THESIS

THE IMPACT OF HUMAN RESOURCES MANAGEMENT PRACTICES AND CORPORATE ENTREPRENEURSHIP ON FIRM PERFORMANCE: A CASE OF SMALL BUSINESS IN YOGYAKARTA

Presented as a partial fulfillment for the requirement of the degree Sarjana Manajemen (S1) in International Business Management Program at Faculty of Business and Economics, Universitas Atma Jaya Yogyakarta



Compiled by:

Yunike Ayu Setyowati

Student ID Number: 15 12 21985

FACULTY OF BUSINESS AND ECONOMICS
UNIVERSITAS ATMA JAYA YOGYAKARTA
2020

Thesis

THE IMPACT OF HUMAN RESOURCES MANAGEMENT PRACTICES AND CORPORATE ENTREPRENEURSHIP ON FIRM PERFORMANCE: A CASE OF SMALL BUSINESS IN YOGYAKARTA

Compiled by:	
Yunike Ayu Setyowati	
Student ID Number: 15 12 21985	
Has been read and approved by:	
Advisor	
AUVISOI	

Daniel Yudistya Wardhana, SE.,MEI

March 09th 2020



Letter of Statement

No. 365/J/I

Based on the Thesis Defense results that has been held on Friday, 8 May 2020 with the following examiners:

Drs. M. Parnawa Putranta, MBA., Ph.D.
 Debora Wintriarsi H, SE., MM., M.Sc.
 Daniel Yudistya Wardhana, SE., MEI.

Member
Member

The examiners team has decided that:

Name : Yunike Ayu Setyowati

Student Number : 151221985

Program : International Business Management

Has passed the

Thesis Revision

The thesis revision has been reviewed and confirmed by all examiners.

This letter of statement is made for Yudisium/Graduation of Bachelor of Management in Faculty of Business and Economics Universitas Atma Jaya Yogyakarta.

Dean,

Drs. Budi Suprapto, MBA., Ph.D

Statement of Authenticity

I, Yunike Ayu Setyowati, hereby declare that my thesis titled:

THE IMPACT OF HUMAN RESOURCES MANAGEMENT PRACTICES AND CORPORATE ENTREPRENEURSHIP ON FIRM PERFORMANCE: A CASE OF SMALL BUSINESS IN YOGYAKARTA

Is really my own writing and thinking, I fully acknowledge that my writings or part(s) of it does not contain writing(s) or idea(s) by another person(s) except for those that have been explicitly and properly cited.

Yunike Ayu Setyowati

Yogyakarta, March 09th 2020

Acknowledgment

Foremost, among all, I would like to express my greatest gratitude to the Lord for His abundant blessings and guidance throughout my entire study years at Universitas Atma Jaya Yogyakarta, especially during my thesis writing process. I also would like to say thank you for all the people around me who supports me and already contributed with this thesis.

I would also like to mention those who are always be by sides through all of the ups and downs that I have endured—from the beginning of the study in *Universitas Atma Jaya Yogyakarta* until the moment where I finally graduate:

- Thesis Supervisor, Mr. Daniel Yudistya Wardhana, SE.,MEI for His guide and support the thesis making process.
- My beloved Parents, and both of my brothers Deny and Dimas who always patient, support, motivate, nurture and give the advices to finish this study, thank you.
- My support System, Yoshua Putra Dinata N, who always by my side when time I needed him most.
- 4. My best buddies, Elfira, Dimas, Edita, Bisma, Chero, Vinda, Icha, Vena, Dhiro, Yiyin, Dipta, KKN 75 TULANGAN, PASKIBRAKA, KOMPA, ROHANI, UHU who had seen the good and bad parts of

each other but still sticking up, words cannot express how thankful I

am to you.

