

**Improving Small Business Performance Through Entrepreneurship
Insight, Market Orientation, Knowledge Sharing, Innovation & Business
Strategy (Study of the Used Clothing Industry in Medan City)**

Tapi Rondang Ni Bulan¹, Ani Murwani Muhar², Ade Ira³

Harapan University Medan^{1,2,3}

ARTICLE INFO

Article history:

Received: 20 August 2023

Revised : 26 August 2023

Accepted : September 2023

Keywords:

Entrepreneurship Insight,
Market Orientation,
Knowledge Sharing,
Innovation, Business Strategy,
Business Performance

ABSTRACT

This study uses a quantitative approach to conduct an associative study. In order to improve the performance of small firms, this study attempts to establish the relationship between influencing entrepreneurship insight, market orientation, knowledge sharing, innovation, and business strategy. Because the data that will be utilized to investigate the relationship between variables is expressed in numbers or on a numerical scale, this study takes a quantitative approach. The population and samples used in this study were all business owners of imported items used with an amount that does not have a nominal value in the city of Medan, and 100 samples were taken from this study. The results of this study indicate that entrepreneurship insight, market orientation, knowledge sharing, innovation.

This is an open access article under the CC BY NC license



Corresponding Author:

Tapi Rondang Ni Bulan

Harapan University Medan

Email : tapinibulan@gmail.com

I. INTRODUCTION

The import of used clothing, which is currently mushrooming in almost every region of Indonesia, has become a polemic regarding the current problem of importing goods in Indonesia, one of which is in Medan, which is a city filled with stalls. where imported used clothes are traded at very cheap prices. This certainly attracts the interest of buyers, especially from the lower middle class, who believe that buying second-hand imported clothes is not a problem because the prices are cheap and the clothes are still fit to wear, they even want to look for clothes with certain brands and that are "not out of date." "

Because most second-hand clothes contain well-known foreign brands and clothing styles that are not available on the market, second-hand clothes have become one of people's goals to get their own style from others. These second-hand clothes, on the other hand, are not very expensive, so people can save money. Used clothing is clothing that has been worn before and is imported from countries such as Singapore, Malaysia and Korea.

Considering the importance of having potential business performance, it is necessary for import used goods business actors to have the right strategy. For this reason, it is necessary to know whether there is an influence on improving performance. Performance can be said to be

the achievement of work results that comply with the rules and standards of each work organization. Simamora (2001:327) says that performance is an achievement of certain job requirements which ultimately can be directly reflected in the output produced, both in quantity and quality. Apart from that, orientation is also a factor that can influence entrepreneurial performance.

Market orientation helps businesses in developing plans and tactics to gain a better understanding of the market (Vorhies, Morgan and Autry, 2009). Market orientation provides a better understanding of the environment, and market-oriented organizations can better meet client needs (Grainer 2005). In this case, Knowledge Sharing is also needed in an effort to improve performance.

Knowledge Sharing.e. Individuals and company units engage and communicate to share their knowledge (Visvalingam Suppiah and Manjit Singh, 2011). The frequency and quality of employee engagement, as well as the willingness and ability to use knowledge, determine the success of knowledge sharing. Sharing knowledge can foster an entrepreneurial spirit towards better business performance. Apart from sharing knowledge, innovation can also be a reference in improving optimal business performance.

Innovation is an important component in developing optimal performance (Price, Stoica, & Boncella, 2013). With the main aim of producing a product, innovation also involves technical, physical and knowledge processes.

In establishing optimal business performance, the role of the right business strategy is needed. According to Joewono (2012:3), business strategy is a goal-oriented strategy which is often analogous to chess strategy, where systematic thinking, planning, agility in taking steps, courage in taking risks, and the desire to win the game are some of the characteristics of the game of chess. can be applied to business management practices

Objectively, this research aims to develop concepts sourced from empirical research models to improve optimal performance. Therefore, to bridge these objectives, this research discusses several new indicators, namely entrepreneurial insight, market orientation, knowledge sharing, innovation, business strategy, process and service improvement, and resource capabilities to improve performance.

II. METODE

Entrepreneurship Insight

(Zulfikarand Rusdianto, 2018:49) Business Performance is a general term used in part or all of the actions and activities of an organization in a period with reference to a number of standards such as past costs projected on the basis of efficiency and the like.

