

ABSTRACT

The purpose of this research is to test the influences of perspective of entrepreneurial orientation; environmental adaptability; and strategic orientation on competitive advantage to increase bussiness performance. Using these variables, the usage of these variables are able to solve the arising problem within UMKM operated on Mall Semarang.

The samples size of this research is 245 manager UMKM operated on Mall Semarang. Using the Structural Equation Modeling (SEM). The results show that the perspective of entrepreneurial orientation; environmental adaptability; and strategic orientation on competitive advantage to increase bussiness performance.

Environmental adaptability as dominant variable to increase business performance mediating competitive advantage, second strategic orientation and third perspective of entrepreneurial orientation. The implications are suggested to SMEs, so that SMEs should be able to create competitive advantage through market management and production management was superior to the others; in the context of a marketing strategy, SMEs must be able to distribute products quickly at competitive rates. In the context of entrepreneurial orientation perspective, SMEs should emphasize patterns of innovation / creativity and have the courage to take risk. .

Keywords: perspective of entrepreneurial orientation; environmental adaptability; strategic orientation, competitive advantage, and bussiness performance.