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The Effect of Individuals Characteristics, Organizations Characteristics, Contextual and Business Strategy on Performance of Micro and Small Business of Export Potential Processing Sector in East Java

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Abstract

In East Java, the facts show that performance of micro and small related to export potentials have been declining or stagnant. However, some small and micro businesses have managed and developed. What factors that affect the performance of the micro and small business? This study aims to answer these key questions. Based on a survey of 102 micro and small businesses, the results of this study revealed that: (1) Micro and Small Business in East Java mainly adopt focus strategy, the more focus the strategy pursued, the better performance of micro and small business. (2) The individual characteristic has a direct and significant impact on performance, while organizational characteristic and contextual have no direct and significant effect on performance. These findings suggest that to improve performance, micro and small business should pay more attention to strategy choice to be executed, and maintaining family support, improving the ability to manage business risk and information access.

Other parties concerned with the development of micro and small business, such as government agencies, should facilitate the licensing and technical assistance. Licensing has a negative impact on the performance of

micro and small business. Speculative explanation is the complexity of bureaucratic and legal aspects are implemented by the government make the negative impact. To support the performance of micro and small business, bureaucracy and regulation should be simplified.

Keywords: Small and Micro Business, Business Strategy, Performance, East Java

1. Background

Micro and small business export-oriented plays an important role in the economic development of a country, including in East Java, Indonesia. One of the roles is poverty alleviation through employment creation and contribution to gross domestic product (Mazzarol, T, Doss, N, & Thein, V, 1999). The success in improving the ability of micro and small business export-oriented means strengthening the economy. Perpetrators of domestic business in Indonesia recorded 51.2 million units. About 99.99% of them are small businesses. Small businesses contribution in non-oil exports reached 16.72% or Rp 183.76 trillion in 2008. However, the value of exports from micro and small business has decreased. Phenomenon the declining exports in line with the thought of Anderson (1982), which predicts the comparative advantages of micro and small business will continue to diminish and medium and large businesses increasingly dominate the economy with more advanced development. Classical theory pioneered by Staley and Morse (1965) points out, the economic portion of the micro and small business in the development or growth of GDP, employment, sectoral output, from the total company will continue to decline. McCormick (1997), Pederson (1998) observed poor performance of micro and small businesses because being trapped by a cycle of low initial investment, due to low levels of business operations, in turn, generate profits that are too small to allow for growth. Schmitz (1982) emphasized that the barriers to growth for small and micro businesses are factors external to the organization, because it is hampered by access to markets, technology, raw materials, capital, and government policy

In East Java, despite the fact some micro and small business, export-oriented is declining or stagnant, but there are also some other micro and small businesses that have shown good performance. What factors affecting business performance of micro and small business export-oriented? The research goal was: to analyze and examine the influence of individual characteristics, organizational, contextual, business strategy and business performance. The research report is organized into six chapters, literature review presented in the second chapter, followed by the conceptual framework in chapter three, the research methods in chapter four, the results and discussion section five and the conclusions and suggestions at the end of the report.

2. Theory Framework

Storey (1994) states, a major component in analyzing the performance of the business are organizational characteristics and contextual strategy. The conceptual framework was in Figure 2.1:

