

ABSTRACT

The problem that arises in garment MSMEs in Central Java today is that local MSMEs do not have an advantage in product competitiveness compared to attacks by similar products originating from abroad. The company's inability to build its business competitiveness has made the sales turnover of garment MSMEs in Central Java has decreased over the last few years. Based on gap research in previous research, it is assumed that competitive advantage and business performance are influenced by entrepreneurial orientation, quality of strategic planning and intellectual capital.

The population chosen in this study were all garment MSMEs in Central Java. The sampling technique in this study was purposive sampling method with a sample of 116 MSME garment owners in Central Java. The data collection method is by using a questionnaire. The data analysis method used is Structural Equation Modeling.

Based on the research, entrepreneurial orientation, quality of strategic planning and intellectual capital have a positive effect on competitive advantage. Entrepreneurial orientation has no effect on business performance. Planning quality, intellectual capital and competitive advantage have a positive effect on business performance.

Keywords: entrepreneurial orientation, quality planning, intellectual capital, competitive advantage, business performance.