Business performance built on integrated business strategy, innovation, entrepreneurial ability, and knowledge sharing ability, is incomplete without a market orientation approach. As global competition increases and client expectations evolve, market orientation is critical for businesses. Market orientation is a commitment to continue to innovate to provide better value to customers. Rajapathirana and Hui (2018) also emphasized the importance of developing and increasing the value of original products through adding features as part of exploitative innovation, as well as using machines to replace human labor.

Indicators of entrepreneurial insight according to Kuntowicaksono (2012:49) include:

- a. Entrepreneurial knowledge
- b. The role of entrepreneurial knowledge in simplifying problems
- c. The role of entrepreneurial knowledge in increasing the dignity and worth of life

Market Orientation

Distanont & Khongmalai, (2018) state that market orientation is based on customer, supplier and industry orientation. Customer orientation is an effort made by industry that leads to customer-oriented creation. Khongmalai (2018) states that market orientation is based on customer and industry orientation. According to Ellitan (2009:36) states that innovation can also be interpreted as change which includes creativity to create new products, services, ideas or new processes that are developed inside or outside the company.

According to Kotler (2009:12) includes:

- a. Consumer orientation
It is an organizational culture that constantly seeks information about consumer needs and desires and tries to fulfill them.
- b. Competitor Orientation
It is the company's willingness to monitor its competitors, by seeking information about the strategies offered by competitors in order to win market-oriented competition.
- c. Coordination between functions
Coordination between interrelated functions is demonstrated through the dissemination of market information to organizational members in marketing and product development activities.

Knowledge Sharing

Knowledge Sharing is a method or step in the knowledge management cycle that is used to provide opportunities for members of a group or organization to share knowledge with other members. Knowledge sharing is a method or one of the steps in knowledge management that is used to provide opportunities for members of a group, organization, agency or company to share knowledge.

According to Subagyo (2007:2), he developed the concept of knowledge sharing with an entrepreneurial approach where transformational and authentic entrepreneurs are people who are responsible for creating knowledge sharing in their business. Tjiptono (2012) states that customer satisfaction is a response from customers to evaluations and perceptions of the difference between initial expectations before purchasing and the actual performance of the product as perceived after using the product in question.

According to Matzler et al (2008), the indicators used to assess the success of implementing knowledge sharing are as follows:

- a. *Embedded knowledge*, Through formal study, you can gain knowledge about an individual's conceptual skills and cognitive capacities (learning while learning). Consider mental and cognitive talents as an example.
- b. *Embodied knowledge*, The ability of a person's body to perform activities without verbal representation of a concept. A person's knowledge is formed from previous experience. Example: knowledge based on experience or learning by doing.
- c. *Enculturated knowledge*, Organizational members use affective and cognitive processes to understand, explain, evaluate, and construct reality. The assumptions and beliefs used to obtain new values and information are also included in this knowledge. Example: mutual understanding, etc.
- d. *embedded knowledge*, Tacit knowledge embedded in an organization's routines, practices, values, conventions, and overall shared beliefs. Examples: company specific routines and procedures, etc.
- e. *Encoded knowledge*, knowledge that has been codified and is in explicit form. Examples: books, work guidelines, job descriptions, etc.

Innovation

Innovation are new creations (in material or intangible form) that have significant economic value, which are generally carried out by companies or sometimes by individuals (Edquist, 2001).

Rajapathirana and Hui (2018) found that innovation success factors are pursued through innovation capability, type of innovation, innovation performance, market performance, and financial performance. In measuring the innovation market, Rajapathirana and Hui (2018) used technology-based fulfillment techniques and promotions to monitor sales movements.

According to Edquist (2001) innovation is new creations which include: - Ideas, capable of creating new creations in material form or those that have economic value. Ideas, can provide effective ideas, objects, practices

Business Strategy

Business strategy generally defines the approaches, tactics, and strategic plans that you can adopt for your business to attract more customers and maintain the loyalty of existing customers so that the business can achieve its goals.

According to Hariadi (2003; 34), strategy is a division-level strategic plan that outlines how to improve the competitive position of a product and how to develop products in certain industries or markets supplied by the division.

