THE INFLUENCE OF ENTREPRENEURIAL COMPETENCE AND ENTREPRENEURIAL KNOWLEDGEON BUSINESS SUCCESS IN MSMES IN MADIUN CITY

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Abstract:
The economic sector is a sector that is currently growing rapidly. Many business people have built their own businesses, both formal and informal businesses, one of which is MSMEs which play a role in increasing the country's income in the form of foreign exchange. East Java is a province with a growing economic performance that is superior to other provinces on the islandof Java. Madiun City is also a developing city in the East Java region so that the development of MSMEs in Madiun City from year to year is sure to experience rapid growth. This study aims to analyze the influence of Entrepreneurial Competence and Entrepreneurship Knowledge on Business Success in MSMEs in Madiun City. The subjects in this study were business actors in the food and beverage business in Madiun City, totaling 30 business actors and using 30 samples determined by the saturated sampling method. This research uses quantitative methods with SEM-PLS (Structural Equation Model – Partial Least Square) analysis techniques. This study concludes that the results of hypothesis testing show a significant and positive effect between entrepreneurial competence and entrepreneurial knowledge on business success. Thismeans that the entrepreneurial competency level of MSME actors regarding business success isgetting better so that they can manage their potential into opportunities and can be developed in the future.

Abstrak:

Sektor perekonomian merupakan sektor yang saat ini berkembang pesat. Banyak pelaku bisnis yang membangun usaha sendiri baik itu usaha formal maupun informal, salah satunya UMKM yang memegang peran dalam menambah pemasukan negara dalam bentuk devisa. Jawa Timur menjadi provinsi dengan kinerja perekonomian yang tumbuh lebih unggul dari provinsi lain di pulau Jawa. Kota Madiun juga merupakan kota yang berkembang di wilayah Jawa Timur sehingga perkembangan UMKM di Kota Madiun dari tahun ke tahun pastinya mengalami pertumbuhan yang pesat. Penelitian ini bertujuan untuk menganalisis Pengaruh Kompetensi Wirausaha Dan Pengetahuan Kewirausahaan Terhadap Keberhasilan Usaha Pada UMKM Kota Madiun. Subjek pada penelitian ini yaitu para pelaku bismis usaha makanan dan minunman diKota Madiun yang berjumlah 30 pelaku usaha dan menggunakan 30 sampel yang ditentukan dengan metode sampling jenuh . Penelitian ini menggunakan metode kuantitatif dengan teknik analisis SEM-PLS (Structural Equation Model – Partial Least Square). Penelitian ini menyimpulkan bahwa hasil uji hipotesis menunjukkan pengaruh yang signifikan dan positif antara kompetensi kewirausahaan dan pengetahuan kewirausahaan terhadap keberhasilan usaha. Artinya, tingkat kompetensi wirausaha dan pengetahuan kewirausahaan pelaku UMKM mengenai kesuksesan bisnis semakin baik sehingga dapat mengelola potensinya menjadi peluang dan dapat dikembangkan di masa mendatang.

Kata Kunci: Kompetensi wirausaha; Pengetahuan Kewirausahaan; Keberhasilan Usaha; Kewirausahaan; Kewirausahaan

PENDAHULUAN

One of the other sectors that is growing rapidly throughout the world, including Indonesia, is the economic sector. Currently in Indonesia there are many business actors who build their own businesses, both formal and informal businesses. MSMEs (Micro, Small and Medium Enterprises) play an important role in the community's economy, MSMEs can bring people out of poverty because the level of employment by MSMEs is quite high. The food and beverage industry (mamin) is one of the MSME sectors that has high demand. The important role of this strategic sector can be seen from its consistent and significant contribution to GDP of 3.49% in the third quarter of 2021, along with the national economic growth which has returned to positive growth touching 3.51%

(nasional.kontan.co.id, 2021). East Java's economic performance in the current period grew higher than other provinces in Java, such as West Java, DKI Jakarta, Central Java and Banten. The food and beverage industry is one of the MSME sectors that has high demand. The Mayor of Madiun Midi and Deputy Mayor of Inah Raya, the Madiun City Government built 27 MSME stalls spread across 27 Villages. The construction of the shanties is focused on growing a local-based economy in each Kelurahan. In addition, the construction of MSME stalls will provide opportunities for small traders to develop their businesses. These stalls are built in strategic places to make it easier for residents to access their locations (Saebah & Asikin, 2022). There are 70 MSMEs empowered to fill Village stalls ranging from culinary, fashion to handicraft businesses. The more widespread food and beverage businesses in Madiun City there are 533 MSMEs which have increased business success.

