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The Effect of Working Capital, Entrepreneurial Behaviour on Production Capacity Has an Impact on the Competitiveness of Red Brick Small Micro Enterprises in Gowa Regency

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***Abstract*—** This study aims to determine the significant effect of working capital, entrepreneurial behaviour on the production capacity of micro and small red brick businesses in Gowa Regency. The significant effect of production capacity on the competitiveness of micro and small brick-and-mortar businesses and the significant effect of working capital, entrepreneurial behaviour on the competitiveness of micro and small brick-based businesses in Gowa Regency The significant effect of working capital on the entrepreneurial behaviour of micro and small red brick businesses in Gowa Regency.

This study uses hypothesis testing to prove the proposed hypothesis by descriptive analysis. This research is a descriptive study using a quantitative approach through reliability testing, validity testing and using path analysis.

The results of this study indicate that entrepreneurial behaviour is significant towards production capability. Working capital does not have a significant effect on the competitiveness of micro and small enterprises. In contrast, the direct influence of entrepreneurial behaviour has a significant effect on the competitiveness of micro and small businesses. Moreover, the direct effect of production capability has a significant effect on the competitiveness of micro and small businesses. The effect of working capital through production capability on the competitiveness of micro and small businesses shows that indirectly working capital through production capacity has a significant effect on the competitiveness of micro and small businesses. The effect of entrepreneurial behaviour through production capabilities on the competitiveness of micro and small businesses shows that indirectly entrepreneurial behaviour through production capabilities has a significant effect on the competitiveness of micro and small businesses.

***Keywords* -** working capital, entrepreneurial behaviour, competitiveness, micro and small businesses

I. INTRODUCTION

The government has an essential role in developing Micro, Small and Medium Enterprises (UMKM). The government's support for overcoming barriers that cannot be easily penetrated only by the policy of the executive of Micro and Small Enterprises. It must be put forward because it relies on a populist economy. It is an indication of partiality to accelerate the process of empowering micro and small businesses. It is hoped that the current condition will be tolerant of big businesses to small businesses (Akob Kadir, 2015). The findings of this journal have something in common with this research, namely looking at the conditions of Micro and Small Enterprises in Gowa Regency. It indicates various problems faced, such as difficulties in access to working capital, entrepreneurial behaviour, production capacity and competitiveness of red brick micro and small enterprises.

There are 6,936 of registered MSMEs scattered in Gowa Regency from 2017 to 2018. They consist of 3,795 micro-enterprises and 2,882 small businesses and 259 medium enterprises. This research focuses on

micro and small red brick businesses in Gowa Regency. Based on Regional Regulation Number 7 of 2008 concerning Organization and Work Procedure of the Regional Office of Gowa Regency and Regent Decree No. 35 of 2008 and this research only focuses on red brick MSEs, namely the business of making red bricks on a micro and small scale in Gowa Regency. The phenomenon that is more visible from period to period in Gowa Regency is related to working capital, which indicates that it is still challenging to cover operational costs in the form of cash, supplies, short-term debt, and receivables. Jumingan (2011: 67-68), (Law No. 20 of 2008) and (Weston; 2002); Mardiasmo (2002: 31) states that entrepreneurial behaviour is the behaviour of business actors who tend to be constrained by problems of discipline, persistence, risk-taking, consistency and not easily discouraged, which need to be implemented and improved for the better. (Shabana Azami: 2013) Production capability is a significant weakness in the feasibility of developing production, reliability of brick moulding equipment, technical understanding of production, quality of necessary material products, and maintenance procedures (Sukanto: 2008). Moreover, the competitiveness of red brick MSEs is indicated by how to maintain sales competitiveness, production competitiveness and quality competitiveness of red bricks, labour competitiveness, the competitiveness of brick moulding machines which are still considered low. (Michael Porter: 1990).

Based on the description above, the writer is interested in research to find out whether working capital, entrepreneurial behaviour has a significant effect on the production capacity of red brick MSEs in Gowa Regency? Do production capabilities, working capital; entrepreneurial behaviour have a significant effect on the competitiveness of red brick MSEs in Gowa Regency? Does working capital have a significant effect on the entrepreneurial behaviour of red brick MSEs in Gowa Regency?

