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EFFECT OF MANAGERIAL ABILITY AND EFFECTIVITY ON TENANT BUSINESS PERFORMANCE

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Abstract

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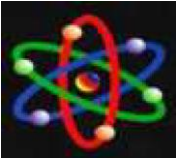
This research aims to explain the importance of tenant performance in creating new entrepreneurs/tenants in higher education through entrepreneurial institutions which include business incubators. Several business incubators are developing in Indonesia, especially in higher education as a forum for creating intellectual and professional human resources. The low performance of tenants in the Universitas Putra Indonesia YPTK Padang can be seen from the 28 tenants that have started running in the last 5 months. The population and sample in this research are incubator tenants totaling 28 people, so this sample is included in the saturated sample. In this research, the role of tenant performance in the Yarsi University incubator will be discussed in terms of the tenant's managerial abilities and the effectiveness of tenants in running their business in the business incubator. The managerial abilities of the tenants/entrepreneurs are a collection of skills and competencies both administratively and operationally in carrying out management functions which consist of the ability to plan, organize, direct or carry out assignments and carry out supervision. Meanwhile, effectiveness can be measured through the output and input made by tenants in entrepreneurship in business incubators.

Keywords: Management Capability, Effectiveness, Tenant Performance

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INTRODUCTION

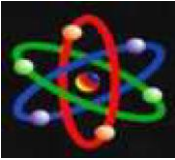
The Tri Dharma of Higher Education, namely education and teaching, research and community service, are the signs of the education process in higher education which are non-negotiable to be put into practice by every tertiary institution. The results of the National Social and Economic Survey (Susenas) by the Central Statistics Agency (BPS) in February 2019 stated that the number of unemployed people in Indonesia was 136.18 million people. Even those who graduate from college find it increasingly difficult to find work because there is not much expansion of business activities. In circumstances like this, the problem of unemployment, including for those with higher education, will have a negative impact on economic, social and societal stability. This condition is also supported by the fact that the majority of college graduates are more job seekers than job creators. This could be because the academic and learning systems currently implemented in universities do not prepare graduates who are ready to create jobs. The global economic cooperation that occurs has a very broad impact on the progress of a nation. Changes need to be made from the government, business, education and society. Environmental anticipation is the initial capital of foresight to look ahead to the strength and existence of a nation in making changes. A country is developed not because of its abundant natural resources, but how the country makes changes through the creativity and innovation of its people. The World Bank reports that the determining factors for a country's superiority are creativity and innovation contributed 45%, respectively, networking 25%, technology 20%, natural

resources 10%. (World Bank, 1995). This shows the importance of community creativity and innovation in determining the superiority of a country.

The above desire is expected to grow from higher education circles which create students who have creativity and innovation in advancing the nation through the advantages they have. One reality, excellence Indonesia's global competition declined in 2017 ranked 45th out of 135 countries, compared to 2018 at 47th out of 140 countries, according to the World Economic Forum (WEF). Indonesia's competitiveness is inferior to three neighboring countries, namely Singapore which is ranked 2nd, Malaysia is ranked 18th and Thailand is ranked 32nd. In ASEAN, Indonesia is recorded as superior to the Philippines ranked 47th, Vietnam ranked 56th, Laos ranked 83rd, Cambodia ranked 90th, and Myanmar ranked 131st (Global Competitiveness Report, 2015-2016). It is hoped that the decline in Indonesia's superiority in global competition will increase among university people, through the creation of a workforce and the creation of new entrepreneurs. The creation of new workers and entrepreneurs requires significant changes in line with dynamic environmental changes. Providing material is not just a hard skill concept, but a soft skill concept that must also be considered and is the most important thing. The advantage that is created is not just technical expertise in the job, but how these people can relate and work together and can become leaders in groups of workers or businessmen.

Apart from that, it is time for a change in mindset and treatment in the application of





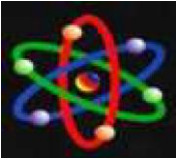
existing higher education, no longer just aiming at academic education but also aiming at vocational education which produces skilled workers and entrepreneurs. Entrepreneurship education is academically structured in scheduled entrepreneurship courses, while entrepreneurship education is vocational, through business incubators which is conducted. According to Mian (1996), university business incubators play a role in increasing the added business value of Small and Medium Enterprises (SMEs). fostered (tenant). Based on data from Bank Indonesia (2009), business incubators in Indonesia are still very minimal, only as many as 50 incubators. Meanwhile, in China Business Incubators have been adopted as an instrument of economic and technological development. Now the number of Business Incubators in China has reached more than 500, ranking second after the United States and is among the most successful Business Incubators in Asia (Chandra & Chao 2011). Etymologically, business performance can be interpreted as something achieved, demonstrated achievements, and work ability. In general, performance can be expected by the company in a certain period. The work performance that the company wants to achieve is generally linked to the goals the company wants to achieve. **Glancey (1998)** defines performance as referring to the level of achievement or attainment of a company within a certain period of time. The performance of a company is very determining in the development of the company. The company's goal is basically to maximize company value reflected in various performance measures. The *performance* of small companies can be