Business Success According to Suryana in (Renaningtyas Widyaningrum, 2017: 672) business success is the success of a business in achieving its goals. Good company performance is one of the goals of every entrepreneur.

Utami, E. N., & Mulyaningsih, H. D. (2016). argued that business success is essentially the success of a business achieving its goals, a business is said to be successful if it earns a profit because profit is the goal of someone doing business.

According to Kustini, Dea, Endang (2021) that conditions that are better than before or successful in achieving the intended goals are business success.

Business success is the main goal of entrepreneurs. The competence of an entrepreneur is needed in achieving business success. Entrepreneurial competence is also needed to survive and develop in the midst of increasingly fierce competition because not all entrepreneurs have entrepreneurial competence (Rahmi, 2019).

Prakasa, Y., & Putri, Y. R. (2020). describes competency as an individual character such as knowledge, skills, and abilities needed to do a particular job.

Sari, I. P. (2018) Entrepreneurial competence is defined as knowledge, skills, and influences performance.

In research conducted by Pahlevi, Muhammad Ryan (2019) stated that the higher the competence, the higher the level of business success. The results of research conducted by Rahmi, Rahmi (2019) state that entrepreneurial competence has a positive and significant effect on success

From several phenomena faced by MSME business actors in Madiun City, there is a gap in the existence of high demands for competence in the business world so that many businesses that are run cannot become successful businesses, do not grow and cannot compete in the market.

The rapidly increasing number of entrepreneurs who build businesses also need to have knowledge in running a business to increase quality and achieve business success.

According to (L Agustine – 2020) entrepreneurial knowledge is the basis of entrepreneurial resources within individuals. In general, knowledge is defined as everything that is known or related to everything.

According to Kuntowicaksono (2012: 49) entrepreneurial knowledge is a person's understanding of entrepreneurs with various positive, creative, and innovative characters in developing business opportunities into business opportunities that benefit themselves and society or consumers.

Based on the results of the initial research conducted by researchers, MSME business actors in Madiun City have a low educational background plus a lack of socialization of entrepreneurial knowledge.

The results of the research conducted (Marthaella, Tarisma 2022) entrepreneurial knowledge significantly influences business success. The best entrepreneurial knowledge can improve business performance, win the competition and maintain market share so that competitors do not take it.

Based on the phenomenon above, entrepreneurial competence and entrepreneurial knowledge on business success must be studied and reviewed in depth to analyze the influence of entrepreneurial competence and entrepreneurial knowledge on business success in SMEs in Madiun City.

METHOD

In this study, there are three research variables with operational definitions as follows: Entrepreneurial competence is a strong entrepreneur and more willing to take risks. Key characteristics of an entrepreneur include independent will, desire to innovate, aggressive tendencies towards competitors, and tendency to actively seize market opportunities. Entrepreneurial competence as an independent variable (X1) that affects business success as the dependent variable (Y). This study uses indicators from (Roblesa and Rodriguez, 2015) including communication. 1), building social networks 2), innovation 3), leadership 4), and negotiation 5). This variable is measured through 5 statement items. Each item was measured using a Likert Scale ranging from 1 to strongly disagree to 5 to strongly agree.

Entrepreneurial knowledge (X1) is a person's ability to produce something new through creative thinking and innovative action, to create ideas or opportunities that can be put to good use. The indicators used by (Hisrich in Afhi Fadhlika Moelrine1, Rinaldi Syarif 2022) are: 1) Knowing the line of business he started, 2) Having the right attitude 3) Knowing how to compete.

Business Success (Y) Business success is a situation where the business has increased from the previous results. Indicators of Business Success (C. Purnama 2020) are: 1. Business profit growth 2. Increase in sales 3. Increase in the number of customers. The indicators in this study were measured using a Likert scale with a scale of 1-5.

