

Study of Employment Characteristics and Entrepreneur Competency as Effort to Increase SMEs Performance

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ABSTRACT

West Bandung Regency makes a major contribution to economic activity by continuing to increase the number of SMEs that contribute to providing employment. This study uses a qualitative descriptive-holistic method, with a theoretical basis used as a framework. The purpose of this study is expected to be able to find the depth of data interpretation and test the theoretical criteria used in this study. Studies conducted by researchers' case studies are one of the research methods that carry out in-depth examination rather than generalizing a situation or phenomenon by using a systematic method of observing, collecting data, analysing information, and reporting the incident. As a result of the survey, the characteristics of professionals are and entrepreneurial competencies have not been able to fully support the improvement of SMEs performance. Because the number of existing SMEs has not yet developed optimally, many of the products offered are homogeneous, giving rise to high competition. The results of the study can be concluded that job characteristics and entrepreneurial competence as an effort to improve the performance of SMEs have not been achieved, so they need to be developed and managed properly and there is cooperation between SMEs actors and the relevant government.

Keywords: Worker Characteristics, Competence, Entrepreneur, Company Performance.

INTRODUCTION

According to Law no. 20 of 2008 concerning Micro, Small and Medium Enterprises, Micro Enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria of Micro and Small Enterprises which are productive economic businesses that stand alone, carried out by individuals or entity. In line with Nada, Suryaningsum, and Negara (2021) stated that MSMEs are companies owned by individuals or groups and valued based on income and the number of employees in the company. A business that is not a subsidiary or branch of a company that is owned, controlled, or becomes a part, either directly or indirectly, of a Medium or Large Business that meets the criteria for a Small Business. Small businesses are businesses that have a workforce of 5 to 19 people, while medium businesses are businesses that have a workforce of 20 to 99 people. UKMK as the most vital sector as a support for the regional economy in creating jobs. Prior to the 1998 reform, MSME as a business received less attention from the government, because exceptions were only for small businesses and it was difficult to develop, but after the reform there were many large companies, especially those that depended on the raw materials used in production. Imported production processes, as a result the value of the dollar rose, causing many companies to go out of business. So that at that time only MSMEs were able to survive. Many studies and research results show that the performance of SMEs is relatively low compared to SMEs in developed countries

Many studies and research results show that the performance of SMEs is relatively low compared to SMEs in developed countries. Tambunan (2012) stated that this condition is not too surprising, because many studies and national data show that the performance of SMEs is relatively poor compared to large businesses, even with SMEs in developed countries. The low performance of SMEs is due to the quality of these human resources. The low characteristics of workers, the competencies possessed by human resources are not supported by knowledge and skills, especially in the field of management and in the management of SMEs. The decline in the performance of MSMEs is closely related to the quality of human resources. Tambunan (2012) also said about the characteristics that distinguish MSMEs from other businesses, namely: 1). The number of companies is very large (far exceeding large businesses) spread throughout cities, villages and remote areas. This business group has a special local meaning for rural areas. 2). Very labor-intensive, meaning that it has a huge potential for growth in employment opportunities, the growth and development of MSMEs can be an important element of national policy and expand employment opportunities and increase income. 3). The majority of MSMEs, especially micro enterprises, are located in rural areas, the production activities of this business group are also generally based on agriculture. 4) MSMEs can be the starting point for mobility in savings or investment in rural areas. Human resources in SMEs, especially entrepreneurs or owners, are the main drivers of the company. Creativity, entrepreneurial spirit, and entrepreneurial innovative spirit supported by the expertise or skills of the workforce are the main sources of increasing the competitiveness of SMEs. The success of a business is due to work achievements produced by HR itself. Mangkunegara (2011) stated that there is a positive relationship between achievement motives and work achievement. Achievement motive is an encouragement in a person to carry out an activity or task as well as possible in order to be able to achieve work performance with a commendable predicate. Work achievements can be produced because of the characteristics of the work and the entrepreneurial competencies it has.