According to Hashim (2001), business strategy variable indicators include:

- a. Innovative
- b. Risk Taking
- c. Working area
- d. Marketing

Relationship between Entrepreneurship Insight and Business Performance

The ability of business actors to develop the skills of their employees well will make them superior by implementing the entrepreneurial insight model to be able to improve business performance through indicators applied to entrepreneurship insight which of course will have a significant effect on business performance because in entrepreneurship insight business capabilities will continue to increase, by being able to motivate internal business and being able to influence subordinates with entrepreneurial insight which will have a positive impact on business performance, this hypothesis is formed:

H1: Entrepreneurship Insight has a positive and significant impact on Business Performance

The Relationship between Market Orientation and Business Performance

According to Adinoto (2012), a strong market orientation in a company will be able to provide offers and provide better satisfaction to buyers and the company will obtain greater results from the offers provided. This of course has an effect on business performance for market orientation. So the following is the research hypothesis:

H2: Market Orientation has a positive and significant effect on Business Performance

Connection Knowledge Sharing on Business Performance

Yusuf (2012) said that knowledge sharing is a concept of interaction that occurs between two or more people in order to develop and increase their knowledge. Based on this theory, it can be further indicated that one of the efforts that can be made by organizations to improve business performance is by implementing (knowledge sharing), So this research hypothesis is formulated:

H3: Knowledge Sharing has a positive and significant effect on Business Performance

The Relationship between Innovation and Business Performance

According to Akgiin, (2010:44) innovation is defined as opening the door to both global and international competitive advantage through: providing the market with new or unique products/services; creating barriers to entry that provide the resources necessary to foster innovation through learning; and creating new values that shape the rules of the competitive environment. and of course this will have a positive and significant impact on business performance then the hypothesis in this research can be formulated:

H4: Innovation has a positive and significant effect on business performance

Connection Business Strategy on Business Performance

Determining business strategies carried out by companies facing a business environment such as analyzing the environment, formulating strategies and implementing strategies in determining different business strategies will influence business performance results. then the hypothesis in this research can be formulated:

H5: Business Strategy has a positive and significant effect on Business Performance

Relationship between Entrepreneurship Insight, Market Orientation, Knowledge Sharing, Innovation, Business Strategy and Business Performance

Business actors will of course determine the right strategy between one business strategy and another. This is related to how business actors can complement the shortcomings of the business strategy being implemented with other strategies. We know that if these strategies complement each other, it will certainly improve business performance. So it can be concluded from the hypothesis in this research:

H6: Entrepreneurship Insight, Market Orientation, Knowledge Sharing, Innovation, Business Strategy have a positive and significant effect on Business Performance

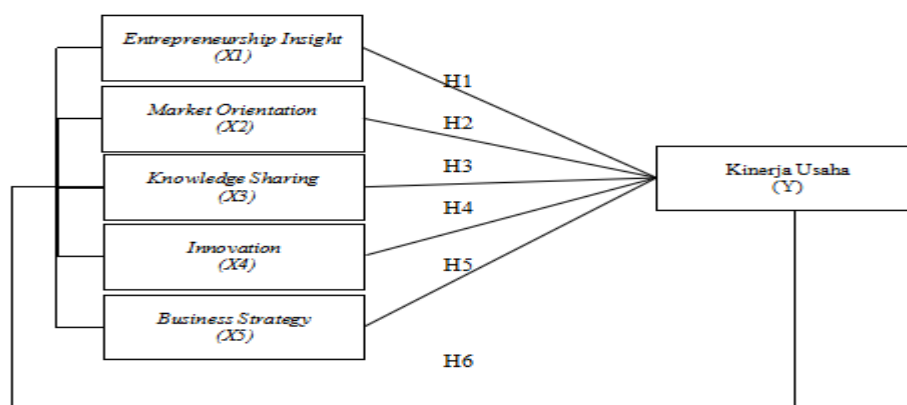


Figure 1. Conceptual Framework

This research uses a quantitative approach by conducting associative research. The aim of causal associative research is to determine the influence of two or more factors (Umar, 2005). This research describes the influence of the variables to be studied and the relationship between their influences. Because the data that will be used to study the relationship between variables is expressed in numbers or a numerical scale, quantitative methods are used (Kuncoro, 2013). This research investigates the impact of entrepreneurship insight, market

orientation, knowledge sharing, innovation, and business strategy in efforts to improve the performance of small businesses.

