

ABSTRACT

The aims of the research are (a) to analyze and to examine the influence of individual characteristics to business competence, (b) to analyze and to examine the influence of entrepreneurship to business competence, (c) to analyze and to examine the influence of leadership styles to business competence, (d) to analyze and to examine the influence of individual characteristics to business performance, (e) to analyze and to examine the influence of entrepreneurship to business performance, (f) to analyze and to examine the influence of leadership styles to business performance, (g) to analyze and to examine the influence of business competence to business performance.

The individual characteristics, entrepreneurship and business competence measurements are based on Muljadi's research (1999), Kao's (2001) and Vickery's et al. (1993). Meanwhile, the leadership uses Hersey and Blanchard model by using modified leader behaviour questionnaires (LBQ). Business competence consists of production, marketing, and financing competence.

The framework of this research is small weaving and embroider industries in West Sumatra, North Sumatera and Riau, which have established for at least three years. Weaving and embroider manager is the owner who has 3 to 19 employees. They work persistently at the owner's home or workplace.

The types of manager data are primary data by using questionnaires, which are given directly to 61 enterprises, and interviews. This research is also supported by secondary data. Model and technique of data analysis used are Structural Equation Modeling (SEM). Measurement model of individual characteristics, entrepreneurship, leadership styles, business competence, business performance uses Confirmatory Factor Analysis. The assumption of influence of each individual characteristics, entrepreneurship, leadership styles, business competence, business performance is significant. Therefore, those variables are feasible to be used this research.

The result of the research concludes that the experiences are dominant variable indicators in the individual characteristics. Experience strongly influences the strategy used by the company to compete with each other. Generally, small industries manager learn in autodidactic way from their experiences toward the environment to get raw materials, market access, and working capital.

Motivation, chances, and self-confidence are important in this entrepreneurship. Meanwhile, raw materials, market access, and working capital are important in business competence. Furthermore, the entrepreneurs use authoritarian, participation and consideration leadership both individually and together. The number of employees, labor productivity, sales, sales growth are significant to business competence.

Key words : Individual characteristics, entrepreneurship, leadership styles, business competence, and business performance.