II. METHODS

The research approach used is explanatory to prove hypotheses through quantitative and qualitative approaches to research results to make conclusions. This research was conducted in Gowa Regency, South Sulawesi. The data in this study are primary data obtained from empirical research results of red brick UMK in Gowa Regency in the form of direct interviews, distributing questionnaires and secondary data, namely data obtained from the cooperative and UMKM offices of Gowa Regency, journals and references related to this study. Data collection techniques with several steps: Observation, conducting interviews, distributing questionnaires and documentation. The population of this study was 208 in Gowa Regency, where the sample size was determined using the Slovin formula as many as 137 respondents. In this study, using a hypothesis test with descriptive analysis method, namely by analyzing working capital, entrepreneurial behaviour, production capacity and competitiveness of micro and small businesses, especially the red brick business in Gowa Regency. Path analysis is used to determine the effect of working capital, entrepreneurial behaviour, on production capacity, the impact on the competitiveness of micro and small red brick businesses in Gowa Regency.

III. RESULT AND DISCUSSION

In this research, it examines the influence between one variable and another variable which includes the independent variable and the dependent variable as well as the moderator variable. This research is the object of research/sample as many as 137 respondents who are directly involved in the red brick business both on a micro and small scale in Gowa Regency. Descriptive information or data were obtained through questionnaires and direct interviews related to gender, age, type of business, number of businesses, time to pursue a business, and the number of red bricks produced per year. The hypothesis testing through the reliability test is intended to determine whether the data collection tool shows the level of accuracy, accuracy, stability or consistency. Cronbach's Alpha value is 0.780 (78%) greater than 0.6 (60%), so Cronbach's Alpha value is said to be Reliable. While the test of validity (Test of Validity) is carried out to measure the statements in the questionnaire (Sugiyono: 2008) in the table of total statistical items, it is known that r table for df = 137-2 (free variable) = 135 is 0.1411. The value in the validity test is said to be valid if r count> from the value of r table

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
X1.1	159.00	58.544	-.016	.	.784
X1.2	158.96	54.925	.327	.	.769
X1.3	158.86	55.988	.300	.	.771
X1.4	158.97	57.352	.128	.	.777
X1.5	159.16	54.209	.509	.	.762
X1.6	158.83	56.685	.196	.	.775
X1.7	159.11	56.760	.233	.	.773
X1.8	159.01	56.434	.257	.	.772
X2.1	158.88	58.198	.030	.	.781
X2.2	159.05	56.549	.248	.	.773
X2.3	158.83	56.685	.196	.	.775
X2.4	159.11	56.760	.233	.	.773
X2.5	158.86	55.988	.300	.	.771
X2.6	158.97	57.352	.128	.	.777
X2.7	158.89	56.686	.184	.	.775
X2.8	158.85	56.346	.223	.	.774
X2.9	159.16	54.209	.509	.	.762
X2.10	158.89	55.172	.394	.	.767
Y1	158.88	58.198	.030	.	.781
Y2	159.05	56.549	.248	.	.773
Y3	158.88	54.345	.355	.	.768
Y4	158.96	54.925	.327	.	.769
Y5	159.01	56.434	.257	.	.772
Y6	158.89	56.686	.184	.	.775
Y7	159.07	56.583	.221	.	.774
Y8	158.96	54.925	.327	.	.769
Y9	159.18	58.283	.015	.	.782
Y10	159.09	55.992	.247	.	.773
Z1	158.80	56.395	.210	.	.774
Z2	158.88	54.345	.355	.	.768
Z3	159.06	57.879	.083	.	.778
Z4	159.16	54.209	.509	.	.762
Z5	158.72	55.249	.365	.	.768
Z6	158.94	55.864	.224	.	.774
Z7	158.89	55.172	.394	.	.767
Z8	158.89	56.686	.184	.	.775
Z9	159.16	54.209	.509	.	.762
Z10	158.88	54.345	.355	.	.768

The size of the data distribution is a measure of the spread of data from the average. The size of the distribution of data related to working capital, entrepreneurial behaviour, production capacity and competitiveness of red brick MSEs in Gowa Regency can be seen as follows:

Statistics

		Working Capital	Entrepreneurial Behaviour	Production Capability	Competitiveness
N	Valid	137	137	137	137
	Missing	0	0	0	0
Mean		34.20	43.13	42.67	43.26
Std. Error of Mean		.168	.197	.226	.266
Median		34.00	44.00	43.00	44.00
Mode		36	45	43	45
Std. Deviation		1.967	2.307	2.646	3.108
Variance		3.870	5.321	7.002	9.662
Skewness		-.584	-.531	-.641	-.484
Std. Error of Skewness		.207	.207	.207	.207
Kurtosis		.171	-.528	.213	-.534
Std. Error of Kurtosis		.411	.411	.411	.411
Range		10	10	14	14
Minimum		28	37	34	36
Maximum		38	47	48	50
Sum		4686	5909	5846	5926
Percentiles	25	33.00	41.00	41.00	41.00
	50	34.00	44.00	43.00	44.00
	75	36.00	45.00	45.00	46.00