The location taken to conduct this research was the imported used goods business in Medan. This research was carried out in the 2020-2021 period until completion.

According to Kuncoro (2013: 103) that population is a complete group of elements and usually in the form of people, objects or events that we are interested in studying or becoming research objects. The population used in this research are small entrepreneurs of imported second-hand goods in the city of Medan with no nominal amount.

The sampling technique used is the Non Probability Sampling technique. According to Sugiyono (2016), the Non-Probability Sampling technique is a sampling technique that does not provide equal opportunities for each element or member. obut ppopulation to be selected as a sample. Due to the very large population and time constraints and sample size must be limited. The sampling technique used is convenience sampling. Convenience sampling is the collection of information from members of the population who agree to provide that information.

Dbecause the exact number of used goods business owners is not yet known. According to Hair et al (2010) the minimum number of samples is 5 times the number of indicators. So in this study the sample numbered 100

The research data source is the subject from which the data was obtained (Arikunto 2013:172). Primary data sources are data sources that directly provide data to data collectors (Sugiyoto, 2012: 137).

In this study, researchers used an online questionnaire created using Google Forms which was given to each respondent via WhatsApp. The questionnaire contains a list of questions for business actors regarding the influence of Entrepreneurship Insight, Market Orientation, Knowledge Sharing, Innovation & Business Strategy in improving the performance of small businesses

Table 1. Respondent Profile

Gender	- Man : 53 people - Woman : 47 people
Age	- 20-30 years : 14 people - 31-40 years : 23 people old : 34 people - 41-50 years : 29 people old - 51-60 years old
Long established business	- 1-4 years : 17 people - 5-10 years : 23 people - 11- 15 years : 34 people - 16-20 years : 26 people old

Source: Processed data, 2021

III. RESULTS AND DISCUSSION

Instrument Validity and Reliability Test

The validity test results of all variable items Entrepreneurship Insight (X1), Market Orientation (X2), Knowledge Sharing (X3), Innovation (X4), Business Strategy (X5) and

Business Performance (Y) have a calculated r value > r table (0.165) so it is stated that all questionnaire items are valid. In the results of the variable reliability test, it was found that the Cronbach's Alpha value for the variable Quality Entrepreneurship Insight (X1) was 0.754, Market Orientation (X2) was 0.872, Knowledge Sharing (X3) was 0.811, Innovation (X4) was 0.852, Business Strategy (X5) was 0.878 and Business Performance (Y) is 0.683. These variables have a Cronbach's Alpha value > 0.600 so they are declared reliable.

Classic assumption test

Classical assumption testing consists of normality tests, multicollinearity tests and heteroscedasticity tests. The results of the normality test for the distribution of research data using the Kolmogrov-Smirnov Test found the Asymp.sig value. (2-tailed) is 0.050, it can be concluded that the data is normal because the Asymp.sig value. (2-tailed) above the significance of 0.05 so that the normality test is declared to be fulfilled (Ghozali, 2016).

Test multicollinearity is a situation where in a regression model a perfect or almost perfect correlation is found between independent variables. To find out whether a regression model is free from multicollinearity, one way is to look at the VIF (Variance Inflation Factor) value < 10 and the Tolerance number > 0.1. In this study, VIF numbers smaller than 10 include entrepreneurship insight 3,010 < 10, market orientation 3,241 < 10, knowledge sharing 3,395 < 10, innovation 3,346 < 10. And the business strategy value is 4.493 > 0.1. So it is free from multicollinearity.

The heteroscedasticity test aims to test the inequality of variance from other observations in the regression model. The Heteroscedasticity Test in this research was carried out using the Glejser method to find the significance value for the Sig value model for each variable was 0.988, 0.019, 0.098, 0.107, 0.100. From these results it can be concluded that the regression equation model does not experience heteroscedasticity. The entire research model has a Glejser test significance value > 0.05 significance level so that the research model is declared free from heteroscedasticity (Ghozali, 2016).