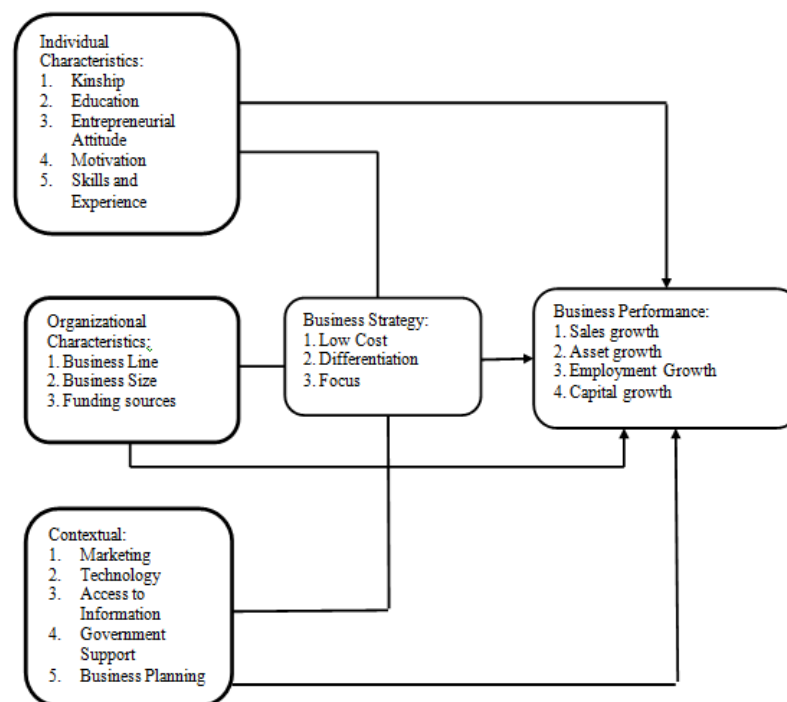


Figure 2.1: Conceptual Framework

2.1 Individual Characteristics

Previous research found the family, education, motivation, entrepreneurial attitudes and skills and experience impact on firm performance (Charney et al, 2000, Sinha, 1996).

Family Relationships: Wee (2001) found a family has a positive and significant and the strongest impact to business growth, compared with other variables such as competence, professionalism in business and implementation degree of formal planning. Smallbone, et al (1995) conducted a study on small scale businesses. The results showed that ownership and management are usually a combination of families, the success will be determined by your lifestyle and family background.

Education: Charney and Libecap (2000), Morrow (1993) found that education level affects the performance of small businesses. Sinha (1996) suggest 72% the success of small businesses affected by the educational background that is relevant to business type and 67% small business owners who are not successful are small businesses that do not have relevant educational background to business type at this time.

Motivation and Attitudes Entrepreneurship: Ryan (1970) stated motivation plays an important role in determining the desire for growth for small businesses. Cromie (2000), states that self-efficacy beliefs influence a person to achieve a particular goal. Bandura (1977) stated the level of motivation and action based on what they believe. Individual's perception of self-efficacy has a strong influence on how a person will act and how the knowledge and skills available will be utilized.

Professionalism: Stevenson et al (1994) stated professional management is characterized by delegating decision-making responsibility, and the use formal control systems. The most important resource in an organization is human resource. The existence of the company is affected by the labor involved, the talents and creativity. Every human being has individual characteristics that differ from others.

Skills and Work Experience: Kolvereid (1996) suggest individuals who have work experience in accordance with their fields will have higher performance than that do not have work experience. Indarti (2008) shows a significant and positive correlation between work experiences with a success rate.

2.2 Organizational Characteristics

Business Type, Ronen and Sadan (1981, in Jin and Mas'ud, 1998) states, different types of business will make differentiate performance. High level performance found in companies engaged in the manufacturing industry. Belkaoui and Picur (1984, in Jin and Mas'ud, 1998) also obtained the same results. Companies engaged in the industrial sector peripherals have a higher tendency to perform alignment performance than companies engaged in core industrial sectors.

Size Business: McMahon (2001) stated the company size significantly associated with better business performance. Larger firms were found to have higher levels performance. This is based on the difference in company size will affect efficiency level.

The Company's Operations Experience: Mahon, (2001), Heart, McGuinness (2000) stated performance on small businesses rely on the background of the company that implemented in business age and company size. The company's performance can not be separated from the business operational experience itself, which means that the longer the operations, the greater the performance level. Bergsten, et al. (2000), in the case of small businesses in Kenya, finds that operating time is not a determinant of organizational performance. In other words, the learning curve has not been sufficiently applied in small business operations.

Capital Resources: Few empirical studies have concluded that the lack of access to capital and credit schemes and the financial system is considered by small businesses as a major hurdle for business innovation (Marsden, 1992, Meier & Pilgrim, 1994). Robinson (1993), found that formal credit sources, albeit with high interest rates, have great contribution to business start-ups in developing countries. Capital to labor ratio is low and may be enough to start a business.

