



THE ROLE OF INTELLECTUAL AGILITY, ENTREPRENEURIAL DEVELOPMENT, AND ONLINE SALES PROCESS IN IMPROVING THE PERFORMANCE OF EMBROIDERY ENTREPRENEURS

Anis Nusron

Institut Teknologi dan Bisnis Yadika Pasuruan
correspondence: anisnusron@itbyadika.ac.id

Submitted: 10 September 2023, Revised: 23 December 2023, Published: 18 January 2024

Abstract

This study analyses the effect of intellectual agility, entrepreneurial development, and online sales process on performance. This study uses a quantitative approach. The population in this study are all embroidery entrepreneurs in Pasuruan who have been selling online for at least the last two years, the number of which is unknown with certainty. The sample used in this study amounted to 180 respondents obtained randomly. The results show that intellectual agility, entrepreneurial development, and the online sales process significantly affect company performance. Intellectual agility has a significant effect on the online sales process. Entrepreneurial development does not affect the online sales process. From the research results, it is also known that the online sales process can mediate the influence of intellectual agility on company performance but cannot mediate the effect of entrepreneurial development on company performance.

Keywords: Intellectual agility, Entrepreneurial development, Online sales process, business performance

A. INTRODUCTION

Based on the GEI (Global Entrepreneurship Index), Indonesia's position was 75th out of 137 countries in the world in 2022. The government is targeting 2024 when Indonesia will be in the 60th position. For this reason, the government is trying to increase the number of entrepreneurs by creating several MSME centers and improving the performance of MSMEs in Indonesia. One of the MSME centers in Indonesia is an embroidery center in Pasuruan. Based on data from the East Java Industry and Trade Office, it is known that Pasuruan Regency makes embroidery a regional core competency.

There are several problems faced by embroidery entrepreneurs related to performance, including sales inconsistency, where most consumers buy embroidery products only about three months a year (4 months before Eid Al-Fitr) and will experience a decline in sales after Eid. Another phenomenon is the changing consumer shopping pattern through online media (social media and marketplaces), accompanied by the emergence of various start-up companies such as Facebook, WhatsApp, YouTube, TikTok, Instagram, Tokopedia, Shopee.

It is hoped that the emergence of various online media will improve the performance of embroidery entrepreneurs. Several factors affect business performance, including intellectual agility. Intellectual agility can increase organizational performance (Sutrisno, 2021). Other results reveal that Human Capital does not affect business performance (Hashim, et al, 2015). Another factor that influences performance is entrepreneurial development, which states that Employee Training Decentralization and self-managed teams significantly affect organizational performance (Anwar &

Abdullah, 2021). However, other results say that the size of job training does not affect employee performance (Salim, et al, 2022)

The results of different studies give rise to a research gap that the online sales process variable can fill as a mediating variable. Intellectual agility and entrepreneurial development affect the online sales process (Nusron, et, al, 2022). Knowledge sharing affects viral marketing (Subramani & Rajagopalan, 2003). Furthermore, the online sales process affects performance, as evidenced by the adoption of social media affecting SMEs' performance in developing countries (Qalati, et, al, 2021)

B. LITERATURE REVIEW

1. The Effect of Intellectual Agility on Business Performance

Intellectual agility is part of human capital and intellectual capital. Intellectual agility is related to the competence possessed by entrepreneurs in changing ways of thinking, seeking new information, and being able to provide unique solutions to problems encountered (Dabić, et, al, 2021). Human Capital refers to the human aspect of an organization, namely the combination of skills, qualifications, and expertise that provide individual characteristics that make it unique, difficult to imitate, and most valuable for an organization.

Hypothesis 1: intellectual agility significantly affects performance.

2. The Effect of Entrepreneurial Development on Business Performance

Entrepreneurial development is based on the theory of people development. People development is a series of planned programs provided over a certain period to help ensure that all individuals have the necessary competencies to perform at their maximum potential in supporting organizational goals (Jacobs & Washington, 2023). People development touches more on aspects of individual strength to increase the best prospect that is then invested in the organization (Fachrunnisa, 2021). Entrepreneurial development is utilizing knowledge sharing, training, and collaboration between business actors to increase entrepreneurial competence, which aims to improve business performance.

Hypothesis 2: Entrepreneurial development significantly affects performance.

3. The Effect of Intellectual Agility on the Online Sales Process

Agility is the ability of business actors to adapt to the environment quickly and flexibly. Agility relates to the organization's response to unstable external conditions (Singh, et al, 2013). Intellectual agility is more about the ability of business actors to detect and evaluate various problems, able to digest multiple changes, and able to design solutions. In today's digital era, consumers spend more time in front of smartphones, looking for various needs and utilizing various applications for shopping.

It is necessary to implement an online sales process for embroidery entrepreneurs to carry out the stages of searching for information about consumer needs through online media to establish good long-term relationships with online customers. In rapidly changing environmental conditions, adequate intellectual capital is needed (Taji, et, al, 2016). Intellectual capital influences e-business entrepreneurial orientation significantly (Al-Omouh, 2021)

Hypothesis 3: intellectual agility significantly affects the online sales process.

4. The Effect of Entrepreneurial Development on the Online Sales Process

In the current digital era, the most significant opportunity is the existence of an online market in line with the development of digital platforms. For this reason, it is necessary to be active in developing skills in the field of entrepreneurship so that they can carry out the online sales process properly so that embroidery entrepreneurs can seize business opportunities because the success of small companies depends on the environment. For this reason, embroidery entrepreneurs must actively implement an online sales process to meet consumer shopping needs. Previous research on entrepreneurial development's effect on online sales process knowledge sharing affects viral marketing (Subramani & Rajagopalan, 2003)

Hypothesis 4: entrepreneurial development significantly affects online sales.

