

# **The Effect of Personal Independence and Entrepreneurship Knowledge on the Success of MSMEs in Tambakbaya Village**

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## **Abstract**

This study aims to determine (1) the effect of personal independence on the success of MSMEs in Tambakbaya Village, (2) the effect of entrepreneurship on the success of MSMEs in Tambakbaya Village, and (3) the simultaneous effect of personal independence and entrepreneurship on the success of MSMEs in Tambakbaya Village. This research is a type of quantitative associative research that aims to analyze the influence of one variable with other variables. The sample in this study were all members of the population of MSME actors in Tambakbaya Village, totaling 70 respondents. Primary data was collected through questionnaires and interviews, secondary data was collected through literature study. The data analysis used is descriptive statistical analysis and inferential statistical analysis. The results showed that the variables of personal independence and entrepreneurial knowledge had a positive and significant effect simultaneously on business success. With the obtained F-count value of  $204.507 > 3.13$  (F-table), the significance value obtained is  $0.000 < 0.05$  and the R Square value is obtained a value of 0.859. Then  $H_0(3)$  is rejected and  $H_3$  is accepted. So it can be interpreted that the variables of personal independence and entrepreneurial knowledge have a positive and significant effect simultaneously on the business success of MSME actors in Tambakbaya Village with a magnitude of 85.9% influence and the remaining 14.1% influenced by other variables that are not in this research. Based on the value of multiple linear regression, the personal independence variable is the variable that most influences the business success of MSME actors in Tambakbaya Village.

**Key words: Personal Independence, Entrepreneurship Knowledge, Success Business**

## **INTRODUCTION**

In line with the development of the times and technology, entrepreneurship will be needed by many people because the growth and development of the economy in a country cannot be separated from the role of large, medium and small private entrepreneurs. Explaining the background, problems, importance of research, brief literature review that relates directly to research or previous findings that need to be developed and ended with a paragraph of research purposes. A balance must be kept between the pure and applied aspects of the subject. According to Alma

(2018: 5) entrepreneurship is an innovator, as an individual who has the instinct to see opportunities, has the spirit, ability and mind to conquer slow and lazy ways of thinking. In line with that, according to Rusdiana (2018: 24) entrepreneur is an entrepreneur who in addition to being able to do business in the economic and commercial fields in an appropriate manner (appropriate and useful, effective, and efficient), also has an independent character and is spiritual and virtuous. According to Onan Marakali Siregar (2020: 64) Micro, Small and Medium Enterprises (MSMEs) are one of the main pillars of the national economy that must obtain the main opportunities, support, protection, and development as widely as possible as a form of firm alignment with economic business groups. the people, without neglecting the role of large businesses and state-owned enterprises.

The Micro, Small and Medium Enterprises (MSME) sector besides having sufficient potential also has prospects for development, besides that it also has different characteristics from large businesses in terms of business scale, business capital, number of employees, capacity and sales turnover, so that it has resilience. and resilience in business and maintain business continuity. The rapid development of this sector depends entirely on the ability and performance of entrepreneurs. The ability to develop the business depends on the efforts of the entrepreneurs themselves in utilizing their business skills to satisfy customers. Therefore, it takes a personal independence in entrepreneurship which is a job or career that is flexible, and imaginative, able to plan, take risks, take decisions and actions to achieve business success. So entrepreneurs must have the ability to find and evaluate opportunities, gather the necessary resources and act to take advantage of those opportunities. That means it takes motivation, hard work, dedication, commitment, willing to take risks in achieving business success.

In the psychological dictionary, independence comes from the word "Independence" which is defined as a condition in which a person does not depend on others in making decisions and has an attitude of self-confidence, Chaplin (2011:343)According to Suryana (2013: 34), Personal Independence is the ability to rely on oneself in an effort to create new jobs without having to depend on others, starting from creating ideas, setting goals, to achieving satisfaction. Personal independence is reflected in the ability to do a good and correct job according to the capacity that exists within him. And besides personal independence, entrepreneurial knowledge is also needed in running a business so that it can develop and progress.

