:

Figure 4.1
Interpretation Scale Score Percent Variable Characteristics Entrepreneurship



The image above shows that the calculation results of a entrepreneurs' characteristics variable percentage is as much as 59.10 which is between the interval 52 - 68. Accordingly, it can be concluded that the characteristics of rag doll entrepreneurs in the district of Sukajadi Bandung in general are in moderate category. This is because they have not applied maximally the characteristics of entrepreneurial attitude in managing the business of the doll as well as its business potentiality.

4.2 Result of Verification

To know the result of the hypothesis testing, the steps are as follows:

Simultan Hypothesis: testing the relationship between exogenous variables of entrepreneur characteristics, market orientation and managerial with an endogenous variable of business performance

First: Hypothesis statement

H0: entrepreneur characteristics, market orientation and managerial ability do not affect business performance significantly

H1: entrepreneur characteristics, market orientation and managerial ability affect business performance significantly

Second: Calculate F table

With the number of sample as much as 50 and Degree of Freedom $3 - 1 = 2$ (numerator) and $50 - 3 = 47$ (denominator). We get F table: 3.23.

Third: Calculate F count

From the calculation the F count is 5.71

Fourth: Use the criteria

If F count \geq F table; reject H0 and accept H1

If F count $<$ F table; accept H0 and reject H1

Fifth: Decision

From the calculation the F count is as much as 5.71 which is bigger than F table as much as 3.23; therefore H0 is rejected and H1 is accepted. It means that entrepreneur characteristics, market orientation and managerial ability affect business performance significantly. The effect of entrepreneur characteristics, market orientation and managerial ability on business performance is as much as 0.67 (67%). It means that variability of the business performance endogenous variable can be explained using three exogenous variables as much as 67% while the remainder as much as 33% is affected by other factors outside this study.

Partial Hypothesis

First Hypothesis: testing the relationship between exogenous variable of entrepreneur characteristics and endogenous variable of business performance

H0: entrepreneur characteristics does not affect business performance significantly

H1: entrepreneur characteristics affects business performance significantly

Second: Calculate t table

With Degree of Freedom $n - 2$: $50 - 2 = 48$ and significance level: 0.05; the t table is 1.645

Third: Calculate t count

From the calculation the t count is 2.75

Fourth: Use the criteria

If t count \geq t table; reject H0 and accept H1

If t count $<$ t table; accept H0 and reject H1

Fifth: Decision

From the calculation the t count is as much as 2.75 which is bigger than t table as much as 1.645; therefore H0 is rejected and H1 is accepted. It means that entrepreneur characteristics affects business performance significantly. The effect of entrepreneur characteristics on business performance is as much as 0.69.

Second Hypothesis: testing the relationship between exogenous variable of market orientation and endogenous variable of business performance

H0: market orientation does not affect business performance significantly

H1: market orientation affects business performance significantly

Second: Calculate t table

With Degree of Freedom $n - 2$: $50 - 2 = 48$ and significance level: 0.05; the t table is 1.645

Third: Calculate t count

From the calculation the t count is 3.50

Fourth: Use the criteria

If t count \geq t table; reject H0 and accept H1

If t count $<$ t table; accept H0 and reject H1

Fifth: Decision

From the calculation the t count is as much as 3.50 which is bigger than t table as much as 1.645; therefore H0 is rejected and H1 is accepted. It means that market orientation affects business performance significantly. The effect of market orientation on business performance is as much as 0.58

Third Hypothesis: testing the relationship between exogenous variable of managerial ability and endogenous variable of business performance

H0: managerial ability does not affect business performance significantly

H1: managerial ability affects business performance significantly

Second: Calculate t table

With Degree of Freedom $n - 2$: $50 - 2 = 48$ and significance level: 0.05; the t table is 1,645

Third: Calculate t count

From the calculation the t count is 2.97

Fourth: Use the criteria

If t count \geq t table; reject H0 and accept H1

If t count $<$ t table; accept H0 and reject H1

Fifth: Decision

From the calculation the t count is as much as 2.97 which is bigger than t table as much as 1.645; therefore H0 is rejected and H1 is accepted. It means that managerial ability affects business performance significantly. The effect of managerial ability on business performance is as much as 0.60

5. Conclusion and Recommendation

5.1 Conclusion

The conclusion of the study based on the analysis above is as follows:

- Self confidence of entrepreneurs is good enough
- Orientation of the task and the work results is good enough
- Demands to succeed in doing their business is excellent.
- Good hardworking attitude
- Courage of the entrepreneurs in taking risks is still low
- Bravery in taking risks to produce more cloth doll is low
- Courage to take the capital risk is low
- Leadership is good
- Fair in running the business
- Wise in running the business
- Optimism in the work activity among the subordinates is good.
- Lack originality in creating the product
- Less original idea in making the product
- Less new ideas to produce something new
- Good future-oriented attitude
- The entrepreneur characteristics, market orientation and managerial ability affect simultaneously business performance significantly
- The entrepreneur characteristics affects partially business performance significantly
- The market orientation affects partially business performance significantly
- The managerial ability affects partially business performance significantly

5.2 Recommendation

Recommendation of the researcher is as follows:

- Conduct supervision on the rag doll entrepreneurs dealing with the high standard of job orientation, demand of success, hardworking attitude so that they maintain what they have achieved.
- Conduct supervision on the rag doll entrepreneurs dealing with the improvement of market orientation so that they increase what they have achieved.
- Conduct supervision on the rag doll entrepreneurs dealing with the improvement of managerial ability, especially in creating original ideas to produce the dolls so that they can create original products.

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