Impact Of Islamic Character, Information, And Innovation On Business Performance In The Tempe Industry

Moh Agus Nugroho
IAIN Sultan Amai Gorontalo, Indonesia
agusnugroho@iaingorontalo.ac.id

ABSTRACT

This study analyzes the influence of Islamic character, information, and innovation on business performance in the tempe industry. The research methodology used is quantitative research with a descriptive analysis approach. The results of the study explain that the Islamic character does not have a positive effect on the business performance of the tempe industry. Meanwhile, access to information and innovation on the business performance of the tempe industry has a significant positive effect. The access to information is the factor that has the biggest influence on business performance in the tempe industry. The implication of this research is to be able to develop micro, small and medium enterprises as well as efforts to support entrepreneurial progress, especially in empowering regional potential.

Keywords : Islamic Character, Information, Innovation

A. INTRODUCTION

Small and Medium Enterprises have been placed in a strategic position in the economy. According to Mulyotani, this type of business is able to face the storm of crisis and also has the ability to recover faster than larger business units.(Awalauddin, 2017)

This is supported by data from the Central Statistics Agency which shows that after the crisis, the number of MSMEs in Indonesia has increased and is even able to absorb more than 100 million workers. Based on data from the Ministry of Cooperatives and SMEs, in 2013 the number of entrepreneurs in Indonesia was 56,539,560 units. Of this number, MSME were 56,534,592 units or 99.99%. The rest, about 0.01% or 4,968 units are big businesses. MSME business contributes to

GDP or contributes to the Indonesian economy reaching 61.41% and employment of 97% of the total national workforce. (Statistik, 2022) According to Miner, the entrepreneurial personality type that causes business success is one of the personal achiever types, namely having the need for achievement, having the need for feedback, having the need for planning and goal setting. SME actors have a character that is usually difficult to accept input from others and does not want to learn to improve their knowledge and abilities in advancing their business. So, with limited knowledge, they finally make a decision that often harms the company they run. This is contrary to Miner's opinion, that the entrepreneurial personality type causes business success.

From the research conducted by Murtiadi, Islamic entrepreneurial personality and access to information have a positive and significant direct effect on business strategy, as well as Islamic entrepreneurial personality, information access and business strategy have a direct, positive and significant effect on small business business performance. (Awalauddin, 2017)

The results of the study reveal that innovation, subjective norms, entrepreneurial attitudes have a positive effect on entrepreneurial intentions, while proactive personality and risk-taking tendencies have no effect. Innovation, proactive personality, risk-taking tendencies, and subjective norms have a positive effect on entrepreneurial attitudes. The results of this study also show that innovation, proactive personality, risk-taking tendencies, and subjective norms have a positive effect on entrepreneurial intentions through entrepreneurial attitudes. This research will focus on the influence or impact of Islamic character and information and innovation on business performance in the tempe industry.

B. METHODOLOGY

The type of research method used in this research is quantitative research. Because this method is considered the most appropriate to determine the effect of Islamic character and information and innovation on business performance in the tempe industry. Of course, the method used is systematic, well-planned, and clearly structured from the start to the making of the research design. (Sugiyono, 2012)

The types of data used in this study are primary and secondary data. The population in this study were all industrial owners and employees in the tempe

industry, totaling 32 people. Population is a combination of all elements in the form of events, things or people who have similar characteristics. (Suharjo, 2013)

Determination of the number of samples in this study using saturated samples. According to Arikunto, if the population is less than 100 people, then the total sample is taken (N<100) so that N = n, but if the population is greater than 100 people, then 10-15% or 20-25% of the total population can be taken. . Based on this study, because the population is not more than 100 respondents, the authors take 100% of the population in the tempe industrial entrepreneur in Palu City with a total of 32 respondents. Thus the use of the entire population without having to draw a research sample as a unit of observation. (Arikunto, 2012)

C. RESULTS AND DISCUSSION

Based on the results of data analysis using multiple regression quantitative research using the SPSS program, multiple regression equations, t test, f test and determination test were found to analyze the relationship between Islamic character variables, access to information, and business innovation on business performance in the tempe industry. The results of multiple regression are as shown in the table below:

