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The Influence of Entrepreneurial Orientation and Information Technology on the Performance of MSMEs

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ABSTRACT: MSMEs play an important role in the economic development of a country. Efforts are needed to improve the performance of MSMEs to ensure their continuity and continuity. Banjarmasin as the capital of South Kalimantan Province has experienced significant progress in developing MSMEs. However, many new businesses struggle to survive for various reasons. This indicates that the performance of MSMEs in Banjarmasin has not achieved satisfactory growth. This research aims to analyze the influence of entrepreneurial orientation and information technology on the performance of MSMEs in Banjarmasin. The research population consisted of MSME entrepreneurs registered with the Banjarmasin Cooperatives and Industry Service. This research uses a quantitative descriptive approach. The analytical method used is Multiple Linear Regression, Goodness of Fit Model testing, coefficient of determination (R-squared), and F test. The results of the research show that Entrepreneurial Orientation has a significant influence on the performance of MSMEs in Banjarmasin, with a significance value (Sig) of 0.021. Information Technology also has a significant effect on the performance of MSMEs in Banjarmasin, with a Sig value of 0.006. The F value is 8.355 with a significance of 0.001, it is concluded that Entrepreneurial Orientation (X1) and Information Technology (X2) have a significant influence on the performance of MSMEs. The combined influence of Entrepreneurial Orientation and Information Technology as shown by an R-Square value of 0.188 or 18.8% indicates the existence of interdependence.

Keywords: Entrepreneurial Orientation, Information Technology, MSMEs Performance

INTRODUCTION

The continuing epidemic of COVID-19, which is presently in its second year, has significantly impacted business continuity. This impact is particularly felt among micro and small business

owners (MSMEs), especially those who are just starting their ventures. The development of small and medium-sized enterprises (SMEs) has not significantly changed over time, notably in terms of the expectation that micro-units will expand into small companies, small businesses into medium-sized ones, and medium-sized businesses into large ones. As observed during global economic crises, micro and small enterprises have proven to be the backbone of a country's economy (Agusdin et al., 2021). In developing countries, MSMEs offer unique products and services that drive economic growth. In this context, MSMEs play a crucial role in both advanced and developing economies (Effiom & Etim Edet, 2018). Furthermore, MSMEs not only contribute to a country's economic development but also serve as a gauge of government policy efficacy in fostering an entrepreneurial culture (Aremu & Muhammad, 2022).

Efforts are needed to enhance the performance of MSMEs to ensure their sustainability and continuity (Aremu & Muhammad, 2022; Eniola & Entebang, 2015). Performance is a crucial factor determining business success. It is a top priority for companies, driving all actions and activities to be improved and grown, showcasing the company's strengths (Komariah et al., 2022). Intense rivalry has an indirect impact on the success of small and medium-sized businesses.

Banjarmasin, as the provincial capital of South Kalimantan, has seen significant growth in the establishment of Micro, Small, and Medium Enterprises (MSMEs). According to data from Banjarmasin's Department of Cooperatives, Micro Enterprises, and Labor, there are 39,049 MSMEs spread over five districts as of 2021. Here's how it breaks down: 1,515 independent new entrepreneurs, 1,643 medium-sized firms, 3,724 small businesses, 32,167 micro businesses, and 1,515 independent new entrepreneurs. Some of these new entrepreneurs have managed to survive and thrive, even advancing their businesses. However, numerous new businesses struggle to stay afloat due to various reasons, primarily due to the COVID-19 pandemic, which has severely impacted creativity, production, and marketing. This indicates that the performance of MSMEs in Banjarmasin has not achieved satisfactory growth. Thus, it's important to understand the factors influencing MSME performance.

The first factor is entrepreneurial orientation. Entrepreneurship is a company's ongoing attempt to explore business prospects through improving performance and driving growth. (Ma et al., 2012). Entrepreneurship is an organization's creative and inventive capacity as a foundation and resource for pursuing economic possibilities to fulfill its goals (Agusdin et al., 2021; Tukamuhabwa & Namagembe, 2023). Entrepreneurial orientation is considered an internal capability built by an organization that must be positively approached to achieve sustained competitive advantage (Chege et al., 2020). There are three components of entrepreneurial orientation that MSMEs must possess: being proactive, taking risks, and being innovative (Alhnity et al., 2016). Entrepreneurial orientation has a significant relationship with improving company performance, both directly and indirectly. This suggests that firms that embrace an entrepreneurial approach outperform those that do not (Han et al., 1998; Komariah et al., 2022; Shaher & Ali, 2020).