2.3 Contextual

Marketing in East Java, mostly small and micro businesses, use traditional marketing system. Market access is one of the barriers faced by micro and small business (Mead & Liedholm, 1998, Swierczek & Ha, 2003). Smallbone, et al (1995), in a UK study, found that the majority of high growth rates for small businesses affected by the ability to identify the business environment, such as markets and new market opportunities. New market opportunities, including in it, is the existence of new customers for products and services.

Technology, Gundry, et al (2003) stated innovation and technological change has a significant relationship with the market growth. A study in Ireland found that the use of technology, automation, and process innovation are significantly associated with satisfaction at the return on investment (ROI) (Gibbons & O'Connor, 2003).

Access to information and availability of information in the business also become important consideration for small and micro businesses. Access to information is necessary for survival, the initiation and growth of the company (Mead & Liedholm, 1998, Law, 2003). Business contacts and information very useful to measure the individual's perception ability related to the importance information for growth, which is linked to markets and sources of raw materials, technology solutions, design, and government regulations.

Government Support: Government support identified by Reynolds, Lancaster (2001) as one problems faced by SMEs in developing countries. In addition to the lack of financial support, lack of government support becomes obstacles for SME development (Mead & Liedholm, 1998; Swierczek and Ha, 2003).

Business Plan: Business plan awareness is a common obstacle faced by micro and small business (Chaston, 1992). McMahon (2001) states that development of high orientation is significantly associated with better business growth.

2.4 Strategy Focus

Bakos (1998) states the organizations with focus strategy aims to meet the specific customers need with limited resources. Thus, a small business is an ideal venture to serve the consumer nature at current fragmented market. It is becoming increasingly feasible for a company with limited resources to conduct business strategies at niche market (Yelkur & Dacosta, 2001). Miller (1986) explains that company is said to use a focused strategy, if it refers to the extent of the market for products and services. Porter (1994) states if the company wants to increase its business in the fierce competition, companies must choose one of doing business principles, weather product with a high price or low-cost products, not choosing both. Based on that principle, the strategy focuses from Porter (1994) has concentrated on company characteristics at certain market share, in order to avoid competition.

Rangkuti (2002) stated focus strategy concern to a market segment or product that has been recognized. Shermerhorn (2003) states that firm using a focus strategy aims to understand the market through segmentation. Therefore, the company can make optimum services to specific markets or specific customer groups (niche market).

2.5 Corporate Performance

2.5.1 Performance Definition

The company's performance is the results that can be measured and described the empirical condition of a company of any size are made. Performance in this study is measured by the growth of the business. Timmons (1994) states the company's life cycle consists of four stages, namely the slow growth stage, rapid growth stage, maturity stage or growth is rather slow, and stability stage or growth is slow but steady. Garnsey (2001) proposed a fundamental concept to small businesses growth, described as a new growth theory. Greiner (1972) states a relatively stable evolutionary stages is separated by periods of revolution or dramatic changes.

Scmitz (1982), Lambrecht, J. & Donckel, R., (2006), Wilkinson (2002) outlines three conditions that affect the performance of small businesses, namely: (1) a condition relating to employers is skill, (2) conditions relating to the company are preferred strategy, funding, organizational structure, a combination of market and product, corporate culture, and (3) conditions relating to environmental are support infrastructure that provides information and networking efforts, logistical and financial support programs. T.L. Harper (1995) identified a number of prerequisites growth companies, namely the commitment to grow, operate in a high market, have a competitive advantage, skilled and effective management, have a clear vision, having an effective plan, have workers with high motivation and nimble, able to anticipate the company and positioned the company to take advantage of these changes, committed to satisfy customers, and have sufficient capital stock.

3. Methods

3.1 Approach and Research Sites

This study is causal research. The goal is to determine relationship between the variables of individual characteristics, organizational characteristics, contextual and business strategies on the performance of companies in the micro and small business. The design study using cross-sectional data. The unit of analysis is the handicraft industry, export-oriented garment industry recorded in cooperatives office and small businesses in East Java Province.