seen in the profit (*profitability*) and development (*growth*) of their sales levels. Meanwhile, Jauch and Glueck (1988) explain that performance refers to the level of achievement or achievements of a company in a certain time period. The company's objectives consist of: remaining standing or existing (survive), to obtain profits (benefits) and be able to develop (growth), can be achieved if the company has good performance. The company's performance can be seen from the level of sales, profit level, return on capital, turnover rate and market share achieved (Jauch and Glueck, 1988). According to Hon. Peter Reith, MP (2000), Incubators are designed to help new and developing businesses become established and able to achieve profits by providing information, consultation, services and other support.

RESEARCH METHODS

In this research the author uses a type of quantitative research, namely a type of research that uses a research design based on statistical procedures or in other words, quantification to measure the research variables. According to Suprpto (2001:80) the measuring tool in quantitative research is in the form of a questionnaire, the data obtained is in the form of answers from tenants to questions or questions asked. In this research the author uses a type of quantitative research, namely a type of research that uses a research design based on statistical procedures or in other words, quantification to measure the research variables. According to Suprpto (2001:80) the measuring tool in quantitative research is in the form of a questionnaire, the data obtained is in the





form of answers from tenants to questions or questions asked.

RESULT

According to **Andi (2007:3)** population is a group of objects that will be used as research material with the same characteristics. The generalization area consists of objects that have certain qualities and characteristics determined by the researcher to be studied and then conclusions drawn. Then **Sugiyono (2012:15)** explains that population is not only people, but also objects and other natural objects. The data to be collected is qualitative data which is quantified using a questionnaire. Data collection was carried out using a survey method, namely using a questionnaire containing items measuring the constructs or variables used in the research model. Data distribution and collection was carried out directly by asking respondents to complete the questionnaire. The primary data taken in this research is data about respondents' responses regarding the variables studied. Secondary data, namely data obtained from literature related to the problem being studied. Secondary data taken in this research is data related to this research and data about the object being studied.

Primary research data was collected using an instrument in the form of a questionnaire. Questionnaires are used to measure the variables of intellectual capital, learning culture and organizational performance. Thus, the data collection carried out in this research is as follows:

a. *Questionnaire*, namely data collection through providing a list of questions filled in by respondents. The data

obtained through the questionnaire is data about the respondents' responses regarding the variables studied.

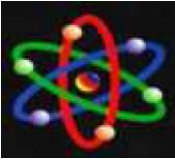
- b. *Observation*, namely collecting data through direct observation of the research object. Data obtained through observation is data about the field conditions of the object under study.
- c. *Literature study*, namely collecting data obtained by reading literature and previous research related to the problem being studied.

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- f. *Literature study*, namely collecting data obtained by reading literature and previous research related to the problem being studied.

Data obtained from research results were analyzed using descriptive statistics and inferential statistics. Descriptive statistical analysis is carried out by describing all data from all variables in the form of means and standard deviations. Inferential





analysis is used to test hypotheses using path analysis .

The first variable is managerial ability. The managerial ability variable indicator (Managerial ability) is measured by 3 abilities, namely: technical ability, human ability and conceptual ability. The second variable, namely effectiveness, is measured by the outcome and output of each tenant . The tenant performance variable indicators in this research refer to previous research conducted by Chahal and Bhaksi (2014), namely: the following indicators: (1) Verbal communication , (2) Managing time and pressure (managing time and stress), (3) Managing individual decisions (managing individual decisions), (4) Recognizing, defining and solving problems (recognizing, defining, and solving problems) (5) Motivating and influencing others (motivating and influencing others), (6) Delegation (delegating), (7) Determining goals and articulating a vision (setting goals and articulating a vision), (8) Self-awareness , (9) Building a team (team building), (10) Managing conflict (managing conflict) . This variable is measured on a five point scale or Likert Scale. Data obtained from research results were analyzed using descriptive statistics and inferential statistics. Descriptive statistical analysis is carried out by describing all data from all variables in the form of means and standard deviations. Inferential analysis is used to test hypotheses using path analysis.

