ANALYSIS OF PERFORMANCE SUPPORTING FACTORS FOR MICRO, SMALL, AND MEDIUM ENTERPRISES IN KU-TAI KARTANEGARA REGENCY

Feriska Ajeng Anantri
University of Indonesia, Depok, West Java, Indonesia
Email: hasyim.a@ui.ac.id

KEYWORDS:	ABSTRACT
poverty, mining, unemployment, capital expenditure, Banua Enam	Poverty is not only a crucial economic problem because it tends to increase and result in instability in various sectors of life, so handling it needs to be a shared responsibility. Regions that are rich in mineral resources also still have problems of poverty and unemployment, including in the Banua Enam region, South Kalimantan Province. This research analyzes the influence of mining sector growth, unemployment, and the capital expenditure ratio on poverty levels in the Banua Enam region, South Kalimantan Province. This type of research is explanatory and focuses on testing existing theories in the context of other research using panel data regression for 6 districts and 12 years. The results of this research suggest that the growth of the mining sector, unemployment, and the capital expenditure ratio, both partially and simultaneously, have a positive and significant effect on the poverty level. In other words, the higher the unemployment, the higher the poverty level. However, the higher growth of the mining sector and the capital expenditure ratio also increase poverty. Therefore, policies are needed that are pro-poor so that the growth of the mining sector and increased capital expenditure can overcome the problem of poverty.

INTRODUCTION

Kutai Kartanegara Regency is one of the large regencies in Indonesia, Kutai Kartanegara Regency has abundant natural resources when viewed from the economic variables of their income. In addition, Kutai Kartanegara Regency has a great history in the history of the development of kingdoms in Indonesia, namely the first Hindu kingdom in Indonesia. With these two conditions, the local community is expected to take advantage of this moment to explore economic potential through micro, medium, and small businesses so that they can become a source of income for the community (Hasibuan & Hasibuan, 2001).

MSME activities are given the opportunity and attention, through operational programs that significantly stimulate productive economic activities and at the same time foster the entrepreneurial spirit of the community.

MSMEs in Kutai Kartanegara Regency are relatively small in number and do not reach 25% of micro-businesses, namely small businesses as many as 7715, and the largest is in Tenggarong District as many as 1,741 Small Businesses, while medium businesses amount to 283 and the largest are also in Tenggarong with 107 businesses. If the indicator of community economic activity is SMEs, then people's economic activity in this area has only reached 17%. Furthermore, SMEs in this area generally still rely on their own capital (80.56%), followed by a combination of their own

capital and loans (15.27%), while those who rely on loan capital are only around 2.08%. If viewed from the capital, the business development carried out by SMEs in this area, cannot develop quickly, but on the other hand has high independence (Saydam, 2000).

Capital is a significant aspect of starting and carrying out a business. Sources of capital can be obtained from capital owned and borrowed capital. The majority of MSME actors still use their capital without getting carried away with other sources of capital. It can limit the growth of his own business (Suindari & Juniariani, 2020). With the availability of loan capital or other sources of capital, it is hoped that business activity will grow more due to capital increases that can be used for productive activities. There are still many MSME actors who think about the effects that will be obtained when using capital not only their capital. Meanwhile, that can be an obstacle to the development of his own business. A business can be said to grow if the amount of creation as well as the level of profit increases (Sudiarta et al., 2014).

The knowledge aspect is also an important aspect of something business. Certainly in managing capital as described above is required to use knowledge. Entrepreneurs are required to have enough knowledge to start and run their businesses. In a business entrepreneur must be able to think starting from the initial planning, and management, to management finance. There are still many MSME players who don't have a good knowledge of entrepreneurship. Still, many have not been able to make the correct financial reports. Calculations between expenses and income are still being written down in manuals. This can make a business not run smoothly optimal (Gibson & Wahid, 2003).

