

The Role of Entrepreneurship Orientation to Improving Business Performance for Millennial Generation (Study of Coffee Shop in Padang city)

Chichi Andriani^{1,*}, Ilham Thaib², Yuki Fitria³

^{1,2,3} Universitas Negeri Padang, Padang, Indonesia

*Corresponding author. Email: chichiandriani@fe.unp.ac.id

ABSTRACT

The purpose of this research is to determine the role of entrepreneurial orientation in the millennial generation's business in Padang City. The population in this study is a pioneering business for the millennial generation, such as coffee shops in the Padang City. Coffee shops in Padang City, are a pioneering enterprise for the millennial generation in this study's population. Purposive sampling with criteria was utilized as the sample approach 1) the owner of the coffee shop is a millennial generation with birth years 1995-2010, 2) the age of the company ranges from 1-5 years, 3) has more than 2 employees, 4) has a profit above Rp. 10,000,000/year and 4) One person is chosen from the total number of employees to complete the questionnaire. Using Hairs estimates for the number of samples in this study, 180 coffee shops were chosen as samples. Questionnaires were used to collect data, which was then analysed using descriptive statistical analytic techniques. According to the findings of the research, entrepreneurial orientation has a positive and significant role in improving the business performance for millennial generation in the Padang city, with entrepreneurial orientation have a 45.9% role in increasing the business performance in the Padang city.

Keywords: *entrepreneurial orientation; business performance*

1. INTRODUCTION

In the development of the times, the mindset and pattern of life in a community group will give an experience change. This development is marked by the rapid development of increasingly sophisticated technology. Change can have a positive or negative values, depending on the context in which it is a topic. The millennial generation on the young generation today is a generation that is facing various changes. The millennial generation is a generation born between 2001 and 2010, Increased use and familiarity with communication, media and digital technology is one of the key features of the millennial generation.

Currently, the business world is dominated by the millennial generation or what is known as the digital native generation by [1]. At this time the millennial generation prefers cell phones than television, because

this generation was born in an era of technological sophistication, and the internet plays a major role in the sustainability of their lives, television is not their priority anymore. That is why millennials tend to be lazy to work in offices because they no longer consider traditional work as an interesting thing for them by [2].

The millennial generation is a generation that focuses on their passion. The average millennial generation will focus on pursuing their passion and not money. This generation is used to flexible hours, which means they are used to doing many things in a day. Find out about many things and gain experience. Basically, millennials have a huge curiosity. Therefore, this generation, dubbed the up-to-date generation, on average prefers to become entrepreneurs or work in creative industries, one of which is the business of coffee shop.

To improve company performance, many companies, especially small and medium enterprises (SME's), focus on developing entrepreneurial strategies and company dynamic capabilities so that they can improve company performance and competitiveness by [3]. The success of small business performance is determined by individual factors and environmental factors. Individual characteristics include personality traits and individual competencies in the entrepreneurial process that will affect SME's business performance. According to the research by [4] and [5] the performance of a business can be measured by 1) sales level, 2) net profit level, 3) market share position, 4) workforce growth and 5) customer satisfaction. For this reason, SME's actors as much as possible are required to apply the entrepreneurial spirit in controlling their business to increase competitiveness and defend their business from failure and utilize their competencies to succeed by [6].

Entrepreneurial orientation, according to past study, has three dimensions: (1) innovativeness, (2) proactiveness, and (3) risk taking, all of which influence corporate performance by [7] and [8]. According to [9] Entrepreneurial orientation has a strong link to business performance in small businesses. This is due to SMEs' capacity to adapt rapidly to threats and opportunities in the marketplace. This competence is essential for SMEs to be able to maintain and improve their performance over time.