Entrepreneurial knowledge has a very important role in running Micro, Small and Medium Enterprises (MSMEs) because when someone decides to start a business, the provision of entrepreneurial knowledge becomes the main basis that must be learned first, so that the business to be run can run well and grow. develop as expected. This is in line with Mustofa's research (2014:45) that entrepreneurial knowledge is a person's ability to produce something new through creative thinking, and acting innovatively, so that they can create ideas or opportunities and can be put to good use.

Thus, people who are successful in entrepreneurship are people who can combine the main traits (attitude patterns), with the provision of entrepreneurial knowledge, the desire to progress and personal independence in innovating. So that every entrepreneur will be able to maximally utilize

his business skills and become a guide, hope, and good value that comes from knowledge, personal independence, in order to achieve business success. Business success can be seen in five ways, namely increased turnover, increased profits, consumer growth, increased competitiveness and competence in similar businesses. The measure of the success of a business is being able to provide satisfaction to consumers. The more consumers who buy and accept the products offered, the more satisfied consumers are and this means that the strategies implemented by entrepreneurs have been quite successful.

As when the researchers conducted initial observations, there were many forms of Micro, Small and Medium Enterprises (UMKM) businesses carried out by the community in Tambakbaya Village, ranging from services, culinary, fashion, automotive, creative products and in other fields. However, a small part of MSMEs in Tambakbaya Village have not been able to see market opportunities and in the end cannot last long, due to lack of knowledge on how to manage and grow a business, good business planning and capital management, no product innovation, some entrepreneurs in the village. Tambakbaya often establishes the same business but there is no innovation to create something different from other entrepreneurs, due to the lack of personal independence in product innovation and also the lack of entrepreneurial knowledge in every MSME actor in Tambakbaya Village to be able to manage their business well in order to achieve success. business.

For this reason, researchers are interested in knowing the extent of personal independence and entrepreneurial knowledge possessed by MSME actors in Tambakaya Village as a guide in running a business and earning profits. Personal independence and entrepreneurial knowledge are needed to achieve business success because by having entrepreneurial knowledge an entrepreneur will exert their efforts to achieve profit potential and thus they know what they may or may not do, as well as personal independence, the existence of an independent attitude in a person. will affect the way and attitude of entrepreneurs in obtaining business success. The success of the business itself can be marked by an increase in the number of sales, an increase in the amount of production, an increase in profits or profits and an ever-growing business. In addition to the theory above, this is also in line with the research of Siti Syahrani (2016), Risma Hanifati (2017), and Suhendra Winarno (2019) which proves that the results of this study show that personal independence and entrepreneurial knowledge will have a positive and significant effect on business success. Based on the background and table above, the researcher is interested in conducting a research entitled "The Effect of Personal Independence and Entrepreneurship Knowledge on the Success of MSMEs in Tambakbaya Village". This study aims to determine (1) the effect of personal independence on the success of MSMEs in Tambakbaya Village, (2) the effect of entrepreneurship on the success of MSMEs in Tambakbaya Village, and (3) the simultaneous effect of personal independence and entrepreneurship on the success of MSMEs in Tambakbaya Village.

## **RESEARCH METHODS**

The research approach used in this study is a quantitative approach with associative research methods which aims to determine the relationship between two or more variables. The population in this study were all MSME actors in Tambakbaya Village, amounting to 70 MSMEs. The