In the product-moment validity test, the Pearson correlation is useful for knowing the suitability of the questionnaire that researchers use to obtain data from respondents. The results of testing the validity of the product-moment of the Pearson correlation for working capital, entrepreneurial behaviour, production capacity and competitiveness of MSEs are as follows:

```
CORRELATIONS
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```

Correlations

		x1.1	x1.2	x1.3	x1.4	x1.5	x1.6	x1.7	x1.8	VAR00001
x1.1	Pearson Correlation	1	-,048	,011	-,010	,102	,119	,096	-,004	,413**
	Sig. (2-tailed)		,580	,901	,911	,234	,168	,263	,963	,000
	N	137	137	137	137	137	137	137	137	137
x1.2	Pearson Correlation	-,048	1	,114	-,059	,196*	,033	,052	,005	,438**
	Sig. (2-tailed)	,580		,183	,497	,022	,701	,544	,952	,000

	N	137	137	137	137	137	137	137	137	137
x1.3	Pearson Correlation	,011	,114	1	,021	,009	,050	-,139	,095	,344**
	Sig. (2-tailed)	,901	,183		,807	,920	,561	,106	,268	,000
	N	137	137	137	137	137	137	137	137	137
x1.4	Pearson Correlation	-,010	-,059	,021	1	,108	,037	-,003	,018	,326**
	Sig. (2-tailed)	,911	,497	,807		,209	,668	,970	,833	,000
	N	137	137	137	137	137	137	137	137	137
x1.5	Pearson Correlation	,102	,196*	,009	,108	1	-,001	,723**	,105	,647**
	Sig. (2-tailed)	,234	,022	,920	,209		,994	,000	,223	,000
	N	137	137	137	137	137	137	137	137	137
x1.6	Pearson Correlation	,119	,033	,050	,037	-,001	1	-,143	-,069	,328**
	Sig. (2-tailed)	,168	,701	,561	,668	,994		,094	,423	,000
	N	137	137	137	137	137	137	137	137	137
x1.7	Pearson Correlation	,096	,052	-,139	-,003	,723**	-,143	1	,122	,472**
	Sig. (2-tailed)	,263	,544	,106	,970	,000	,094		,154	,000
	N	137	137	137	137	137	137	137	137	137
x1.8	Pearson Correlation	-,004	,005	,095	,018	,105	-,069	,122	1	,350**
	Sig. (2-tailed)	,963	,952	,268	,833	,223	,423	,154		,000
	N	137	137	137	137	137	137	137	137	137
VAR00001	Pearson Correlation	,413**	,438**	,344**	,326**	,647**	,328**	,472**	,350**	1
	Sig. (2-tailed)	,000	,000	,000	,000	,000	,000	,000	,000	
	N	137	137	137	137	137	137	137	137	137

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

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CORRELATIONS
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Correlations

	x2.1	x2.2	x2.3	x2.4	x2.5	x2.6	x2.7	x2.8	x2.9	x2.10	VAR00002

x2.1	Pearson Correlation	1	-,281**	,024	-,003	-,072	,032	-,210*	,026	-,030	-,016	,128
	Sig. (2-tailed)		,001	,781	,972	,404	,709	,014	,760	,724	,855	,135
	N	137	137	137	137	137	137	137	137	137	137	137
x2.2	Pearson Correlation	-,281**	1	,034	,015	,082	,036	,135	-,019	,073	,053	,264**
	Sig. (2-tailed)	,001		,690	,863	,340	,675	,115	,827	,397	,536	,002
	N	137	137	137	137	137	137	137	137	137	137	137
x2.3	Pearson Correlation	,024	,034	1	-,143	,050	,037	-,115	,855**	-,001	,129	,498**
	Sig. (2-tailed)	,781	,690		,094	,561	,668	,180	,000	,994	,132	,000
	N	137	137	137	137	137	137	137	137	137	137	137
x2.4	Pearson Correlation	-,003	,015	-,143	1	-,139	-,003	-,041	-,105	,723**	-,071	,275**
	Sig. (2-tailed)	,972	,863	,094		,106	,970	,631	,221	,000	,410	,001
	N	137	137	137	137	137	137	137	137	137	137	137
x2.5	Pearson Correlation	-,072	,082	,050	-,139	1	,021	,052	,157	,009	,817**	,492**
	Sig. (2-tailed)	,404	,340	,561	,106		,807	,543	,066	,920	,000	,000
	N	137	137	137	137	137	137	137	137	137	137	137
x2.6	Pearson Correlation	,032	,036	,037	-,003	,021	1	-,058	-,007	,108	,047	,304**
	Sig. (2-tailed)	,709	,675	,668	,970	,807		,502	,935	,209	,588	,000
	N	137	137	137	137	137	137	137	137	137	137	137
x2.7	Pearson Correlation	-,210*	,135	-,115	-,041	,052	-,058	1	-,034	,138	,205*	,285**
	Sig. (2-tailed)	,014	,115	,180	,631	,543	,502		,689	,107	,016	,001
	N	137	137	137	137	137	137	137	137	137	137	137
x2.8	Pearson Correlation	,026	-,019	,855**	-,105	,157	-,007	-,034	1	,026	,231**	,564**
	Sig. (2-tailed)	,760	,827	,000	,221	,066	,935	,689		,761	,007	,000
