

ANALYSIS OF BUSINESS PERFORMANCE IMPROVEMENT STRATEGIES

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Abstract

Background - Micro, Small and Medium Enterprises (MSMEs) are a business sector that plays an important role in a country, both developed and developing countries. In developing countries, MSMEs are one of the pillars of the country's economy, not only that, the presence of MSMEs in Indonesia has great potential in making the Sustainable Development Goals (SDG's) sustainable development goals a success. However, there are still several problems in the strategy to improve the performance of MSMEs, especially snack food MSMEs, including not achieving sales revenue targets, low organizational commitment of business actors, low innovation and competitiveness of MSMEs, and low business motivation.

Purpose - The objectives of this research are 1) to analyze entrepreneurial orientation and business motivation, on business performance through the organizational commitment of Snack Food MSMEs; 2) formulate alternative strategies to improve the performance of Snack Food MSMEs.

methodology - The sample in the study used a purposive sampling technique, totaling 200 snack food MSMEs in Bogor City. Data testing through validity tests, reliability tests for normality, multicollinearity, heteroscedasticity, and sobel tests. The research method uses descriptive, verification methods, and path analysis methods, as well SWOT analysis. The data collection techniques used in-depth interviews, participant observation, Focus Group Discussion (FGD), questionnaires and documentation.

Findings - (1) Failure to achieve the revenue target for snack food MSMEs in Bogor City. (2) Low commitment of snack food MSME organizations in Bogor City. (3) Low innovation and competitiveness of snack food MSMEs in Bogor City. (4) Low motivation of snack food MSMEs in Bogor City.

Originality - The research uses entrepreneurial orientation variables (X1) and business motivation variables (X2) as exogenous variables (independent variables), organizational commitment variables (Y) as endogenous/intervening variables (intermediary variables) and business performance (Z) as endogenous/dependent variables (dependent variable). Then, the analysis method used in this research is path analysis. However, PLS analysis methods, regression analysis, SEM and path analysis have been widely used, but are still limited to employee performance in a company or MSMEs.

Keywords: Business performance, Organizational commitment, Entrepreneurial orientation, Motivation, MSMEs.
