

# The Effect of Entrepreneurship Competence, Entrepreneurship and Learning Orientation Toward Sustainable Competitive Advantages in Improving Managerial Performance on Medium Enterprises in Bengkulu Province

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**Abstract**—Micro Small and Medium Enterprises (UMKM) has become a concern for scientists and practitioners in an effort to improve the competitiveness of SMEs. High performance through competitive advantage is the goal of all Medium Enterprises (ME) that will be achieved in a dynamic and unpredictable business environment. This study aims to analyze and determine the influence of entrepreneurial competence, entrepreneurship orientation, and learning orientation towards sustainable competitive advantage in improving the managerial performance of Medium Enterprises in Bengkulu Province. The benefits of research to be achieved include the development of this research model can provide direction and priority in making policy development and empowerment of entrepreneurship in Medium Enterprises. This research uses survey approach and descriptive quantitative year 2017. Sampling method used in this research is cluster proportional random sampling method for 10 districts / cities based on the estimated parameters used with the number of research samples as much as 360 Medium Enterprises. Research data were analyzed with Structural Equation Model (SEM). The results of this study indicate: a) a significant influence and positive relationship of entrepreneurial competence on entrepreneurship orientation, sustainable competitive advantage, and learning orientation, b) the existence of significant influence and positive relationship of entrepreneurship orientation and learning orientation to sustainable competitive advantage, and c) the existence of significant influence and positive relationship of entrepreneurship orientation, learning orientation, and sustainable competitive advantage to managerial performance at Bengkulu Province Medium Enterprises. Suggestions then as well as this become a reference in developing the Medium Enterprises in the Province in the future.

**Keywords**—*entrepreneurial competence, entrepreneurship orientation, learning orientation, sustainable competitive advantage, managerial performance, Medium Enterprises*

## I. INTRODUCTION

Today's business environment that grows and develops very dynamic, including Medium Enterprises desperately need an effective and efficient management system. Thus, the managerial performance of an organization is no longer viewed as a closed system, but the organization is an open-system that must be able to respond and accommodate external changes quickly and efficiently.

Stoner [22], said performance (performance) is the quantity and quality of work completed by individuals, groups or organizations. In the Medium Business environment, managerial performance is the performance of individuals in managerial activities. Performance as a result of work that can be achieved by a person or group of people within an organization in accordance with the authority and responsibility of each in an effort to achieve organizational goals legally and in accordance with moral and ethics [14].

The increasing number of Medium Enterprises in this era of globalization resulted in a rapid change in the market. Changes in this market are caused by changes in consumer tastes, consumer needs, socioeconomic, technological and competitive activities. The general problem in Middle Enterprises in Bengkulu Province which is the background of this research is the increasing number of Medium Enterprises which is part of MSME business which resulted in the increasingly tight business competition so that the entrepreneurial competence and the ability to sense the market in their business.

Behind the better developments, there are still many challenges faced by creative industries or Medium Enterprises in Bengkulu Province, and become an interesting strategic issue. The seven strategic issues are (1) the availability of creative and professional creative resources; (2) the availability of quality raw materials (3) the development of competitive industries; (4) availability of appropriate, accessible, and competitive financing; (5) market expansion for works, business; (6) availability of infrastructure and technology; and (7) institutional and business climate conducive to creative economy [11].

Quality of management and human resources with low quality resulted in weakness of business network, limited market penetration ability and market diversification, economics scale is too small so difficult to reduce cost, profit margin is very small, and not yet have competitive advantage [18]. Herath and Mahmood [10] research shows that entrepreneurship orientation strategy, market orientation and learning orientation have a positive effect on the improvement of company performance in developing countries. High performance through competitive advantage is the goal all companies want to achieve in a dynamic and

unpredictable modern business environment. Day and Wensley [6] stated that there are two factors that can affect the company's efforts in order to create their competitive advantage that is superior capability and superior resources.

Based on the above description, the authors are interested in conducting research entitled Influence of Entrepreneurship Competence, Orientation of Entrepreneurship, and Learning Orientation to Continuous Competitive Advantages in Improving Managerial Performance of Medium Enterprises of Bengkulu Province.

## II. LITERATURE REVIEW

### A. Managerial Performance

Performance is an important factor for measuring the effectiveness and efficiency of the organization. Supriyono [20] states that "Managerial performance is the performance of individual members of the organization in managerial activities, including: planning, coordination, supervision, staffing, negotiation, and representation". According to Puspaningsih [15], managerial performance is a factor supporting organizational effectiveness. Managerial performance can be seen from the ability of managers in planning, investment, coordination, evaluation, monitoring, staffing, negotiation, representation, and overall performance.

