

ENTREPRENEURSHIP ORIENTATION EFFECT ON SMALL BUSINESS CONVECTION IN KEBUMEN

Siti Nur Azizah

sitinuraziz@yahoo.com

Parmin

par_kbm@yahoo.com

STIE Putra Bangsa Kebumen Indonesia

ABSTRACT

As an emerging district of the poverty problem, Kebumen very concerned about the rise of the small and medium sectors of the economy that is expected to resolve the problem of poverty and unemployment. Many emerging businesses - particularly new businesses in the creative industries such as garment manufacturers of household scale both on a small scale, as well as medium in Kebumen, therefore, as a businessman engaged in this industry must pay attention to the variables that affect the business performance of his company. This study is intended to determine how the influence dimension - a dimension in entrepreneurship orientation affect the company's business performance, either simultaneously or partially, addition this study also aimed to determine which variables are most influential on the business performance of the company - a company engaged in the garment industry household in Kebumen. Data processing method using the validity, reliability, classic assumption test, and descriptive statistical analysis, while the method of data analysis is a technique used Pearson correlation and multiple regression analysis. Data obtained from the survey through questionnaires. Research results revealed that all three dimensions of the innovative, proactive, and risk taking have an impact on the business performance of the company. But only innovative dimension that have significant effect on performance. This is show that the entrepreneur must encourage their effort to take risk and proactive to improve business performance

Keywords: Entrepreneurship Orienttion , Innovative, Proactive, Risk Taking, Performance

INTRODUCTION

One of the strategic steps in order to address the problem of economic inequality and social gaps that can be done is to develop the Micro, Small and Medium Enterprises (SMEs). SMEs have characteristics such as: labor intensive, simple technology, and is able to absorb a lot of labor so as to realize equal opportunity to strive and income distribution. In addition, the company's micro-small-medium is a sub sector of economic activity plays an important role in strengthening macroeconomic structure.

According Parulian (2008), that micro and small enterprises generally face various problems that are both external and internal. External and internal problems faced by micro firm, among others: (1) business climate does not yet support the growth and development of small businesses optimally to his potential; (2) Facilities and infrastructure-oriented businesses on the development of small businesses is relatively limited; (3) Ability to entrepreneurship of small business owners are still not utilized optimally; and (4) professional attitude as a businessman is not entrenched; and (5) Low accessibility to various resources, especially financial resources. This is a major impact on the strategy set and performance of the company itself.

Kuncoro (2007), there are four cultural practice that is shared by most SMEs in Indonesia, namely (1) the absence of the division of tasks and delegate a clear distinction between administrative and operational. In fact, most small businesses are managed without a clear system. This occurs because the manager also serves as the owner. As a result, the manager of the company also frequently utilize labor from family and closest relatives to ignore meritisme and competence of workers

Entrepreneurial orientation (EO) is one of the important factors that can determine the success of a business. (Lee & Peterson, 2000; Gupta, Mcmillan & Surie, 2004; Prieto, 2010). Entrepreneurship orientation considered an entrepreneur has an significant role in the success of a business, so that the business can perform healthily. (Mahmood & Hanafi, 2013; Zainol & Ayadurai, 2011).

The relationship between the entrepreneurial orientation with a company's performance has been the main subject of interest for the investigation. (Arshad, Rasli, Afiza, & Zahariah, 2013) A company that has the concept of entrepreneurship orientation will tend to do business better compared with companies that adopt a conservative orientation. (Rauch, Wiklund, Lumpkin and Frese, 2009; Wiklund & Shepherd, 2005).

The few studies that have been there before, indicating that the entrepreneurial orientation of a businessman, can significantly improve the performance of the business being operated (Wiklund and Shepherd, 2005; Chow, 2006; Coulthard, 2007). But there are also studies that reveal that the entrepreneurial orientation does not give positive results to business performance (Matsuno, Mentzer & Ozsomer, 2002 Morgan & Strong, 2003; Naldi, Nordqvist, Sjöberg, & Wiklund, 2007). Thus, it can be said entrepreneurial orientation will have direct and indirect impact on company performance. because it depends on the environment and different cultures (Zahra, 2008; Kellermanns, Eddleston, Barnet & Pearson, 2008). This makes why the relationship between entrepreneurship orientation with the company's performance has been the main subject of interest for the investigation.