The second factor is information technology. Masa'deh et al. (2018) contend that technical orientation has an impact on corporate performance. Companies oriented towards technological development will have better capabilities to enhance business performance and profitability (Li &

Zhou, 2010). Currently, the role of information technology for MSMEs is extremely important, as technological advancements have made business communication faster and easier (Rewah, 2018). The use of information technology is not just to cut costs and boost productivity, but also to simplify client services (Makori & Osebe, 2016).

This opens up broader opportunities for MSMEs to accelerate their business growth and expand their business networks (Aremu et al., 2019). With the increasing sophistication of technology, especially in telecommunications, remote communication and collaboration can be conducted with business partners, customers, and investors from a distance (Aswandy & Mariyati, 2022).

Research Problem Formulation:

Based on the background provided above, the research problem revolves around how to enhance the performance of Micro, Small, and Medium Enterprises (MSMEs) in the city of Banjarmasin to achieve satisfactory growth. To solve this issue, this study will concentrate on the elements that influence the performance of MSMEs. As a result, the research challenge is as follows:

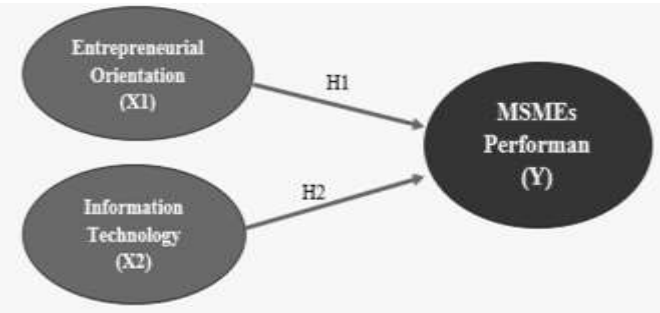
1. How does entrepreneurial orientation impact the improvement of MSMEs performance in the city of Banjarmasin?
2. How does information technology influence the enhancement of MSMEs performance in the city of Banjarmasin?

By defining this study issue, the researcher will focus the analysis on two major aspects: entrepreneurial orientation and information technology, and how these two factors might help to the endeavor of enhancing the performance of MSMEs in the city of Banjarmasin.

Conceptual Research

As a theoretical foundation, the research utilizes a conceptual framework to demonstrate the link between the variables studied. The conceptual framework concept is based on Sugiyono perspective (2017), which articulates that the conceptual framework is a model that demonstrates how the applied theory relates to important factors known within a specific issue. The conceptual framework in this context will theoretically explain the link between the study variables, more especially the relationship between the independent variables (entrepreneurial orientation and information technology) and the dependent variable (MSME performance). Here is the description of the research conceptual framework as depicted in Figure 1:

Figure 1: Research Conceptual Framework Influence of Entrepreneurial Orientation and Information Technology in Enhancing MSMEs Performance in Banjarmasin City



Research Hypothesis

Entrepreneurial Orientation in the Performance of MSMEs in Banjarmasin City

Mustari's research discovered that entrepreneurial attitude has a substantial impact on the success of MSMEs (Mustari et al., 2021). This is consistent with the findings of Shafariah et al. (2016), Mustari et al. (2021), and Rachmawati et al. (2022), who concluded that entrepreneurial orientation had a considerable favorable influence on MSMEs' growth. This means that the greater MSMEs' entrepreneurial attitude, the better their performance. The hypothesis provided in this study is based on the theoretical underpinning that entrepreneurial orientation effects MSMEs performance:

H1: Entrepreneurial orientation influences the performance of MSMEs in Banjarmasin City.

Information technology in the performance of MSMEs in Banjarmasin City

The utilization of information technology is a must for MSMEs entrepreneurs in the digital age. Without the utilization of information technology, these business operators will experience a setback. Business owners/managers that are adept at exploiting information technology are viewed as having a competitive edge as well as a method of increasing efficiency and effectiveness. According to Suryantini and Sulindawati (2020), Ilarrahmah and Susanti (2021), and Fitrianingsih (2020), the use of information technology has a favorable and substantial influence on the performance of MSMEs. The hypothesis suggested in this study is based on the theoretical underpinning that information technology has a direct impact on SME performance:

H2: Information technology influences the performance of MSMEs in Banjarmasin City.

