

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Due to rapid changes in Furniture business, competition among company has also increased. Without having entrepreneurial characteristic and action to it, companies today do not have the ability to achieve higher levels of success. For ensuring survival and long-term growth, company must be able to effectively deploy its well characteristics to successfully compete in the market. Among these internal resources, entrepreneurial characteristics is considered as one of the key resources that facilitate company to seek new ways for improving the revenue streams, increase the chances of success in market and effectively utilize the company's resources. In this regard, entrepreneurial characteristic of companies can be considered as their desire to achieve the benefits of new opportunities and commitment to ideas and innovation and deployment of changes to maximize the efficiency of existing processes.

Lewicki (2016), Entrepreneurial Performance is the individual's ability to be effective in many careers (e.g., Medication, Store, Suppliers, Marketing, etc.) help to achieve better outcomes in negotiations, to obtain company success. There are changes in the business environment. Therefore, companies for a long time are not able to maintain its market position, and are required improving their performance through the use of mechanisms such as entrepreneurship. Entrepreneurship in the company's processes requires innovation to operate well. Entrepreneurial characteristic helps an organization in attaining the superior

organizational performance and sustainable competitive advantage. Entrepreneurial characteristic refers to the processes, practices, and decision-making activities that lead to new entry.

Yun (2017), Among these factors behind the performance of 6 venture businesses, entrepreneurs characteristics are critical factors because most venture businesses are established from an entrepreneurs idea and they have a small organizational structure. In addition, many entrepreneurs make important managerial decisions and their background and traits affect other members of the organization strongly.

PT Ahlindo Perkasa Alam as the research object of this research is an international company which engages in exporting Furniture and Mebel industry. It can be seen that PT Ahlindo Perkasa Alam is dealing with several countries when exporting the products to the buyer. The writer believes that in doing its business, PT Ahlindo Perkasa Alam will probably be faced to deal with the Entrepreneurial characteristic challenges as exporting products to different countries might possesses its own challenges.

The company's performance at PT Ahlindo Perkasa Alam has decreased. This is reflected in the decline in company sales for the last 3 years, namely 2018 to 2020. The following is the sales table of PT Ahlindo Perkasa Alam, namely

Table 1.1
Sales Data of PT Ahlindo Perkasa Alam
2018-2020

Year	Total Sales
2018	95,587,865,000
2019	90,881,697,000
2020	85,876,963,000

Sources: PT Ahlindo Perkasa Alam, 2021

In 2018, total sales were Rp 95,587,865,000 while in 2019 it decreased to Rp 90,881,697,000 while in 2020 Rp 85,876,963,000. In 2020, the company's performance has decreased quite significantly, this is due to the main factor of the Covid pandemic where the company has not been able to adapt to the economic system in 2020.

In addition, the reflection loss performance of the company with increased absenteeism of employees that have an impact on the productivity of the employees so that caused a lot of complaints consumers because the product is not finished on time.

Table 1.1
Absenteeism Data of PT Ahlindo Perkasa Alam
2018-2020

Year	Total Absenteeism
2018	48
2019	52
2020	69

Sources: PT Ahlindo Perkasa Alam, 2021

Baron (2018), Entrepreneurship can be defined as a field of business that seeks to understand how opportunities to create something new (e.g., new products or services, new markets, new production processes or raw materials, new ways of organizing existing technologies) arise and are discovered or created by specific persons, who then use various means to exploit or develop them, thus producing a wide range of effects. Formatting an entrepreneurial attitudes and culture is not fast, it needs a long stages. One of the things that can be done is to integrate the attributes of an entrepreneurial spirit. However, it should be noted that there are so many characteristics of an entrepreneurial spirit from various entrepreneurial sources and experts. To support these efforts, it is necessary to

carry out relevant studies to extract the character of the entrepreneurial spirit into the dominant factor as an attribute the main spirit of entrepreneurship. Entrepreneur characteristics are qualities that help entrepreneurs achieve their goals. An entrepreneur is someone who creates, organizes and runs their own business.

The success of the organization/business will be determined by the skill and ability (competence) not only of the owners/ managers but also the employees. Entrepreneurial competency such as the ability to convey the vision and goals has an influence on business growth (Baum and Edwin, 2017). The role of the decision maker should be focused on the development of entrepreneurial competence. Entrepreneurial competence played an important role in the organization's capabilities and the scope of the competition, and also directly affected the performance of the company. Entrepreneurial competencies could be a positive influence in new product development for the medium and long term, but negatively for the company's short-term profit (Sancez, 2018).

An entrepreneur is a person who creates a new business and is prepared to take the risks and uncertainty inherent in this, in order to achieve profits and growth by identifying significant opportunities and combining resources so these necessary resources can be capitalized (Zimmerer and Norman, 2018). Entrepreneurship is the process of creating something new and of a certain value by using the required time and effort, financial risk, physical and social risks, to receive monetary rewards and personal satisfaction and independence (Hisrich et al., 2008). The role of entrepreneurship in economic development includes more than just an increase in output and income per capita; it also includes the initiative

and determination to make changes in the structure of business and society. Government, as one of the mediators to commercialize the results of the combination between social and technological needs. Corporate entrepreneurship is a business entrepreneurship which might merge the gap between science and market. While independent entrepreneurship creates new organization to bridge the gap between science and the market.

Entrepreneurial characteristics in companies are difficult to implement and implement properly during a pandemic because of the difficulty of increasing sales in a consumer economy that is not yet supportive of purchasing. In addition, superiors also find it difficult to motivate employees in triggering an increase in the company's performance because the company is also experiencing difficulties due to the lack of company revenue. Leader still do not have skills in being more adaptable this pandemic, so they need more learning. Lack of system planning in the company related to health protocols that still need to be improved and monitored more closely so that employees feel comfortable and safe at work so they don't have to be afraid.

Based on description above, the writer is interested to conduct a research with the title **“The Effect of Entrepreneurial Characteristic Towards Company Performance at PT Ahlindo Perkasa Alam”**.

1.2 Problem Limitation

Due to the discussion does not deviate from the existing problems, this research will be limited on the discussion about **“Entrepreneurial Characteristic Towards Company Performance at PT Ahlindo Perkasa Alam”**.

1.3 Problem Formulation

Based on the observation that is done by the writer during the research at PT Ahlindo Perkasa Alam, the writer finds several problems being faced as follows.

1. How is the entrepreneurial characteristic of PT. Ahlindo Perkasa Alam?
2. How is the company performance of PT. Ahlindo Perkasa Alam?
3. Does the entrepreneurial characteristic have impact to company performance at PT. Ahlindo Perkasa Alam?

1.4 Objective of the Research

The objectives of the research are as follows:

1. To describe the entrepreneurial characteristic of PT. Ahlindo Perkasa Alam
2. To assess the company performance of PT. Ahlindo Perkasa Alam
3. To identify whether there is the Effect of entrepreneurial characteristic to company performance of PT. Ahlindo Perkasa Alam.

1.5 Benefit of the Research

From doing this research, the company will know how the worker give the best performance. If the worker can give the best, so the performance of worker or service will be better.

1. Theoretical Benefit

The Practical aspect and uses of theoretical study. The research on the management can help student to have better understanding the problem that

the company is facing, and this information might solve the company's problem and allow researchers to achieve their academic mission.

2. Practical Benefit

- a. The writer, this research can add knowledge about research variable theoretically. The writer can then implement the theory and research results in future.
- b. For the company, this research can be used as input material its conducting business effectively and implementing entrepreneurship characteristic appropriately.
- c. For the other researchers, this research can be used as reference for similar to