LITERATURE REVIEW

Entrepreneurship comes from the French (*entreprendre*-to undertake), which is then popular in English entrepreneurship. Entrepreneurship can be interpreted as a form of activity to do difficult, complex, and risky work in a responsive way in carrying out

initiatives to obtain benefits or efforts to take advantage of opportunities on every occasion (Jati and Priyambodo, 2015). Zimmerer (2002) stated that entrepreneurship is the application of creativity and innovation to solve problems and take advantage of the opportunities faced. Creativity is defined as the ability to develop ideas and find new ways of solving problems, while innovation is defined as the ability to apply creativity to solve problems and opportunities to increase the wealth of life. The success of SME performance is due to job characteristics, entrepreneurial competence, if the job characteristics are high and supported by high competence, then the performance of SMEs will be high and vice versa. According to Panudju (2014) as cited in Oktaviani, Jaya, and Willian (2019) stated that job characteristics show how much decision-making an employee makes to his job, and how many tasks an employee must complete. Furthermore, according to Robbins and Judge (2015) job characteristics are an approach in designing work that shows how work is described into five core dimensions, namely skill diversity, task identity, task meaning, autonomy and feedback. Simamora (2014) said that job characteristics are an approach to job enrichment. Elbadiansyah (2019:41) job characteristics are a description that provides information from work related to the duties and responsibilities of carrying out the duties and obligations of a job that is assigned to employees. Gunastri (2009) is as follows: "The nature and duties include responsibility, types of tasks, level of satisfaction obtained from the work itself, rules and guidelines for carrying out tasks. According Mangkunegara (2009) claimed that there are job characteristics Objectives: 1) Job characteristics aim to provide descriptions of the type of work to employees, provide job descriptions and motivate employees to compete positively in order to improve performance. He also mentions that the objectives, benefits and usefulness of job characteristics are as follows: Describe all employees regarding the types of work and tasks that can streamline the work to be done. 2) Make it easier for companies to provide job descriptions to all employees so that they can choose employees who really match their expertise. 3) Motivate the work of employees and stimulate employees to compete positively in their work environment, because in the characteristics of work there are targets that employees must achieve. Mathis and Jackson (2006) stated that some of the reasons job characteristics need to be of concern to organizations are as follows: 1) Job design can affect performance for a particular job specifically for labor motivation which can make a big difference to its performance. 2) Job design can affect job satisfaction because a workforce that is satisfied with a certain job configuration is not necessarily satisfactory to other workers. 3) Desain pekerjaan dapat memengaruhi kesehatan fisik dan mental. In addition, in improving the characteristics of work, it is necessary to have a strategy of job characteristics in line with opinions.

According to Robbins (2010) the characteristics of the work consist of the following techniques: 1) Combining tasks, 2) The step performed is to collect the tasks that have been divided to form a larger work module (expansion of work), to increase the diversity of skills and identity of the task. 3) Creating a natural work unit; 4). Design tasks that form an identifiable and meaningful whole to increase employee ownership of the work, 5) Build relationships with clients, 6) Whenever possible, build direct relationships between workers and brand clients to increase skill diversity, autonomy, and feedback. 7). Expanding work vertically, 8) Vertical expansion gives responsibilities and control to employees the things done by managers so as to increase employee autonomy; 9) Opening feedback channels and 10) Immediate feedback allows employees to know how well they are doing their jobs and whether employee performance is improving. In addition to job characteristics that can support the performance of SMEs, there are also entrepreneurial competencies. Barazandeh, Parvzian, Alizadeh, and Khosravi (2015) stated that entrepreneurial competencies are entrepreneurial competencies are defined as entrepreneur's skills and entrepreneurial personality.

Zizile and Tendai (2018) stated that entrepreneurial competence as the total ability of an entrepreneur to carry out his role successfully. Kurniawan and Yun (2018) stated that entrepreneurial competence is "Define entrepreneurial competence as the managerial