Huge competition demands always practice continuous innovation or creativity and increase the operational performance of a business. Innovation produces quality entrepreneurial skills and not only that, interpreting new ideas that can generate or increase value to customers. (Barringer & Ireland, 2010) explain that creativity and innovation involve the creation of something new. With the existence of this creativity and innovation, both are not can be separated from entrepreneurship because innovation will be born from that form of creativity Alone. Not only that for Kru-ger, (Busaka, 2019) creativity is required to Build entrepreneurial skills to achieve a competitive advantage. The quality of a product can achieved with continuous innovation, so that this can happen so that proper control is needed Most are listed under supervision from a quality point of view so that there are zero defects which reduces the error rate close to zero.

With this phenomenon, the authors want to know the influence of factors that can support the performance of SMEs in Kutai Kartanegara Regency. the factors in this study are the variables of capital, knowledge, innovation, and performance of SMEs (Vincent et al., 2022).

RESEARCH METHODS

The research method used in this research is quantitative research that uses multiple linear regression to test the hypotheses given in the research framework. The research variable used is the dependent variable is the performance of SMEs (Y) and the independent variables are business capital (X, knowledge (X2), and innovation (X3).follows:$Y \ \beta_0 + \beta_1 X1 + \beta_2 X2 + \beta_3 X3 + \ \varepsilon_t$

Note:
Y = Performance of SMEs
β_1 = Business capital Coefficient,

β_2 = Knowledge Coefficient,
β_3 = Innovation Coefficient,
β_0 = Regression Constanta,
εt = Error

In this study, hypothesis testing was carried out through the t-test to determine the effect of each variable partially. The t-statistic value will be compared with the t-table value with the confidence level used is 95% at a significance of α = 5% or 0.05 with a t-table value of 1.96. If the t-statistic value $\geq$ t-table, then H0 is rejected, otherwise H0 is accepted if the t-statistic < t-table (Ghozali, 2018). Furthermore, a P value < 0.05 indicates that H0 is rejected and a P value > 0.05 indicates that H0 is accepted. Furthermore, the F test was conducted to determine the effect of the five independent variables on the dependent variable simultaneously.

RESULTS AND DISCUSSION

In the table below, the results of multiple linear regression analysis are given for the multiple linear regression model, where the independent variables are Business Capital (X1), Knowledge (X2), and Innovation (X3) while the dependent variable is MSME Performance (Y).

Table 1
Regression Model
Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.567	1.719		4.402	.007
	X1_Capital	1.136	.107	1.294	5.071	.000
	X2_Penget	.889	.038	1.152	4.931	.004
	X3_Innovation	2.333	.002	2.345	5.287	.002
a. Dependent Variable: Y_Kin_UMKM						

Based on the tabulation of the data above, partially the variables of Business Capital (X1), Knowledge (X2), and Innovation (X3) have contributed to explaining the changes that occurred in the MSME Performance variable (Y).

The Effect of Business Capital (X1) on MSME Performance (Y). In the table above it appears that the results of the regression analysis on the effect of Business Capital (X1) on MSME Performance (Y). Based on the output above, the results of the direct influence coefficient model of the multiple linear regression model show that X1 - Y in a partial or separate test has a significant influence on the performance variable of MSMEs, this is indicated by a significance value smaller than the 5% alpha value, namely (0.000 < 0, 05). This means that the Business Capital variable (X1) has a significant positive effect on MSME Performance (Y).

The Effect of Knowledge (X2) on MSME Performance (Y). The table above shows the results of the regression analysis of Knowledge (X2) on MSME Performance (Y). Based on the output

above, the results of the direct influence coefficient model of multiple linear regression are known that X2 - Y in a partial or separate test has a significant influence on the MSME Performance variable, this is indicated by a significance value smaller than the 5% alpha value, namely (0.004 < 0.05). This means that the Knowledge variable (X2) has a significant positive effect on MSME Performance (Y).