	N	137	137	137	137	137	137	137	137	137	137	137
x2.9	Pearson Correlation	-,030	,073	-,001	,723**	,009	,108	,138	,026	1	,131	,524**
	Sig. (2-tailed)	,724	,397	,994	,000	,920	,209	,107	,761		,128	,000
	N	137	137	137	137	137	137	137	137	137	137	137
x2.10	Pearson Correlation	-,016	,053	,129	-,071	,817**	,047	,205*	,231**	,131	1	,635**
	Sig. (2-tailed)	,855	,536	,132	,410	,000	,588	,016	,007	,128		,000
	N	137	137	137	137	137	137	137	137	137	137	137
VAR00002	Pearson Correlation	,128	,264**	,498**	,275**	,492**	,304**	,285**	,564**	,524**	,635**	1
	Sig. (2-tailed)	,135	,002	,000	,001	,000	,000	,001	,000	,000	,000	
	N	137	137	137	137	137	137	137	137	137	137	137

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

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Correlations

		y1	y2	y3	y4	y5	y6	y7	y8	y9	y10	VAR00002
y1	Pearson Correlation	1	-,281**	,074	,031	-,148	-,210*	-,172*	,031	,132	-,024	,114
			,001	,391	,722	,084	,014	,044	,722	,125	,778	,186
	N	137	137	137	137	137	137	137	137	137	137	137
y2	Pearson Correlation	-,281**	1	,088	,041	,066	,135	,800**	,041	-,094	,146	,419**
	Sig. (2-tailed)	,001		,308	,632	,446	,115	,000	,632	,273	,089	,000
	N	137	137	137	137	137	137	137	137	137	137	137
y3	Pearson Correlation	,074	,088	1	-,003	,153	,066	,067	-,003	-,190*	,161	,372**
	Sig. (2-tailed)	,391	,308		,968	,075	,441	,436	,968	,026	,060	,000
	N	137	137	137	137	137	137	137	137	137	137	137
y4	Pearson Correlation	,031	,041	-,003	1	,005	-,060	,055	1,000**	,160	,283**	,652**
	Sig. (2-tailed)	,722	,632	,968		,952	,483	,523	,000	,062	,001	,000
	N	137	137	137	137	137	137	137	137	137	137	137
y5	Pearson Correlation	-,148	,066	,153	,005	1	,064	,103	,005	-,060	,579**	,397**
	Sig. (2-tailed)	,084	,446	,075	,952		,458	,233	,952	,484	,000	,000
	N	137	137	137	137	137	137	137	137	137	137	137
y6	Pearson Correlation	-,210*	,135	,066	-,060	,064	1	,067	-,060	-,076	-,124	,184*
	Sig. (2-tailed)	,014	,115	,441	,483	,458		,434	,483	,379	,148	,031
	N	137	137	137	137	137	137	137	137	137	137	137
y7	Pearson Correlation	-,172*	,800**	,067	,055	,103	,067	1	,055	-,002	,165	,466**
	Sig. (2-tailed)	,044	,000	,436	,523	,233	,434		,523	,984	,053	,000
	N	137	137	137	137	137	137	137	137	137	137	137

y8	Pearson Correlation	,031	,041	-,003	1,000**	,005	-,060	,055	1	,160	,283**	,652**
	Sig. (2-tailed)	,722	,632	,968	,000	,952	,483	,523		,062	,001	,000
	N	137	137	137	137	137	137	137	137	137	137	137
y9	Pearson Correlation	,132	-,094	-,190*	,160	-,060	-,076	-,002	,160	1	,055	,263**
	Sig. (2-tailed)	,125	,273	,026	,062	,484	,379	,984	,062		,524	,002
	N	137	137	137	137	137	137	137	137	137	137	137
y10	Pearson Correlation	-,024	,146	,161	,283**	,579**	-,124	,165	,283**	,055	1	,605**
	Sig. (2-tailed)	,778	,089	,060	,001	,000	,148	,053	,001	,524		,000
	N	137	137	137	137	137	137	137	137	137	137	137
VAR00002	Pearson Correlation	,114	,419**	,372**	,652**	,397**	,184*	,466**	,652**	,263**	,605**	1
	Sig. (2-tailed)	,186	,000	,000	,000	,000	,031	,000	,000	,002	,000	
	N	137	137	137	137	137	137	137	137	137	137	137

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

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CORRELATIONS
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Correlations

		z1	z2	z3	z4	z5	z6	z7	z8	z9	z10	VAR00002
z1	Pearson Correlation	1	,147	-,192*	,111	,145	,737**	,051	-,117	,111	,147	,471**
	Sig. (2-tailed)		,086	,025	,195	,091	,000	,552	,172	,195	,086	,000
	N	137	137	137	137	137	137	137	137	137	137	137
z2	Pearson Correlation	,147	1	,077	-,059	,644**	,283**	,005	,066	-,059	1,000**	,708**

	Sig. (2-tailed)	,086		,371	,497	,000	,001	,957	,441	,497	,000	,000
	N	137	137	137	137	137	137	137	137	137	137	137
z3	Pearson Correlation	-,192*	,077	1	,003	-,008	-,095	,087	,079	,003	,077	,178*
	Sig. (2-tailed)	,025	,371		,969	,929	,269	,311	,361	,969	,371	,038
	N	137	137	137	137	137	137	137	137	137	137	137