Convection small business such as shirts, bags, embroidery and school uniforms in Kebumen is growing. This is evident from the emergence of a variety of businesses - new businesses small engaged in industry-oriented convection. This convection small industry will continue to grow and to increase the competitiveness among companies convection in Kebumen. Thus, the company will be visible – convections SME in Kebumen that will survive and will continue to grow. Then the company will look which will compete with existing competitors.

THEORITICAL REVIEW

The Dimensions of EO

The salient dimensions of EO can be derived from a review and integration of the strategy and entrepreneurship literatures (e.g., Covin & Slevin, 1991; Miller, 1983; Miller & Friesen, 1978; Venkatraman, 1989a). Based on Miller's (1983) conceptualization, three dimensions of EO have been identified and used consistently in the literature: Innovativeness, risk taking, and proactiveness. *Innovativeness* is the predisposition to engage in creativity and experimentation through the introduction of new products/services as well as technological leadership via R&D in new processes. *Risk taking* involves taking bold actions by venturing into the unknown, borrowing heavily, and/or committing significant resources to ventures in uncertain environments. *Proactiveness* is an opportunity-seeking, forward-looking perspective characterized by the introduction of new products and services ahead of the competition and acting in anticipation of future demand.

Lumpkin and Dess (1996) suggested that two additional dimensions were salient to entrepreneurial orientation. Drawing on Miller's (1983) definition and prior research (e.g., Burgelman, 1984; Hart, 1992; MacMillan & Day, 1987; Venkatraman, 1989a), they identified competitive aggressiveness and autonomy as additional components of the EO construct. *Competitive aggressiveness* is the intensity of a firm's effort to outperform rivals and is characterized by a strong offensive posture or aggressive responses to competitive threats. *Autonomy* refers to independent action undertaken by entrepreneurial leaders or teams directed at bringing about a new venture and seeing it to fruition.

Entrepreneurship orientation is divided into 3-dimensions, among others (Marques et al, 2011; Kobia & Sikalich 2010; Covin et al.2006; Wiklund & Shepherd, 2005; Krauss et al, 2005; Hisrich et al, 2004; Kreiser, Marino, & Weaver, 2002; Lumpkin & Dess, 2001):

a. Innovative

Innovative entrepreneur reflects a tendency to pop up and realize ideas - new ideas, trying new and different for ways of pre-existing and enthusiasm to adopt new -ide ideas or new methods for their business, and then apply the innovation in their business operations. (Lumpkin & Dess, 2001; Wiklund & Shepherd, 2005). Innovative dimensions in entrepreneurial orientation among others (Weerawardena, 2003; Lumpkin & Dess, 2001; Wiklund & Shepherd, 2005): product innovation, process innovation, managerial innovation and marketing innovation.

b. Proactive

Proactive attitude reflects an entrepreneur in the process of looking for new opportunities that arise with

developing, introducing, as well as making improvements to the products or services that it markets. (Lumpkin & Dess, 2001; Kobia & Sikalich 2010; Kreiser et al, 2002). Dimensions proktif include identification of opportunities, the anticipation of future changes in demand, menysun strategic actions in order to achieve goals, and follow-up of business execution.

c. Risk taking

Risk Taking or risk-taking is an act of an entrepreneur who has the willingness or the willingness to utilize its resources to be able to perform a job even without the certainty of the results to be obtained. (Lumpkin & Dess, 2001; Kobia & Sikalich, 2010). Dimensions risk taking cover risk-taking tendency, the intensity of exploration, fault tolerance to employees, and accept the risk of financial los

Business performance

Business performance is a multidimensional construct (Walker & Ruekert, 1987; Wiklund & Shepherd, 2005). Previous studies have often used self-reports to gather business performance data, and these results have proven to be reliable (Dess et al., 1997; Nayyar, 1992; Knight, 2000; Schulze et al., 2001; Tan & Litschert, 1994). Wiklund (1999) suggested that performance measures should include both growth and financial performance. Furthermore, public information is unreliable because most SMEs are privately held and have no legal obligation to disclose information. Respondents may be reluctant to provide actual financial data (Ambler et al., 1999; Atuahene-Gima & Li, 2002; Tse et al., 2004). Hence, this study used subjective, self-reported measures of business performance including growth and financial performance.