Population And Sample

There are 30 data on MSME actors in Madiun City who are used as research samples. This research is a population study because the population is under 100 respondents, namely 30 people. Determining which respondents were selected by not using techniques to provide equal opportunities or opportunities for each element or member of the population to be selected as samples using the saturated sampling method. Saturated sampling or other census terms are where all members of the population are sampled (Sugiyono, 2020: 55).

RESULTS AND DISCUSSION

1. Convergent validity

Convergent validity This has the principle that construct constructs must be highly correlated. Validity test on SMART PLS 4.0 by looking at the loading factor value, which must be more than

0.7 for confirmation research and the loading factor value between 0.6-0.7 for massive exploratory research can be accepted and the average variance extracted (AVE) value must be higher greater than 0.5 (Ghozali &; Latan, 2015: 74).

Tabel 1
Outer Loading

EntrepreneurialCompetence	Entrepreneurial Knowledge	Businesssuccess

X1.1	0,946		
X1.2	0,932		
X1.3	0,947		
X1.4	0,883		
X1.5	0,912		
X2.1		0,861	
X2.2		0,916	
X2.3		0,920	
Y.1			0,926
Y.2			0,966
Y.3			J0,956

Based on table 1 shows that the results of the loading factor calculation and the results obtained show that the loading factor value is above 0.70 so the indicator has met the requirements of convergent validity and has the required validity based on the rule of thumb used following what has been tested previously.

2. Discriminant validity

The way to test discriminant validity is to look at the loading factor value which must be >0.7 or you can compare the AVE square root with the correlation value between the modelconstructs (Ghozali and Latan, 2015: 74).

Table 2
Discriminant validity

Indicator	Entrepreneurial Competence	Entrepreneurial Knowledge	Business success
X1	0,924		
X2	0,874	0,900	
y	0,932	0,878	0,950

Based on Table 2 data processing, it is known that the square root value of AVE is more than 0.7or the number contained diagonally is greater than the number of the numbers in one column. (0,924), (0.900), (0,950)]. So it can be said that it has met the discriminant validity requirements.

3 . Reliability Test

Reliability tests are carried out to prove the accuracy, consistency, and accuracy of instruments in measuring constructs. Measuring the reliability of a construct with

reflective indicators can be carried out du events, namely Composite reliability and Cronbach alpha or often referred to as Dillon Goldstein's. Researchers are advised to use the Composite reliability test because if you look at the Cronbach alpha of each construct, the value will be lower. The Composite reliability value for each construct must be greater than 0.7 (Ghozali and Latan, 2015:75).

Table 3
Construct Reliability Dan Validity

	Cronbach'sreliability alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	The average varianceextracted (AVE)
Entrepreneurial competence	0,957	0,958	0,967	0,854
Entrepreneurial knowledge	0,882	0,889	0,927	0,809
Business success	0,945	0,946	0,965	0,902

From Table 3 it is known that the average variance extract (AVE) has a value of more than
0.5. Has met the reliability requirements Composite reliability has a value greater than 0.7.So it can be concluded that all construct indicators are reliable or fulfill the reliability test.

4. Evaluation of the Structural Model (Inner Model)

Based on Table 5, the R square for business success (Y) is 0.886, which means that the variable business success (Y) can be predicted by related variables, namely entrepreneurial competence(X1) and entrepreneurial knowledge (X2) as a moderating effect of 0.886. So it can be concluded that R square has a moderate effect between exogenous and endogenous variables.

Table 4

Value r-square

	R-square	R-square adjusted

Business success	0,886	0,878

Based on Table 4.10 that the R square for business success (Y) is 0.8 which means that the variable of business success (Y) can be predicted by related variables, namely entrepreneurial competence (X1), and entrepreneurial knowledge (X2) as moderation influences 0.886. So it can be concluded that the R square has a moderate influence between exogenous and endogenous variables.