The questionnaire is an information gathering tool and important in data collection. Once questionnaire is obtained, it made tabulation in figures form, tables, descriptive statistics, and analyzed to obtain the study conclusion. Likert Scale 1-5 is used to measure answer the item relating to the degrees or the tendency of some sub-variables in this study. The questionnaire consists of four sections to measure the performance of the company. First, the information relating to effect of respondent family background, education and training, motivation, professionalism; second, business type, length of operation, sources of capital; third, marketing, technology, access to information, support government and business plans; and forth, the choice of strategy namely low-cost strategy, differentiation strategy and focus strategy.

Although questionnaire used in this study generally have proven validity and reliability, but it need to re-test to ensure the questionnaire is appropriate or accurate to use in context of this study. Before used to collect data in the field, questionnaire should be tested the validity and reliability. Validity is used to determine the extent instrument used can measure what is to be measured. Reliability is used to determine the instrument measurement could to be believed (Sugiono, 1988).

3.2 Sample and Data Collection

The population in this study, all micro and small craft and garment sectors have exported many as 142 businesses. Shape sampling using random sampling. Collecting data in this study is done in two ways: by (1) mail survey, a questionnaire survey instrument that was sent to the micro and small business owners sampled. (2) interviews were conducted to obtain in-depth information and expand the object of study, identify problems, and confirm the results of the discussion and analysis of 132 questionnaires were sent questionnaires, of that number 124 were returned to the research questionnaire, and 102 that can be analyzed. The sample 102 micro and small enterprises, with the following criteria : (1) it has been in operation at least for 3 years. (2) Has a net worth of Rp. 500,000,000 (five hundred million), excluding land and buildings. (3) It has annual sales Rp. 2.5 million; (two billion five hundred million). (4) Owned by Indonesian citizen. (5) The company is individuals or legal entities, stands alone and is not a branch of other company. (5) The company has maximum 19 workforce (including the owner / manager). (6) The Company listed on Department of Cooperatives and SMEs East Java Province. Sample was determined by using random sampling area technique. Area random sampling is population division into four (4) East Java Bakorwil Area (Pamekasan, Madiun, Malang, Bojonegoro). Total sample that must be used is between 100-200, with respect to causality models used, i.e., Structural Equation Modeling (SEM) (Ferdinand, 2002).

Table 1: Background of Respondents

| No | Description | % |
|----|---------------------------|-------|
| 1 | Sex: | |
| | Man | 67,96 |
| | Female | 32,04 |
| 2 | Level of Education | |
| | Elementary School | 6,7 |
| | First high school level | 18,4 |
| | On the high school level | 54,6 |
| | College | 23,3 |
| 3 | Old Business | |
| | 3-8 years | 30 |
| | 9-14 years | 29 |
| | 15-20 years | 28 |
| | 21-21 years | 10 |
| | 27-31 years | 13 |
| 4 | Parents Work | |
| | Entrepreneur | 73,79 |
| | PNS / TNI, Police | 7,77 |
| | Employees state / private | 18,44 |
| 5 | Legality of Business | |
| | SITU | 1,94 |
| | SIUP | 95,15 |
| | HO | 0,97 |
| | Do not Have | 1,94 |

Table 1 shows 67.96% of respondents are male gender, 54.6% from high school education, 30% had 3-8 years of business experience, 73.79% parent's employment background is entrepreneur, and 95.15 already have SIUP.

4. Results and Discussion

4.1 Returns Questionnaire and Results

Questionnaires sent are 142 pieces, from that number 124 questionnaires send back to researcher. From total returned, 102 can be analyzed.