Business Performance and Entrepreneurial Orientation

Scholars have attempted to explain performance by measuring a firm's entrepreneurial orientation. Charkravarthy (1986) suggested that it was essential to examine the relationship between entrepreneurial orientation and performance. Dess et al. (1997) explored the nature of entrepreneurial strategy-making and its relationship with strategy, environment, and performance. Covin and Slevin (1989, 1991) built a model that links entrepreneurial posture to organizational performance. They found that entrepreneurial orientation was positively related to performance and that an entrepreneurial posture was most positively related to firm performance. Miller and Bromiley (1990) found that entrepreneurial orientation had an impact on overall firm performance, such as return on equity/assets/sales. Zahra (1991) reported a positive relationship between entrepreneurial orientation and firm profitability and growth. Research by Wiklund (1999) confirmed that there was a positive relationship between entrepreneurial orientation and performance.

Further studies reported a positive and significant relationship between entrepreneurial orientation and firm performance (Smart & Conan, 1994; Zahra & Covin, 1995). Krauss et al. (2005) found that entrepreneurial orientation is a valuable predictor for business. Hence, entrepreneurial orientation research accumulated a considerable body of evidence regarding the relationship between entrepreneurial orientation and outcomes or performance (Barringer & Bluedom, 1999; Covin & Slevin, 1989; Miller, 1983; Wiklund, 1999; Wiklund & Shepherd, 2003; Zahra, 1991; Zahra & Covin, 1995).

There is no consensus on an appropriate measure of business performance (Yusuf, 2002). Business performance can be measured by two perspectives: (a) an objective concept based on absolute measures of performance, and (b) a subjective concept involving self-reported measures (Tse et al., 2004). Previous studies have found a strong correlation between objective and subjective responses (Dawes, 1999; Dess et al., 1997; Dess & Robinson, 1984; Jaworski & Kohli, 1993; Pearce et al, 1987; Robinson & Pearce, 1988; Venkatraman & Ramanujam, 1986). Pearce et al. (1987) suggested that subjective evaluations were a reliable means for measuring performance.

Small and Medium Enterprises (SMEs)

Small and medium enterprises (SMEs) constitute the most dynamic businesses in an emerging and modern economy. SMEs exert a strong influence on the economies of all countries and have been the primary

source of employment creation worldwide (Ghobadian & Gallear, 1996; Ladzani & Van Vuuren, 2002). Successful businesses must seek a balance between the ends to which the organization aspires and the ways and means available to achieve them. Steiner and Solem (1988) suggested that developing competitive advantage through specialization in products, markets, or customers was a key factor in the success of small manufacturing firms. Yusuf (1995) showed that entrepreneurs believed that both individual and environmental factors were critical to small business success.

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission. McRae (1998) stated that successful SMEs were run by “flexible” entrepreneurs. SMEs have played a critical role in the economic development of Indonesia emphasized the importance of SMEs in Indonesia from a micro-perspective by acknowledging the contribution of SMEs to industry.

SMEs in Indonesia are best known for their flexibility, effectiveness, and highly entrepreneurial spirit; they are the engine for Indonesia growth. This study focused on top-level managers of SMEs in Indonesia who are identified as the CEOs, owners, founders, managers, presidents, or heads of SMEs.

From time to time the company is expected to develop the skills. For example; the ability to manage risks, the ability to innovate to meet the needs, the emergence of opportunities and threats, the ability to anticipate the direction and the changing nature of the market and ability to tolerate risk. That companies will be more motivated to further improve its business performance. In line with the research that has been there before, it is expected that the three-dimensional orientation Enterprise, can influence positively related to business performance. (Covin et al, 2006; Rauch et al, 2009). By this it can be said that the orientation of Entrepreneurship has been linked to a company's business performance. Especially in terms of evaluating the performance sebuah company, with the company's expectations may be headed toward a positive development.