capability of a firm's leaders to create and communicate a strategic vision for structuring inter-firm relations. According to Triton (2007), there are ten entrepreneurial competencies. 1) Knowing your business, namely knowing what business to do. In other words, an entrepreneur must know everything related to the business or business to be run. 2) Knowledge of basic business management, namely knowing the basics of business management, for example how to design a business, organize and identify companies, including being able to calculate, predict, manage, and record business activities. Knowing business management means understanding tips, methods, processes and management of all company resources effectively and efficiently. 3) Having the right attitude, namely having the perfect attitude towards the business he is doing. He must behave like a trader, industrialist, businessman, executive who is serious and not half-hearted. 4) Having sufficient capital, capital is not only in the form of material but also spiritual. Trust and determination are the main capital in doing business. Therefore, there must be enough time, enough money, enough energy, enough space and mentally. Trust and determination are the main capital in doing business. Therefore, it must be enough time, enough money, enough energy, enough space and mentally. 5) Manage finances effectively, namely having the ability/to manage finances effectively and efficiently, find sources of funds and use them appropriately, and control them properly. 6) Manage time efficiently, namely the ability to manage time as efficiently as possible. 7) Managing people, namely the ability to plan, organize, direct/motivate, and control people in running the company. 8) Satisfying customers by providing high quality products, namely providing satisfaction to customers by providing quality, useful and satisfying goods and services. 9) Knowing how to compete, namely knowing the strategy/how to compete. Entrepreneurship must be able to uncover strengths, weaknesses, opportunities and threats, self and competitors.. 10) Copying with regulation and paperwork, i.e. making clear rules/guidelines.

Furthermore, according to Abdurrahman (2015) declared that indicators of entrepreneurial competence are: 1) Entrepreneurial knowledge, Explicit knowledge/ level of education possessed by an individual/entrepreneur in leading his business, 2) Entrepreneurial attitude/mindset, Attitude or attitude owned by an individual/entrepreneur in leading and managing a business; 3) Entrepreneurial skills Skills possessed by an individual or entrepreneur to run his business. Dimensions of entrepreneurial competence: mental attitude, leadership, strictness and skills. Moeherson (2012) stated that accomplishment or achievements describe the degree of achievement of implementing activities or policy plans in the pursuit of the organization's goals, objectives, vision and mission as outlined in the organization's strategic plan. Rivai (2013) claimed that performance is a general term used to refer to some or all of an action or activity organized over a period of time by a set of criteria, such as. According to Afianto and Utami (2017) stated that the concept of ability or ability is the main determinant of whether a person can excel. Capabilities arise from knowledge (rapid response to information, techniques, and facts), skills/expertise (ability to perform tasks important to more complex behaviors), and aptitude.

Research conducted by Perez, Ruiz, and Fenech (2007) declared that the first performance measurement of effectiveness: which is a comparison between the output (output) and the targets set by management. Efficiency: is a comparison between output and costs incurred. Quality: the extent to which the resulting product is able to meet the needs and satisfaction of users. Punctuality is the result of products that are produced in accordance with the established time Productivity is an added value with the process compared to value of labor and capital expenditure. Security, which measures the overall health of the organization and its environment. Aribawa (2016) Performance is the success of an organization in achieving its strategic objectives, predetermined by the organization's expected behavior. When small and medium-sized enterprises perform well, they become the backbone of the economy more and play an increasingly important role in the national economy (Tajidan, 2013). Performance is a measure, the level of success in making an effort to achieve the goals to be achieved. The level of welfare in

farmers can be directly influenced by performance, good performance is a successful performance of achieving goals well. Suhardi (2014), performance is strongly influenced by the abilities, motivations, passion and expectations of each individual in a person, group and company. Performance emphasizes the efficiency of saving the use of available resources to achieve the desired goal. In other words, performance is the productivity of a person, group or company, performance is declared good and successful if the goals achieved by individuals, groups and companies can be achieved well.

Fugate, Kirk, Heriot, and Raja (2005) as cited in Edward, Chairunnisa, and Siregar (2023) stated that micro-enterprises are one of the entrepreneurial techniques to promote a self-sufficient economy that allows micro-entrepreneurs to create their own jobs and have incomes using the bottom-up method. The classification of micro-enterprises according to Fugate is street vendors, small craftsmen, small shopkeepers, and small vendors. SMEs are an autonomous production business unit run by individuals or companies from all sectors of the economy. Basically, the difference between micro, small, medium and large companies is usually based on the value of initial assets (excluding land and buildings), average annual turnover or number of permanent employees. However, the definition of SMEs based on these three measures varies across countries. Therefore, it is indeed difficult to compare the importance or role of SMEs across countries.

