

# ENTREPRENEURIAL KNOWLEDGE, ENTREPRENEURIAL PERSONALITY, EXTERNAL FACTORS, AND BUSINESS SUCCESS

<sup>1</sup> Bunga Aditi, <sup>2</sup> H.M. Hermansyur, <sup>3</sup> T. Lyza Tahura Chairunnisa, <sup>4</sup> Prasetyono Hendriarto, <sup>5</sup> Annisha Suvero Suvar

<sup>1, 2, 3, 5</sup> Faculty of Economic Business, Universitas Harapan, Medan, Indonesia

<sup>4</sup> universitas Pakuan, Bogor, Indonesia

Email - <sup>1</sup> bunga.aditi16@gmail.com, <sup>2</sup> mhermansyur@gmail.com, <sup>3</sup> tengkulyza@gmail.com, <sup>4</sup> prasetyono.hendriarto@unpak.ac.id, <sup>5</sup> annishasuvero.24@gmail.com

**Abstract:** This study aims to find the influence of entrepreneurial knowledge, entrepreneurial personality, and external factors on the success of small and medium enterprises in Medan Night Market. The questionnaire was distributed to 88 SMEs actors at the Medan Night Market. The model used is Multiple Linear Regression and is processed using SPSS version 22.0. Based on the results of the t-test analysis, it was found that entrepreneurial knowledge and entrepreneurial personality had a positive and significant effect on business success, while external factors (X3) had a positive but insignificant effect on business success. Then the results of the analysis using the F test note that the three independent variables, namely entrepreneurial knowledge, entrepreneurial personality, and external factors have a positive and significant effect on business success. The results of the analysis using the coefficient of determination show that 20.6% of business success can be obtained and explained by entrepreneurial knowledge, entrepreneurial personality, and external factors. While the remaining 79.4% is explained by other variables not included in this study.

**Key Words:** Business Success, Entrepreneurial Knowledge, Entrepreneurial Personality, External Factors.

## 1. INTRODUCTION:

Small and Medium Enterprises (SMEs) have a very important position in the Indonesian economy. MSMEs make up the largest proportion of the total business actors and have been able to prove their existence as a reflection of the success of business in the economy in Indonesia. Micro, small, and medium scale enterprises were relatively able to survive in Indonesia in 1998 when the monetary crisis occurred when compared to large companies. Because the majority of small-scale businesses are not too dependent on large capital or loans from abroad in foreign currencies. The capital or loan is the one most likely to experience a crisis.

The success of an SME business can be influenced by several factors, including entrepreneurial knowledge of the SMEs themselves. Knowledge of entrepreneurship is one of the most important in getting potential consumers who are ready to buy goods sold by producers, so this entrepreneurial knowledge is important for producers in seeing market opportunities in an area, prospects for potential customers, and opportunities for business life to be long-lasting. Expressed by Suryana (2014) that entrepreneurial knowledge is needed to see existing opportunities, to see the market share that will be sought, and to see and predict the future of the business he pioneered. Suryana (2014) states that entrepreneurial knowledge indicators are knowledge about the business to be entered/initiated and the existing business environment, knowledge of roles and responsibilities, knowledge of personality and personal abilities, and knowledge of business management and organization.

Furthermore, it can be explained that the entrepreneurial personality is something that exists in every individual who carries out an entrepreneurial activity where each of these personalities has unique traits and attitudes in expressing his soul and feelings that are expressed in a product or service he makes. This is in accordance with the opinion of Alma (2013) which states that personality is the trait and attitude of an individual in making or creating a business that is made in the form of a product or service. Alma (2013) personality indicators include self-confidence, risk-taking, leadership, and future-oriented.

Then Suryana (2013) also states that external factors are also factors that determine the success or failure of business actors where these external factors include the sales area to the rules set by the local government. Suryana (2013) states that entrepreneurship is determined by achievement motives, optimism, value attitudes, and entrepreneurial status or success.

One of the UKM in Medan City is UKM Abidin Mosque Coffee. Masjid Abidin Medan's UKM Kopi is a restaurant business that focuses on selling coffee, although it also provides other snack menus, what is highlighted is the coffee products. This business was founded in 2019, to be precise in June, and was founded by CV. Coffee of the

Indonesian Mosque and the Mosque Welfare Board (BKM) of the Abidin Mosque in Medan. Starting from a hobby of drinking coffee, decided to try entrepreneurship in his favorite drink.

The market share of the coffee business in Medan is teenagers and adults. This can be proven by the number of coffee shops scattered in schools and universities, such as on Gatot Subroto street, Dr. Mansyur street, and Setia Budi Medan City street. The emergence of large cafes had a negative impact on the success of the coffee MSME business in the Medan area. This is evidenced by the decline in sales volume in the coffee business. Likewise, what happened to the Medan Abidin Mosque Coffee UKM, which in recent months has experienced a decline in sales turnover, is exacerbated by the covid-19 pandemic which has caused customers not to be free to spend time at the Abidin Mosque Coffee UKM in Medan due to the necessity. implement health protocols. This causes SME investors to not dare to take risks in investing because they are currently in the Covid-19 pandemic and are exacerbated by the lack of knowledge of the SMEs themselves regarding management knowledge in running SMEs.