According to Sugiyono (2016) multiple linear regression analysis is a regression that has one dependent variable and two or more independent variables. In this research, multiple linear regression was obtained as follows:

$$Y = 6.107 + 0.3681 + 0.0982 + 0.2443 + 0.3594 + 0.351X_5 + e$$

- a. If everything in the independent variables is considered zero then business performance (Y) is 6.107.
- b. If there is an increase in entrepreneurship insight by 1 unit, then business performance (Y) will increase by 0.368.
- c. If there is an increase in market orientation by 1 unit, then business performance (Y) will increase by 0.098.
- d. If there is an increase in knowledge sharing by 1 unit, then business performance (Y) will increase by 0.244.
- e. If there is an increase in innovation by 1 unit, then business performance (Y) will increase by 0.359.
- f. If there is an increase in business strategy by 1 unit, then business performance (Y) will increase by 0.351. According to the information in multiple linear regression, a conclusion can be drawn that entrepreneurship insight, market orientation, knowledge sharing, innovation, & business strategy have an influence on business performance.

Hypothesis testing

The F test is used to determine the positive or significant relationship between the independent variables, namely Entrepreneurship Insight, Market Orientation, Knowledge Sharing, Innovation, Business Strategy, and the Small Business Performance variable.

In this research, the results obtained were that F_{hitung} amounting to 16.974 with a significance level of 0.000. So, $F_{hitung} > F_{table}$ (24.506 > 2.70) sig F < 5% (0.000 < 0.05). This means that simultaneously the variables entrepreneurship insight, market orientation, knowledge sharing, innovation, & business strategy have a significant effect on business performance. With this it can be concluded that the hypothesis of this research can be proven.

The t test is used to see the influence of each independent variable, namely Entrepreneurship Insight, Market Orientation, Knowledge Sharing, Innovation, Business Strategy, partially on the Small Business Performance variable. The statistical t test value will be compared with the t table value with an error rate = 5% in this study α it can be seen that:

The Influence of Entrepreneurship Insight on Business Performance. Significant testing with decision making criteria: H_1 accepted and H_0 rejected, if $t_{count} > t_{table}$ or Sig. $t < \alpha$ H_1 rejected and H_0 accepted, if $t_{count} < t_{table}$ or Sig. $t > \alpha$ t_{count} amounted to 2,880 while t_{table} is 1.984 and is significant at 0.005, so $t_{count} 2,880 > t_{table} 1.984$ and significant 0.005 < 0.05, it can be concluded that the hypothesis in this study (H_1) accepted. The results of this research show that entrepreneurship insight has a positive and significant effect on business performance

The influence of market orientation on business performance. Significant testing with decision making criteria: H_2 accepted and H_0 rejected, if $t_{count} > t_{table}$ or Sig. $t < \alpha$ H_2 rejected and H_0 accepted, if $t_{count} < t_{table}$ or Sig. $t > \alpha$ t_{count} of 0.927 while t_{table} is 1.984 and is significant at 0.356, so $t_{count} 0.927 < t_{table} 1.984$ and significant 0.356 > 0.05, then the hypothesis in this study (H_2) accepted. The results of this research show that market orientation has a positive and significant effect on business performance

The influence of knowledge sharing on business performance. Significant testing with decision making criteria: H_3 accepted and H_0 rejected, if $t_{count} > t_{table}$ or Sig. $t < \alpha$ H_3 rejected and H_0 accepted, if $t_{count} < t_{table}$ or Sig. $t > \alpha$ t_{count} amounted to 1,946 while t_{table} is 1.998 and is significant at 0.055, so $t_{count} 1,946 > t_{table} 1.998$ and significant 0.055 < 0.05, then the hypothesis in this study (H_3) accepted. The results of this research show that knowledge sharing has a positive and significant effect on business performance.

The influence of innovation on business performance. Significant testing with decision making criteria: H_4 accepted and rejected, if $t_{count} > t_{table}$ or Sig. $t < \alpha$ H_2 rejected and H_0 accepted, if $t_{count} < t_{table}$ I know Sig. $t > \alpha$ t_{count} amounted to 3.102 while t_{table} is 1.984 and is significant at 0.003, so $t_{count} 3,102 > t_{table} 1.984$ and significant 0.356 > 0.05, then the hypothesis in this study (H_4) accepted. The results of this research show that innovation has a positive and significant effect on business performance.