The Influence of Innovation (X3) on MSME Performance (Y). The table above shows the results of the regression analysis of Innovation (X3) on MSME Performance (Y). Based on the output above, the results of the direct influence coefficient model of multiple linear regression show that X3 - Y in a partial or separate test has a significant influence on the MSME Performance variable, this is indicated by a significance value smaller than the 5% alpha value, namely (0.002 < 0.05). This means that the Innovation variable (X3) has a significant positive effect on MSME Performance (Y).

Table 2
Determination Coefficient

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.915[a]	.837	.707	1.26919
a. Predictors: (Constant), X1_Modal, X2_Penget, X3_Inovasi				

From the output of the summary model, it is known that the coefficient of determination (R Square) is 0.837. The magnitude of the coefficient of determination of 0.837 is the same as 83.70%. This figure means that the equation of the multiple linear regression model affects the performance of MSMEs by 83.70%, while the remaining 16.30% is influenced by other variables outside this regression model.

The Effect of Business Capital (X1) on MSME Performance (Y). In the table above it appears that the results of the regression analysis on the effect of Business Capital (X1) on MSME Performance (Y). Based on the output above, the results of the direct influence coefficient model of the multiple linear regression model show that X1 - Y in a partial or separate test has a significant influence on the performance variable of MSMEs, this is indicated by a significance value smaller than the 5% alpha value, namely (0.000 < 0, 05). This means that the Business Capital variable (X1) has a significant positive effect on MSME Performance (Y).

Seeing the rapid competition in the development of MSMEs In today's era of globalization creates differences between producers of food to manage and increase Operating Profit. To increase operating profit, the right way to do this is by regulating sufficient and efficient business capital so that business capital which is used appropriately and not excessively so that it gets maximum profit so you can increase your business in the future, as well as friendly Entrepreneurial Behavior, honest, polite to be the main attraction for customers or consumers so that customers and consumers are satisfied with the business what we do.

With an explanation, namely if the Business Capital increases, then The operating profit of the merchants will also increase, as well with entrepreneurial behavior, if the attitudes, skills, and answer goes up, then automatically the profit of the traders will also go up.

The Effect of Knowledge (X2) on MSME Performance (Y). The table above shows the results of the regression analysis of Knowledge (X2) on MSME Performance (Y). Based on the output

above, the results of the direct influence coefficient model of multiple linear regression are known that X2 - Y in a partial or separate test has a significant influence on the MSME Performance variable, this is indicated by a significance value smaller than the 5% alpha value, namely (0.004 < 0.05). This means that the Knowledge variable (X2) has a significant positive effect on MSME Performance (Y).

The results of this study are in line with Sukardi's research (2020) the research states the results calculation shows a level significance of 0.000 < 0.05 then Ho rejected or in other words digital marketing (X) has a significant effect on interest in entrepreneurship (Y) strong relationship. It can be seen from the results of the coefficient analysis is 0.928. The results of the analysis of the coefficient of determination show the value of the coefficient of determination by 86.1%. The result of the calculation means that digital marketing affects the interest in entrepreneurship by 86.1% while the rest as much as 13.9% interest in entrepreneurship is influenced by other factors that are not investigated in this study (Sukardi, 2020).

The Influence of Innovation (X3) on MSME Performance (Y). The table above shows the results of the regression analysis of Innovation (X3) on MSME Performance (Y). Based on the output above, the results of the direct influence coefficient model of multiple linear regression show that X3 - Y in a partial or separate test has a significant influence on the MSME Performance variable, this is indicated by a significance value smaller than the 5% alpha value, namely (0.002 < 0.05). This means that the Innovation variable (X3) has a significant positive effect on MSME Performance (Y).

From the research results as presented by Wang et al, the most innovative companies in the continuous search for better products, services, and ways of doing things or methods, try to continuously improve their internal capabilities and other resources. The more innovative the company, the stronger the competition. A more productive company is a more efficient use of its resources. This means that when a company continues to create new ideas aimed at the development of production and creative ideas have been carried out and applied to innovate, namely product innovation, promotional innovation, and distribution, it will be able to attract consumer sympathy to be able to buy it.