RESEARCH METHOD

The research approach uses qualitative research, so what is taken from this explanatory research is its descriptive-holistic nature, as well as the use of theoretical foundations used in the research framework, the goal is to be able to find depth of interpretation of the data found, as well as test the theoretical criteria used in this study. The studies conducted by researchers used case studies, research methods carried out by making in-depth observations rather than generalizing from a situation or phenomenon, but these case studies used systematic methods for monitoring, data collection, analysis of information, and reporting of results, so as to obtain a deep understanding of why something happened and can form the basis for further research. Case studies can be used to generate and test theory. Stake in Denzin and Lincoln (1994) explains that the name of the case study is emphasized by some researchers because it focuses on what can be studied specifically in a single case. The hallmarks of a single case study are: (a) unique or extreme; (b) if the case has not been previously studied; and (c) a single case aims to trial a theory to reinforce or otherwise.

Research begins by observing phenomena or issues that exist in terms of theories (literature studies) and empirical data. Then identify the problem through observation and documentation studies. From the identification results, researchers are interested and focus on the study of job characteristics and SME Competencies as an effort to improve SME Performance. The next step is for the researcher to formulate the problem, conduct a literature review, read previous research that is relevant to the research, frame of mind and determine propositions. Furthermore, the researcher makes and determines the methodology of the study. Research methodology. Further conduct observations in the field, interviews (internal and expert judgement). The results of the analysis are described in the discussion, resulting in conclusions and suggestions for improvement.

RESULT

Based on research results from thorough coverage the Head of the Office, Managers and implementers of MSMEs in West Bandung Regency about job characteristics and entrepreneurial competence as an effort to improve MSME performance, as follows:

Job characteristics

Dividing tasks: the work assignments that have been distributed so far are still separated and have not focused on one module or work unit, so that the work done has decreased. Steps taken: in making work steps not based on SOP, so the results are not optimal. Creating a natural work unit: in creating work units, they prioritize the abilities of their workers and must be able to explore the abilities of workers, while so far it often happens that SMEs do not multiply the abilities of their workers so that the division of work tasks is not in accordance with the units they do. Designing tasks: in designing tasks or job designs it is necessary to make in detail and in detail what tasks are given to workers or employees, sometimes it happens that in giving work assignments it is not conveyed in detail so the results are not in accordance with expectations or desires. Gunawan (2014), job design is a process for defining how the work will be done and the tasks that will be required on a job. Information obtained from job design is the type of work, job situation, and job structure. Building relationships with clients: in building good relationships with clients, SMEs have so far rarely held regular meetings with clients, provided no feedback, did not set realistic expectations, lack of clear communication. Diversity of skills: in terms of the diversity and skills possessed by SMESs, both workers and managers have not been owned, so that so far they have not been able to adjust to the characteristics of the work, the products produced are still static so they have not been able to compete with other, more advanced industries. Autonomy: in providing work assignments, SMES managers need to be given freedom to work and innovate in improving the quality of the products they produce. Work autonomy (job autonomy) is the level of freedom, independence, and discretion that a person has in planning a job and determining what method is used to carry out the work (Astria and Nur Rahardjo, 2010).

Creating a natural work unit; in creating work units, they prioritize the abilities of their workers and must be able to explore the abilities of workers, while so far it often happens that SMEs do not multiply the abilities of their workers so that the division of work tasks is not in accordance with the units they do (Astria and Nur Rahardjo, 2010).

Entrepreneurial Competence

The results of the research using in-depth interviews show that the entrepreneurship knowledge of SMES managers and workers is still lacking, in doing work it is not based on experience but is only done by trial and error so that in producing products it often fails and does not even match expectations. Kuntowicaksono in Apriliani and Adi (2015). Knowledge is obtained through experience, information input through the five senses, memory, and becomes a continuous process throughout life Entrepreneurial attitude/mindset. source of knowledge. Kunto Wicaksono (2012) The first source is derived from traditional, customary and religious beliefs, in the form of ancestral heritage values, usually in the form of standard norms and rules that apply in everyday life, then knowledge that comes from of belief tend to be fixed but subjective. 2) The second source is knowledge based on the authority of other people's testimony, usually from parents, teachers, scholars, elders, and so on. So whatever they say is right or wrong, good or bad, and beautiful or ugly is generally followed and carried out obediently without criticism. 3). The third source is sensory experience. With eyes, ears, nose, tongue and skin people are able to carry out life activities. 4). The fourth source is the mind which is different from the senses, the mind has a more spiritual nature, because of that the scope of its capabilities extends beyond the five senses which penetrate physical boundaries to metaphysical ones. 5). The fifth source is intuition where this source is in the form of the deepest impulses of the heart, so it is very spiritual beyond the height threshold of reason and depth of experience. The truth of intuitive knowledge cannot be tested according to sensory experience or reason.