The influence of business strategy on business performance. Significant testing with decision making criteria: H_5 accepted and H_0 rejected, if $t_{count} > t_{table}$ or Sig. $t < \alpha$ H_5 rejected and H_0 accepted, if $t_{count} < t_{table}$ or Sig. $t > \alpha$ t_{count} as big as 2,858 while t_{table} is 1.984 and is significant at 0.005, so $t_{count} 2,858 > t_{table} 1.984$ and significant 0.005 < 0.05, it can be concluded that the hypothesis in this study (H_5) accepted. The results of this research show that business strategy has a positive and significant effect on business performance.

This coefficient of determination analysis is used to determine the percentage of variation in the influence of the independent variable on the dependent variable. In this research, an adjusted R Square figure of 0.566 was obtained which can be called the coefficient of determination, which in this case means that 56.6% of business performance can be obtained

and explained by entrepreneurship insight, market orientation, knowledge sharing, innovation & business strategy. Meanwhile, the remaining $100\% - 56.6\% = 43.4\%$ is explained by other factors or variables outside this research model.

DISCUSSION

Hypothesis 1: *Entrepreneurship Insight* Positive and Significant Influence on Business Performance

It can be seen from the multiple linear regression analysis via the t-test that the t value is positive count of 2.880 with a sig of 0.005. Based on these results, it can be concluded that Hypothesis 1 (H1) in this study was tested. The positive direction shows that every time there is an increase in entrepreneurship insight, it will simultaneously increase business performance by 0.368 units. The results of this research are in accordance with the research objective to determine whether entrepreneurship insight has a positive and significant effect on the performance of small businesses in the used clothing industry.

The reasons why the results of this research can have a positive influence can be seen in the ability to inspire and motivate employees, the ability to stimulate ideas and influence. Meanwhile, authentic entrepreneurship emphasizes self-awareness, the ability to build transparently oriented relationships with a moral perspective. As an entrepreneur, having high self-discipline, applying principles in doing business and being happy with yourself and realizing and developing your business can influence and improve business performance. Likewise, the opinion of Udriyah Jacqueline (2019) emphasizes aspects of an entrepreneur's ability to process customers, the ability to increase sales, and the ability to penetrate competition and improve business performance.

Hypothesis 2: *Market Orientation* Positive and Significant Influence on Business Performance

The results of this research show that market orientation has a positive and significant effect on business performance in the used clothing industry in the city of Medan. This can be seen from the multiple linear regression analysis via the t-test which has a positive sign with the t value count of 0.927 with a sig of 0.356. Based on these results, it can be concluded that Hypothesis 2 (H2) in this study was tested.

Market orientation has a significant positive effect on business performance, meaning that the more market orientation, the better the business performance. This shows that organizations that are sensitive to efforts in the form of strategies directed at market conditions, consumer needs and customer aspirations will also be sensitive to the actions or plans of their competitors. One way to survive in the market is to be market oriented. When a business is market-oriented, it shows that it values its customers. Companies that cannot satisfy their clients will face significant difficulties. The problem is, corporations ignore the impact of consumer complaints, thus making consumers disappointed and switching to other products.

Hypothesis 3: *Knowledge Sharing* Positive and Significant Influence on Business Performance

The results of this research show that knowledge sharing has a positive and significant effect on business performance in the used clothing industry. This can be seen from the multiple linear regression analysis via the t-test which has a positive sign with the t value count of 1.946 with a sig of 0.055. Based on these results, it can be concluded that Hypothesis 3 (H3) in this study was tested. The positive direction shows that every time there is an increase in knowledge sharing, it will simultaneously increase business performance by 0.244 units. The

results of this research are in accordance with the research objective of finding out whether knowledge sharing has a positive and significant effect on the performance of small businesses in the used clothing industry.

The reason the results of this research have positive results can be seen how as used clothing business actors, they are able to exploit knowledge to the maximum, knowledge sharing can also open up opportunities to explore knowledge to gain or create innovation. On researchAA Rai Narastika, Ni Nyoman Kerti Yasa (2016) which states that the quality and quantity of an individual's work becomes better when the individual has the ability to innovate. With the ability to innovate, individuals will give rise to initiatives to produce more effective and efficient work methods which will of course improve business performance. And also, as stated by Maretha (2021), there is an assumption that business performance will improve if knowledge sharing is carried out, in the sense of various information, effective practices, insights, experiences, preferences and things learned.