5. My friend from IBMP 2015, Thank you for making such a good

memories together. See you on Top guys

6. All the lectures, staffs and employees who help, give and share the

knowledge during my study in Universitas Atma Jaya Yogyakarta

7. Bakpia Pathok 25 Yogykarta and all of the employees who had

sincerely and truthfully filled my questionnaire, thank you for your

participation.

My thanks and appreciation also goes to people who have willingly helped me out

with their abilities. I realize that this thesis still not perfect and have many flaws,

therefore I hopes that the next researcher can make better research and hope that this

research will be useful for others.

Best Regard

Yunike Ayu Setyowati

νi

THE IMPACT OF HUMAN RESOURCES MANAGEMENT PRACTICES

AND CORPORATE ENTREPRENEURSHIP ON FIRM PERFORMANCE: A

CASE OF SMALL BUSINESS IN YOGYAKARTA

Compiled by:

Yunike Ayu Setyowati

NPM: 15 12 2185

Thesis supervisor:

Daniel Yudistya Wardhana, SE., MEI.

Abstract

The main purpose of this research was to investigate the impact of Human

Resources Management Practices and Corporate Entrepreneurship on the Firm

Performance Evidence from SMEs in Yogyakarta. A total 108 questionnaires were

distributed to the Bakpia 25 as a SMEs in Yogyakarta. The analysis method in this

research is Simple Linear Regression analysis, Descriptive Analysis, T-test and F-test

analysis. Firstly, the result shows that Human Resources Management Practices has

positive impact on Firm Performance. Secondly, the finding shows that Corporate

Entrepreneurship positively impact the firm performance. Last, there are a positive

relation between Corporate Entrepreneurship and Human Resources Management

Practices.

Keywords: Human Resources Management Practices, Corporate Entrepreneurship,

Firm Performance

vii

REFERENCES

Stateme	nt of A	uthenticity	i،
Acknow	ledgme	nt	۱
Abstract	·		.vi
CHAPTE	R I		1
INTROD	UCTION	V	1
1.1	Resea	arch Background	1
1.2	Resea	arch Problem	9
1.3	Resea	arch Objectives	9
1.4	Resea	arch Contribution	10
1.5	Limita	ation	10
1.6	Outlir	ne of the Study	11
CHAPTE	R II		13
LITERAT	URE RE	VIEW	13
2.1	Huma	an Resources Management	13
2.1	.1 [Definition of Human Resources Management	13
2.1	.2 H	Human Resource Management System	17
2.1	.3 ŀ	Human Resources Management Practices	17
2.2	Corpo	orate Entrepreneurship	31
2.2	.1 [Definition of Corporate Entrepreneurship	31
2.2	.2	Model of Corporate Entrepreneurship	33
2.2	.3 F	Forms of Corporate Entrepreneurship	36
2.3	Firm f	Performance	37
2.3	.1 [Definition of Firm Performance	37
2.3	.2 N	Model of Firm Performance	38
2.4	Small	Medium Enterprises (SMEs)	42
2.4	.1 [Definition of Small Medium Enterprises (SMEs)	42
2 /	2 (Criteria of Small Medium Enterprises (SMEs)	12

2	2.4.3	Characteristics of Small Medium Enterprises (SMEs)	47
2.5	i R	esearch Framework	48
2.6	5 Н	ypothesis Development	49
2	2.6.1	The Effect of Human Resources Management Practices on Firm Performar 49	nce
2	2.6.2	The Effect of Corporate Entrepreneurship on Firm Performance	50
СНАР	TER II	l	51
RESE	ARCH	METHODOLOGY	51
3.1	. R	esearch Design	51
3.2	. P	opulation and Sampling	52
3	3.2.1	Data Resource Population	52
3	3.2.2	Sample	53
3.3	3 D	ata Resource	54
3.4	l D	ata Collection Method	54
3.5	5 D	ata Measurement Method	55
3.6	6 C	perational Definition	57
3.7	' G	oodness of Measures	60
3	3.7.1	Validity Test	61
3	3.7.2	Reliability Test	62
3.8	B D	ata Analysis Method	63
3	3.8.1	Descriptive Statistics Analysis	63
3	3.8.2	T-statistic Test	64
3	3.8.3	F-Statistic Test	65
3	3.8.4	Simple Linear Regression	66
СНАР	TER IV	/	69
DATA	ANAI	YSIS AND DISSCUSSION	69
4.1	. V	alidity and Reliability Test	70
4	4.1.1	Validity Test	70
4	412	Reliability Test	73