sampling technique used is a saturated sample where the entire population is the research sample. In this study, researchers conducted preliminary observations to determine the condition of MSMEs in Tambakbaya Village. Observations were carried out by researchers by observing and recording business success, systematically recording the objects to be studied, namely SMEs in Tambakbaya Village. This observation data collection technique was used to obtain data on the process of filling out the questionnaire. Documentation method of collecting data by taking pictures as documentation, reading and studying various books, journals, articles and information from the internet related to this research. Primary data is data that researchers get from respondents directly at the research location, namely in Tambakbaya Village through a questionnaire regarding the identity of the respondent such as: name, gender, age, last education, net profit per month (net), length of business using a questionnaire. (questionnaire) and interviews regarding the variables studied. While the secondary data obtained from observations of research objects, information from intermediary media on SMEs in Tambakbaya Village and through document studies by studying various writings through books, journals, articles and internet sites. All data collected will be tested through instrument testing and hypothesis testing through inferential statistical analysis consisting of simple and multiple linear regression. The instruments on the questionnaire were tested for validity and reliability before being filled out by respondents. Prior to testing the hypothesis, a prerequisite test was conducted which consisted of tests for normality, linearity, multicollinearity, heteroscedasticity, and autocorrelation.

## RESULTS AND DISCUSSION

### 1. Effect of Variable X1 on Variable Y

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.922 <sup>a</sup>	.850	.848	.894

a. Predictors: (Constant), Kemandirian Pribadi

Table 1. Model Summary X1

Source: Primary Data Processed by Researchers (2021)

Based on the output model summary table, the value of  $R = 0.922$ , which means the level of the relationship is very strong and the value of  $R^2 = 0.850$ , which means that the contribution of personal independence to business success is 85% and 15% is influenced by other factors.

### 2. Output Coefficient

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

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.657	1.541		-1.724	.089
	Kemandirian Pribadi	.537	.027	.922	19.656	.000

a. Dependent Variable: Keberhasilan Usaha

Table 2. Output Coefficient X1

Source: Primary Data Processed by Researchers (2021)

Based on the output coefficient, a simple linear regression equation is obtained as follows:  $Y = -2.657 + 0.537X_1$ . It means that the average score of Y criteria will change by 0.537 for every change that occurs in the X1 variable. And obtained the value of Sig.  $0.000 < 0.05$  (5%) then  $H_0(1)$  is rejected and  $H_1$  is accepted, which means that the personal independence variable has a positive and significant effect on the success of MSMEs in Tambakbaya Village. Based on the results of the sample analysis above, it can be concluded that there is a positive and significant influence between personal independence on the success of MSMEs in Tambakbaya Village. This is reinforced by the level of the relationship between the two variables which is very strong and the contribution of personal independence to business success is 85% and 15% is influenced by other factors. The simple linear regression equation is as follows:  $Y = -2.657 + 0.537X_1$ . This means that the average score of the Y criteria will change by 0.537 for every change that occurs in the X1 variable.

Although the majority of respondents gave positive answers to personal independence, there were still respondents who stated that they did not agree with the statement "I am able to make decisions quickly", making decisions too hastily will have fatal consequences in running a business, therefore it is better to take a Decisions should not be rushed and thought out carefully so that the decisions taken later will result in good decisions. However, it is still found that micro, small and medium enterprises have not been able to make a decision quickly and accurately. So it will be fatal for the business it runs. In accordance with the opinion expressed by Suryana (2013: 34) someone who has personal independence is an independent person and never relies on others, but is able to optimize all the power and efforts he has. Independence in running a business is a totality within each individual. Having creativity and loyalty to work as well as being aware of the profession being carried out will definitely direct every entrepreneur to freedom of thought. Thus an entrepreneur who has personal independence in himself and has a responsibility to adhere to the values and norms he has. That is, the higher the personal independence in a person, the higher will be in achieving business success. The results of this study are in line with the results of research conducted by Syahrani (2016) which shows that Personal Independence has a positive and significant effect on the success of Micro, Small and Medium Enterprises in Tambakbaya Village.

2. Effect of Variable X2 on Variable Y

1. Output Model Summary

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.609 <sup>a</sup>	.371	.362	1.833

a. Predictors: (Constant), Pengetahuan Kewirausahaan

Table 3. Model Summary X2

Source: Primary Data Processed by Researchers (2021)

Based on the output model summary table, it is obtained that the value of R = 0.609, which means the level of strong relationship and the value of R<sup>2</sup> = 0.371, which means that the contribution of entrepreneurial knowledge to business success is 37.1% and 62.9% is influenced by other factors.

