

ABSTRACT

The objective in this study is to analyze how entrepreneurship social competency can improve its business network and adapt with the external environment, in order to reach its competitive advantage and business performance and how will competitive pressure affect its innovative creativeness.

The sample in this study is batik SME at Pekalongan Municipality, Central Java Province. The population in this study is the entire owner and or the manager of batik SME. The amount of the sample for this study is 197 respondents. Data for this study is collected via direct interview with respondent and batik expert. Secondary data is taken from Disperindagkop, Indonesia Batik Museum, and Statistic Bureau in Pekalongan. Data analysis uses statistic descriptive and quantitative.

The analysis result in this study evidences that entrepreneurship social competency can improve the amount of business network, competitive advantage and business performance of SME. Another results from this study shows that there is no influence of accessibility of government support on competitive advantage and business performance of SME, since not all respondent in this study can access and get government support. This study also proves that there is no influence of business environment adaptability on competitive advantage since the respondent feel that Pekalongan batik is the leading product in its market. There is no influence of competitive pressure on innovative creativeness, because of innovative creativeness entrepreneurship driven emerge.

Theoretical contribution from this study will increase the RBV, social capital and entrepreneurship literature especially with a new concept developed for this dissertation, namely the entrepreneurship social competency. Managerial implication from this study is the development of competitive advantage and SME performance through entrepreneurship social competency and business network.

Keywords: Entrepreneurship Social Competency, Competitive Advantage and Business Performance of SME