Hypothesis 4: *Innovation*Positive and Significant Influence on Business Performance

The results of this research show that innovation has a positive and significant effect on business performance in the used clothing industry. This can be seen from the multiple linear regression analysis via the t-test which has a positive sign with the t valuecount,of 3.102 with sig 0.003. Based on these results, it can be concluded that Hypothesis 4 (H4) in this study was tested. The positive direction shows that every time there is an increase in innovation, it will simultaneously increase business performance by 0.359 units. The results of this research are in accordance with the research objective of finding out whether innovation has a positive and significant effect on the performance of small businesses in the used clothing industry.

The results of this research are in line with the results of research (Mulyana, 2014) whose research results reveal that there is a significant influence between innovation variables on business performance. In this case, what underlies innovation has a significant effect on business performance can be seen from how business owners are able to make the products they provide and on the other hand they are able to increase the variety of their products so that the impact on the performance of their business is an increase in sales and increasing the quality and capacity of the products they have.

Hypothesis 5: *Business Strategy*Positive and Significant Influence on Business Performance

The results of this research show that business strategy has a positive and significant effect on business performance in the used clothing industry. This can be seen from the multiple linear regression analysis via the t-test which has a positive sign with the t valuecount,of 2.858 with a sig of 0.005. Based on these results, it can be concluded that Hypothesis 5 (H5) in this study was tested. The positive direction shows that every time there is an increase in business strategy, it will simultaneously increase business performance by 0.351 units. The results of this research are in accordance with the research objective of finding out whether business strategy has a positive and significant effect on the performance of small businesses in the used clothing industry.

In this case, the reason why business strategy influences business performance is because business owners carry out approaches, tactics and strategic plans that can be adopted by businesses to attract more customers and maintain the loyalty of existing customers so that the business can achieve its goals. Rahayu (2017) said that all strategic planning steps are positively related to business performance.

Hypothesis 6: Entrepreneurship Insight, Market Orientation, Knowledge Sharing, Innovation & Business Strategy Have a Positive and Significant Influence on Business Performance

The results of this research show that simultaneously the variables entrepreneurship insight, market orientation, knowledge sharing, innovation & business strategy have a positive and significant effect on business performance in the used clothing industry. It can be concluded that Hypothesis 6 (H6) in this study was tested. The positive direction shows that every increase in each variable will lead to increased business performance. The findings of this research are in line with the research objective to find out whether business strategy has a positive and significant effect on the performance of small businesses in the used clothing industry.

Conclusion

Entrepreneurship insight has a significant effect on the performance of small businesses in the clothing industry in the city of Medan. Thus it can be concluded that business owners are able to utilize their insight into employees as a basis for developing ideas for the business. Market orientation has a significant effect on the performance of small businesses in the used clothing industry in the city of Medan. It can be said that the second-hand clothing store owner is market-oriented, implying that the company values its customers. *Knowledge Sharing* has a significant effect on the performance of small businesses in the used clothing industry in the city of Medan. Thus, it can be concluded that this business requires insight and knowledge that can be applied so that it can improve business performance. Innovation has a significant effect on business performance in the used clothing industry in the city of Medan. Thus it can be concluded that with innovation carried out in businesses, such as by making developments, adding new ideas or ideas to businesses which will then improve the performance of small businesses. Business Strategy has a significant effect on business performance in the used clothing industry in the city of Medan. Thus, it can be concluded that running a business requires a business strategy. Determining business strategies carried out by companies facing a business environment such as analyzing the environment, formulating strategies and implementing strategies in determining different business strategies will influence business performance results. Entrepreneurship Insight, Market Orientation, Knowledge Sharing, Innovation, Business strategy have a significant influence on business performance. Thus, it can be concluded that one variable and another complement each other in order to improve business performance in the used clothing industry in the city of Medan Knowledge Sharing, Innovation, Business strategy have a significant effect on business performance. Thus, it can be concluded that one variable and another complement each other in order to improve business performance in the used clothing industry in the city of Medan Knowledge Sharing, Innovation, Business strategy have a significant effect on business performance. Thus, it can be concluded that one variable and another complement each other in order to improve business performance in the used clothing industry in the city of Medan

REFERENCE

- [1.] Adinoto, 2012. The influence of market orientation and entrepreneurial behavior on company sensitivity and its implications for company performance: a study of motorbike dealers in Indonesia. Ultimate Management.