## 2. RESEARCH METHODOLOGY:

The type of research method used is quantitative research methods with an associative approach. The research was conducted at 4 (four) Masjid Kopi outlets, which are located at Abidin Mosque Brigjen Katamso street, Istiqomah Mosque on Dr Mansyur street, Al Musabbihin Mosque in Setia Budi Indah Park and the Madani Mosque in the Marelan 8 market. The population of 600 customers, using the slovin formula with a preposition of 10% determined the number of samples as many as 88 respondents.

The data collection technique used a questionnaire with a Likert scale of 1-5. The analysis tool used in SPSS 24.0. Data analysis techniques used data quality tests (validity and reliability tests), classical assumption tests (normality test, heteroscedasticity test, and multicollinearity test), conformity test (multiple linear regression test, t-test, and F test), and determination coefficient tests.

## 3. RESEARCH RESULTS AND DISCUSSION:

### a. Characteristics of Respondents

Based on the analysis, it is known that the number of male respondents is 83 (eighty-three) respondents and the number of female respondents is 5 (five) respondents. Most respondents aged 21-30 years old were 56 (fifty-six) respondents. Respondents aged 31-40 years old were 26 (twenty-six) respondents. At least, respondents aged <20 years and 41-50 years, namely 3 (three) respondents respectively. Furthermore, 51 respondents with high school education, while 33 respondents with undergraduate education, and 4 respondents with an S2 education at least.

### b. Data Quality Test

The results of the analysis show that the number of research samples with  $n = 88$ , the calculated r-value is greater than 0.30. Therefore, all of the research indicators are declared valid and can be used to measure the variables in this study. The results of the SPSS output show that the Cronbach Alpha value of all the research variables is: entrepreneurial knowledge (X1) 0.782, entrepreneurial personality (X2) 0.839, external factors (X3) 0.847 and business success (Y) 0.777, where the overall variable Cronbach Alpha value is greater  $> 0.60$  so it can be concluded that the questions presented to respondents are reliable or reliable.

### c. Classic assumption test

#### 1) Normality test

The results of data normality testing using the PP Plot image show that the scattered data points are around the diagonal line so that the data is normally distributed. Here's a graphic image:

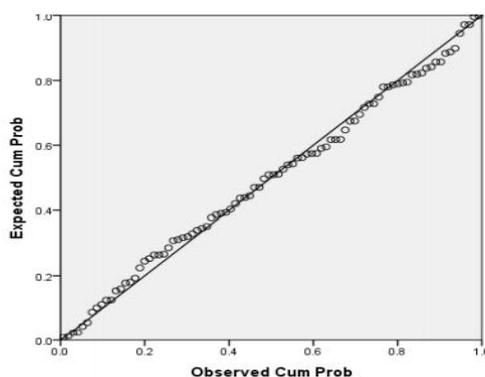


Fig 1. PP-Plot Grafik

Furthermore, by using the Kolmogorov Smirnov test, it can also be seen that the data is normally distributed with a significance value greater than 0.05 ( $p = 0.200 < 0.05$ ).

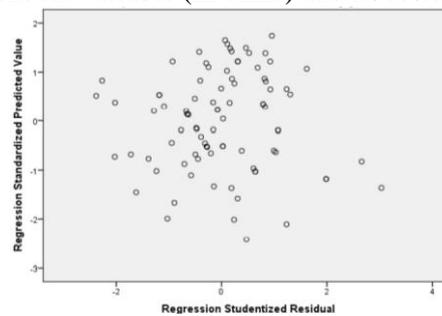
**Table 1. Kolmogorov-Smirnov Test**

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		88
Normal Parameters <sup>a,b</sup>	Mean	31.8409091
	Std. Deviation	1.78527359
Most Extreme Differences	Absolute	.071
	Positive	.060
	Negative	-.071
Test Statistic		.071
Asymp. Sig. (2-tailed)		.200 <sup>c,d</sup>

- 1) Test distribution is Normal.
- 2) Calculated from data.
- 3) Lilliefors Significance Correction.
- 4) This is a lower bound of the true significance.

## 2) Heteroscedasticity Test

In this study, the method used to detect heteroscedasticity symptoms was by looking at the scatterplot graph between the predictive value of the dependent variable (ZPRED) and its residual (SRESID). Here's the picture:



**Fig 2. Scatterplot Graph**

The scatterplot image shows that the dots are randomly distributed and do not form a particular pattern or trend line. The results of this test indicate that this regression model is free from heteroscedasticity problems.