2. Output Coefficient

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

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.346	2.882		3.243	.002
	Pengetahuan Kewirausahaan	.490	.077	.609	6.337	.000

a. Dependent Variable: Keberhasilan Usaha

Table 4. Output Coefficient X2

Source: Primary Data Processed by Researchers (2021)

Based on the output coefficient, a simple linear regression equation is obtained as follows:  $Y = 9.346 + 0.490X_2$ . This means that the average score of the Y criteria will change by 0.490 for every change that occurs in the X<sub>2</sub> variable. And obtained the value of Sig. 0.000 < 0.05 (5%) then H<sub>0</sub>(2) is rejected and H<sub>2</sub> is accepted, which means that the entrepreneurial knowledge variable has a positive and significant impact on the success of MSMEs in Tambakbaya Village. Based on the results of the sample analysis above, it can be concluded that there is a positive and significant influence between entrepreneurial knowledge on the success of MSMEs in Tambakbaya Village. This is reinforced by the level of the relationship between the two variables which is strong and the contribution of entrepreneurial knowledge to business success is 37.1% and 62.9% is

influenced by other factors. The simple linear regression equation is as follows:  $Y = 9.346 + 0.490X_2$ . It means that the average score of criterion Y will change by 0.490 for every change that occurs in the  $X_2$  variable.

If it is seen from the respondents' responses to their statements, they have a careful plan in running micro, small and medium enterprises. Making a careful plan before starting a business is very important, the better and more mature the planning is, the better the results will be when starting a business. Therefore, an entrepreneur if he wants to get good results in his business, he must make a good plan as well. The results of this study are in line with the results of research conducted by Syahriani (2016) which shows that the entrepreneurial knowledge variable has a positive and significant effect on the success variable of micro, small and medium enterprises in Tambakbaya Village.

2. *Effect of Variable  $X_1$  and  $X_2$  on Variable Y*

1. Output Model Summary

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.927 <sup>a</sup>	.859	.855	.874

a. Predictors: (Constant), Pengetahuan Kewirausahaan, Kemandirian Pribadi

Table 5. Multiple Linear Summary Model

Source: Primary Data Processed by Researchers (2021)

Based on the output model summary, the value of  $R = 0.927$ , which means the level of the relationship is very strong, and the value of  $R^2 = 0.859$ , which means that the influence of personal independence and entrepreneurial knowledge on business success is 85.9% and 14.1 is influenced by other factors.

2. Output Model Anova

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	312.140	2	156.070	204.507	.000 <sup>a</sup>
	Residual	51.131	67	.763		
	Total	363.271	69			

a. Predictors: (Constant), Pengetahuan Kewirausahaan, Kemandirian Pribadi

b. Dependent Variable: Keberhasilan Usaha

Table 6. Anova

Source: Primary Data Processed by Researchers (2021)

The output of the ANOVA model is used as a guide for the acceptance of the hypothesis. If starting Sig. at the ANOVA model output  $< 0.05$  then  $H_0(3)$  is rejected. Based on the output of the ANOVA model, the sig value is  $0.000 < 0.05$  (5%), so  $H_0(3)$  is rejected and  $H_3$  is accepted. Which means that the variables of personal independence and entrepreneurship knowledge have a simultaneous positive and significant effect on the success of MSMEs in Tambakbaya Village.

### 3. Output Coefficient

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

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3.926	1.627		-2.414	.019
	Kemandirian Pribadi	.498	.033	.855	15.240	.000
	Pengetahuan Kewirausahaan	.093	.045	.116	2.059	.043

a. Dependent Variable: Keberhasilan Usaha

Table 6. Coefficients

Source: Primary Data Processed by Researchers (2021)

The constant ( $\alpha$ ) is -3.926, meaning that if the value of the independent variable personal independence ( $X_1$ ) and entrepreneurship knowledge ( $X_2$ ) is 0, the business success variable ( $Y$ ) for SMEs in Tambakbaya Village is -3.926. The coefficient 1 ( $X_1$ ) is 0.498, meaning that the results of the coefficient of the personal independence variable have a positive effect on the business success variable. The higher level of personal independence will tend to increase business success for MSME actors in Tambakbaya Village which will increase by a regression coefficient of 0.498. The coefficient 2 ( $X_2$ ) is 0.093, meaning that the results of the entrepreneurial knowledge

variable have a positive effect on the business success variable. The higher level of entrepreneurship knowledge will tend to increase business success for MSME actors in Tambakbaya Village which will increase by a regression coefficient of 0.093.