Problem Identification

Based on the identification of problems that the writer suggested, the authors decided a few things that will become the author adopted subject matter, namely:

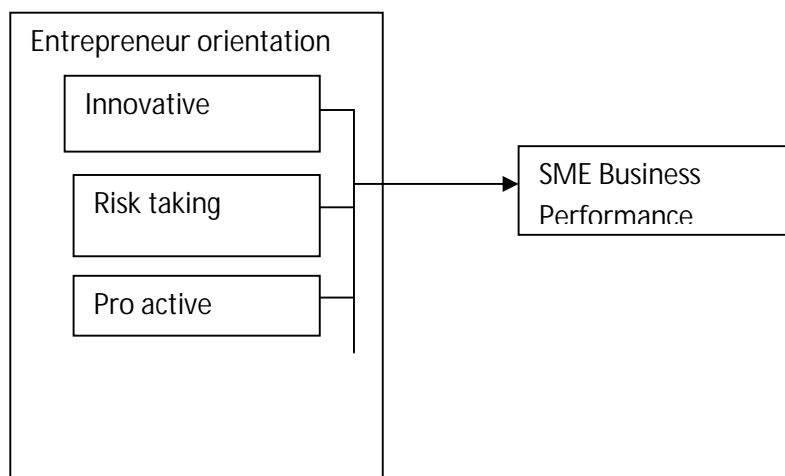
How do the orientation Entrepreneurship (innovativeness, pro active and risk-taking) on the business performance of micro business convection in Kebumen?

Hypotheses

According Sugiyono (2009: 96), the hypothesis is a temporary answer to the formulation of research problems, in which the formulation of research problems have been expressed in the form of questions. Is said to be temporary because the answers given are based on the new theory. The hypothesis formulated on the basis of a frame of mind which is a temporary answer to the problem formulated. The hypothesis the researchers conclude in this study are

1. Dimension Innovative positively affect the business performance.
2. Dimensions risk taking positively affect the business performance.
3. Dimensions of pro active positively affect the business Performance

Framework



RESEARCH METHOD

Types of Research

Type of research is descriptive quantitative research, using statistical calculations of test research data and in research aiming to attempt to determine the effect entrepreneurial orientation on firm performance in SMEs convection in Kebumen.

Research methods

The method used in this research is descriptive and verification. Descriptive method according Sugiyono, (2012: 21).), namely: "Descriptive method is empirically without making comparisons or connect with other variables.

While research method verification by checking whether or not if it is described to test a way with or without the improvements that have been implemented in other places with similar problems with life

Conceptual definition

In this study used variables that will be outlined as follows:
Entrepreneurial orientation is the tendency of individuals to innovate, proactive and willing to take risks to start or manage a business. The indicators to measure entrepreneurial orientation, namely:

1. Innovative entrepreneur reflects a tendency to pop up and realize ideas - new ideas, trying new and different for ways of pre-existing and enthusiasm to adopt new -ide ideas or new methods for their business, and then apply the innovation in their business operations, with indicators:
 - a. always looking for new -ide idea about the product,
 - b. constantly looking for new -ide ideas about the process of producing the product,
 - c. always looking for ideas - new ideas in marketing products
2. Risk taking involves taking bold actions by venturing into the unknown, borrowing heavily, and/or committing significant resources to ventures in uncertain environments, with indicators
 - a. tend to take out projects or actions -Action at high risk in order to achieve a higher profit as well, to try those things for the company, but with the intuition that counts and in-depth analysis,

- b. fault tolerance employee while trying things - new things in the process of operational in the company,
 - c. Receiving financial loss risks.
3. Proactive is an opportunity-seeking, forward-looking perspective characterized by the introduction of new products and services ahead of the competition and acting in anticipation of future demand, with indicators:
 - a. Being able to identify opportunities that will come to the business being operated,
 - b. able to anticipate changes in demand that will occur in the future, is able to draw up a strategic action for the business being operated in order to achieve the goal,
 - c. capable of doing the follow-up of the execution of the business that has been implemented .

The company's performance by Morgan et al (2003) is the process and the work on the ability to manage resources. Performance can be measured by objective and subjective performance through perception. The company's performance is the achievement of the objectives - strategic objectives have been determined through the strategic initiative of choice. The indicator of the company's performance in this study are subjective perception of:

1. Sales Growth
2. New Products
3. Profit Growth
4. Employee Productivity

In this study, the measurement variables using a Likert scale of measurement. That where the respondent will answer answering points indicator. namely: 1 = strongly disagree, 2 = disagree 3 = agree, 4 = strongly agree.