Table 2: Structural Model SEM Results: Direct and Indirect Effects

| Results of Inferential Statistics | | | Description | Descriptive K Result Statistic |
|---|-------------|---------|-----------------|--------------------------------|
| Hubungan Antar Variabel | Coefficient | P-value | | |
| Individual Characteristics → Business Strategy | 0.310 | 0.012 | Significant | 3.61 → 2.82 |
| Individual Characteristics → Organizational Performance | 0.406 | 0.002 | Significant | 3.61 → 2.43 |
| Organizational Characteristics → Business Strategy | 0.242 | 0.049 | Significant | 3.52 → 2.82 |
| Organizational Performance → Organizational Characteristics | 0.111 | 0.340 | Non Significant | 3.52 → 2.43 |
| Contextual → Business Strategy | 0.401 | 0.002 | Significant | 3.16 → 2.82 |
| Contextual Organizational → Performance | 0.049 | 0.698 | NonSignificant | 3.16 → 2.43 |
| Business Strategy → Organizational Performance | 0.487 | 0.004 | Significant | 2.82 → 2.43 |
| X2 → Y2 □ | 0.118 | | Significant | |
| X3 → Y2 □ | 0.195 | | Significant | |

Data Sources: Primary Data Processed, 2011

Description:

□ Indirect Relationships

In addition to using descriptive statistics, the correlation and regression analysis was used. Before applying the analysis, validity and reliability of research instruments performed using factor analysis and Cronbach alpha values. Table 2 summarizes the independent variables score that are considered important in influencing company performance. Individual characteristics (mean = 3.61), organizational characteristics (3.52), and contextual information access (3.16) and business strategy (2.82) is considered a less important factor in running the company. Regression analysis was then used to examine the relationship between nine independent variables (see Table 2) and corporate performance.

4.2 Discussion

4.2.1 Characteristics Influence Individuals with Business Strategy

Based on analysis, coefficient individual characteristics influence on business strategy is 0.310 is, p-value for 0.012. The results of this study indicate, higher individual quality, especially parents jobs background, value of loading factor of 0.724, and education and training value 0.716, it can be said that in deciding strategy can not be separated from support and role the family and level of education and training followed. Family support and education and training affect motivation and entrepreneurial attitudes. The results are consistent with the opinion of Storey (1994) that successful strategies for small businesses affected parental background, level of education, motivation and an entrepreneurial attitude. Hill and Jones (1998) say the success of the strategy depends on ability of company's resources, as well as additional resources.

Coefficient the effect of individual characteristics on company growth is at 0.406, with a p-value of 0.002, and average value of 3.61. Empirically have been recognized the quality of human resources has a large role in influencing organizational performance, especially family background and level of education and training. Although they perceive that motivation, entrepreneurial attitude and commitment are the main factors affecting performance, with an average value of 4.24, but in fact, the performance of micro and small business in East Java largely determined by family's role in decision-making. Thus, it can be said the family support in making decisions and implementing the results of training are the main factors affecting the organization performance, in addition to motivation, commitment and entrepreneurial attitude.

Effect the organization characteristics on business strategy is 0.242, with p-value for 0.049. Type of business options, consists of considerations in choosing a business to be developed today, risk frequency of the business running, availability of resources, to standardize coefficient (loading factor) of 0.791; the operation duration, with standardize coefficients (loading factors) of 0.763, which consists of the level of effort stability, consistency in running the business; as well as the source of capital, to standardize coefficient (loading factor) of 0.593, consists of three indicators namely level of dependence on external capital, capital adequacy and ease in

seeking additional capital. If connected to Jeffrey Ray (1997) the micro and small entrepreneurs in East Java, in choosing a strategy, very concerned about the risk to be faced. This indicates that the consideration of risk becoming the top choice for micro and small entrepreneurs.

4.2.2 Effect of Organizational Characteristics on Organizational Performance

Coefficient the effect of Organizational Characteristics on Organizational Performance is 0.111, with a p-value of 0.340. P-value > 0.05 indicates that hypothesis "there is no effect between Organizational Characteristics on Organizational Performance" was rejected. This indicates, regardless the value of Organization characteristics, it will have no effect on business performance level. This hypothesis was rejected because in the case of micro and small business in East Java, has a value of 3.52 for the average business experience and the availability of capital resources, as well as business experience has not been sufficient to support the business performance level. This is understandable, although the source of capital and business experience is available. If it is not followed by good strategy application, it will not be able to drive organizational performance.

