

## Conference Paper

# Analysis of Entrepreneurship Behavior and Business Capital Against Business Success

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### Abstract

This study aims to determine the effect of entrepreneurial behavior and business capital on business success. The research method used is quantitative methods and surveys. The population in this study amounted to 263 people. The technique used to determine the size of the sample under study was proposed by Slovin so that respondents who were sampled in this study were entrepreneurs of Binong Jati knitting centers in Bandung as many as 100 respondents. The data analysis technique used is multiple linear regression. Based on the results of the study, it can be seen that entrepreneurial behavior and business capital simultaneously and partially have a positive effect on business success. Based on the results of the study, the recommendations proposed were that entrepreneurial behavior and business capital must be improved so that business success was achieved.

**Keywords:** Entrepreneurship Behavior, Business Capital, Business Success

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## 1. Preliminary

Today, the world is entering the era of industrial revolution 4.0. or the fourth world industrial revolution where technology has become the basis of human life. Everything becomes limitless and unlimited due to the development of the internet and digital technology. The term Industry 4.0 was born from the idea of the fourth industrial revolution. The European Parliamentary Research Service in Davies (2015) stated that the industrial revolution took place four times. Industry 4.0 is predicted to have great potential benefits. Most opinions regarding the potential benefits of Industry 4.0 are about improving the speed of production flexibility, improving service to customers and increasing revenue. The realization of the potential benefits will have a positive impact on the economy of a country.

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Micro, small and medium enterprises (MSMEs) play a very vital role in the growth of economic development because MSMEs can absorb the most labor compared to large businesses (UB).

At present, many MSMEs are scattered in various provinces in Indonesia, including in the province of West Java. The city of Bandung is a creative city that has many potential industries such as food, clothing, dolls, shoes and other industries. So far, there are strategic production areas based on the RT / RW of the City of Bandung, among them 33 creative industrial centers with seven main industrial centers which include the Center of Cibaduyut Leather and Shoes, Sentra Sukamulya Dolls, Sentong Rajutan Binong Jati, Sentra Tekstil Cigondewah, Sentra Kaos Surapati, Sentra Jeans Cihampelas, and Sentra Tahu and Tempe Cibuntu.

Centers in Bandung can be used as tourist destinations for domestic and foreign tourists, but are not optimal because they are constrained by incomplete infrastructure so that they are not equipped with adequate road access, lack of central product promotion, lack of capital assistance in the form of materials and equipment that supports production as well as the lack of empowerment carried out on the center. One of the industrial centers that makes Bandung a creative city is an industry that is engaged in fashion, namely the center of the Binong Jati knitting industry.

TABLE 1: Number of Entrepreneurs in Binong Jati Industrial Knitting Centers

No.	Tahun	Jumlah Pengusaha Rajut Binong Jati
1	2013	240
2	2014	300
3	2015	270
4	2016	200
5	2017	120
6	2018	200

Resource: *Koperasi Industri Rajut Binongjati (KIRBI)*

Based on the data in Table 1, the number of entrepreneurs in the Binong Jati Knitting Industry has fluctuated since 2010. This is due to the start of the existence of a global Market (AFTA), which is the entry of cheap and innovative Chinese imported goods that flood the local market.

Table 2 shows that the development of Binong Jati knitting business income has decreased significantly. The increase and decrease in income is indeed a normal thing in a business, but the income of Binong Jati knitting businessmen in the period July-

TABLE 2: Development of Knit Businessmen's Income In the Center of Binong Jati Knitting Industry July-December 2018 period (Thousands of Rupiah)

Bulan	Rata-Rata Pendapatan	Presentase (%)
Juli	95.000	-
Agustus	63.200	-33.47
September	58.750	-7.04
Oktober	52.650	-10.38
November	52.050	-1.14
Desember	60.100	15.47

Resource: *Data hasil pra penelitian, diolah*

December 2018 tends to be larger than the increase. The biggest decline occurred in August 2018 at 33.47%. The decrease in income indicates that business development is not good.

Many factors that influence the level of income of employers include capital, entrepreneurial behavior and competition (Kurniawati and Sasetyowati, 2012).

The majority of entrepreneurs focus more on the availability of capital and lack the spirit of entrepreneurship both for themselves and for the next generation. Profit or income can be created from discoveries that entrepreneurs can make. The discovery of new ways here is the existence of innovation. Innovation is one of the characteristics and entrepreneurial behavior. People who have entrepreneurial behavior are characterized by innovation. Directly entrepreneurial behavior can create income or influence income.

