



# Entrepreneurship Literacy And Entrepreneurship Character On The Success Of Small And Medium Business

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**ABSTRACT:** *The objectives to be achieved in this research are (1) to find out a description of entrepreneurial literacy and entrepreneurial character and the success of small businesses; (2) To determine the effect of entrepreneurial literacy and entrepreneurial character partially on the success of small businesses; (3) To determine the effect of entrepreneurial literacy and entrepreneurial character simultaneously on the success of small businesses. The type of research used is a type of quantitative research. Data will be collected at the research locus and then measured using data collection procedures, such as observation, documentation, and questionnaires or questionnaires, in order to prove the validity of the hypotheses that have been proposed. As for the results of research studies, it was found (1) the impact of literacy and entrepreneurial character on the success of small businesses is very significant. (2) entrepreneurial literacy and entrepreneurial character have a major impact on the success of small businesses. Analyzing business prospects and dangers, understanding how to run a business, and having experience starting a business are the main markers for studying culinary entrepreneurs in the Takalar area. And (3) the success of studying small businesses on culinary entrepreneurs in Takalar Regency is significantly influenced by entrepreneurial literacy and character. The objectives to be achieved in this research are (1) to find out descriptions of entrepreneurial literacy and entrepreneurial character and small business success; (2) To determine the effect of entrepreneurial literacy and entrepreneurial character partially on the success of small businesses; (3) To determine the effect of entrepreneurial literacy and entrepreneurial character simultaneously on the success of small businesses. The type of research used is a type of quantitative research. Data will be collected at the research locus and then measured using data collection procedures, such as observation, documentation, and questionnaires or questionnaires, in order to prove the validity of the hypotheses that have been proposed. As for the results of research studies, it was found (1) the impact of literacy and entrepreneurial character on the success of small businesses is very significant. (2) entrepreneurial literacy and entrepreneurial character have a major impact on the success of small businesses. Analyzing business prospects and dangers, understanding how to run a business, and having experience starting a business are the main markers for studying culinary entrepreneurs in the Takalar area. And (3) the success of small business studies on culinary entrepreneurs in Takalar Regency is significantly influenced by entrepreneurial literacy and entrepreneurial character.*

**KEYWORDS:** *Entrepreneurship Literacy; Entrepreneurship Character on The Success of Small, Medium Business*

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## I. INTRODUCTION

The economy is heavily dependent on entrepreneurship. Because they can absorb large numbers of unemployed and make a significant contribution to GDP, small and medium enterprises have a large impact on the national economy (GDP). In 2018, Indonesia had 58.97 million Micro, Small and Medium Enterprises (MSMEs). In contrast, Indonesia is expected to have 265 million residents in 2018. There are 4,987 large business units, 58.91 million small business units, and 59,260 micro business units. Cooperatives and MSMEs, two types of small businesses, make a significant contribution to GDP, which reaches 60.34 percent and has a labor absorption rate of 97%. In other words, MSMEs can be called the core of the economy.

In today's digital era, it is possible to grow and maximize business potential to increase revenue. The success or failure of a company may depend in part on its capacity to adapt to technological advances. Even in the digital age, companies in the food industry can be formed more easily and run more quickly and effectively. As a result, the impact of entrepreneurial knowledge and skills on entrepreneurs is very important. The level of literacy or entrepreneurial skill of an entrepreneur will be reflected in his ability to advance his company by utilizing modern technology which is one aspect of increasing entrepreneurial knowledge.

The external aspect that significantly influences the success of a company is entrepreneurial literacy, which is commonly referred to as entrepreneurial skills. The success of a company will be more easily achieved the higher the level of entrepreneurial talent possessed. This is in line with the statement To integrate entrepreneurship into scientific disciplines, both theoretical and empirical, Fauziyah (2018) concluded that entrepreneurial literacy is knowledge gained from practical experience that has been collected, researched, and put together as a resource for others who need it. According to this justification, having entrepreneurial literacy or entrepreneurial skills makes it easier for an entrepreneur to come up with new business strategies and develop new ideas/products that can compete in the market. This shows that the success of a business is strongly influenced by the level of entrepreneurial literacy. This is in accordance with Mustikowati's (2014) claim that entrepreneurial orientation, innovation, and business strategy all have a beneficial impact on company performance.