METHOD

Type of Research

The study will take done in Banjarmasin City from May to September 2021, with a descriptive quantitative technique. The study will use both primary and secondary data. This study's population comprises of MSMEs entrepreneurs registered with the Banjarmasin Department of Cooperatives and Industry. The researcher will employ a census sampling technique, wherein all respondents from the population will be included as samples.

Data Collection Technique:

The data gathering method for this study is a questionnaire or survey prepared using Google Form and a Likert scale. Following that, the responders receive the Google Form link.

Techniques/Methods of data Analysis:

Linear Regression is the data analysis approach used in this investigation, utilizing SPSS 23 software. Several stages are involved in analyzing Linear Regression. Firstly, testing the quality of the research data, which includes validity testing and reliability testing. Secondly, conducting tests for classical assumptions, involves testing for heteroscedasticity, multicollinearity, and normality. Thirdly, performing a simple analysis of the regression equation to examine its suitability for

hypothesis testing or "fit." Three tests can be used to assess the model's adequacy: the F-test, the t-test, and the determination coefficient (R-Square) test.

RESULT AND DISCUSSION

Validity Tes

The validity method uses Pearson's correlation with a significance of 5%. The value of r count > r table and being positive indicates that the query is legitimate. In contrast, if r count r table, the query is incorrect (Ghozali, 2016). This method assesses the suitability of the questionnaire items with the research construct.

Table 1. Correlations

Entrepreneurship Orientation Question Items								
	X1.1	X1.2	X1.3	X1.4	X1.5	X1.6	X1.7	X1.8
Pearson Correlation	0,443**	0,556**	0,500**	0,543**	0,410**	0,347**	0,414**	0,392**
Sig. (2-tailed)	0,000	0,000	0,000	0,000	0,000	0,002	0,000	0,001
N	75	75	75	75	75	75	75	75
Information Technology Inquiry Items								
	X2.1	X2.2	X2.3	X2.4	X2.5	X2.6	X2.7	
Pearson Correlation	0,463**	0,447**	0,482**	0,382**	0,686**	0,545**	0,667**	
Sig. (2-tailed)	0,000	0,000	0,000	0,001	0,000	0,000	0,000	
N	75	75	75	75	75	75	75	
MSME Performance Question Items								
	Y.1	Y.2	Y.3	Y.4	Y.5	Y.6	Y.7	Y.8
Pearson Correlation	0,544**	0,421**	0,389**	0,417**	0,421**	0,471**	0,616**	0,641**
Sig. (2-tailed)	0,000	0,000	0,001	0,000	0,000	0,000	0,000	0,000
N	75	75	75	75	75	75	75	75

Source : SPSS Output ver 26 (2023)

The validity test results in the correlation table show that all of the questions collected from 75 respondents on the variables of entrepreneurial orientation, information technology, and MSMEs performance are valid and suitable for use, as the calculated R-values are greater than the critical r-values. This determination is further supported by the fact that the average Sig. (2-tailed) values for all three variables are 0.000, which is smaller than 0.05. The crucial r-value (r-table) is 0.2270 for a sample size of N=75 and a significance level of 5%. Pearson correlation yields estimated r-values for each variable that are consistently larger than the required r-value of 0.2270.

Reliability Test:

The instrument used to test the reliability is the Cronbach's alpha coefficient. If the Cronbach's alpha score is more than 0.60, a questionnaire is considered reliable (Ghozali, 2016). Ensures that the questionnaire items consistently assess the same fundamental construct (demonstrating appropriate internal consistency).

Table 2. Reliability Statistics

Cronbach's Alpha	N of Items
0,670	**23**

Source : SPSS Output ver 26 (2023)

Cronbach's Alpha values for the variables of entrepreneurial orientation, information technology, and MSMEs performance are 0.670, which is more than the minimal criterion of 0.60, according to the Reliability Statistics table. This indicates that the 23 questionnaire items pertaining to the variables of entrepreneurial orientation, information technology, and MSMEs performance are reliable and consistent. Cronbach's Alpha values for the variables of entrepreneurial orientation, information technology, and MSMEs performance are 0.670, which is more than the minimal criterion of 0.60, according to the Reliability Statistics table.