z4	Pearson Correlation	,111	-,059	,003	1	,051	,097	,131	,138	1,000**	-,059	,448**
	Sig. (2-tailed)	,195	,497	,969		,558	,258	,128	,107	,000	,497	,000
	N	137	137	137	137	137	137	137	137	137	137	137
z5	Pearson Correlation	,145	,644**	-,008	,051	1	,237**	,111	,041	,051	,644**	,633**
	Sig. (2-tailed)	,091	,000	,929	,558		,005	,198	,635	,558	,000	,000
	N	137	137	137	137	137	137	137	137	137	137	137
z6	Pearson Correlation	,737**	,283**	-,095	,097	,237**	1	-,060	-,118	,097	,283**	,552**
	Sig. (2-tailed)	,000	,001	,269	,258	,005		,485	,168	,258	,001	,000
	N	137	137	137	137	137	137	137	137	137	137	137
z7	Pearson Correlation	,051	,005	,087	,131	,111	-,060	1	,205*	,131	,005	,308**
	Sig. (2-tailed)	,552	,957	,311	,128	,198	,485		,016	,128	,957	,000
	N	137	137	137	137	137	137	137	137	137	137	137
z8	Pearson Correlation	-,117	,066	,079	,138	,041	-,118	,205*	1	,138	,066	,293**
	Sig. (2-tailed)	,172	,441	,361	,107	,635	,168	,016		,107	,441	,001
	N	137	137	137	137	137	137	137	137	137	137	137
z9	Pearson Correlation	,111	-,059	,003	1,000**	,051	,097	,131	,138	1	-,059	,448**
	Sig. (2-tailed)	,195	,497	,969	,000	,558	,258	,128	,107		,497	,000
	N	137	137	137	137	137	137	137	137	137	137	137
z10	Pearson Correlation	,147	1,000**	,077	-,059	,644**	,283**	,005	,066	-,059	1	,708**
	Sig. (2-tailed)	,086	,000	,371	,497	,000	,001	,957	,441	,497		,000
	N	137	137	137	137	137	137	137	137	137	137	137
VAR00002	Pearson Correlation	,471**	,708**	,178*	,448**	,633**	,552**	,308**	,293**	,448**	,708**	1
	Sig. (2-tailed)	,000	,000	,038	,000	,000	,000	,000	,001	,000	,000	
	N	137	137	137	137	137	137	137	137	137	137	137

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Path analysis is used to determine the direct dependence relationship between a set of variables (Prasetyo: 2005). Path analysis related to working capital, entrepreneurial behaviour, production capability and competitiveness of micro and small red brick enterprises in Gowa Regency using Model I analysis are as follows:

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	23.042	4.102		5.617	.000
	Working Capital	.521	.147	.388	3.556	.001
	Entrepreneurial Behaviour	.042	.125	.036	.332	.740

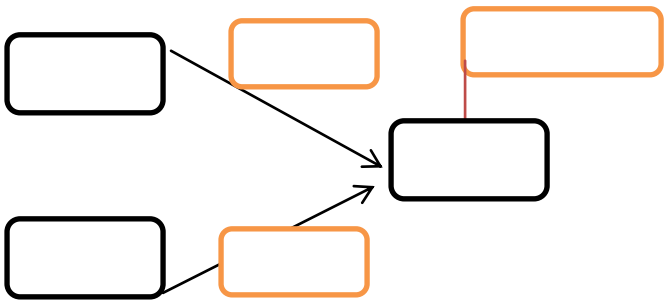
a. Dependent Variable: Production capability

Model Summary

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	.414[a]	.171	.159	2.427

a. Predictors: (Constant), Entrepreneurial Behaviour, Working Capital

Then to see the path coefficient of the model I analysis, the significance value of the two variables, namely X1 = 0.001 and X2 = 0.740. Analysis of the effect of X2 on Y: from the above analysis, the significance value of X2 is 0.740> 0.05. It can be concluded that directly there is no significant effect on Y while the value of R Square is 0.171, the effect of X1 and X2 on Y is 17.1%. Meanwhile, the value of e1 can be found with the formula e1 = √ (1-0,171) = 0.9104. Thus, obtained the path diagram structure I as follows:



For path analysis model II can be seen as follows:

Coefficients[a]

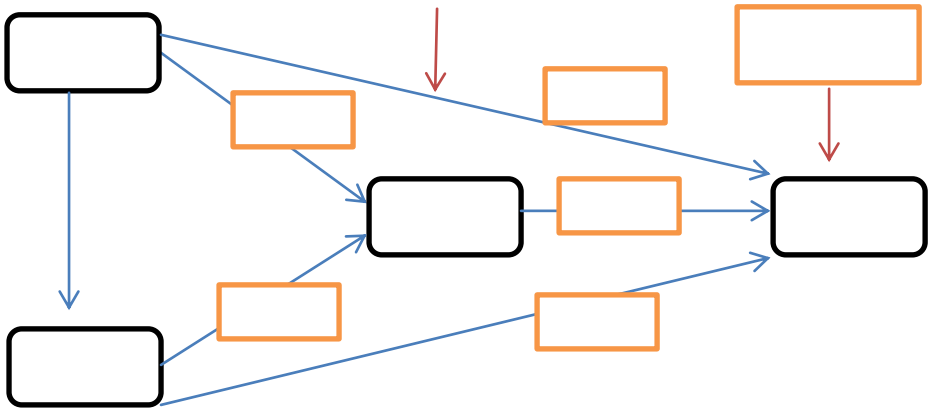
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	4.837	4.770		1.014	.312
	Working Capital	-.198	.160	-.125	-1.231	.220
	Entrepreneurial Behaviour	.633	.131	.469	4.833	.000
	Production capability	.419	.090	.357	4.639	.000

a. Dependent Variable: competitiveness

For Path Coefficient Model II, it can be seen based on the Regression Model II output in the Coefficients table section, and it is known that the significance value of the three variables, namely X1 = 0.220, X2 = 0.000 and Y = 0.000. These results conclude that the regression of Model II, namely X1 (Working Capital) does not have a significant effect on Z because the value of X1 is greater than 0.05. In contrast, X2 and Y have a significant effect on Z because the values of X2 and Y are less than 0.05. The results of the analysis of the effect of X1 on Z obtained a significance value of X1 of 0.220> 0.05. So it can be concluded that directly there is no significant effect on Z. Analysis of the effect of X2 on Z obtained a significance value of X2 of 0.000 <0.05. So it can be concluded that there is a significant direct effect on Z, while the analysis of the effect of Y on Z obtained a significance value of 0.000 <0.05. So it can be concluded that there is a significant direct influence on Z.