Indicators of managerial performance measures as follows [15]: 1) planning, 2) investigation, 3) coordination, 4) evaluation, 5) supervision, 6) staffing, 7) negotiation, 8) representation. Medium Business Actors in Bengkulu Province as many as 614 businesses, where one of the obstacles of Medium Enterprises in Bengkulu Province which is part of SMEs is located in human resources, including managerial performance in the management of its business. This can be seen in the managerial performance indicators which include: the existence of planning, investigation, coordination, evaluation, supervision, staffing, negotiation, and representation.

### B. Entrepreneurship Competence

Forsman [9], stated that the main skills needed for entrepreneur to be succeeded, among others: 1) technical competence, 2) marketing competence, 3) financial competence, 4) human relation competence. Furthermore, Suryana [21] stated that entrepreneurial competence is influenced by: 1) communication, 2) problem solving, 3) initiative and enterprise, 4) planning and organizing, 5) self-awareness, 6) technology.

Medium Enterprises in Bengkulu Province is one of the obstacles related to the entrepreneurial competence itself. To achieve successful entrepreneurship, there relationship with good managerial performance which requires the existence of entrepreneurial competence on quality resource management. The existence of a quality entrepreneurial competence in order to face the increasingly competitive globalization of economy requires a strong managerial expertise, through creative thinking and innovative action to create opportunities. The indicators of success of entrepreneurial competence include: technique, marketing, finance, personal relations, communication, problem

solving, initiative, planning, and human resource management.

### C. Entrepreneurship Orientation.

The innovative entrepreneurship orientation is more than an adaptation or reaction to market trends. Innovations that occur due to entrepreneurial orientation seek to refresh, renew, and redefine organizations, markets, and industries [2]. The entrepreneurship orientation is one of the obstacles faced by Middle Enterprises in Bengkulu Province beside the obstacle of entrepreneurship competence itself in order to achieve good managerial performance. The company's ability to proactively and courage to take risks makes the company has the ability to create innovative products ahead of their competitors so that it has a strong competitive edge orientation. The indicators of success of entrepreneurship orientation are: dare to take risks, proactive, innovative, aggressive, and autonomy.

### D. Learning Orientation

The learning orientation by Baker and Sinkula [2] is a set of organizational values that influence the company's tendency to create and use knowledge. Learning orientation is the degree of firm emphasis on the value of learning for long-term benefit followed by a commitment to learning, sharing of vision and openness of thought. In a learning-oriented organization there will be an ongoing capacity building process to create a better future [19].

The growing complexity and dynamism of the business environment has driven the Middle Enterprise to strengthen its strategic base with customer-focused concepts to keep them accessible to their markets and ensure sustainable growth. To observe the matter, the mismanagement of resource management at Medium Enterprises in Bengkulu Province is the orientation of learning. Where employees are required to have a high learning orientation will have a desire to gain recognition from others and will encourage employees to put forth greater effort which then leads to higher performance, with indicators for dealing with sustainable competitive advantage are: a commitment to learning, sharing vision, openness of thought, and adaptive.

### E. Sustainable Competitive Advantages

Day and Wensley [6] stated that sustainable competitive advantage is a form of strategy to help companies maintain their survival by maintaining or subscribing oriented. The company's ability to produce performance, especially financial performance, depends on the degree of competitive advantage. Sustainable competitive advantage is the company's strategy to achieve high profit-generating goals with long product life cycles at its peak. In addition, Porter [16] shows that there is a positive influence of competitive advantage on managerial performance consisting of 1) Product Uniqueness, 2) Competitive Price, 3) Rare, 4) Not easily imitated, and 5) Not easily replaced. The obstacles faced by medium enterprises in Bengkulu province are that there is still a low competitive advantage, it is shown to have higher cost than competitors, less efficient production process, and has not succeeded in running a specific market segment focus strategy. For that purpose, Medium Enterprises that can exist in facing sustainable competitive advantage in reaching customer

satisfaction, can be shown with the indicator of success is: product uniqueness, competitive price, rarely found in market, not easily imitated by competitor, and not easily replaceable.

**III. METHOD**

**A. Population and Sample**

The population of medium enterprises in Bengkulu province year 2017 is 4,906 MSMEs spread in 10 districts / cities (BPS, 2016b). The sampling method used cluster proportional random sampling method for 10 districts / cities. Withdrawal of research sample as much as 360 medium sample conducted by random sampling.

**B. Data collection and analysis methods**

The data collection activities were conducted with questionnaires, interviews, and literature studies, and data analysis using the Structural Equation Model (SEM) statistical tool with the help of AMOS software version 21.