Here are the results of bootstrapping to assess the effect of indicators with T-Statistics ;
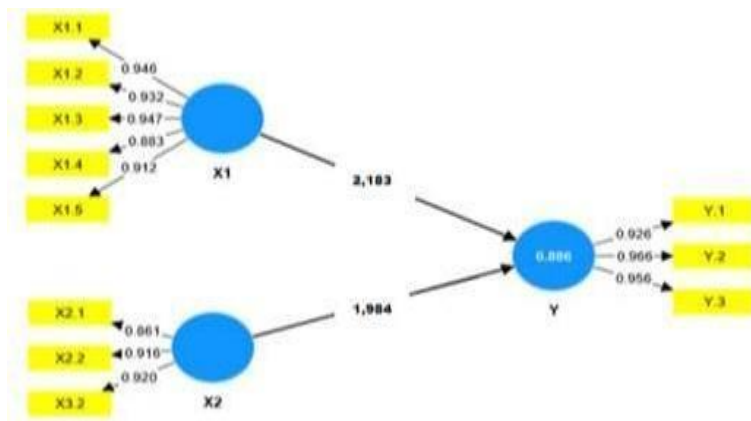
Table 5
Outer Loading Bootstrapping

	Original Sample	sample average	Standarddeviationt	statistic	p-value
X1.1	0,216	0,340	,067	2,268	0,001
X1.2	0,932	0,958	1,106	5,219	0,003
X1.3	0,425	0,301	0,966	4,308	0,000
X1.4	0,231	0,210	1,069	7,221	0,003
X1.5	0,461	0,395	0,964	2,238	0,002
X2.1	0,711	0,466	0,980	6,273	0,001
X2.2	0,714	0,607	0,862	3,298	0,000
X2.3	0,428	0,569	0,945	5,348	0,000

Based on table 5 the results of outer loading through bootstrapping all exogenous variables with P values < 0.05 and show the results of calculating the t-statistics of exogenous variables > t-table (1.96). Thus, the hypothesis in this study is accepted.

The significance of the results of the T-statistic value can be observed from the smartPLS output by bootstrapping in the following figure :

Table 6
Path Coefficient

	sampel original	rata-rata sampel	Standard deviation	t statistic	p value
Kompetensi wirausaha terhadap keberhasilan usaha	0,287	0,239	0,045	2,183	0,000
Pengetahuan kewirausahaan terhadap keberhasilan usaha	0,361	0,325	0,281	1,984	0,002

Based on table 6, the results of the path coefficient table above to measure the magnitude of the influence between variables, this study uses a comparison of table T (1.96) with T statistics. the result is that the T statistic is greater than the T table, the variable has a positive effect.

A. The Effect of Entrepreneurial Competence on Business Success

From the results of hypothesis testing that the entrepreneurial competency variable has a positive effect on business success. The better the MSME actors who have entrepreneurial competence, the greater the influence for business success. The results of this study are

also supported by the results of research in the Pahlevi Journal, Muhammad Ryan (2019) and Rahmi (2019) and Srifana (2022) which show that entrepreneurial competence has an influence on business success which shows that there is a positive relationship between Entrepreneurial Competence and success. business. Entrepreneurial competence is something that must also be possessed by someone who wants to become a successful entrepreneur. By having Entrepreneurial Competence, business actors have competencies or provisions that can be applied directly to business activities so that they can achieve business success. In addition to achieving success, business actors who have skills will have higher self-branding than others because they are considered creative and skilled individuals by utilizing their skills in running a business.

B. The Effect of Entrepreneurial Knowledge on Business Success

From the results of hypothesis testing that the entrepreneurial knowledge variable has a positive effect on business success (Saebah & Asikin 2022). The better MSME actors who have entrepreneurial knowledge, the greater the influence for business success. The results of this study are also supported by the research results of Tri Cahyani Pangesti Leres (2018) and Citra Dewi (2021) which also shows that Entrepreneurial Knowledge has a positive and significant effect on business success to become an entrepreneur. Entrepreneurial knowledge is one of the competencies that entrepreneurs must have in order to achieve success. By having Entrepreneurship Knowledge, business actors can have knowledge and understanding of the description of running a business either through entrepreneurship education or experience so that they can think creatively and innovatively by taking advantage of existing opportunities to (Sugiyono, 2020: 55).

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