CONCLUSION

The conclusion of this research is that business capital has a positive and significant effect on the performance of MSMEs in Kutai Kartanegara Regency with a significance value of 0.000 and a regression coefficient of 1.136, Knowledge has a positive and significant effect on the performance of MSMEs in Kutai Kartanegara Regency with a significance value of 0.004 and a regression coefficient of 0.889, Innovation has a positive and significant effect on the performance of MSMEs in Kutai Kartanegara Regency with a significance value of 0.002 and a regression coefficient of 2.333.

BIBLIOGRAPHY

Barringer, B. R., & Ireland, R. D. (2010). *Successfully launching new ventures*. Pearson Limited, New York.

Busaka, V. (2019). *Innovation Capability, Creativity, Technology And Performance Of Insurance Companies In Kenya*. University Of Nairobi.

Gibson, J. L., & Wahid, D. (2003). Struktur Organisasi dan Manajemen. *Jakarta: Erlangga*, *5*.

Hasibuan, M. S. P., & Hasibuan, H. M. S. (2001). *Manajemen sumber daya manusia, Bumi Aksara*. Jakarta.

Saydam, G. (2000). Manajemen Sumber Daya Manusia (Human Resources Management) Suatu Pendekatan Mikro (Dalam Tanya Jawab). *Jakarta: Djambatan*.

Sudiarta, I. P. L. E., Kirya, I. K., & Cipta, W. (2014). Analisis faktor-faktor yang mempengaruhi kinerja Usaha Mikro Kecil dan Menengah (UMKM) di Kabupaten Bangli. *Jurnal Manajemen Indonesia*, *2*(1).

Suindari, N. M., & Juniariani, N. M. R. (2020). Pengelolaan Keuangan, Kompetensi Sumber Daya Manusia Dan Strategi Pemasaran Dalam Mengukur Kinerja Usaha Mikro Kecil Menengah (Umkm). *KRISNA: Kumpulan Riset Akuntansi*, *11*(2), 148–154. https://doi.org/10.22225/kr.11.2.1423.148-154

Vincent, V., Meisyana, C., Riady, K. W., Abigeyl, N., Hamid, G. G., Margaretha, E., Joan, A. J., & Elfriede, D. P. (2022). Peningkatan Kinerja Usaha Mikro, Kecil, dan Menengah (UMKM) Kluster Makanan Kering di Kabupaten Cianjur. *Wikrama Parahita: Jurnal Pengabdian Masyarakat*, *6*(1), 11–22.

Krisnaryatko, N., & Kristianti, I. (2019). Analisis Kinerja Keuangan Perusahaan dengan Du Pont System. Jurnal Akuntansi Keuangan dan Bisnis, 12(2), 77-86.

Subroto, S., Hapsari, I. M., & Astutie, Y. P. (2016). Analisis Faktor-Faktor Yang Mempengaruhi Kinerja Usaha Mikro Kecil Dan Menengah (UMKM) Kabupaten Brebes. Prosiding SNaPP: Sosial, Ekonomi dan Humaniora, 6(1), 337-344.

Hendratmoko, H. (2021). Faktor-Faktor Yang Mempengaruhi Kinerja UMKM di Indonesia. Jurnal Orientasi Bisnis Dan Entrepreneurship (JOBS), 2(1), 50-65.

Afendi, A. (2022). Kinerja Perusahaan di Usaha Mikro Kecil dan Menengah (UMKM): Systematic Literature Review. Jurnal Wacana Ekonomi, 21(3), 177-194.

Hermawan, H., & Damai, D. C. (2012). Faktor-Faktor yang mempengaruhi kinerja usaha mikro kecil menengah (UMKM) kota madiun. Universitas Merdeka Madiun, 1, 29-38.

Siagian, M., Kurniawan, P. H., & Hikmah, H. (2019). Analisis faktor eksternal dan internal terhadap kinerja umkm di kota batam. Jesya (Jurnal Ekonomi dan Ekonomi Syariah), 2(2), 265-271.