

ABSTRACT

Phenomenon in this study is the performance of SMEs in the Fashion Sector Micro Enterprises Semarang experiencing fierce competition and the still weak. SMEs have a dynamic business environment and full of uncertainty (such as competitors, customers, suppliers, regulators and business associations), as well as the intensity of competition is high enough that the competitiveness of SMEs is becoming weaker, which in turn makes the performance of SMEs to be blocked. There are factors - factors that affect the competitive advantage and ultimately affect the performance of SMEs in the Fashion Sector Micro Enterprises Semarang. The purpose of this study was to analyze the effect of entrepreneurial orientation and adaptation to the external environment on competitive advantage and performance of micro enterprises MSMEs fashion sector in the city of Semarang.

The population selected in this study were all SMEs assisted the Department of Cooperatives and SMEs Semarang is a 11 585 SMEs. The number of respondents that used in this study were 150 SMEs Semarang engaged in the Fashion Sector. The sampling technique in this research is purposive sampling method. The method of collecting data is by using a questionnaire. Data analysis method used is Structural Equation Modelling.

Based on research, entrepreneurial orientation and adaptation to the external environment positive effect on competitive advantage, entrepreneurial orientation and adaptation to the external environment does not affect the performance of SMEs, while the competitive advantage on the performance of SMEs. In the case of tests fit model, stating that the model has a good fit. So, from this we can conclude that the model has a fairly good fit to predict buying interest..

Keywords: entrepreneurial orientation, adaptation to the external environment, competitive advantage, the performance of SMEs.