

ABSTRACT

This study examines the effect of entrepreneurial orientation and family capital on competitive advantage to improve business performance (study in the furniture industry in Jepara Regency). The rapid development of the furniture industry in Jepara some time ago has become a worldwide phenomenon, the fact of the majority of businesses in Jepara Regency is a family-run business is interesting to examine. This study aims to analyze the effect of entrepreneurial orientation on competitive advantage and the performance of family companies in the furniture industry in Jepara Regency, to analyze the effect of family capital on competitive advantage and family company performance in the furniture industry in Jepara Regency, to analyze the effect of competitive advantage on the company's performance in the furniture industry in Jepara Regency.

The sample of this study is 150 family business units in the Jepara family furniture industry. This study uses a sampling method with data collection conducted by giving questionnaire forms to the respondents. The analysis technique used to analyze the data obtained is the Structural Equation Modeling (SEM) technique using the AMOS application.

The conclusions from this research are (1) Entrepreneurial Orientation has a positive effect on Competitive Advantage. (2) Family capital has a positive effect on Competitive Advantage. (3) Entrepreneurial Orientation has a positive effect on Business Performance. (4) Family capital has a positive effect on Business Performance. (5) Competitive Advantage has a positive effect on Business Performance.

Keywords: Entrepreneurial Orientation, Family Capital, Competitive Advantage, and Business Performance