Self-confidence, task and result driven, risk taking, leadership, inventiveness, and future orientation are all entrepreneurial characteristics, but only entrepreneurial people are able to act on them in their work by [10]. The results of previous studies indicate that entrepreneurial characteristics can improve business performance and success in SME's businesses in Bangladesh by [11] and SMEs in Indonesia by [12]. Entrepreneurial characteristics are also able to increase entrepreneurial optimism in America by [13]. Research conducted by [8] and [14] that an entrepreneurial mindset has a good and considerable impact on the success of small and medium-sized businesses. According the research by [15] industry leadership and competitive strength will support the performance of SME's through innovation.'

Currently, coffee shop in the Padang City is one of the fields in the culinary business that is experiencing quite fierce competition. There are also various types of coffee shops, business actors not only sell their products but also the atmosphere, design, and quality of service. The concepts offered at coffee shops are also varied, some make an indoor concept with a vintage style or an outdoor concept and there are many other concepts that make every customer who visits feel comfortable and satisfied with the coffee shop they visit.

The Coffee Shop trend is starting in the community, especially in the Padang City due to a habit where the

Coffee Shop is not only for drinking coffee but also doing other important things. Coffee Shops must be strong in the face of environmental changes. There are many conditions in which a coffee shop that has just opened does not last long because it is crushed by intense competition and many competitors. To maintain the existence of a coffee shop and improve business performance, business actors must be able to manage business strategies and have an entrepreneurial orientation attitude. This is also inseparable from the coffee shop business in the Padang City.

The purpose of this study is to assess the impact of entrepreneurial orientation on the performance of Padang City's millennial startup generation. This research is expected to help improve business performance in helping the economy of the Padang City, especially in the current new normal era.

2. METHOD

This is a quantitative descriptive study that looks at the impact of entrepreneurial orientation on the performance of millennial generation startups in Padang City. The source of research data comes from questionnaires. The object of the research is all millennial generation startups in the Padang City.

This study's participants were all coffee shops in Padang City. Purposive sampling was employed as a sample strategy. By using sample criteria (a) The owners and staff of coffee shops are members of the Millennial Z generation, born between 1995 – 2010, (b) company age ranges from 1-5 years, (c) has employees > 2 people, (d) has advantages above Rp. 10,000,000 rupiah per year. (e) one employee is selected from the company as a sample who will fill out the questionnaire. According [16] opinion was used to guide the sampling in this investigation. which stated that the minimum sample size should be 10 times the number of research indicators. So, the sample of this research is a minimum of 180 samples.

This study's data analysis technique is simple linear regression. Prior to data processing, all variables used in the study have passed the instrument test and classical assumption test so that the research data is feasible to be processed and analysed.

3. RESULT

Simple Linear Regression Test

Simple regression analysis is used in this investigation. This analysis indicates the direction of the link between the dependent variable and the independent variable as well as the strength of one variable. In this study, a simple linear regression test was used to see the role of entrepreneurial orientation on

business performance. The results of simple linear regression obtained from the results of this study can be seen in table 1.

Based on the table above, the analysis can be explained as follows: $Y = 1.427 + 0.637 + e$. From the regression equation above, the constant value of 1.427 indicates that if the entrepreneurial orientation remains (not up/down) it will give the business performance of 1.427. The entrepreneurial orientation variable produces 0.637, which means that for every increase in the entrepreneurial orientation variable by 1, the coffee shop performance level will increase by 63.7% assuming the other variables remain. The results of this regression equation indicate that the Coffee Shop business in the Padang City already has a good entrepreneurial orientation attitude and behavior so as to produce effective performance.

Table 1. Regression Test Results

Model	Unstandardized Coefficient	Standardize d Coefficients	t	Sig
(constant)	1.427	0.218	6.553	0.000
Entrepreneuria l Orientation	0.637	0.05	0.678	12.29
		2	8	0.000

Source : *spps processing results (2021)*

t Partial test

The purpose of this t test is to see how much the entrepreneurial orientation variable influences the business performance variable. Table 1 shows the findings of the study's t-test, which show that the significant value is 0.000, which is less than the 0.05 significance value.

This suggests that the entrepreneurial orientation (X) has a considerable impact on the performance of the coffee shop in the Padang City.