Heteroscedasticity Test

The purpose of the heteroskedasticity test is to determine whether there is an unequal variance of residual values from one observation to another in the formed regression model. When the variance of residual values remains constant from one observation to the next, this is referred to as homoskedasticity. Conversely, if the variance of residual values varies between observations, it is termed heteroskedasticity. Table 3 shows the results of the heteroskedasticity test using the Glejser test.

Table 3. Heteroscedasticity Test Results
Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,182	1,671		1,305	0,196
	Entrepreneurial Orientation	-0,021	0,062	-0,041	-0,342	0,733
	Information Technology	0,009	0,060	0,017	0,145	0,885

a. Dependent Variable: Abs_RES

Based on the output from Table 3, the significance (Sig.) values for the variable Entrepreneurial Orientation (X1) and Information Technology (X2) are 0.733 and 0.885, respectively. Because both of these significance values are larger than 0.05, there is no indication of heteroskedasticity in the regression model. Therefore, the assumption of homoskedasticity, which implies that the variation of residuals does not significantly change with the changes in predictor values, is satisfied in this regression model.

Multicollinearity Test

The multicollinearity test is used in this study to see if there is a correlation (strong association) between the independent variables or predictors in the regression model. To detect the presence of multicollinearity in a regression model, examine the correlation values among the independent variables first, then the condition index and eigenvalue values, and finally the tolerance and

variance inflation factor (VIF) values. The results of the multicollinearity test can be seen in table 4:

Table 4. Multicollinearity Test Results

Coefficients[a]								
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
Model		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	14,763	2,686		5,495	0,000		
	Entrepreneurial Orientation	0,234	0,099	0,255	2,358	0,021	0,965	1,036
	Information Technology	0,273	0,096	0,307	2,838	0,006	0,965	1,036
a. Dependent Variable: MSMEs Performance								

Based on the "Collinearity Statistics" section in the "Coefficients" table output, it is evident that the Tolerance values for the Entrepreneurial Orientation (X1) and Information Technology (X2) variables are 0.965, which is greater than 0.10. Additionally, the VIF values for Entrepreneurial Orientation (X1) and Information Technology (X2) are 1.036, which is less than 10.00.

Normality Test

The normality test determines whether or not the data utilized in the study follows a normal distribution. The significant value (Sig.) is the foundation for performing the Kolmogorov-Smirnov (K-S) normalcy test. The study data is regularly distributed if the significance value (Sig.) is larger than 0.05. If, on the other hand, the significance value (Sig.) is less than 0.05, the study data is not regularly distributed. The results of the normality test can be observed in table 5:

Table 5. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		75
Normal Parameters[a,b]	Mean	0,0000000
	Std. Deviation	2,40361537
Most Extreme Differences	Absolute	0,075
	Positive	0,075
	Negative	-0,043
Test Statistic		0,075
Asymp. Sig. (2-tailed)		0,200[c,d]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Table 5 shows the findings of the Asymptotic Sig (2-tailed) significant value, which is 0.200, which is larger than 0.05. According to the decision-making criterion for the Kolmogorov-Smirnov normality test, the data has a normal distribution.

Descriptive Statistics Test

Table 6 shows the results of the descriptive statistics test for the questionnaire given to MSMEs practitioners in the city of Banjarmasin.

Table 6. Descriptive Statistical Test Results

Descriptive Statistics						
	N	Range	Minimum	Maximum	Sum	Mean
X1.1	75	3	1	4	167	2,23
X1.2	75	3	1	4	246	3,28
X1.3	75	3	1	4	245	3,27
X1.4	75	3	1	4	156	2,08
X1.5	75	2	2	4	237	3,16
X1.6	75	2	2	4	239	3,19
X1.7	75	2	2	4	250	3,33
X1.8	75	3	1	4	182	2,43
Entrepreneurial Orientation						2,9
Y1	75	1	3	4	269	3,59
Y2	75	1	3	4	260	3,47
Y3	75	2	2	4	240	3,20
Y4	75	2	2	4	243	3,24
Y5	75	3	1	4	216	2,88
Y6	75	3	1	4	178	2,37
Y7	75	3	1	4	256	3,41
Y8	75	3	1	4	250	3,33
MSMEs Performance						3,2
X2.1	75	3	1	4	256	3,41
X2.2	75	3	1	4	253	3,37
X2.3	75	3	1	4	256	3,41
X2.4	75	3	1	4	199	2,65
X2.5	75	3	1	4	175	2,33
X2.6	75	3	1	4	161	2,15
X2.7	75	3	1	4	174	2,32
Information Technology						2,8