Objects and Research Subjects

The object of this research, dimensions in the Orientation Entrepreneurship: innovative, proactive, and risk taking of business owners engaged in the convection in Kebumen like bags, T-shirts and school uniforms. As well as the business performance of the company. As Research Subjects of this study is the small business owner convection to satisfy the Act's Terms of SMEs Definition of Small and Medium Enterprises (SMEs) under the Act No. 20 of 2008 on SMEs which states that "productive businesses belonging to individual persons or business entities and individuals who meet the criteria of micro-enterprises, has a net worth of at most Rp 50,000,000 (fifty million rupiahs), excluding land and buildings; or have an annual sales turnover of Rp. 300,000,000.00 (three hundred million rupiah)

Sources and Types of Data

In this study, there are two types of data used are primary data and secondary data. In this study the primary data source will be obtained directly from the first party or subjects directly related to the research and is concerned with the answers from the questionnaire. That is 30 business owners convection in Kebumen. In the secondary data researchers took data from the literature books, journals -jurnal, and reports on the development of SMEs

Unit Analysis

Test Validity

R coefficient significance test performed by t test (significance level of 5%). The formula is carried out as follows:

$$t = r \sqrt{(n-2) / (1-r^2)} : db = n - 2$$

Where:

n = sample size

r = Pearson correlation coefficient

Decision testing the validity of the instrument items, using a significance level are as follows:

1. R value compared to the value of r table with $df = n-2$ and the significance level = 0.05
2. Item questions are researched as valid, if $t_{hitung} > t_{tabel}$
3. Item questions studied is said to be invalid, if $t_{hitung} < t_{tabel}$

1. Test Validity Orientation Entrepreneurship

a. Innovative

Table 1 innovative validity

No items	Coefficients validity	Critical point	Conclusion
1	0,742	0,3	valid
2	0,817	0,3	Valid
3	0,673	0,3	Valid
4	0,906	0,3	Valid

b. Risk taking

Table 2 Risk taking validity

No items	Coefficients validity	Critical point	Conclusion
1	0,814	0,3	Valid
2	0,710	0,3	Valid
3	0,856	0,3	valid

c. Proactive

Table 3 proactive validity

No items	Coefficients validity	Critical point	Conclusion
1	0,544	0,3	Valid
2	0,634	0,3	Valid
3	0,570	0,3	Valid
4	0,742	0,3	Valid

1. Test Validity Company Performance (Y)

Table 4 performance validity

No items	Coefficients validity	Critical point	Conclusion
1	0,802	0,3	valid
2	0,860	0,3	valid
3	0,607	0,3	valid
4	0,944	0,3	valid

Reliability Test

To examine the mean coefficient r reliable or unreliable to be used t test, which is done by comparing the tcount with ttabel. Where t count found using the formula of Husein Umar (2006) as follows:

$$t_{hitung} = r_s \frac{\sqrt{n-2}}{\sqrt{1-r^2}}; \text{ dengandb} = n - 2$$

The decision reliability testing instrument by using significant level of 5% of the side is:

1. If t count more than or equal to t 0,05 with significant level of 5%, then the instrument is declared reliable and can be used
2. If t count less than t 0,05 with significance level of 5% of the side of the instrument is declared unreliable and can not be used.

The reliable test results in this study can be seen in Table the following.

Table 6 realibility

Variables	Cronbach Alpha	result
Innovative	0,819	reliable
Risk taking	0,702	Reliable
Proactive	0,702	Reliable
Performance	0,827	Reliable

Classic assumption test

To test the validity of the following variables can be made by Classical Assumption Test. This test is done with three types of testing that normality test, heteroskedatisitas and multicoloniarity test. Normality test aims to test whether the regression model, the dependent variable and independent variables have a normal distribution or not (Santoso, 2004). Heteroskedatisitas test aims to determine whether there is any similarity of residual variance in regression models (Ghozali, 2001). Multikoliniertitas is a method that aims to test the assumptions in the regression analysis. Test Multicollinearity stated that the independent variables must be free of symptoms multikolinearitas (Santosa and Ashari, 2005).

Correlation test

Correlation variables used in this study is the Pearson Correlation method which is a technique used to analyze the relationship between two variables, namely the relationship between the hypothesis with a variable.

Hypothesis testing

Do a t-test, to test the effect of each independent variable on the dependent variable hypothesis

H01; = 0, innovative dimensions of entrepreneurship orientation not affect the Company's performance.