F test

The f-test aims to determine how far the influence of the entrepreneurial orientation variable simultaneously on the business performance variable. The results of the F test in this study can be seen in table 2.

Table 2. F. Test Results

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig
Regression	31.266	1	31.266	151.250	0.000 ^b
Residual	36.795	178	0.207		
Total	68.061	179			

Source: *spps processing results (2021)*

Based on table 2, it is obtained that the significance of calculated f is 0.000 less than 0.05. At the same time,

the entrepreneurial mindset has a substantial positive impact on the performance of coffee shop in the Padang City.

Coefficient of Determination Test

To determine the influence of the entrepreneurial orientation on the business performance, the coefficient of determination test can be used. The results of testing the coefficient of determination in this study can be seen in table 3 below.

The R-Square value obtained in this study was 0.459, indicating that entrepreneurial orientation can explain about 45.9% of coffee shop performance, or that entrepreneurial orientation contributes 45.6 percent to coffee shop performance, and the remaining 54.4 percent is influenced by other variables not examined in this study.

Table 3. Results of the Coefficient of Determination Model Summary

Model	R	R Square	Adjusted R Square	Std.Error of the Estimate
1	0.678	0.459	0.456	.45466

Change Statistics

R Square Change	F	df1	df2	Sif.F Change
0.459	151.250	1	178	0.000

Source : *spps processing results (2021)*

4. DISCUSSION

A significant value of 0.000 was determined based on the findings of the t-test and hypothesis testing, which was lower than the 0.05 standard. This means that entrepreneurial orientation has a positive and significant role and influence on the performance of millennial generation in the Padang City.

This study's findings demonstrated the impact of entrepreneurial orientation on business performance. This suggests that a more entrepreneurial mindset can lead to better company results. The performance of a business can be measured using three indicators; (a) sales level (b) net profit level (c) market share position d) number of consumers and e) employee satisfaction.

The findings of this study are relevant to previous findings about the effect of entrepreneurial orientation on business performance, such as the results of research conducted by [8] and [17] for which states.

This entrepreneurial mindset has a good and significant impact on the SME industry's performance. This finding supports the results of [17] research, which states that entrepreneurial orientation can be the most

important way of measuring how a company is organized and is an important contribution of entrepreneurship to company performance.

This is also in line with the views by [18] which state that entrepreneurial orientation affects performance. According to [19] entrepreneurial approach has a beneficial impact on performance. This is believed because Entrepreneurship Orientation plays a crucial role in ensuring the success of a business program that is run and provides support and encouragement through an entrepreneurial attitude to achieve success in business.

Entrepreneurial orientation is the key to the success of an organization in achieving profitability. Companies with an entrepreneurial mindset do better than those without mindset. Entrepreneurial orientation is very important for improving the company's performance and competitive advantage. To address the needs of future customers, businesses must innovate, participate in fresh inquiry, support new ideas, and test and simulate creatively. They're all attempts to develop new products, services, or technological processes, as well as modifications to existing technologies and practices.

Entrepreneurial orientation can also be seen of as a benefit strategy for a firm to be able to compete more successfully in the same market. Entrepreneurial orientation refers to the processes, methods, and decision-making that lead to new inputs, and it encompasses three components of entrepreneurship: constant innovation, aggressive action, and risk-taking. The entrepreneurial orientation culture has recently become an important factor in the growth of company profitability by [20].

5. CONCLUSION

Based on the findings of the study and discussion, it can be stated that entrepreneurial orientation has a good and significant impact on the millennial generation's business in Padang City. According to the findings of this study, the millennial generation's increasing entrepreneurial orientation in business will be able to boost business performance in Padang City.

This study has limitations, such as the fact that it only looked at the pioneering businesses of the millennial generation in Padang City, which means the findings cannot be applied to SMEs. Besides that, in this study only uses one variable, entrepreneurial orientation to assess business performance. So, it is hoped that further researchers can examine other variables that are considered to affect business performance such as leadership, market orientation, employee satisfaction,

organizational culture so that they can enrich research on management science.

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