The results of the interview during the pre-study in March 2019 with the craftsmen of the binong jati knitting center that the decline in income occurred due to a lack of more funds to increase the supply of merchandise. So that the availability of goods decreases resulting in the opportunity to obtain greater income lost. Binong Jati Sentra Rajut craftsmen on average finance their business from their own capital or family. Borrowing from banks for business capital is rarely done due to procedures that are not understood by craftsmen. This capital limitation is a common problem faced by craftsmen at the Binong Jati knitting center in the city of Bandung.

Furthermore, what makes the income of Binong Jati knitting center craftsmen declining is the lack of experience held by traders and entrepreneurs who are less able to read opportunities that can increase income.

From the above problems finally prompted the writer to conduct a study entitled "Analysis of Entrepreneurship Behavior and Business Capital Against Business Success"

## 2. Research Framework & Hypotheses

Business success is the main of a company where all the activities in it are aimed at achieving success. In a general sense, success shows a condition that is better or higher than before. This is in accordance with what was revealed by Moch. Kohar that business success is something that describes more than the others who are equal / classmates. In accordance with these opinions, it can be concluded that a business is said to succeed if it has an advantage compared to the previous period or with a company in its class.

Behavior (behavior) is the operation and actualization of the attitude of a person or group in or towards something (situation and condition) environment (nature, society, technology or organization). While attitude is the operationalization and actualization of the establishment according to Talizaduhu Ndara that behavior in psychology is defined as "Activities of organisms that can be observed by other organisms, or by various research instruments, which are included in behavior are verbal reports regarding subjective and conscious experience ". Thus it can be concluded that the basic concept of human behavior is essentially a process of interaction between individuals and their environment as a manifestation that they are living beings.

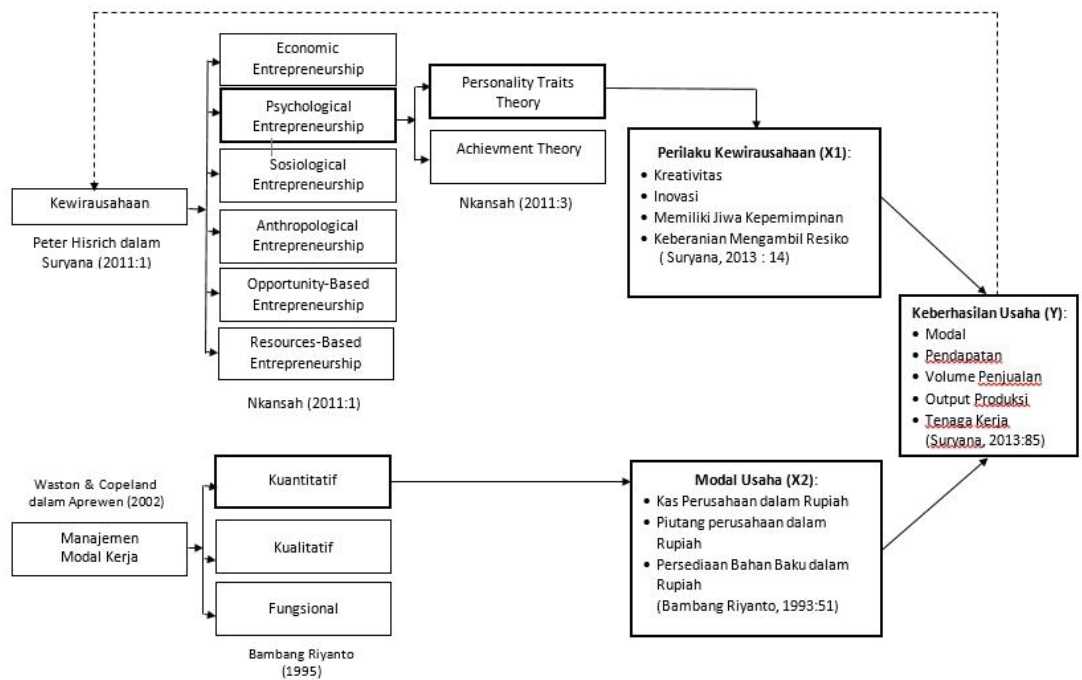
Working capital is an investment in short-term assets or investment in current assets. Working capital can be categorized into two, namely gross working capital and net working capital. Gross working capital is the amount of current assets, and net working capital is the amount of current assets minus the amount of current debt (current liabilities). Working capital management manages current assets and current debt so that current assets are always greater than current debt.