Table 6 of the descriptive statistics test shows that for the Entrepreneurial Orientation variable (X1) with 8 questionnaire items, the average respondent's answer to the 8 items is 2.9, indicating that MSMEs in Banjarmasin city has a reasonable level of Entrepreneurial Orientation. For the Information Technology variable (X2) with 7 questionnaire items, the average respondent's answer to the 7 items is 2.8, suggesting that MSMEs in Banjarmasin city employs Information Technology to a satisfactory extent. Regarding the Performance of MSMEs variable (Y) with 8 questionnaire items, the average respondent's answer to the 8 items is 3.2, indicating that MSMEs in Banjarmasin city has shown a reasonably improved performance.

Regression Analysis Results

Regression analysis is used to examine the dependence of a dependent variable on one or more independent factors, with the purpose of predicting the average value of the dependent variable

based on known values of the independent variables. This study utilizes two regression models: a number of linear regressions.

Table 7. Multiple Linear Regression

Variabel	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Keterangan
	B	Std. Error	Beta			
(Constant)	14,763	2,686		5,495	0,000	
X1	0,234	0,099	0,255	2,358	0,021	Diterima
X2	0,273	0,096	0,307	2,838	0,006	Diterima
F		8.355				
Sig.F		0.001				
R Square		0,188				
Adjusted RSquare		0,166				

Source : SPSS Output ver 26 (2023)

Based on Table 7, the regression equation is as follows:
$Y = \alpha + \beta1X1 + \beta2X2 + e$
$Y = 14.763 + 0.234X1 + 0.273X2 + e$

F Test

One crucial issue before doing hypothesis testing is to examine the quality of the research model using the F test to identify the effect of independent factors on the dependent variable. If the F test yields a significant result, it means that the independent variables have an effect on the dependent variable and that the model is acceptable for further hypothesis testing. Table 7 reveals a F value of 8.355 with a 0.001 significance. This indicates that the F test result is less than the predefined significance threshold (= 0.05), allowing us to infer that Entrepreneurial Orientation (X1) and Information Technology (X2) have a significant impact on MSMEs' performance. This suggests that the model utilized in this study is suitable.

t test

The t-test statistic essentially reflects how much an independent variable's impact explains the variance in the dependent variable on its own (Ghozali, 2016). The significance probability value (Sig.) for each variable may be used to execute the t-test. If the hypothesis for each independent variable is accepted when $\alpha < 0.05$, conversely, if $\alpha > 0.05$ for each independent variable, then the hypothesis is rejected. The t-test resulted in a t-value of 2.358 for the Entrepreneurial Orientation variable with a significance value of 0.021, which is less than the predefined significance threshold (= 0.05). This leads to the conclusion that Entrepreneurial Orientation has a positive influence on the Performance of MSMEs in Banjarmasin City. The t-value for the Information Technology variable is 2.838, with a significance level of 0.006, which is likewise less than the significance threshold (= 0.05). As a result, it is possible to infer that information technology has a favorable impact on the performance of MSMEs in Banjarmasin City.

Coefficient of Determination (R2)

The coefficient of determination (R Square) is 0.188, showing that the Entrepreneurial Orientation and Information Technology variables explain 18.8% of the variation in MSMEs Performance, while other unexplored factors explain the remaining 81.2%.

Results of Hypothesis Testing

According to Hypothesis 1, Entrepreneurial Orientation influences the performance of MSMEs in Banjarmasin City. The empirical argument that the significance (Sig.) value of the Entrepreneurial Orientation variable (X1) is 0.021 supports the acceptance of hypothesis 1. Because Sig. 0.021 probability 0.05, it is safe to assume that H1 or the first hypothesis is correct. This suggests that Entrepreneurial Orientation (X1) has an impact on MSMEs Performance (Y). The computed t-value for the Entrepreneurial Orientation variable is 2.358 based on the SPSS output above. Because the estimated t-value of 2.358 is greater than the t-table value of 1.996, it may be stated that H1 or the first hypothesis is accepted. This suggests that Entrepreneurial Orientation (X1) has an impact on MSMEs Performance (Y).