H11; ≠ 0, innovative dimension of entrepreneurship orientation affect the Company's performance

H02; = 0, risk taking dimension of entrepreneurship orientation does not affect the Company's performance.

H12; ≠ 0, risk taking dimensions of entrepreneurship orientation effect on the Company's Performance

H03; = 0, proactive dimension of entrepreneurship orientation does not affect the Company's performance.

H13; ≠ 0, the dimensions of Orientation Entrepreneurship proactive effect on the Company's Performance

RESULTS & DISCUSSION

• Validity and reliability

Based on test validity and reliability, have proven each variable in this study deserve to be correlated. Since each variable has a value Corrected Item-Total Correlation above 0.3. Each variable that is also expressed Reliable because each variable has a value of Cronbach's Alpha above 0.6. Which means that each variable has been eligible to be further investigated and Independent Variables (Dimension Orientation Entrepreneurship) will be correlated Dependent Variable (Aspects in Business Performance).

• Classical Assumption Test Results

In addition to test the validity and Realibilitas also classical assumption by normality test, heteroskdastisitas, and multicolieritas. Normality test results conducted by one-sample Kolmogorov-Smirnov test that produces a significance value of 0.472. That is because the data is normally distributed residual value signifikan above 0.05. While on heteroskdastisitas test produces a value above 0.05 -masing signifikan respectively on each dimension in the orientation Kewirauhsaan which means not happen heteroskdastisitas on Dimensions Dimensions in Entrepreneurship Orientation. In multicolieritas test results show tolerance value above 0.05 means that each dimensions in Entrepreneurship Orientation also are not going Heteroskdastisitas. Throughout the full results of the test classic assumptions above can be found in appendix 8 Test assumptions regarding the orientation Dimensions Entrepreneurship and Business Performance. Based on the test validity, reliability and classic assumption test described above, all variable in this research in continued to relationship between the variables in business performance by Dimension -dimensional in entrepreneurial orientation. Besides, the results of testing -examination in the classical assumption is also confirmed that the sample selected by the number 30, the sample has to be normally distributed.

• Correlation (R) and R Square

Table 7
R and R square
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	,935 ^a	,874	,859	,89320	,874	59,855	3	26	,000

a. Predictors: (Constant), proactive, risktaking, inovatif

b. Dependent Variable: kinerja

From the table above can be seen that the correlation coefficient (R) of 0.935, or by 93.5% showed strong enough correlation between dimensions of Entrepreneurial orientation (Innovative, Proactive, Risk Taking) on the Business Performance. Multiple Coefficient of Determination (R Square) of the table shows the value of 0.874. indicate that the contribution of changes in orientation Dimensions Enterprise simultaneously towards the improvement of business performance convection small company (SME) in Kebumen 87.4%. While other factors contributed 12.6% to the Business Performance Variables.

Table 8. Model summary

o Regression

Based on the correlation analysis performed using Pearson correlation and multiple linear analysis revealed that the correlation between dimensions is indeed the case -dimensional in entrepreneurial orientation on business performance of companies, especially in companies engaged in convection small business. However, not all dimensions have a significant relationship to business performance. This is because the attitude is still not fully agree on the owner of convection in running their business, whether they have adhered to the -indikator indicators in each - each dimension on entrepreneurial orientation. Another thing that causes no significant relationship between variables is due to the possibility of sample out away from the ranks of proper sample normality.

Table 9 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	143,257	3	47,752	59,855	,000 ^a
	Residual	20,743	26	,798		
	Total	164,000	29			

a. Predictors: (Constant), proactive, risktaking, inovatif

b. Dependent Variable: kinerja

From annova table 9 it can be said that all dimensiom of the entrepreneurial orientation has been linked to a company's business performance. Especially in terms of evaluating the performance of a company, and it certainly

proved to every convection company which is the object of this research has been the development of business performance from year to year. When connected with the entrepreneurial orientation on business performance aspects -aspek partially, not all dimensions have a relationship that correlates positif against each -masing aspects of business performance. This is due not all indicators within the dimensions of entrepreneurial orientation is positively correlated with aspects. Such as Proactive dimensions were not significant to performance (sig 0,385). This may occur because even though an entrepreneur convection is not able to identify the market conditions in the future, as long as the employer has the financial arrangements were good and continue to innovate and remain willing to take risks necessarily the turnover or assets of the company will be at the level that remain even may tend to rise.