Some business owners in Indonesia consider the importance of entrepreneurial literacy when developing their companies. Therefore, it is not surprising that Indonesia's business development is slower than that of foreign companies. In addition to entrepreneurial literacy, entrepreneurial character which includes the ability to provide excellent customer service, understand the target market, have sufficient capital for their business, find and use information, manage time effectively, and have experts who can be trusted are other factors that influence success. business. This has a significant impact on any company's ability to succeed.

Character is a mental phenomenon manifested in action and behavior as a result of genetic and environmental factors. In other words, exogenous (external) forces determine character. Thus, both hereditary and environmental factors influence a person's character. As said (Bahruddin, 2012), character is something that can be modified and trained because it comes from within. One of the key approaches to reducing the unemployment rate is entrepreneurship. So that individuals who have entrepreneurial tendencies are able to open and open business opportunities that can strengthen the local economy. An entrepreneur can quickly grow and develop his business with high entrepreneurial character and optimal entrepreneurial knowledge.

Drucker, (2012) asserts that entrepreneurial ideas are related to the nature, character, and traits that a person with a strong will has to turn an original idea into a workable business plan and the ability to develop that plan with resilience. Every business aspires to achieve business success. A business is considered successful if it makes a profit, although this is not the only factor considered in determining business success. Rather, the motivation behind profit is important because it is what drives people to get involved in the business. The company will struggle to run its operations and maintain its commercial viability in the event of a decline or volatility in profits.

The main goal of the company is business success, and all operations carried out within it are directed towards this goal. Success, in general, indicates a better or superior situation than the previous example. According to (Muzakkar, 2012), commercial success is a condition that characterizes more than other people of equal or higher class. This point of view leads to the conclusion that a company can be said to be successful if it has an advantage over its competitors or before. One of the many types of small and medium enterprises that Indonesia really needs to promote is the culinary sector, which is one of the most numerous and rapidly growing business sectors. Small and medium enterprises are a recognized segment driving regional economic expansion.

According to Irawan and Mulyadi (2016), business goals are to increase revenue, increase business productivity, compete fiercely, and have a positive reputation in the eyes of customers as indicated by the success of a company. In the current era of globalization, companies have to compete with each other and with small companies around the world, so quality must be improved. The external aspect that significantly influences the success of a company is entrepreneurial literacy, which is commonly referred to as entrepreneurial skills. According to Kuntowicaksono, (Kuntowicaksono, 2012), a person's entrepreneurial insight with a variety of positive, inventive and creative characters in turning business opportunities into business opportunities that benefit him is known as entrepreneurial literacy. This shows how entrepreneurial literacy has a significant impact on the entrepreneurial knowledge entrepreneurs have to operate their businesses. "Entrepreneurial knowledge is the basis of entrepreneurial resources stored within individuals," claim Nurseto and Julianto S Nugroho (2013). Meanwhile, according to Suryana (2013), "Entrepreneurial knowledge is knowledge that a person must have to produce new goods or services, create new added value, start new businesses, new practices, and develop new organizations."