The low performance of tenants in the Universitas Putra Indonesia YPTK Padang can be seen from the 28 tenants that have started running in the last 5 months. Table 1 below:

No	Tenant Name	Types of products	Faculty _
1	Escort Foundation	Start Up	Economy
2	Faiza Collection	Socks and inner	Economy
3	Ratih shop	Woman's clothes	Economy
4	Kanadhifa Hijab	Headscarf	Economy
5	Jong Indonesia	Tote bags	Economy
6	Artisan t-shirts	T shirts	Economy
7	Strawless.id	Stainless Straws	Economy
8	KreaStore	Yarsi Merchandise	Economy
9	@Kedaigue Shoes	Shoes	Psychology
10	Gon Printing	Printing & Adv	Informatics Engineering
11	Icikek Fashion	Fashion & Hijab	Economy
12	Ad'z Qo	ATK	Economy
13	Make ATK media	ATK	Economy
14	Indiexbank	Hijab and mukena	Economy
15	@Queenkie shop	Organic mask	Economy
16	Hello Sema	Portable cutlery	Economy
17	Skipper's Risoles	Risoles	Economy
18	Meatball Lantern	Meatball Skewer	Economy
19	Wins Florist	Snack Buckets	Economy
20	Chubby Kitchen	Aci Meatballs	Economy
21	Lulu's Kitchen	Rice Bowls	Economy
22	Dika's Cake	Macaroni	Economy
23	Teabotolan.ID	Authentic Choco	Economy
24	@kedaigue	Grilled meatballs	Psychology
25	Halal Dimsum	Dim sum	Economy
26	Exbank	serundeng skin crackers	Economy
27	Gihan Potatoes	Dried potatoes	Economy
28	Do-not	Sweet potato donuts	Economy



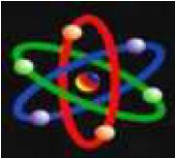


Table 1. List of tenants in the Universitas Putra Indonesia YPTK Padang

Ability level is an individual's proficiency/expertise to do a job, this will influence performance and productivity (John R. Hinrichs, p. 71) . The abilities that individuals bring to the business/work place are in the form of; skills (skills) , knowledge , technical skills. Individuals who do not have the things needed to do a job may not be able to produce good performance (Scott A. Snell, Kenneth N. Wexley, 1998: P. 328).

Winardi (2005:94) defines the managerial abilities of tenants/entrepreneurs as a set of skills and competencies both administratively and operationally in carrying out management functions which consist of the ability to plan, organize, direct or carry out assignments and carrying out supervision. To measure management capability, indicators are used which were developed from Latif's research (2002:379) which have been modified according to the object under study, namely:

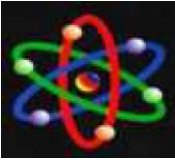
1. Ability to communicate well.
2. Able to deliver goods on time.
3. Ability to make your own decisions.
4. Able to solve business problems (marketing, finance, etc.)
5. Able to direct and motivate yourself.
6. Able to delegate work well.
7. Able to create a business strategy plan.
8. Pay attention to environmental changes related to business.
9. Build a reliable work team
10. Able to resolve conflicts that occur.

In particular, several researchers state that, in order for tenants to be able to carry out managerial tasks optimally, they must have company-specific knowledge which is part of the past acquired through learning by doing (Barney, 1991; Reed & DeFillippi, 1990) . However, managerial abilities are imbued in a team setting rather than a single person, where a broad set of complementary skills such as team management as well as technical and human skills, are required to achieve excellence in a particular competitive market (Barney, 1991, Mahoney, 1995) . In explaining managerial abilities, researchers use different perspectives. The Liang Gie in Maman Ukas (1999:245) states that managerial ability is the ability to move people and move facilities in an organization.

CONCLUSION

This preliminary study inspired us to conduct broader research, by looking at other variables or sub-variables which are factors that influence tenant business performance. So that we can know what kind of treatment should be carried out which is directly related to increasing the tenant's business performance. The effectiveness of managerial abilities is very important in achieving success in the business world. There are several researchers who have attempted to distinguish effective managers from ineffective ones, who generally agree that there are many behaviors that indicate successful managers. The second component that can indicate managerial effectiveness is around personal motivation. Even though there is a manager who meets the six criteria above, if they do not have motivation, then



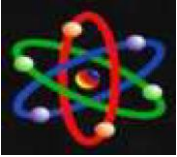


effectiveness cannot be achieved properly. After having these two components, skills (abilities) are still needed to implement effectiveness. Etymologically, business performance can be interpreted as something achieved, demonstrated achievements, and work ability. In general, performance can be expected by the company in a certain period. The work performance that the company wants to achieve is generally linked to the goals the company wants to achieve.

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