Based on the research described previously. The hypotheses tested in this study are:

1. There is an influence of entrepreneurial behavior and business capital on business success.
2. There is an influence of entrepreneurial behavior on business success.
3. There is the influence of business capital on business success.

## 3. Research Methods

The object taken or used in this study is the craftsmen of Binong Jati Knitting Centers in the City of Bandung. The scope of this study is to identify the influence of the independent variable which consists of entrepreneurial behavior and business capital used on the dependent variable, namely business success (profit).



**Figure 1:** Research Framework for Analysis of Entrepreneurship Behavior and Business Capital Against Business Success.

The research method used in this study is a quantitative method using the survey method. The sources of data obtained from this study are Craftsmen of Bandung City Binong Jati Knitting Center and references to library studies, articles, journals and others. The population of this study were 263 craftsmen in Binong Jati Center for Knitting.

The type of data used in this study are primary data and secondary data. The technique used to determine the size of the sample under study was proposed by Slovin so that respondents who were sampled in this study were entrepreneurs of Binong Jati knitting centers in Bandung as many as 100 respondents.

The population in this study is the mobile population and is homogeneous, so the sampling method used is a simple random sampling technique.

Data collection techniques carried out are observation, questionnaire (questionnaire), literature study and interview. The data analysis technique uses three variables, namely entrepreneurial behavior (X1), business capital (X2) and business success (Y) with a measurement scale using a Likert scale. This study analyzed more than two variables, then used multiple linear regression analysis techniques.

## 4. Results and Discussion

#### 4.1. Description of Entrepreneurship Behavior Variables

Entrepreneurship Behavior according to Suryana (2013: 14) is the ability to create something new and different through creative thinking and innovative actions in order to create opportunities.

TABLE 3: Recapitulation of Dimensions of Entrepreneurship Behavior

No	Dimensi	Total Skor	Skor Tertinggi	Skor Terendah	%	Kategori
1	Memiliki Kreativitas	376	500	100	75,52	Tinggi
2	Bertindak Inovatif	811	1000	200	81,05	Sangat Tinggi
3	Memiliki Jiwa Kepemimpinan	2895	3500	700	82,70	Sangat Tinggi
4	Berani Mengambil Resiko	1260	1500	300	84	Sangat Tinggi
5	Memiliki Komitmen Terhadap Pekerjaan	1280	1500	300	85,30	Sangat Tinggi
<b>TOTAL</b>		<b>6622</b>	<b>8000</b>	<b>1600</b>	<b>81,71</b>	<b>Sangat Tinggi</b>

Sumber: Diolah dari Hasil Penelitian, 2019.

Based on Table 3 the entrepreneurial behavior variable scores 3473, if in the highest score the percentage is 81.71%, which means that according to Riduwan (2013: 20) is included in the criteria of "strong" respondents stating entrepreneurial behavior of entrepreneurs knitting centers Binong Jati in the city of Bandung in the very high category.

The highest percentage percentage is the Dimension of having a commitment to work which is equal to 1280 or 85.30%, and includes the interpretation of values with a very high category. Respondents considered that having a high commitment to work was the most important thing in running a knitting business in the Binong Jati knitting center.

The lowest score percentage score is Dimension has creativity that is equal to 376 or 75.52%, but still includes the interpretation of high category values. Respondents gave the lowest value for the Dimension of having creativity which means that according to the respondent, creativity is something that is not too necessary to do and have given that the age of respondents is mostly 30-50 years old, so it is natural for entrepreneurs in Binong Jati knitting centers in Bandung to think so.

## 4.2. Variable Description of Business Capital

According to Bambang Riyanto (1993: 51), business capital is the funds needed by companies to meet the daily operational needs of companies, such as purchasing raw materials, payments on labor wages, debt payments and other payments.

TABLE 4: Recapitulation of Business Capital Dimensions

No	Dimensi	Total Skor	Skor Tertinggi	Skor Terendah	%	Kategori
1	Kas Perusahaan dalam Rupiah	432	500	100	86,3	Sangat Tinggi
2	Piutang Perusahaan dalam Rupiah	445	500	100	89	Sangat Tinggi
3	Persediaan Bahan Baku dalam Rupiah	465	500	100	93	Sangat Tinggi
<b>TOTAL</b>		<b>1342</b>	<b>1500</b>	<b>300</b>	<b>89,4</b>	<b>Sangat Tinggi</b>

Sumber: Diolah Dari Hasil Penelitian, 2019

Based on Table 4 the variables of venture capital get a score of 1342 when it is ranked in the highest score then a percentage of 89.4% is obtained, which means according to Riduwan (2013: 20) included in the criteria of "very strong" respondents stated that the implementation of business capital Binong Jati knitting in the city of Bandung in the very high category.