Entrepreneurial skills

The results of interviews on skills in entrepreneurship are still lacking, this is evidenced by incompetence in managerial terms, no experience, and no careful planning has been made. Irawan & Mulyadi (2018) "entrepreneurship skills refer to the activities, or practical knowledge, needed to build and run a business successfully.

SMES performance, including aspects of:

Effectiveness: Interview results show that the effectiveness of the performance aspect in the utilization of resources is still lacking, the input is higher than the output, so that many SMEs are almost bankrupt. Siagian (2016:24) It is the somewhat prior and conscious use of resources, facilities and infrastructure to produce a number of goods and services for the activities in which they are performed. The results of interviews regarding efficiency show that the level of expenditure is higher, in terms of production costs, this is due to many products being rejected or failing, so costs are high. The more efficient or less use of resources, the process is said to be more efficient. Quality: the results of interviews regarding the quality of work indicate that the quality of SMEs work has so far not been supportive of improving SMEs performance. This is due to low work motivation due to work environment factors, salary, knowledge, abilities and skills that are lacking, inadequate facilities and infrastructure. Lupiyoadi (2011) suggested the notion of quality of work is the quality of work shown by employees to deliver the highest performance possible for the organization.

DISCUSSION

According to the findings of in-depth interviews regarding job characteristics and entrepreneurial competence as an effort to improve MSME performance, as follows:

Job characteristics consisting of aspects:

Combining tasks, in expanding the content of the work of SMEs in West Bandung is quite good, in the sense that it has not been fully implemented in a focused and directed manner, as well as job specialization, new work is done horizontally only, combining tasks that a person can do instead of in groups, the hierarchy of work is not clear. The step taken is to collect tasks that have been appropriate and divided according to their respective duties, but the weakness factor has not been able to improve the skills and task identity of each worker, workers who feel less responsible for their work, and are not proud of their work or the results of their work. Creating a natural work unit, in creating a natural work unit, it is felt that it is still not realized, as is the case with involving a number of work contents, the level of knowledge and skills that workers have need to be controlled and given the opportunity to innovate.

Designing tasks that combine into a coherent and meaningful whole in order to improve employee "ownership" of work, the results of observations show that in designing work it is felt that it is still lacking, as well as providing job satisfaction, determining work methods so as to produce quality work. Building relationships with clients, in this case the relationship with clients needs to be optimized, so that it can open up market opportunities, so far new working relationships are horizontal and direct marketing only, while vertical and diagonal protection is rarely carried out so that business development is less developed even just a road in place. Diversity of skills, autonomy, and feedback, it is necessary to give opportunities to workers, by giving workers clear job tasks, making them happy and satisfied with their work, as well as providing workers with feedback that can be measured as if workers produce quality work, then it is necessary to be given awards in the form of bonuses, gifts or others.

The characteristics of work as an effort to improve the performance of SMEs need to continue to be developed, the results of research by conducting interviews with key

informants that regarding the characteristics of work in SMEs have not shown such a significant increase, so that from every dimension that forms the characteristics of the work needs to be optimized. SMEs as a stand-alone business and as a productive business that needs to continue to be developed. Kuswiratmo (2016) stated that a small business is a distinct type of productive business enterprise operated by an individual or business unit (other than a subsidiary or line of business) who directly or indirectly owns, controls, or is part of a medium-sized business or larger corporation. A midsize business is a productive and unique business enterprise operated by a person or entity that does not own, control, or be directly or indirectly associated with a midsize or large business as a subsidiary or affiliate. Job characteristics play an important role in enhancing the productivity of SMEs and maintaining the sustainability of SMEs themselves. Robbins and Judge (2015) job characteristics is a workplace design approach that shows how jobs can be described along five core dimensions, namely skill diversity, task identity, task importance, autonomy and feedback. The characteristic of the work shows how much decision-making is made by the employee to his work, and how many tasks the employee must complete. Agung Panudju (2014:52). The findings through interviews with key informants indicate efforts to improve the performance of SMEs through job characteristics, in line with the results of research by Dhamayantie and Fauzan (2017), Sufyati and Savitri (2021).