Table 1. Multiple Regression Test

Variable		Multiple Regression Test Results							
Independent	Dependent	B	Error	Beta	Uji t	Sig	Uji f	Uji r	Uji r²
Constant		8,828	3,930		2,247	,033	6,134	0,630	0,397
Islamic Character	Business Performance	-,260	,206	-,203	-1,260	,218			
Information		,397	,117	,571	3,400	,002			
Business Innovation		,327	,227	,227	1,438	,162			

Source: Processed primary data, 2021

Based on the analysis using SPSS as above, the following multiple regression equation is obtained: Y = 8.828 - 0.260X1 + 0.397X2 + 0.327X3 + e. Based on the above equation, it means that the constant is 8.828, meaning that if the variable

Islamic character, access to information, and business innovation is 0 then business performance remains 8.828. If the regression coefficient of the Islamic character variable is -0.260, it means that if the x variable decreases, business performance does not increase because it has a negative effect. For the information access variable of 0.397, it means that if access to information has increased, then business performance has also increased so that business performance has increased by 0.397. For the business innovation variable of 0.327, it means that if business innovation has increased, then business performance has also increased so that business performance has increased by 0.327.

This F test analysis was used to prove the hypothesis of the research, namely the influence of Islamic character, access to information, and business innovation on the business performance of the tempeh industry simultaneously. The F statistical test or simultaneous significant test, basically shows whether all the independent variables included in the model have a joint effect on the dependent variable being studied. This F test is carried out by comparing the calculated F value with the table F value at the level of = 0.05. The formula for determining the F table value is df = n-k = 32-4 = 28, so to see the F table value, namely at df 28 with a significant 0.05 then obtained 2.95.

Based on the results of multiple regression calculations using the SPSS program, the F count is 6.134 and the F table is 2.95 so that F count > F table (6.134 > 2.95). This means that Islamic character, access to information, and business innovation have a positive and significant impact on the business performance of the tempe industry. The magnitude of the influence of the independent variable (X) together on the dependent variable (Y) can be seen from the magnitude of the coefficient of determination (R^2). The value of the coefficient of determination is between zero and one. If the value of R^2 is greater (closer to 1), it can be said that the influence of the independent variable on the dependent variable is greater or in other words, if the value is close to 1, the independent variables provide almost all the information needed to predict the variation of the dependent variable. On the other hand, the smaller R^2 (closer to 0) means that the independent variable in providing the much-needed information is very limited.

Based on the results of the above calculation, it is obtained that $R^2 = 0.397$, which means that all variables (X1, X2, and X3) together have an influence on

business performance of 0.397 or 39.7% while the rest are explained by other reasons outside the study. As for knowing the relationship of the independent variables together with the dependent variable, it can be seen from the magnitude of the multiple regression coefficient (R) which is 0.630 which means there is an indication of a strong relationship between the entire independent variable and the dependent variable.

The analysis of the coefficient of determination aims to determine how far the ability of the independent variables simultaneously in explaining the dependent variable. The results of the analysis using the SPSS program can be seen the correlation coefficient (R) which shows how closely the relationship between the independent variables (Islamic character, access to information, and business innovation), with the business performance variable, the magnitude of the correlation coefficient is 0.630 or 63.0%. This value shows that the relationship between the variables of Islamic character, access to information, and business innovation with business performance is strong because the value of 0.630 is almost close to 1.

Furthermore, in knowing the direct effect of each variable, it is determined based on the results of the T test. This test is used to determine the magnitude of the influence of each independent variable partially on the dependent variable. T-test has a significant effect if t-count is greater than t-table (t-count>t-table). To determine the value of t table using the formula df = 32-4 = 28, so for the value of t table df 28 with a significance level of 0.10 is 1,312. The following analyzes the influence of Islamic character, access to information, and business innovation on business performance tempeh industry.

Impact of Islamic Character on Tempe Industry Business Performance

Based on the results of multiple regression testing, it shows that partially Islamic character variables have a negative effect on business performance. This is supported by the results obtained in the form of partial significance (t test) which results in a t-count value of -1.260 < t-table value of 1.312. If the Islamic character decreases then it increases business performance.

Previously there were research results written by Ricky Montalalu and Olivie Nelwan which showed that the character experienced a decrease or was negative on

employee performance.(Ricky Montolalu, 2016) This is due to several factors such as environmental and biological factors, namely emotions, character, and one's own disposition.

The character of the owners/managers is an important factor, especially because of their perception and responsiveness to environmental changes, in determining behavioral patterns that can significantly impact the company's internal strategies and processes. Many studies have been conducted on the importance of individual perceptions, values and cognitive bases on strategy and the impact of strategic decisions.