Based on analysis the indirect effects firm characteristics on organization performance through business strategy, the indirect effect coefficient obtained by $0.310 \times 0.487 = 0.118$. Since both direct effects (organization characteristics on business strategy, and business strategy to organizational performance) are significant, it can be said there was a significant indirect effect between organizational characteristics to organizational performance through business strategy. The indirect effect coefficient is positive. It indicates the higher organization characteristics, the higher organization performance, if value the business strategy also higher.

The study's findings reinforce research findings Bigsten et al, (2000) in the case of small businesses in Kenya, that organization characteristic, which is interpreted as a operation duration of the company, directly is not a determining factor for company success. However, this study also differ with Kristiansen, Furuholt, and Wahid (2003). Islam (2011) said the key to success lies in experience of small business operations, company location, and company size. Experience plays an important role in business sense building, which can not be replaced because the knowledge gained from formal education. Thus, based on the findings of Bigsten et al, can be formulated there is an indirect effect the firm characteristics on performance of micro and small business.

4.2.3 Contextual Influence on Business Strategy

Coefficient the effect of contextual variables on business strategy is 0.401, with p-value of 0.002. P-value < 0.05, with an average value 3.16, indicating that hypothesis "there is no effect between contextual on business strategy" is accepted. This indicates that, the higher contextual value, the higher business strategy. Information access aspects has coefficient standardized (loading factor) 0.749. It was the highest factor loading on contextual variables. Thus, the highest influence in determining the business strategy on micro and small business in East Java is strongly influenced by entrepreneur's ability to gain access to information, whether the information relates to technology changes, capital, raw materials and sources of information relating to government regulation.

The results are in line with Porter thinking. Companies implementing strategic focus, namely company with limited resources condition can achieve economies of scale, if the company is able to obtain sustainability in the supply of raw materials. The results similar with previous studies, who received the relation between contextual on organization strategy, demonstrated the important role of information and marketing in supporting the business strategy implementation.

4.2.4 Contextual Effect on Organizational Performance

Coefficient the effect of contextual influences on business performance is 0.049, with a p-value 0.698. P-value > 0.05 indicates that the hypothesis "there is no effect between contextual variables on company performance" was rejected. This indicates that, regardless the value of contextual variables, will have no effect on company performance level.

Based of indirect effects analysis between contextual variables on corporate performance through business strategy, the indirect effect coefficient is obtained by $0.401 \times 0.487 = 0.195$. Due to the both direct influence (contextual variables to business strategy, and business strategy to organizational performance) are significant, indirectly, it can be said the better contextual then the better company performance, if the strategy adopted in accordance with company requirements. The coefficient indirect effect is positive. It indicates, the higher contextual variables value, the higher organization performance, if the value of business strategy also higher. The results can prove the context indirectly affect the business performance. The best marketing and information aspect that possessed by micro and small business in East Java, without being followed by the selection and implementation of appropriate strategies will have no impact on business performance. Thus, it can be said the similarity of this study results with Edward M. Jr. (1993), can proved that micro and small

entrepreneurs, in effort to achieve success, less attention to the importance of the distribution channels, technology support, government support, and planning.

4.2.5 Influence Business Strategies for Organizational Performance

Coefficient the effect of business strategy on company performance is 0.487, with p-value of 0.004. P-value <0.05 indicates that the hypothesis "there is influence between business strategy and company performance" is accepted. This indicates that, the higher business strategy value, the higher performance. Factor selection strategies have 3 dimensions. Focused strategy, which includes status of groups buyer based on social status, geographic area served by the company, obtain standardize coefficients (loading factor) of 0.750. The low-cost strategy, which includes the adequacy of capital owned, ease in finding additional capital and efficiency the distribution channels than competitors, has standardize coefficients (loading factors) 0.514. Differentiation strategy, which includes the stature of products, after-sales service, price level, has standardize coefficient (loading factor) 0.724. Based on these indicators, the company growth is strongly influenced by the strategy choice adopted by the company, primarily focus strategy.