According to Hypothesis 2, information technology has an impact on the performance of MSMEs in Banjarmasin City. Based on the significance value (Sig.) of the Information Technology variable (X2) being 0.006, and since Sig. 0.006 probability 0.05, H2 or the second hypothesis can be accepted. This suggests that information technology (X2) has an effect on the performance of SMEs (Y). The computed t-value for the Information Technology variable is 2.838 based on the SPSS output above. Because the estimated t-value of 2.838 is more than the t-table value of 1.996, it may be stated that H2 or the second hypothesis is accepted. This suggests that information technology (X2) has an impact on the performance of SMEs (Y).

Entrepreneurial orientation influences the performance of MSMEs in Banjarmasin City.

The first hypothesis analysis findings show that Entrepreneurial Orientation has an effect on MSMEs performance in Banjarmasin City. This means that the higher the entrepreneurial orientation, the more it influences the performance of MSMEs in the city. If MSMEs owners or managers have attitudes, values, and behaviors that are more entrepreneurial, it is highly likely that the business performance of MSMEs will improve. A high entrepreneurial attitude enables MSMEs owners or managers to be more imaginative, risk-taking, and ready to handle company obstacles (Chen et al., 2023). There are three components of entrepreneurial orientation: proactiveness, risk-taking, and innovativeness (Alhnity et al., 2016). The findings of this research support entrepreneurship theory, which states that entrepreneurial orientation plays a crucial role in the success and positive business performance (Jia et al., 2014; Mustari et al., 2021; Shafariah et al., 2016). Owners or managers of MSMEs with a strong entrepreneurial orientation tend to excel in achieving their business goals.

A strong entrepreneurial orientation motivates MSMEs owners or managers to think and act innovatively in response to market and technological changes, thereby adding value to the products or services they offer. It encourages MSMEs practitioners to confront challenges and obstacles more courageously, thereby optimizing existing business opportunities. This approach emphasizes innovation and the enhancement of product or service quality (Christian Lechner &

Gudmundsson, 2012). Innovation can help MSMEs differentiate themselves from competitors and create a competitive advantage (Khan & Khalique, 2014). Enhancing product or service quality can also boost customer satisfaction and expand market share. A high entrepreneurial orientation tends to have better risk management capabilities. It involves taking calculated risks and carefully considering their impact on business sustainability (Hoque et al., 2019; Khot & Thiagarajan, 2019). Effective risk management assists MSMEs in reducing the likelihood of losses and maximizing success opportunities.

Entrepreneurship theory provides a framework that emphasizes the crucial role of entrepreneurial orientation in the success and performance of businesses, particularly for small and medium-sized enterprises (MSMEs) like those in Banjarmasin City. This theory underscores the importance of entrepreneurial attitudes, values, and behaviors in facing challenges, seizing opportunities, and developing businesses in innovative ways. Entrepreneurship theory explains the cause-and-effect relationship between entrepreneurial orientation and business performance.

The assessment of entrepreneurial orientation encompasses several aspects: firstly, the willingness to take risks to remain innovative even if it involves higher costs; secondly, the effort to respond to competitor actions and reliance on suppliers; thirdly, the focus on the quality of products and the endeavor to create unique products; fourthly, concern for customer satisfaction; and finally, funding dependence on financial institutions and other parties. This assessment reveals a positive attitude towards several entrepreneurial aspects, indicating that MSMEs business owners in Banjarmasin need to enhance these aspects. This positive entrepreneurial attitude then leads to improved business performance, such as increased revenue, larger market share, and higher competitiveness.

The descriptive statistics results from the questionnaire distribution to 75 MSMEs entrepreneurs in Banjarmasin show that the respondents' average score is around 2.9. With an average score of approximately 2.9, respondents tend to fall between the "disagree" (score 2) and "agree" (score 3) options regarding the questions or statements measured in the questionnaire about entrepreneurial orientation. This indicates that in this measurement, MSMEs in Banjarmasin already possess a reasonable level of entrepreneurial attitude. Thus, efforts are needed to further boost the entrepreneurial orientation among MSMEs players.

Enhancing Entrepreneurial Orientation can be achieved through entrepreneurship training and education, which can help increase knowledge and entrepreneurial skills for MSMEs owners and managers. Coaching and mentoring can provide guidance and support for MSMEs in facing business challenges. Creating opportunities for collaboration and innovation with other business players can also help MSMEs expand their network and create new opportunities.