Analysis of the effect of X1 through Y on Z: it is known that the direct effect exerted by X1 on Z is -0.125. While the indirect effect of X1 through Y on Z is the multiplication of the Beta value of X1 to Y and the beta value of Y to Z, namely; 0.388 x 0.357 = 0.139. Then the total effect given by X1 to Z is the direct effect plus the indirect effect, namely; -0.125 + 0.139 = 0.014. It shows that X1 indirectly through Y has a

significant effect on Z. While the value of R Square is 0.347. Meanwhile, the value of e1 can be found with the formula e1 = √ (1-0.347) = 0.8081. Thus, the path diagram II structure is obtained as follows:



For path analysis model III is as follows:

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	15.358	2.495		6.157	.000
	Working capital	.812	.073	.692	11.152	.000

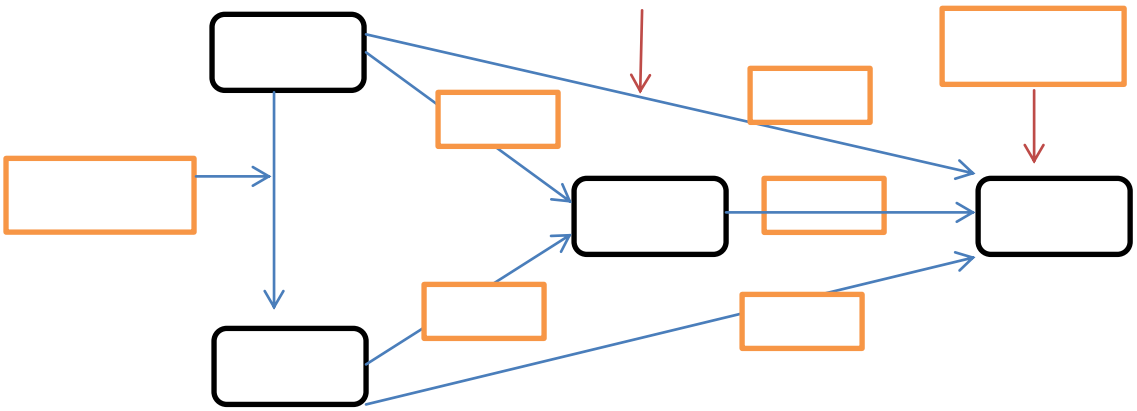
a. Dependent Variable: Entrepreneurial Behaviour

Model Summary

Model	R	R Square	Adjusted R Square	Std. An error of the Estimate
1	.692[a]	.479	.476	1.670

a. Predictors: (Constant), Working capital

For the Path Coefficient Model III goes to the Regression Model III output in the Coefficients section, it can be seen the significance value of the variable X1 = 0.000. These results provide the conclusion that the Regression Model II, namely Variable X1 (Working Capital) has a significant effect on X2 because the value of X1 is less than 0.05. Analysis of the effect of X2 through Y on Z: it is known that the direct effect exerted by X2 on Z is 0.469. At the same time, the indirect effect of X2 through Y on Z is the multiplication of the Beta value of X2 to Y and the beta value of Y to Z, namely; 0.038 x 0.357 = 0.0136. Then the total effect given by X2 to Z is the direct effect plus the indirect effect, namely: 0.469 + 0.0136 = 0.605. It shows X2 indirectly through Y has a significant effect on Z, while the value of R Square is 0.479. Meanwhile, the value of e1 can be found with the formula e1 = √ (1-0,479) = 0.7218.



Based on the results of research and tests, as discussed in the previous description, this discussion can be described as follows:

1. The effect of working capital (X1) on production capability (Y)

The results of the analysis in this study show a significant effect, the analysis of the significance value is 0.001 <0.05 where X1 has a significant effect on Y. The results of Muh Akob Kadir's (2015) study that the increase in MSEs rests on the populist economy, taking sides to accelerate the empowerment process of micro and small businesses. In line with Osotimehin's research, at all (2012) on evaluating the challenges and prospects for developing micro and small enterprises in Nigeria.

Thus, the novelty is how the form of cash obtained by the sale of red bricks. Whereas in the form of accounts receivable is sales of red bricks on credit or only to pay a down payment/down payment, the rest is paid in instalments depending on the agreement of the two parties, namely the UMK with the buyer/consumer.

2. The influence of entrepreneurial behaviour on production capability