Entrepreneurship Competence includes aspects:

Entrepreneurial knowledge, which can support the improvement of SME performance needs to be possessed by entrepreneurs, so far entrepreneurial knowledge is still lacking, due to the low level of education, in creative and innovative thinking, new ideas and existing opportunities have not been utilized properly. Entrepreneurial attitude/mindset, SMEs entrepreneurs in carrying out their work in thinking and doing work are still conventional in nature, the attractiveness of SME products and services provided to customers is lacking, so customers rarely make repurchases, if there are complaints from customers, they are rarely given a positive response. Entrepreneurial skills, the skills possessed by SMEs are still only limited to production by not agreeing with customer wishes, so that the products produced are often not absorbed by customers. Ahmad, Suseno, Seet, Susomrith, and Rashid (2018) described entrepreneurial competencies taken from a number of systems, from the extremely general to the more specific, can be applied using theories from management and entrepreneurial literature. Bird in Mitchell more and Rowley (2010), positing that entrepreneurial competence is described as a combination of individual (internal) characteristics and external factors, examples include the characteristics, motivations, self-image, expertise, social roles and skills that lead to the creation, maintenance and growth of businesses.

Entrepreneurship is the interrelated knowledge, attitudes and skills that entrepreneurs need to inspire and develop in order to perform optimally in running a business to serve their target market (Charir, Primyastanto, & Abidin, 2017). Entrepreneurial competence relates to the performance, competitiveness, growth and success of the company (Tehseen & Ramayah, 2015). The statement means that the study has found a relationship between the entrepreneurship competence and performance of Small and Medium Enterprises (SMEs). Additionally, the research is consistent with previous studies that have investigated the same topic of Suryana and Burhanuddin (2021), and Aulia (2020), stated that entrepreneurial competence affects the performance of SMEs, although in research and research places are different, empirically showing that there are similarities that indirectly entrepreneurial competence affects the performance of SMEs.

SMEs performance, including aspects:

Effectiveness: the products produced by SMEs the comparison between inputs and outputs has not been comparable, so the expected target. This means that the products made are more than the products sold, because the products produced by SMEs are mostly similar so that the competition between SMEs is high. Efficiency: the costs incurred by SMEs so far are still high, the cost of COGS is too high, with no cost efficiency resulting in many SMEs going out of business, because the cost of COGS is higher than the cost of sales. Quality: the extent to which the products produced have not been able to meet the needs and satisfaction of users, due to the low quality of the products and the products produced homogeneously, due to lack of creativity and innovation.

The findings through interviews about the performance of SMEs show that they still have not shown a significant improvement, problems either directly or indirectly caused by those faced by SMEs in West Bandung, the performance of SMEs has not been fully achieved, caused by the lack of entrepreneurial competence, namely unskilled personnel on the results of products or industry made that are not of poor quality and almost all products produced by each SME are the same, characteristic work related to entrepreneurship is less owned, the majority of SMEs produced products are entrusted to stores, do not make direct sales so that the owner does not directly get complaints or input from buyers. SMEs need to improve their performance so that they have an impact on the continuity of their business. The result of the achievement of selecting an individual or a group of people in an organization based on their authority and responsibility for a particular job as an effort to legally achieve the organizational goals without violating any laws and in accordance with ethics and morals is known as performance (Abdus, 2014).

CONCLUSION

West Bandung SMEs have not been able to develop and be innovative in terms of the products produced, the characteristics of the work are not optimal and the entrepreneurial competence is still not supported by knowledge, skills and attitudes, because they have limited abilities and the many obstacles they face that cannot be solved quickly and easily, this problem if left unchecked will be even higher. The most substantial problem is that if SMEs do not develop properly, capital will also be difficult, raw materials are lacking, the products produced are of poor quality and production equipment is inadequate.

There are still many SMEs that have not been able to develop because of these problems, so many SMEs have gone bankrupt. Job characteristics and Entrepreneurial Competencies need to be implemented properly which so far have not been carried out according to wishes and expectations, human resources that have not been in accordance with the characteristics of the work and the competencies possessed have not been in accordance with their fields work.

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DECLARATION OF CONFLICTING INTERESTS

In the process of research there are obstacles in obtaining data.

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