Most of the respondents agreed and strongly agreed that they had experience in running a business, some of the respondents had experience as an employee before so they got a lot of experience when they became employees. Business experience is a very supportive factor in running a business in order to achieve success in business. With the experience that the business owner has, he learns a lot about the business he runs, learns from the experience of his parents, learns from the experiences of others and learns from his own experience. In accordance with the theory put forward by Suryana (2013) that to be a successful entrepreneur one must have an entrepreneurial spirit and character which is influenced by skills, abilities and competencies which are determined by business knowledge and experience.

## CONCLUSION

There is a positive and significant influence between the personal independence variable (X1) on the business success (Y) of MSME actors in Tambakbaya Village based on the results of simple linear regression analysis on the personal independence variable and the t-count value is 19,656, so the t-count value is greater than the t-table of 1.670. Obtained a significance value of  $0.000 < 0.05$ . And the value of R Square obtained a value of 0.850. Then  $H_0(1)$  is rejected and  $H_1$  is accepted. So it can be interpreted that the personal independence variable has a positive and significant effect on the business success of MSME actors in Tambakbaya Village with a magnitude of influence of 85% and the remaining 15% is influenced by other variables that are not in this research.

There is a positive and significant influence between the entrepreneurial knowledge variable (X2) on the business success (Y) of MSME actors in Tambakbaya Village based on the results of simple linear regression analysis on the entrepreneurial knowledge variable and the t-count value is 6,337, so the t-count value is greater than the t-table of 1.670. Obtained a significance value of  $0.000 < 0.05$ . And the value of R Square obtained a value of 0.371. Then  $H_0(2)$  is rejected and  $H_2$  is accepted. So that it can be interpreted that the entrepreneurial knowledge variable has a positive and significant effect on the business success of MSME actors in Tambakbaya Village with a magnitude of 37.1% influence and the remaining 62.9% is influenced by other variables that are not in this research.

There is a simultaneous positive and significant influence between the variables of personal independence (X1) and entrepreneurial knowledge (X2) on business success (Y) of MSME actors in Tambakbaya Village based on the results of multiple linear regression analysis with the results of simultaneous test calculations (F test) on the output anova obtained F-table value of 204,507, so the value of F-count is greater than F-table of 3.13. Obtained a significance value of  $0.000 < 0.05$ . And the value of R Square obtained a value of 0.859. Then  $H_0(3)$  is rejected and  $H_3$  is

accepted. So it can be interpreted that the variables of personal independence and entrepreneurial knowledge have a positive and significant effect simultaneously on the business success of MSME actors in Tambakbaya Village with a magnitude of 85.9% influence and the remaining 14.1% influenced by other variables that are not in this research.

Based on the results of this study, the suggestions that researchers can give, especially to MSME actors in Tambakbaya Village, should MSME business actors in Tambakbaya Village be able to explore and also develop the potential that exists in themselves to achieve success in business, be able to face business competition, and must can increase their personal independence by continuing to innovate in marketed products so that they can continue to grow and develop and be able to face the business competition they face. In addition, it is necessary to have a deep understanding of the business they run and have knowledge in improving selling skills, building good relationships with consumers so that consumers will like the products and services provided by micro, small and medium enterprises, and be able to adapt and have technical knowledge through the learning process by reading books and articles about MSMEs to be able to increase business success in the future. For further researchers, it is hoped that they will be able to find other factors that are not included in this research in theory on business success so that broader and more comprehensive research results are obtained related to business success.

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