**IV. RESULT AND DISCUSSION**

**A. Significance Test of Causality and Test of Conformity Model**

**a) Causality Significance Test**

Result of significance test of causality obtained by chi-square value equal to 487,914 and this value less than chi-square value of table equal to 506,784. The significance level with a probability value of 0.063 and this value is greater than the value of the significance limit of 0.05. Thus the model sample covariance matrix is not different from the estimated population covariance matrix. It can be said that the fit model with the existing data.

**b) Conformity Test Model-Goodness of-fit Test**

The result of model suitability test can be seen in the following table.

Table 1. Structural Conformity Index

<b>Goodness-Of-Fit Index</b>	<b>Cut-off Value</b>	<b>Hasil Model</b>	<b>Keterangan</b>
GFI	0,800 ≥ 0,900	0,883	Marginal
AGFI	0,800 ≥ 0,900	0,865	Marginal
TLI	0,800 ≥ 0,900	0,952	Good
CFI	0,800 ≥ 0,900	0,956	Good
RMSEA	≤ 0,080	0,045	Good
CMIN/DF	≤ 2,000	1,717	Good

**B. Confirmatory Factor Analysis**

Confirmatory factor analysis is a process in research conducted to test the *unidimensionality* of the dimensions that form latent variables or latent constructs. The dimensions used in a model need to be confirmed whether the dimension can explain a construct that is an unobserved variable. Each variable has a Critical Ratio (Critical Ratio) that has been eligible, which has a value above 1.96 with a 5% error rate. Therefore, all of these variables are

significantly the dimensions of the latent variables, both entrepreneurial competencies (9), entrepreneurial orientation (5), learning orientation (5), sustainable competitive advantage (5), and managerial performance (8).

**C. Entrepreneurship Competence to the Orientation of Entrepreneurship**

Based on these two things as empirical evidence to accept the first hypothesis (H1), which means the influence and a significant positive relationship between entrepreneurial competence with entrepreneurial orientation. The stronger the entrepreneurship competence will be the higher entrepreneurship orientation in the Secondary Enterprises in Bengkulu Province.

**D. Entrepreneurship Competence on Sustainable Competitive Advantages**

Based on these two things as empirical evidence to accept the second hypothesis (H2), which means a significant influence and positive relationship between entrepreneurial competence with sustainable competitive advantage. The stronger the entrepreneurial competence will be the higher sustainable competitive advantage in the Medium Enterprises in Bengkulu Province.

**E. Entrepreneurship Competence on Learning Orientation**

Based on these two things as empirical evidence to accept the third hypothesis (H3), which means the influence and a significant positive relationship between entrepreneurial competence with the orientation of learning. The stronger the entrepreneurship competence will be the higher the orientation of learning in the Secondary Enterprises in Bengkulu Province.

**F. Orientation of Entrepreneurship to Continuous Competitive Advantages**

Based on these two things as empirical evidence to accept the fourth hypothesis (H4), which means significant influence and positive relationship between entrepreneurship orientation and sustainable competitive advantage. The stronger the entrepreneurship orientation will be the higher sustainable competitive advantage in the Medium Enterprises in Bengkulu Province.

**G. Learning Orientation to Continuous Competitive Advantages**

Based on these two things as empirical evidence to accept the fifth hypothesis (H5), there is significant influence and positive relationship between learning orientation and sustainable competitive advantage. The stronger the learning orientation, the higher competitive advantage will be in the Secondary Enterprises in Bengkulu Province.

**H. Orientation of Entrepreneurship to Managerial Performance**

Based on these two things as empirical evidence to accept the sixth hypothesis (H4), which means a significant influence and positive relationship between entrepreneurial orientation and managerial performance. The stronger the entrepreneurship orientation will be the higher the

managerial performance of the Medium Enterprises in Bengkulu Province.

#### I. Continuous Competitive Advantage to Managerial Performance

Based on these two things as empirical evidence to accept the seventh hypothesis (H7), which means significant influence and positive relationship between sustainable competitive advantage and managerial performance. The stronger the sustainable competitive advantage will be the higher the managerial performance of the Medium Enterprises in Bengkulu Province.

#### J. Learning Orientation to Managerial Performance

Based on these two things as empirical evidence to accept the eighth hypothesis (H8), which means the influence and a significant positive relationship between the orientation of learning and managerial performance. The stronger the learning orientation will be the higher the managerial performance in the Secondary Enterprises in Bengkulu Province.

### V. CONCLUSION

There is significant effect and positive relationship of entrepreneurship competence towards entrepreneurship orientation, sustainable competitive advantage, and learning orientation. There is significant effect and positive relationship between entrepreneurship orientation and learning orientation toward sustainable competitive advantage. There is significant effect and positive correlation between entrepreneurship orientation, learning orientation, and sustainable competitive advantage over managerial performance in Medium Enterprises.

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