The results of the analysis in this study, there is no effect of X2 on Y: from the above analysis, the significance value of X2 is 0.740> 0.05. The results of this study are in line with the opinion of Rajiv Mehta (2003) with the research title the leadership style, motivation and performing in international marketing channels, where this study examines leadership, motivation and performance in international marketing channels. Mustafa's (2014) research is *Entrepreneurial Behaviors: Does Knowledge restrict the People*. This research has in common the form of continuous use of past experiences while facing difficulties - and entrepreneurial behaviour is investigated through a questionnaire.

Thus, the novelty of this research on human behaviour in managing MSE is closely related to tenacity, seriousness and sincerity. Entrepreneurial behaviour that needs to be improved in Gowa Regency is about discipline, persistence, the courage to take risks, consistency and not easily giving up.

3. The effect of production capability on the competitiveness of MSEs

The results of the analysis indicate the analysis of the effect of Y on Z obtained a significance value of 0.000 <0.05. So it can be concluded that there is a significant direct influence on Z. In line with

Osotimehin's research, at all (2012) on the evaluation of challenges and prospects for developing micro and small enterprises in Nigeria. This study examines the challenges and prospects of developing micro and small business in Nigeria; most of the companies in Nigeria have been classified as micro and small enterprises.

Thus, the novelty of this research is more focused on red brick MSEs in Gowa Regency. The above conditions indicate that the production capacity constraints are related to MSEs' access to productive resources, especially capital sources and the availability of machinery/equipment and technology. It further strengthens the phenomenon that has occurred so far that MSEs are faced with critical factors that are classical, which have not shifted from time to time, namely capital and technical production.

4. The effect of working capital on the competitiveness of MSEs

The results of the analysis in this study obtained a significance value of working capital (X1) of 0.220> 0.05. It shows that directly there is no significant effect on the competitiveness of micro and small enterprises (Z). The research equation by Ibidunni (2013) is research designed to test the effect of product differentiation as a means of competitive advantage on organizational performance. The manufacturing company is Unilever Nigeria Plc as a case study.

Thus, the novelty of this study shows that working capital in the form of cash, accounts receivable and inventory, as well as short-term debt, must be managed properly, especially about increased production capacity and more red brick production. The need for sophisticated equipment and fast-drying/burning methods to increase SMEs competitiveness. It is closely related to entrepreneurial behaviour among discipline, tenacity and consistency.

5. The influence of entrepreneurial behaviour on the competitiveness of MSEs

The results of the analysis of the influence of entrepreneurial behaviour (X2) on the competitiveness of micro and small enterprises (Z). The significance value of entrepreneurial behaviour (X2) is 0.000 <0.05, indicating that there is a significant direct effect on the micro-competitiveness of MSEs (Z). The results of this study are in line with Mustafa's (2014) research, namely Entrepreneurial Behaviours: Are the People Restricted by Knowledge, where similarities in the use of past experiences continuously while facing difficulties and entrepreneurial behaviour are investigated through a questionnaire, and the results show that there is a significant relationship. Between Knowledge and entrepreneurial behaviour.

Thus the novelty of this study shows that the entrepreneurial behaviour of red brick MSEs in Gowa Regency, especially the discipline and consistency, is what causes the red brick moulding/manufacturing business to last for more than 15 years. It has an impact on the competitiveness of red brick MSEs in terms of product competitiveness, sales competitiveness, labour competitiveness and the quality of red bricks produced by red brick MSEs in Gowa Regency.