The highest percentage score is the dimension of raw material inventory in rupiah cash, which is equal to 465 or 93%, and includes the interpretation of values with very high categories. Business capital according to Pradono Tri Pamungkas (2017) money that is used as a principal (parent) to trade, release money and so on or capital is property (money, goods, etc.) that can be used to produce something that adds wealth.

The lowest score percentage score is the Company's Cash Dimensions in Rupiah 432 or 86.3%, and includes the interpretation of values with very high categories. This is because there are still many entrepreneurs in Binong Jati knitting centers who understand how to apply for loans to the Bank, considering that the age of entrepreneurs is mostly between the ages of 50-50 years.

### 4.3. Description of Variable Business Success

Business success according to Suryana (2003: 285) is the success of the business in achieving its goals. Business success is the main thing of a company where all activities in it are aimed at achieving success.

TABLE 5: Recapitulation of Dimensions of Business Success

No	Dimensi	Total Skor	Skor		%	Kategori
			Tertinggi	Terendah		
1	Modal	426	500	100	85,1	Sangat Tinggi
2	Pendapatan	391	500	100	78.1	Tinggi
3	Volume Penjualan	372	500	100	74,4	Tinggi
4	Output Produksi	407	500	100	81,3	Sangat Tinggi
5	Tenaga Kerja	418	500	100	83,6	Sangat Tinggi
<b>TOTAL</b>		<b>2014</b>	<b>2500</b>	<b>500</b>	<b>80,56</b>	<b>Sangat Tinggi</b>

Sumber: Diolah Dari Hasil Penelitian, 2019

Based on Table 5 the business success variable obtained a score of 2014 if it was ranked in the highest score then a percentage of 79.24% was obtained, which means that according to Riduwan (2013: 20) included in the criteria of "strong" respondents stated that the success of the business entrepreneur knitting center Binong Teak in the city of Bandung in the high category.

The highest percentage score is the Capital Dimension that is equal to 426 or 85.1%, and includes the interpretation of values with very high categories. Capital is something that is needed to finance the company's operations from the stand up to operation (Kasmir, 2007).

The lowest score percentage score is the sales volume dimension which is equal to 372 or 74.4%, and includes the interpretation of high category values. Sales volume is characterized by the increasing sales received from time to time. The sales volume is very important in the continuation of the business business of Binong Jati Knitting Center in Bandung City.



#### 4.4. Effect of Entrepreneurship Behavior and Business Capital on Business Success

Based on the results of the F test conducted, the value of Fcount 67.604 and Ftable at  $\alpha = 0.05$  is 3.10, because the F count is much greater than Ftable ( $67.604 > 3.10$ ) then  $H_0$  is rejected. This means that business success is jointly explained by entrepreneurial behavior and significant business capital. And testing the effect of independent variables together on the dependent variable using probability values (Sig), that the probability value = 0,000  $< \alpha = 0.05$  so that  $H_0$  is rejected.

The conclusion is the same as the tests carried out using F count. Thus it can be concluded that the variables of entrepreneurial behavior and business capital variables are able to influence the variables of business success. In other words, the regression coefficient inherent in the independent variable (X) can be used as an unbiased estimator for variations in the dependent variable (Y).

Based on the calculation of the coefficient of determination, the amount of KD is 62.25%, which means that business success is influenced by entrepreneurial behavior and business capital, while the remaining 37.75% is influenced by other variables not examined in this study.

#### 4.5. Effect of Entrepreneurship Behavior on Business Success

Based on the results of the recapitulation of the calculation of scores regarding the responses of entrepreneurs of Binong Jati knitting centers in Bandung City, for each dimension of the variable entrepreneurial behavior. The lowest total score is 376, and the highest total score is 1280. The total total score is 6622 with a percentage of 81.71%, and includes the interpretation of values with a very high category. Dimensions have commitment to work with a score of 1280 or 85.30% giving the highest contribution in implementing entrepreneurial behavior.