According to Syam and Sudarmi, college graduates need guidance and support not only as job seekers but as people who can create jobs (2019). Someone can acquire and have entrepreneurial knowledge through entrepreneurship education, which can then support the person's ability to develop and work in the field of

entrepreneurship (Hendawan and Sirine 2017) Entrepreneurial learning is defined as a process of developing knowledge, skills, attitudes, and capacities in entrepreneurship by (Syam et al., 2018). Furthermore, according to (Rakib 2012), "the majority of them are actually accepted through senior supervision and experience in running their companies" apart from acquiring entrepreneurship from formal learning procedures such as schools and training. Entrepreneurial knowledge, according to (Hanifati 2017), includes management of all elements of the system in the form of comprehensive documents, databases, policies and processes, as well as knowledge of the experiences, competencies and capabilities of human resources, both individually and collectively. by an entrepreneur before starting his business, as well as indirect information obtained from other people both before and after he did it. Entrepreneurial knowledge, also known as entrepreneurial literacy, is the sum of all the information stored in the form of memory and understanding of how to do business to inspire confidence to take risks when starting, operating and growing a business (Anggraeni, 2015). "Entrepreneurship is a person's ability to be developed through education and training in the form of experience, difficulties, and the courage to take risks in business and/or create jobs, (Wahyu April Ranto, 2016).

Based on the background description above, the researcher wants to know how entrepreneurial literacy influences the entrepreneurial character on the success of small businesses. For this reason, the researcher intends to conduct research with the title. The Effect of Entrepreneurial Literacy on the Success of Small Businesses.

## II. RESEARCH METHODS

### Research Place

The research entitled "The Influence of Entrepreneurial Literacy and Entrepreneurial Character on the Success of Small Businesses (Studies on Culinary Entrepreneurs in Takalar Regency)" was conducted in Takalar Regency in March 2022. The subjects in this study were culinary entrepreneurs in Takalar Regency.

### Types and Research Approaches

The type of research used in this study is a type of quantitative research, namely using in-depth data analysis in the form of numbers. The correlation approach is used in this study to examine the relationship between two variables, especially how changes in one variable affect changes in other variables. The focus of this research is restaurants in Takalar Regency.

### Variables and Research Design

#### 1. Research variable

The variables in this study are:

- a. The dependent variable (Dependent) is a variable that changes or appears as a result of the existence of an independent variable (Independent). Entrepreneurial character (X2) and entrepreneurial literacy (X1) are independent research variables (X2).
- b. The dependent variable (Dependent) is a variable that is influenced by the independent variable or causes it to occur. Business success is the dependent variable in this study (Y).

#### 2. Research design

To show the effect of entrepreneurial literacy and entrepreneurial character on the performance of culinary companies in Takalar District, this study uses a quantitative approach because data is expressed in numbers and statistical analysis is used to test it.

### Population And Sample

#### 1. Population

Population is a grouping of comparable people taken from units or people whose characteristics will be studied in a certain place and period. All participants in this study were business owners or restaurant owners in Takalar Regency.

**Table 1. Number of Culinary Businesses in Takalar City, Data from the Central Bureau of Statistics for 2021**

No	Types of Culinary Business	Amount
1	Restaurant	35
2	Food stalls	50
3	Café	15
	<b>Amount</b>	<b>100</b>

Source: Data BPS, 2021fs

Sampling capabilities depend on data, time, and research staff; therefore, researchers use the Slovin Formula to calculate the number of appropriate research samples:

**Table 2. Total Population and Sample**

No	Jenis Usaha Kuliner	Population	Sample
1	Restaurant	35	23
2	Food Stalls	50	43
3	Café	15	14
	<b>Amount</b>	<b>100</b>	<b>80</b>

Source: processed primary data

### Types and Data Sources

Penelitian ini menggunakan dua macam data yaitu:

1. Primary data  
Primary data is first-hand observations made on the subject of the investigation. Researchers used interviews in addition to sending questionnaires to participants as the main data collection method for this study.
2. Secondary Data  
Secondary data is information that comes from the theories that underlie the research conducted. Secondary data was collected by researchers through books, journals, previous research, and the internet.