6. The effect of working capital on entrepreneurial behaviour

The results of the analysis in the Coefficients section show the significant value of the variable X1 = 0.000. These results indicate that the Regression Model lII, namely Variable X1 (Working Capital) has a significant effect on X2 because the value of X1 is smaller than 0.05. In line with the research of Nor Edi Azhar Binti Mohamad, (2010) Working Capital Management: The Effect of Market Valuation and Profitability in Malaysia, in this study there are similarities with researchers in the form of working capital used to improve and develop businesses such as cash and short-term debt as well as possible. -both in order to get a more significant profit.

Conclusion

Based on the research that has been done, the researcher concludes that working capital (X1) directly has a significant effect on production capability (Y) and entrepreneurial behaviour (X2) directly has no significant effect on production capability (Y). Working capital (X1) directly does not have a significant effect on the competitiveness of MSEs (Z). Entrepreneurial behaviour (X2) directly has a significant effect

on the competitiveness of MSEs (Z). Production capability (Y) directly has a significant effect on the competitiveness of MSEs (Z) while working capital (X1) directly has a significant effect on entrepreneurial behaviour (X2).

7. The facts of the results of this study indicate that the variable managerial ability stated by the catering service business actors in Makassar City has a lower effect through competitive advantage on the potential for business development.

From the result and the conclusion above, the research suggests seven things based on the relationship between the variables. The first is to build a competitive advantage is strategic through low cost products while maintaining quality. In promoting products, it should be accompanied by a variety of choices to consumers. Using low-cost products must be able to result in competitive (cheap) product prices in order to create efficient use of resources. Promotion is carried out in segments in order to reach the target market effectively. Using low-cost products to win the competition must be based on an analysis of the effectiveness of the business plan and the efficient use of resources. With the hope that the results of the analysis really provide the right answers to market demands and consumer preferences. Considering to fulfill capital requirements in the framework of business development. Utilization of new ideas for improvisation purposes, both in the context of promotion and market intervention, should as much as possible base the analysis of the profit rate of market trends. Using low-cost products to create competitive prices should be the result of an analysis of market profit trends. Likewise, product diversification must be the result of an analysis of the needs for financial capital and other resources. If you are sure that you will use financial capital assistance, it should be used for the development of product variety / diversification and even better if the resulting product appears at competitive prices (cheap). However, it must be the result of a market trend profit analysis. The last is the use of low-cost products in order to produce products at competitive (low) prices must be the result of careful planning. Considering the efficiency of resources and the effectiveness of the work plan so that overall, this managerial capability creates steps that are contributive to business development efforts. These recommendations support each other with the sixth suggestion.

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