The t test value of entrepreneurial behavior of tcount is 6.572, for  $\alpha = 0.05$  it is obtained ttable of 1.98896. So that tcount is greater than t table. The regression coefficient for the variable entrepreneurial behavior is 0.866 (positive sign). This coefficient is significant at  $\alpha = 0.05$  because  $6.572 > 1.98896$  or probability value (Sig.)  $0.00 < 0.05$ . That is, the influence of entrepreneurial behavior on business success is significant.

While the magnitude of the influence partially on entrepreneurial behavior on the success of business is seen from the Standardized Coefficients (Beta), entrepreneurial

behavior has an influence of 86.6% on business success. In this case, the implementation of entrepreneurial behavior that has been carried out by entrepreneurs in the Binong Jati knitting center in Bandung City has an influence on the success of the business.

#### 4.6. Effect of Business Capital on Business Success

Based on the results of the recapitulation of the calculation of scores regarding the responses of entrepreneurs of Binong Jati knitting centers in Bandung City, for each dimension of the business capital variable. The lowest total score is 432, and the highest total score is 465. The total total score is 1342 with a percentage of 89.4%, and includes the interpretation of values with a very high category. The highest percentage score is the dimension of raw material inventory in rupiah cash, which is equal to 465 or 93%, and includes the interpretation of values with very high categories. The lowest score percentage score is the Company's Cash Dimensions in Rupiah 432 or 86.3%, and includes the interpretation of values with very high categories.

Partial hypothesis testing can be done through the tcount test. Business capital value of tcount is 3.585. For  $\alpha = 0.05$ , it is obtained t table of 1.98896. So that tcount is greater than t table. The regression coefficient for the venture capital variable is 0.492 (positive sign). This coefficient is significant at  $\alpha = 0.05$  because  $3.585 > 1.98896$  or probability value (Sig.)  $0.001 < 0.05$ . That is, the influence of venture capital on business success is significant. Thus, the hypothesis which states that business capital has an effect on business success can be accepted or tested.

The amount of influence partially between each variable, namely venture capital to business success seen from Standardized Coefficients (Beta), business capital has an influence of 49.2% on business success.

### 5. Conclusion

Based on the results of various tests and analyzes that have been carried out, several conclusions were obtained regarding the effect of entrepreneurial behavior and business capital on the success of the business enterprises of Binong Jati knitting centers in Bandung City, as follows:

1. Entrepreneurial behavior and business capital of entrepreneurs in Binong Jati knitting centers in Bandung City fall into the very effective category. Likewise the

success of the business of the Binong Jati knitting center in the city of Bandung is very high. It can be interpreted that entrepreneurial behavior, business capital and business success have been going well, but need to be improved again, because not all dimensions are below the highest score.

2. Entrepreneurial behavior and business capital simultaneously have a positive effect on business success. This shows that, if the more effective entrepreneurial behavior and business capital, the higher the level of success of entrepreneurs in Binong Jati knitting centers in the city of Bandung will be higher.

3. Entrepreneurial behavior has a positive effect on business success. This shows that, if more effective entrepreneurial behavior, the higher the level of success of entrepreneurs in Binong Jati knitting centers in the city of Bandung will be higher.

4. Business capital has a positive effect on business success. This shows that, if the more effective the business capital, the higher the level of success of the entrepreneur in Binong Jati knitting center in the city of Bandung.

## 6. Recommendation

Based on the results of the study, the authors recommend several things regarding the implementation of entrepreneurial behavior and business capital that can increase business success, namely:

1. Entrepreneurial behavior influences the success of the business, so entrepreneurial behavior needs to be increased in its effectiveness in the activities of the organization given the things that are caused can help in increasing business success. Efforts to increase entrepreneurial behavior can be done by increasing creativity in producing knitwear because the variables have creativity that have lower values compared to other variables.

2. Business capital has an effect on business success, so business capital needs to be increased in the organization's activities. Efforts to increase business capital can be done by increasing sales volume by using a more innovative marketing strategy so that it can be accepted by every level of society.

3. Through the description of business success, it is known that the lowest percentage score is indicated by the dimensions of sales volume. Therefore, the entrepreneur of Binong Jati knitting center must begin to focus on building business success starting with increasing sales volume. The approach taken can be in the form of making creative and innovative products so as to be able to target every level of society. In addition,

entrepreneurs should design and carry out marketing strategies that follow current trends so that it is easier for consumers to make purchase transactions whenever and wherever they are.

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