### Data collection technique

Data will be collected at the research locus and then measured using data collection procedures, such as observation, documentation, and questionnaires or questionnaires, in order to prove the validity of the hypotheses that have been proposed. The following is a description of how the research data was collected:

1. Research Locus  
The locus of research is the place where the research is conducted. The location of this research is the number of culinary businesses in Takalar Regency. The researcher chose this area because this area is one of the areas where the economy apart from the agricultural sector in this area is also supported by an increase in micro, small and medium enterprises which are developing both in terms of quantity and quality. This happens for several reasons, one of which is that this area is a connecting area for tourists and people going to the tourist area of Tanatoraja, therefore many small businesses have sprung up.
2. Questionnaire  
To prove the sustainability of the proposed hypothesis, data will be collected at the research locus and then quantified using data collection techniques which include observation, documentation, and questionnaires or questionnaires.

## III. RESULTS AND DISCUSSION

### Hypothesis testing

Knowing the effect of entrepreneurial character characteristics variables (X2) and entrepreneurial literacy (X1) on the success of culinary business (Y) culinary entrepreneurs in Takalar Regency by testing using multiple linear regression analysis. By using SPSS 25, the test results are calculated and can be seen as follows:

**Table 3. Regression Analysis Test Results**

	1	Sum of Squares	Df	Mean Square	F	Sig
1	Regression	13332.681	2	66.340	15.655	<b>.000<sup>b</sup></b>
	Residual	3277.519	77	42.565		
	Total	4610.200	79			

a. Usaha Dependent Variable: Business Success

b. Predictors: (Constant), *Entrepreneurial character*, *Entrepreneurial Literacy*

Source: results of 2022 questionnaire data processing

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	8.559	9.606		.891	.376
Literacy Entrepreneurship	.708	.275	.268	2.574	.012
Entrepreneurial Character	.664	.185	.374	3.596	.001

**1. The Effect of Entrepreneurial Literacy on Small Business Success**

Entrepreneurial Literacy with Business Success is very much related, because before opening a business, one must first study entrepreneurial literacy as one of the important considerations in business success. The success of businesses that have good entrepreneurial literacy and are believed by many entrepreneurs can influence the needs of consumers. So by itself it will increase the success of the business. One of the main indicators that is very influential in this research is to measure business success, namely analyzing business opportunities and risks.

Nowadays, working in an office is very challenging. Certainly now it is very difficult to get a job, let alone work in an office. Therefore, we must now be able to think about building business opportunities so that we can also create jobs. And to analyze existing company opportunities, we as entrepreneurs must be observant. As a newcomer to the business world, you certainly have to be able to make initial observations. Don't be afraid to ask about the state of the industry. We must be able to assess business risk if an entrepreneur is aware of the following business opportunities. It goes without saying that a company's venture must aim to be profitable. And with so many dangers to overcome, such as competition, changes in demand, changes in context, etc., you want to use the revenue generated for the well-being of yourself or even the other individuals involved. firm. And an entrepreneur must understand that despite the dangers of business, we need not fear them; on the contrary, we must be well aware of them so that we can predict them correctly in the future.

**2. The influence of entrepreneurial character on the success of small businesses**

Entrepreneurial Character with Business Success is very much related, because before opening a business, one must study the entrepreneurial character first as one of the important considerations in business success. Business success that has good entrepreneurial character and is believed by many entrepreneurs can influence the needs of consumers. Then by itself it will increase the success of the business. One of the main indicators that is very influential in this study to measure business success is self-confidence. In starting a business, an entrepreneur must have entrepreneurial character, one of these characters is self-confidence. Confidence plays an important role in determining success in business. The most important quality that an entrepreneur should have is self-confidence. Convincing one's own abilities in terms of accomplishments, ambitions, and expectations is a sign of self-confidence. A person's level of self-confidence determines the caliber of their actions. The quality of action is directly correlated with self-confidence. because people with this character will not be afraid of failure, will not give up easily, will always believe in their own abilities, and will not hesitate to find solutions to problems. A person's level of self-confidence reveals that they have a strong sense of responsibility, are critical, have more stable emotions, and are not easily offended.

