INTAN ADHITYA ROSMASARI. The Influence of Entrepreneurial Orientations on the Business Performance of Emping Processing Industry in Batang District, Central Java Province. Supervised by SITI JAHROH and BUDI PURWANTO.

Entrepreneurship is one of the ways to achieve success. Micro, small, and medium enterprises (MSME) is an important sector, creating economic growth, more job openings, and poverty alleviation. There are several factors affecting the entrepreneurial industry of processing emping chips, i.e. the characteristics of the entrepreneur, the characteristics of the business, policy, and entrepreneurial orientation that give impacts on business performance. The purpose of this study are to: 1) analyze the influence of the entrepreneur’s characteristics and the characteristics of the business on the entrepreneurial orientation, 2) analyze the influence of policy, characteristics of entrepreneur, and entrepreneurial orientation on the characteristics of the business, and 3) analyze the influence of entrepreneurial orientation, policy, characteristics of entrepreneur, and characteristics of business on the business performance.

The respondents in this study are 60 entrepreneurs who were chosen by purposive sampling. Questionnaire survey was conducted in May 2018. The respondents are 30 entrepreneurs who are members of the KWT Tani Rejo (Women Farmer’s Union) and 30 entrepreneurs who are independents or non-members of KWT. This study used Partial Least Square (PLS) with SmartPLS 3.0 software. The variables involved in this study are the characteristics of entrepreneur, the characteristics of the business, policy, entrepreneurial orientation, and business performance.

The respondents in this study were women aged 41-51 years whereas 65% of them are primary (elementary) school graduates. The results showed that firstly, the characteristics of entrepreneur had positive and significant effect on entrepreneurial orientation, meanwhile policy had the negative effect. Secondly, policy had a positive and significant effect on characteristics of business, meanwhile characteristics of entrepreneur and entrepreneurial orientation had negative effects. Lastly, entrepreneurial orientation had a positive and significant effect on business performance whereas characteristics of business had negative effect. Policy and characteristics of entrepreneur did not significantly influence business performance. Entrepreneurial orientation had significant and positive impact on business performance, thus, in order to increase business performance, the entrepreneurs of emping processing industry may increase their entrepreneurial orientation, especially in terms of proactiveness and competitive aggressiveness.

Keywords: character, performance, orientation, MSMEs, entrepreneurs