## 3) Multicollinearity Test

Tolerance and VIF values for the independent variables are as follows:

- a) The entrepreneurial knowledge variable (X1) has a Tolerance value = 0.872 and a VIF value = 1.147.
- b) The entrepreneurial personality variable (X2) has a Tolerance value = 0.981 and a VIF value = 1.020.
- c) The external factor variable (X3) has a Tolerance value = 0.886 and a VIF value = 1.129

It can be seen that entrepreneurial knowledge, entrepreneurial personality, and external factors have a Tolerance value > 0.1 and a VIF value > 10, so it can be concluded that there is no multicollinearity symptom (between independent variables has no correlation).

## d. Classic assumption test

### 1) Multiple Linear Regression Test

Multiple linear regression aims to calculate the influence of two or more independent variables on one dependent variable and predict the dependent variable using two or more independent variables. Based on this analysis, the multiple linear regression equation is obtained as follows:

$$Y = 13.007 + 0.237 X1 + 0.299 X2 + 0.134 X3$$

### 2) Hypothesis testing

#### a. Partial Test (t test)

A partial test is conducted to determine the influence of the independent variable on the dependent variable. The variables here are entrepreneurial knowledge (X1), entrepreneurial personality (X2), and external factors (X3).

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	13,007	3,833		3,394	,001
	Entrepreneurial Knowledge	,237	,091	,267	2,606	,011
	Entrepreneurial Personality	,299	,099	,291	3,012	,003
	External Factors	,134	,089	,152	1,501	,137

a. Dependent Variable: Business Success

In this study, the number of samples was n = 88 respondents so that the coefficient t table = 1.662 at significant 0.05. Thus it can be concluded that:

- The variable of entrepreneurial knowledge partially shows a positive and significant effect on the success of the Coffee UKM business at Masjid Abidin Medan. The coefficient value  $t_{count} > t_{table}$ ,  $2.606 > 1.662$  at significant  $0.011 < 0.05$ . Then the previous hypothesis (H1) is accepted.
- The entrepreneurial personality variable shows a positive and significant impact on the success of the Coffee UKM business at Masjid Abidin Medan. The value of the coefficient  $t_{count} > t_{table}$ ,  $3.012 > 1.662$  at significant  $0.003 < 0.05$ . Then the previous hypothesis (H2) is accepted.
- The external factor variable shows positive but not significant to the success of the Coffee UKM business at Masjid Abidin Medan. The value of the coefficient  $t_{count} < t_{table}$ ,  $1.501 < 1.662$  at significant  $0.137 > 0.05$ . Then the previous hypothesis (H3) is rejected.

**b. Simultaneous Test (Test F)**

A simultaneous test is carried out to determine the size of the joint effect of the independent variable to the dependent variable.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	277,287	3	92,429	8,509	.000 <sup>b</sup>
	Residual	912,486	84	10,863		
	Total	1189,773	87			

a. Dependent Variable: Business Success  
 b. Predictors: (Constant), Entrepreneurial Knowledge, Entrepreneurial Personality, External Factors

It can be seen from the simultaneous test results in the table above that the coefficient value on FAccount = 8.509 at a significance of 0.00. The number of samples in this study were n = 88 respondents, where  $df(1) = n - k = 88 - 4 = 84$  then the value of the coefficient of  $F_{table} = 2.71$  at 0.05 significance can be obtained. Thus it can be concluded that entrepreneurial knowledge, entrepreneurial personality, and external factors together have a positive and significant effect on the success of the Coffee UKM of Abidin Mosque in Medan.

**b. Coefficient of Determination**

Following are the results of the determination test:

**Table 4 Coefficient of Determination Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,483 <sup>a</sup>	,233	,206	3,29590

a. Dependent Variable: Business Success

b. Predictors: (Constant), Entrepreneurial Knowledge, Entrepreneurial Personality, External Factors

It can be seen that the Adjusted R Square number 0.206 can be called the coefficient of determination which in this case means 20.6% of business success can be obtained and explained by entrepreneurial knowledge, entrepreneurial personality, and external factors. While the remaining  $100\% - 20.6\% = 79.4\%$  is explained by other factors or variables outside the model, such as motivation factors, achievement motives, and others..

#### 4. CONCLUSION:

- a) Entrepreneurial knowledge has a positive and significant impact on the success of the Coffee UKM business at Masjid Abidin Medan.
- b) Entrepreneurial personality has a positive and significant effect on the success of the Coffee UKM business at Masjid Abidin Medan.
- c) External factors have a positive but insignificant influence on the success of the Coffee UKM business at Masjid Abidin Medan.
- d) The influence of entrepreneurial knowledge, entrepreneurial personality, and external factors simultaneously have a positive and significant effect on the success of the Coffee UKM business at Masjid Abidin Medan..

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