Information Technology influences the performance of MSMEs in Banjarmasin City

The results of the analysis of the second hypothesis indicate that Information Technology (IT) has a significant impact on the performance of MSMEs in Banjarmasin City, which can be accepted. This implies that the higher the usage of Information Technology by MSMEs, the higher the performance of MSMEs in the district of Banjarmasin. In the era of digital advancement and

information technology, the use of IT becomes a crucial key in enhancing the efficiency and effectiveness of businesses, including MSMEs. The utilization of IT can assist MSMEs in various business aspects, such as operational management, marketing, inventory management, finance, and customer service.

The appropriate and effective use of IT can positively impact the performance of MSMEs in Banjarmasin City. It helps automate business processes, reduce human errors, and enhance productivity. The utilization of digital platforms and social media can also aid MSMEs in reaching more consumers and expanding their marketing network. Automating business processes through IT can reduce production costs and improve responsiveness to market demands. IT usage enables MSMEs to provide better customer service, such as by offering online ordering systems, customer support through chat, or real-time order monitoring.

In today's competitive business landscape, integrating IT into MSMEs operations has become essential to remain competitive, reach broader markets, and enhance overall business performance. The positive relationship between Information Technology and MSMEs performance as found in this research supports the notion that embracing technological advancements can lead to higher efficiency, improved customer experience, and sustainable growth for MSMEs businesses.

Although the use of Information Technology (IT) offers numerous benefits, MSMEs also face several challenges when adopting this technology. These challenges include limitations in resources and costs for implementing IT, lack of knowledge and skills in technology among MSMEs owners and managers, as well as concerns regarding data security and privacy. Therefore, the importance of enhancing digital literacy is highlighted to ensure that the use of IT has a positive impact on MSMEs' performance. Efforts should be made to improve digital literacy and technological skills among MSME owners and managers. Training and education related to IT can assist MSMEs in optimizing the benefits of the technology they possess.

The measurement of Information Technology is viewed from aspects such as its advantages and needs in usage, effectiveness in enhancing work performance, its contribution to operational processes and promotional activities, as well as the obstacles faced due to costs, complexity, and reluctance in learning. Based on these measurements, the results of the descriptive statistical analysis of questionnaire responses from 75 MSMEs in the Banjarmasin region indicate an average score of around 2.8. With this average score, respondents tend to fall between the options "disagree" (score 2) and "agree" (score 3) regarding the questions or statements measured in the IT-related questionnaire. This suggests that MSMEs in Banjarmasin have been utilizing Information Technology to a moderate extent.

According to the findings of the study, information technology has a substantial influence on the performance of MSMEs in Banjarmasin City. Therefore, the usage and utilization of IT play a crucial role in enhancing the performance of MSMEs in the city. Hence, there is a need for further improvement in its usage and implementation. Proper and effective utilization of IT by MSMEs can enhance operational efficiency, expand markets, improve customer service quality, and create innovative products or services. The adoption and maximization of the benefits of Information

Technology are expected to contribute significantly to the development of MSMEs, fostering economic growth and regional development in the Banjarmasin area.

CONCLUSION

The primary goal of this study is to investigate and assess the effects of entrepreneurial orientation and information technology on the performance of Micro, Small, and Medium Enterprises (MSMEs) in Banjarmasin City. The first hypothesis test findings show that Entrepreneurial Orientation has a substantial influence on MSMEs' performance in Banjarmasin City, with a significance value (Sig) of 0.021. This suggests that the higher the level of entrepreneurial orientation, the better the performance of MSMEs. The second hypothesis, with a significance value (Sig.) of 0.006, is similarly accepted, showing that information technology has a substantial influence on the performance of MSMEs in Banjarmasin City. This implies that the greater the extent of information technology use, the more positively it improves MSMEs' performance. The coefficient of determination (R Square) of 0.188 indicates that the researched variables of Entrepreneurial Orientation and Information Technology may explain 18.8% of the variation in MSMEs' performance. Despite this considerable contribution, these two factors account for just 81.2% of the unexplained variance. The low Adjusted R Square value shows that this regression model may require improvement or expansion to account for other factors influencing the performance of MSMEs in Banjarmasin City. As a result, future study might include more factors to develop a better model for understanding the variances in MSMEs' performance.

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