Walgito (2000) argues that self-confidence is the belief that a person can succeed with his own efforts and fosters a good opinion of himself and his environment so that he appears confident and able to handle everything with dignity. calm down Luxori, (2005) (2005) Making a significant contribution to one's life process depends partly on one's level of self-confidence. The partial significance test for the entrepreneurial character variable in the research findings shows a lower value than the significant level of 0.05. This means that entrepreneurial character has a significant influence on the dependent variable in this study. This significant influence proves that entrepreneurial character is an important aspect because the needs of consumers in Takalar Regency are generally more diverse than the level of consumer needs in other entrepreneurs plus current information channels. very diverse and varied, therefore entrepreneurs as facilitators in supporting consumer needs play a very vital role.

According to the observations of researchers, the significant influence of entrepreneurial character on the success of small businesses in Takalar Regency is caused by the awareness of an entrepreneur who pays attention to entrepreneurial characteristics, namely having courage, being inventive and creative, acting and behaving honestly, and daring to take risks. This is in accordance with research by Purwanti, E. (2013) entitled "The Influence of Entrepreneurial Characteristics, Business Capital, Marketing Strategy on the Development of MSMEs in Dayaan and Kalilondo Villages, Salatiga" that the development of SMEs is significantly influenced



by entrepreneurial traits. In addition to this research, the results of research by Wijayanto, A. (2013) have the same result that entrepreneurial character has a significant influence and has an influence of 56.1 percent in achieving the success of a business.

### **3. The Influence of Entrepreneurial Literacy and Entrepreneurial Character on the Success of Culinary Businesses in Takalar Regency**

Based on research findings, the success of small businesses in Takalar Regency is significantly influenced by entrepreneurial character and entrepreneurial literacy. These results are in accordance with the processing of the test data for the coefficient of determination in this study, but this effect, according to the processing of the research data, has a low impact because the large impact of small business success, namely 52 percent, is influenced by other variables outside the regression model of this study. In this study, the influence of the independent variables on the dependent variable explained that environmental factors and personality traits of entrepreneurs in Takalar Regency are aspects that must be considered to foster an entrepreneurial spirit. The results of the descriptive analysis of the variables of business success show that when an entrepreneur has a level of interest, willingness, and effort, he will be motivated to start a business. This is in accordance with the opinion of (Rakib, 2010) which reveals that the cause of the emergence of several problems in the field such as unsatisfactory service and low product quality is the low and strong entrepreneurial spirit characteristic of each small business actor. Apart from that, the entrepreneurial literacy aspect is also supported by research by Mulyani, A (2020) where the results of her research describe that literacy has an effect on the Up-Scale of a business or venture.

Based on the results of the significance test, the effect of the entrepreneurial literacy variable on the success of small businesses has a significant value on the success of small businesses in Takalar Regency. This shows that entrepreneurial literacy in Takalar district has a role in fostering small business success for entrepreneurs. In addition, the entrepreneurial character found in Takalar Regency has a complete character. According to Suyana in Fatimah (2020), "the work of entrepreneurial planning is designing new activities and businesses, planning new business strategies, planning ideas and possibilities for achieving success, developing new change organizations, and so on." Macroeconomically, the purpose of entrepreneurship is to promote prosperity, equity of wealth, and employment opportunities which act as catalysts for a country's economic expansion.

## **IV. CONCLUSION**

Based on the results of the research and data analysis that has been done, the following conclusions can be drawn:

1. The findings of the SPSS test show that the impact of literacy and entrepreneurial character on the success of small businesses is very significant.
2. Entrepreneurial literacy and entrepreneurial character have a major impact on the success of small businesses. Analyzing business prospects and dangers, understanding how to run a business, and having experience starting a business are the main markers for studying culinary entrepreneurs in the Takalar area.
3. The success of small business studies on culinary entrepreneurs in Takalar Regency is significantly influenced by entrepreneurial literacy and entrepreneurial character.

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