Table 10
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error				Beta	Zero-order	Partial	Part	Tolerance
1 (Constant)	-1,530	2,164		-,707	,486					
Inovatif	,856	,115	,835	7,465	,000	,931	,826	,521	,388	2,574
Risktaking	,206	,276	,078	,747	,461	,727	,145	,052	,449	2,228
Proactive	,134	,152	,072	,884	,385	,542	,171	,062	,725	1,380

a. Dependent Variable: kinerja

Table 10 above also shows the dimensions of risk taking did not show a significant effect (sig 0.461) on business performance that shows the low strategi risk-taking by entrepreneurs. Only innovative dimension (sig 0.00) which enunjukkan significant influence that said convection entrepreneurs already doing innovation strategy.implementation of Managerial

Based on the above results are expected employers pay attention to the dimensions -dimensional contained in entrepreneurial orientation in order to run a business can experience perkembangan and a significant increase. Applying Dimensions Dimensions contained in entrepreneurial orientation can be done by looking at each indicator - ineach dimension of the entrepreneurial orientation.

Innovative dimension seems to be an important way to create a good business performance. Because based on the survey data processing, partially only these dimensions are significant effect on business performance. Proactive dimension is also a dimension that play a role in the performance of the business, not only for new companies running but also a company that has experienced a growth stage.

In taking the risk of any employers should be more daring because competition increasingly complex market demands every existing businesses to continue to move more and take risks that products owned can be accepted by society.

As shown on the indicator contained in a proactive dimension, as an entrepreneur should be able to identify opportunities that will come, able to anticipate changes in demand, and able to prepare a strategic action for the business being operated. Because the dimensions of a proactive relationship not significant effect to company's business performance.

In the dimension of risk taking entrepreneurs in the convection SME in Kebumen has shown positive results and the respondents agreed on indicators of risk-taking financial losses. It is expected not just to answer the questionnaire alone but also - should be followed up and implemented on the operational activities of the company. With so employers will be more willing to take projects - projects or actions - actions that are at high risk, and daring to try those things for the company, but by intuition that counts. Tolerance will mistake the employee made a mistake also required. Moreover, has been seen in the survey results stated risk taking has a positive correlation to the Business Performance in the human resources aspect, although not a significant relationship.

Conclusion

Relationships Dimension Orientation entrepreneurship has a close relationship but all dimension have not significant effect on performance, From statistical test only innovative dimension that a positive effect. However, it can be said that the orientation of Entrepreneurship has been linked with a company's business performance. Especially in terms of evaluating the performance company, and certainly proved every convection SME in Kebumen company which is the object of this research has been the development of business performance

REFERENCES

- Husein Umar. 2000. *Metodologi Penelitian*. Erlangga, Jakarta
- Luthans, Fred. 2006. *Perilaku Organisasi*, (Alih Bahasa V.A Yuwono, dkk),Edisi Bahasa Indonesia, Yogyakarta: ANDI
- Lukiastuti, Fitri.2012. *Pengaruh Orientasi Wirausaha dan kapabilitas jejaring usaha terhadap peningkatan kinerja UKM dengan komitmen perilaku sebagai variabel intervening*, Jurnal Organisasi dan Manajemen, Volume 8 , Nomer 2 , September 2012 ISSN 155 –175
- Lumpkin, G.T. and Dess,G.G (2001). Linking Two Dimensions of EO to Firm Performance: The Moderating Role of Environment and Industry Life Cycle. *Journal Business Venturing*. 16 (5), 429-451.
- Mahmood, R. and Hanafi, N. (2013). Entrepreneurial Orientation and Business Performance of Women-Owned Small and Medium Enterprises in Malaysia: Competitive Advantage as a Mediator. *International Journal of Business and Social Science*. 4 (1), 82-90.
- Sugiyono. (2012). *Metode Penelitian Kuantitatif Kualitatif dan R&D*. Bandung: Alfabeta
- Wiklund, J. and Shepherd, D. (2005). Entrepreneurial Orientation and Small Business Performance: A Configurational Approach. *Journal of Business Venturing*. 20, 71–91.
- Zahra, S.A. (2008). Being Entrepreneurial And Market Driven: Implications For Company Performance.