ABSTRACT

This research is designed by using the combination of a descriptive research and an explanatory research. A descriptive research is used to describe the entrepreneur characteristic, entrepreneurship, leadership, business ability, and business performance. The variables are as follows:

1. Entrepreneur characteristic comprises five indicators, those are: education, gender, training, experience, and age.
2. Entrepreneurship consists of nine indicators, those are: vision, planning, motivation, innovation, opportunity, self-recognition, risk, ethics, and adaptation.
3. Leadership style covers dictator, participation, delegation, and consideration.
4. Business ability covers the following indicators: production ability, marketing ability, and finance ability.
5. Business performance consists of three indicators, those are: sales growth, investment growth, and personnel growth and learning.

Explanatory research is used to explain the influence of entrepreneur characteristic, entrepreneurship, and leadership on business performance through business ability.

The analysis used in this research is Structural Equation Modeling analysis. The analysis result indicates that:

1. Leadership has non-significant influence on business performance both direct and indirect effect through business ability.
2. Characteristic and entrepreneurship have significant influence on business ability, but having non-significant influence directly on business performance.
3. Business ability has significant influence on business performance.
4. Entrepreneurship has more influence on business ability than those on characteristic effects.

Keywords: Entrepreneurship  
Leadership  
Business ability  
Business performance