As a consequence of the importance of entrepreneurial activities, Islam emphasizes the importance of developing and upholding an entrepreneurial culture in the life of every Muslim. The Muslim entrepreneurial culture is humane and religious, in contrast to other professional cultures that do not make religious considerations the basis for their work. A Muslim entrepreneur will have basic characteristics that encourage him to be a creative and reliable person in running his business, or carrying out activities at the company where he works.

Islamic character does not have a positive effect on business performance, it can be caused by fraudulent behavior, dishonesty, business monopolo and so on that can physically increase profits. But in Islamic teachings, the most important thing is the blessing of a business being run. There may be businesses that experience great profits but do not feel the blessings. On the other hand, there are businesses whose profits are small but because they apply Islamic values, they feel the blessings of their business.

The Effect of Access to Information on Business Performance of the Tempe Industry

Based on the results of multiple regression testing, it shows that partially the information access variable has a positive effect on business performance. This is supported by the results obtained in the form of a partial significance test (t test) which produces a t-count value of 3.400 > a t-table value of 1.312. If access to information is higher, it will have a positive effect on business performance. Based on the results of the above calculations also show that the highest double partial coefficient (B) is that the variable access to information has the greatest influence on

business performance of clove leaf oil refining business compared to variables of Islamic character and business innovation.

The results of this study are strengthened by the research of Sambudi Hamali which shows that the capability of information technology has a positive effect on business performance. (Hamali, 2014) The results of this study are consistent with the results of research conducted by Snthanam and Hartono, competitive advantage and company performance can be maintained and even improved with the company's information technology capabilities.

The importance of information in creating a company's competitive advantage is increasingly felt by every company owner. In an effort to access information, every company manager tries to master information technology and systems. Business information improvement should cover the entire industrial system from material arrival to customer and product redesign for the future. In business organizations, sources of data or information are becoming increasingly important to know consumer demand, purchase of raw materials from suppliers, production processes, existing inventory levels, cost calculations, product delivery to distributors as intermediate consumers or to final consumers directly.

According to Cravens, looking at the components of access to information that can create competitive advantage and superior value for consumers are customer information (customer information), competitor information (competitor information), and other market information (other market information). An important role of information is the dissemination of information. What is meant by "dissemination of information" here, actually includes the dissemination of various information. Judging from the content of the material, the information may include: Science and technology, economic analysis, various institutions required Regulations and policies. (Darmansyah, 2016)

The Influence of Business Innovation on Business Performance of the Tempe Industry

Based on the test results show that partially the business innovation variable has a positive effect on business performance. This is supported by the results obtained in the form of a partial significance test (t test) which produces a t-count

value of 1.438 < t-table value of 1.312. If business innovation is increasing, it will have a positive effect on business performance.

The results of this study are strengthened by the results of Sambudi Hamali's research which states that innovation in business has a positive and significant effect on business performance, this is because there are four dimensions of innovation, namely product innovation, business innovation, marketing innovation, and organizational innovation. Similarly, research by Varis and Litunen shows that new product introduction, process innovation, and market innovation are positively related to firm growth.

Peter F. Drucker said that entrepreneurship is the ability to create something new and different. (H.M, 2014) This definition implies that an entrepreneur is a person who has the ability to create something new, different from the others, or is able to create something different from what already existed. Ropke stated that entrepreneurship is a process of creating something new (new creation) and making something different from what already exists (innovation), the goal is to achieve individual welfare and added value for society. Entrepreneur refers to a person who carries out the creation of wealth and added value through new ideas, combines resources and turns these ideas into reality. Mechanisms of wealth creation and distribution are fundamental in business development.

Thus, that entrepreneurship is the spirit, behavior, and ability to provide a positive response to opportunities for self-benefit and/or better service to customers/society, by always trying to find and serve more and better customers, as well as creating and providing more useful products and implementing more efficient ways of working, through risk-taking, creativity, and innovation, as well as management skills.

Innovation is often depicted as the lifeblood of an organization and the decisive one within a company. The true value of innovation is expressed in an outcome (outcome) such as a traded product. A company's ability to trade innovation can help dominate current markets or develop new markets, contributing to continued industry leadership.