5. The Influence Of The Online Sales Process On Performance

The online sales process is based on the sales process/behaviors theory, which consists of understanding the customer, approach, needs discovery, presentation, close, and follow-up (Andzulis, et, al, 2013). The Sales Process/Behaviour is a series of steps the sales team must carry out to change potential buyers into customers (Üstüner, et, al, 2006). The online sales process needs to be done in the digital era. It is because, through online sales, manufacturers can establish good relationships with customers through various online media. An example is social media. Through social media, producers can share ideas, opinions and knowledge based on customer requests. Efforts to use social media and strong content support affect sales performance (Terho, et, al, 2022)

Hypothesis 5: the online sales process has a significant effect on performance

6. The Influence Of Intellectual Agility And Entrepreneurial Development On Performance By Mediating Online Sales Processes

Based on the research inconsistencies stated in the introduction, which gave rise to a research gap, the researcher filled the gap with the online sales process variable because there is a relationship between intellectual agility and the online sales process. There is a relationship between entrepreneurial development and the online sales process, and there is a relationship between the online sales process and performance.

H6 : online sales processes can mediate the effect of intellectual agility on business performance

H7 : online sales processes can mediate the effect of entrepreneurial development on business performance

C. RESEARCH METHODS

Embroidery entrepreneurs in Pasuruan Regency, East Java, are the population in this study, while the population size is not known with certainty. In this study, the number of samples was 180 respondents. The sampling technique used purposive sampling with the criteria: Entrepreneurs who have been actively selling embroidery products for at least two years and actively using online media for their sales for at least one year.

The description of the respondents can be described as follows: the profile of respondents based on education revealed that there were nine respondents with elementary school education, 21 with junior high school education, 109 with senior high school education, and 41 with bachelor's degree education. Respondent profiles based

on the most widely used social media stated that 87 respondents used Facebook, 25 used Instagram, two TikTok, 65 used WhatsApp, and one used all social media.

D. RESULTS AND DISCUSSION

This study's results showed that intellectual agility's effect on performance has a β value of 0.134 with a p value of 0.034, so Hypothesis 1 is accepted. Intellectual agility has a significant impact on performance. The effect of entrepreneurial development on business performance has a β value of 0.198 with a p value of 0.003.

From these results, Hypothesis 2 is accepted. It means that entrepreneurship has a significant effect on business performance. The effect of intellectual agility on the online sales process β 0.484 with a value of $p < 0.001$. From these results, Hypothesis 3 is accepted. It means that intellectual agility significantly affects the online sales process. The influence of entrepreneurial development on the online sales process has β 0.069 with a p value of 0.175, so Hypothesis 4 is rejected, meaning that entrepreneurial development does not affect the online sales process.

From the results of the description of the respondents, it is known that the background of most respondents is high school education, namely as many as 109 respondents or 60.56%. As many as 30 respondents, or 11.71%, had an education below high school. This educational background is one factor that explains why entrepreneurial development does not affect the online sales process. It is in line with the research results, which state that higher education is one of the drivers for people to use e-commerce (Ariansyah, et, al, 2021)

The influence of the online sales process has a β 0.417 with a p value < 0.001 , so hypothesis 5 is accepted, meaning that the online sales process significantly affects performance. As for the indirect effect of the intellectual agility variable on performance by mediating the online sales process, it has a β value of 0.201 with a p value < 0.001 , so hypothesis 6 is accepted, meaning that the online sales process can mediate the effect of intellectual agility on performance. The data processing results obtained a β value of 0.029 with a p value 0.293. It means that hypothesis 7 is rejected. It means the online sales process cannot mediate entrepreneurship's effect on business performance. Based on the information from the respondents, it is known that most respondents use Facebook and WhatsApp to support their selling activities. By relying on Facebook and WhatsApp, the range of respondents is limited to people they know. It is different when using Instagram and Tiktok media, which have a wider reach.

Because of this, the use of social media for selling online has not been properly maximized by respondents, so the impact on the online sales process is not running optimally. It cannot mediate entrepreneurial influence on performance. The R-squared value of the performance variable is 0.420, meaning that the contribution of intellectual agility, entrepreneurial development, and online sales process variables to performance is 42%. In comparison, the remaining 58% is influenced by factors other than these three variables. The R square value of the online sales process is 0.284, meaning that the contribution of intellectual agility and entrepreneurial development to the online sales process is 28.4%. The remaining 71.6% is influenced by factors other than these two variables.

D. CONCLUSION AND IMPLICATIONS

Based on the results of statistical tests, it can be concluded that intellectual agility, entrepreneurial development, and the online sales process significantly affect the

performance of embroidery entrepreneurs. Furthermore, intellectual agility significantly affects the online sales process, and entrepreneurship does not affect the online sales process.

The indirect effect shows that the online sales process can mediate the impact of intellectual agility on performance and cannot mediate the effect of entrepreneurial development on performance.

This study contributes to embroidery entrepreneurship about factors that can affect performance. Furthermore, this research contributes to the people development theory, which states that entrepreneurs will try to increase their competence to achieve optimal performance. In this study, entrepreneurial development has an influence of 0.198 on performance, and its impact is still above intellectual agility.

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