- [2.] A Rai Narastika, NNKY (2017). The Role of Product Innovation and Competitive Advantage in Mediating the Influence of Market Orientation on Marketing Performance.
- [3.] Arikunto, S. (2013). *Research procedures: A Practical Approach*. (Revised Edition). Jakarta : Rineka Cipta.
- [4.] Distanont, A., & Khongmalai, O. 2018. The role of innovation in creating a competitive advantage. *Kasetsart Journal of Social Sciences*, 1-7.
- [5.] Edquist, 2001. Innovation and Employment: Process versus Product Innovation. *Cheltenham*, UK and Northampton, MA, USA: Edward Elgar
- [6.] Ellitan. 2009. Innovation Management (Transformation Towards a World Class Organization). Publisher, CV. Alfabeta Bandung
- [7.] Ghozali, Imam. 2016, Application of Multivariate Analysis with IBM SPSS.19 Program. Semarang: Diponegoro University Publishing Agency. Hardjati, Susi.
- [8.] Hashim et al, 2001. *Exporting Problems of Malaysian SMEs: a Recent Survey*, *Journal of Business Strategy*, vol. 8, no. 6, pp. 70-82, Apr. 2017.
- [9.] Hair, Joseph F.Jr et al. (2010) Multivariate Data Analysis 7th edition . Pearson
- [10.] Joewono, Handito. 2012. Strategy Management. Jakarta: Arrbey.
- [11.] Kuncoro, Mudrajat, 2013. Research Methods for Business & Economics, Jakarta: Gramedia Pustaka Utama
- [12.] Kuntowicaksono. 2012. The Influence of Entrepreneurial Knowledge and the Ability to Solve Entrepreneurial Problems on Vocational High School Students' Entrepreneurial Interest. *Journal of Economic Education* 1 (1) (2012).
- [13.] Kotler, K, 2009. Marketing Management 1. Thirteenth edition. Jakarta: Erlangga. Kotler, P. (2004).
- [14.] Matzler, 2008. Personality traits and knowledge sharing. *Journal of Economic Psychology*. 29: 301-313.
- [15.] Maretha 2021. The Influence of Capital Structure and Ownership Structure on Company Performance with *Corporate Governance as a Moderating Variable*.
- [16.] Mulyana Sutapa, 2014. Increasing Innovation Capabilities, Competitive Advantage and Performance through the Quadruple Helix Approach: Study of the Creative Industry in the Fashion Sector
- [17.] Price, Stoica, M. & Boncella, R. J. (2013). The relationship between innovation, knowledge, and performance in family and non-family firms an analysis of SMEs. *Journal of Innovation and Entrepreneurship*, 2 (14), 1-20.
- [18.] Rajapathirana, R.P.J., & Hui, Y. (2018). *Journal of Innovation. Suma de Negocios*, 3(1), 44–55. <https://doi.org/10.1016/j.jik.2017.06.002>.
- [19.] Rahayu, 2017. The Influence of Entrepreneurial Attitudes on Entrepreneurial Intentions Indonesian Education University
- [20.] Subagyo, A. 2007. Cake and Bread Processing Management. Graha Ilmu. Yogyakarta
- [21.] Sugiyono. (2016). *Management Research Methods*. Bandung: Alfabeta
- [22.] Udriyah Jacqueline, U., Tham, J. and Azam, SMF (2019). The Effects of Market Orientation and Innovation on Competitive Advantage and Business Performance of Textile SMEs, *Management Science Letters*, 9 (9): 1419-1428.
- [23.] Omar, 2005. Marketing Research & Consumer Behavior. Jakarta: PT Gramedia.
- [24.] Visvalingam Suppiah and Manjit Singh, (2011), Organizational culture's influence on tacit knowledge-sharing behavior. *Journal of knowledge Management* Vol. 13 No. 3, pp. 462-477.

- [25.] Vorhies, D. W., Morgan, R. E. & Autry, C. W. (2009). Product-market strategy and the marketing capabilities of the firm: impact on market effectiveness cash flow performance. *Strategic Management Journal*, 30(12), 1310-34.
- [26.] Zulfikar Ali and Rusdianto. 2018. The Analysis of Amil Zakat Institution/Lembaga Amil Zakat (LAZ) Accountability toward Public Satisfaction and Trust, *Yogyakarta Journal*