Thus, success in commercializing innovation is an important strategy for companies. According to the OECD (Organization for Economic Co-Operation and

Development), there are four dimensions of innovation, namely product innovation, process innovation, marketing innovation, and organizational innovation. This is reaffirmed in The OECD Innovation Strategy. In this study the dimensions of innovation used according to the OECD Oslo Manual, this is because these dimensions have been tested for use in the manufacturing industry by Gunday.

D. CONCLUSION

Based on the results of the research that has been done, it can be concluded that partially the three variables show different things. Islamic character has a negative effect on the business performance of the tempe industry. So that when the entrepreneurial character decreases, it is not accompanied by an increase in the business performance of the tempe industry. Access to information has a positive effect on the business performance of the tempe industry. So that when access to information increases, it can improve the business performance of the tempe industry. Business innovation has a positive effect on the business performance of the tempe industry. So that when business innovation increases, it can improve the business performance of the tempe industry.

The variable that has the greatest influence on the business performance of the tempe industry is the variable of access to information. The double partial coefficient value shows the effect of access to information is greater than the Islamic character and business innovation variables. Therefore, to improve business performance, everyone follows technological developments to facilitate access to information. In addition, pay attention and consider the incoming information so as not to get hoax information that can have an impact on the development of the business that is being run.

Simultaneously, all dependent variables have a positive effect, namely Islamic character, access to information, and business innovation. So that when the Islamic character, access to information, and business innovation go up together, it will improve the business performance of the tempe industry. So that in improving the business performance of the tempe industry, all three must exist in an entrepreneur, namely having an Islamic character, broad access to information and having innovation in developing the tempe industry business.

REFERENCES

Arikunto, S. (2012). *Prosedur Penelitian Suatu Pendekatan Praktek.* Jakarta: Rineka Cipta.

Awalauddin, M. (2017). Pengaruh Kepribadian Entrepreneurship Islam dan Akses Informasi Terhadap Strategi Bisnis dan Kinerja Bisnis Usaha Kecil di Makassar. *Jurnal Iqtisaduna Vol. 3, No.1,* 79.

'Ainul Imronah Ainul, N. F. (2021). Pemberdayaan Ekonomi Masyarakat melalui Home Industry Kerajinan Anyaman Bambu di Desa Banjarwaru Kecamatan Nusawungu Kabupaten Cilacap . *JEKSYAH : Islamic Economics Journal,* 80-88.

Darmansyah, H. d. (2016). Akses Informasi Pertanian melalui Media Komunikasi dan Kelompok Tani di Kabupaten Sambas dan Kota Singkawang. *Jurnal Kominikator,* 2.

H.M, A. (2014). *Muhammad Pengantar Kewirausahaan Teori dan Aplikasi.* Jakarta : Prenadanedia Group.

Hamali, S. (2014). Pengaruh Inovasi Terhadap Kinerja Bisnis Pada Industri Kecil Pakaian Jadi Kota Bandung. *JP Fakultas Ekonomi dan Bisnis Unsoed.*

Moh Agus Nugroho, R. F. (2021). Realization and Contribution Sukuk Retail, Savings, and Retail's Waqf During The 2020 Covid-19 Pandemic. *JFB. Journal of Finance and Islamic Banking Vol. 4 No.1,* 22.

Moh Agus Nugroho, Z. A. (2021). Budidaya Sarang Burung Walet Untuk Peningkatan Ekonomi Masyarakat Desa Kalora Poso Pesisir Utara . *EKSYAH : Islamic Economics Journal ,* 89-97.

Moh Agus Nugroho, (2022) Upah dan Konsumsi Untuk Meningkatkan Kesejatraan Dalam Islam. *J-EBI: Jurnal Ekonomi Bisnis Islam.* 47-55

Ricky Montolalu, L. K. (2016). Pengaruh Kepribadian, Orientasi Kerja Dan Penempatan Pegawai Terhadap Kinerja Pegawai Pada Dinas Kebudayaan Dan Pariwsata Provinsi Sulawesi Utara. *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akuntansi ,* 56.

Statistik, B. P. (2022, Juni 2). *UMKM .* Retrieved from https://www.bps.go.id/: https://www.bps.go.id/

Sugiyono. (2012). *Metode Penelitian Pendidikan Kuantitatif, Kualitatif dan R&D.* Bandung: Alfabeta.

Suharjo, B. (2013). *Statistika Terapan (disertai contoh Aplikasi dengan SPSS.* Yogyakarta: Graha Ilmu.