The research proves the business strategy adopted by most of micro and small business in East Java is focus strategy. Although the respondent's perception results said the chosen strategy is a low-cost strategy, with value of 3.66 and focus strategy of 3.21, however, the highest factor loading is obtained by strategy focus of 0.750. That is, the focus strategy is widely adopted by most micro and small business in East Java. Focus strategy adopted by many micro and small business export-oriented in East Java, illustrates the limitations of micro and small entrepreneurs in running company at international arena. It can be proved, although the goods produced by them are entered in international markets (Singapore, Malaysia, Japan and Europe), but they have not been able to transact directly with the overseas buyer and still rely on agents.

The results are consistent with previous research results. If company implement focus strategy, then it should focused on a market segment or identified product, with a limited area (Rangkuti, 2002). Companies that implementing focus strategy will focus the business on a relatively small group of buyers or a portion of a limited product line. Porter (1994) also states, a key business strategy options that should be considered by policymakers is: preparedness resources, skills, assets, organization and level of competition.

Bakos (1998) stated the company implemented a focused strategy to fulfill the special customer wishes, with limited resources. The strategy is ideal for businesses with limited resources and playing in a niche market using focus strategy (Yelkur & Dacosta, 2001). Miller (1986) said the company is said to use focus strategy, if it refers to extent the market for the product/service. Thus, based on the research results from other researchers, as well as the results of this study, it can be said the reasons for focus strategy usage for micro and small business in East Java is the lack of capital, knowledge, marketing, and less brave in taking market risk.

Overall, it can be said the focus strategy options for micro and small business in East Java are directly influenced by individual characteristics, with the main factors is family support; organizational characteristics, with primary factor is ability to manage business risk; contextual, with a major factor is ability to gain access to information. Based on performance, the role of family support has a direct effect on organizational performance level. On the other hand, the ability to manage risk and access to information does not affect the organization performance. However, the ability to manage business risk and access to information itself has an influence on the performance of micro and small business in East Java, if followed by the selection and implementation of good focus strategies.

5. Conclusions and Recommendations

5.1 Conclusion

Based on these research results, it is concluded that, with the improvement of family involvement in organization decision-making, it create increased commitment and motivation and accuracy in determining the strategy, which in turn play a role in improving the company performance. Strategy choice and corporate performance in the micro and small business in East Java depends on how much family support in making decisions.

Business experience, preferred sources of capital and risk management as a comparative advantage to compete in global marketplace, does not impact on business growth itself. Contextual, that should be a concern for small and micro businesses to further grow, even getting less attention, so contextual no impact on company performance.

The strategy widely adopted was focus strategy. Corporate profits accumulation at the micro and small business are used to increase capital reserves. It is also used to increase employment, increase in sales and assets additional.

5.2 Suggestion

Based on the previous analysis and discussion, which has been summarized in the conclusion, some suggestions can be given either for practice or development of subsequent research:

Micro and small business need to maintain the support of the family in every corporate decision-making. In addition, they need to improve the skills and professionalism attitudes, particularly in financial reporting administration and import export knowledge, so access to export markets are no longer dependent on agent.

Tight competition level can be anticipated by finding new niche markets, for example through the exhibition organized by Ina Craf, Jakarta Fair and exhibitions abroad. They can join to Department of industry and commerce, as well as the Department of Cooperatives and SME banking institutions such as Mandiri Bank, BNI 46 Bank and Jatim Bank. This condition can be achieved if small and micro businesses can use information and web access via the government, universities and BDSPs / KKMB.

Planning efforts need special attention, especially in product planning. Focus strategy that adopted by the company requires close attention to product focus.

Governments need to evaluate policies that have been issued. Institutional Strengthening done by training materials that suitable with industry needs, doing export import training, marketing strategies, simple bookkeeping for small and micro businesses, either by computer systems or manually. Entrepreneurs should capable and understand the import-export procedures and how to seek global market opportunities as well as to determine the development of his business. For the government and other stakeholders who have a CSR program, should form a CSR forum. It hoped the program makes small and micro businesses more focused and effective.

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