4.2	Des	criptive Analysis	74
4.2.	1	Respondent's Descriptive Analysis	74
4.2.	2	Variable's Descriptive Statistic Analysis	79
4.3	Sim	ple Linear Regression Analysis	84
4.3.	1	The Impact of Human Resources Management Practices on Firm performan 84	ce
4.3.	2	The impact of Corporate Entrepreneurship on Firm Performance	86
4.4	Disc	cussion	88
4.4.	1	The Impact of Human Resources Management Practices on Firm performan 88	ce
4.4.	2	The Impact of Corporate Entrepreneurship on Firm Performance	89
CHAPTER	R V		91
CONCLU	SION	AND RECCOMENDATION	91
5.1.	Con	clusion	91
5.2.	Mar	nagerial Implication	92
5.3.	Res	earch Limitations	94
5.4.	Sug	gestions	95
REFEREN	ICES.		97
APPENDI	IX	1	04

LIST OF TABLES

Table 3.6-1 Questionnaire Design
Table 3.7-1 Cronbach's Alpha Criteria
Table 4.1-1: Validity test result of Human Resources Management Practices on Firm
Performance
Table 4.1-2: Validity Test result of Corporate Entrepreneurship on Firm Performance
71
Table 4.1-3 : Validity Test result of Firm Performance
Table 4.1-4 : Reliability Test Result
Table 4.2-1: Respondent characteristic according to gender orientation74
Table 4.2-2: Respondent characteristic according to Work Experience75
Table 4.2-3: Respondent characteristic according to Ages
Table 4.2-4: Respondent characteristic according to Education
Table 4.2-5 : Descriptive Statistic of Human Resources Management Practices on
Firm Performance
Table 4.2-6: Descriptive Statistic of Corporate Entrepreneurship on Firm
Performance
Table 4.2-7: Descriptive Statistic of Firm Performance
Table 4.3-1: Linear regression Analysis of Human Resources Management Practices
on Firm Performance: Evidence from SMEs in Yogyakarta
Table 4.3-2: Linear regression Analysis of Corporate Entrepreneurship on Firm
performance: Evidence from SMEs in Yogyakarta
Table 4.3-3: Linear regression of Corporate Entrepreneurship on Human Resources
Management Practices Error! Bookmark not defined.

TABLE OF FIGURES

Figure 1. Entrepreneurial Orientation	35
Figure 2. SMEs Criteria	43
Elema 2. December Engagement	40
Figure 3. Research Framework	48

TABLES OF APPENDIX

Appendix 1. Frequency: Gender	. 104
Appendix 2. Frequency: Working Experiences	. 104
Appendix 3. Frequency: Education	. 105
Appendix 4. : Validity of Human Resources Management Practices	. 109
Appendix 5. : Validity of Corporate Entreprenurship	. 110
Appendix 6. : Validity of Firm Performance	. 112
Appendix 7.: Reliability of Human Resources Management Practices	. 114
Appendix 8. : Reliability of Corporate Entrepreneurship	. 116
Appendix 9. : Reliability of Firm Performance	. 117
Appendix 10. : Linear regression of Human Resources Management Practice	s or
Firm Performance	. 118
Appendix 11. :Linear Regression of Corporate Entrepreneurship on I	Firm
Performance	. 120
Appendix 12. : Linear Regression of Corporate Entrepreneurship on Hu	man
Resources Management Practices	. 121
Appendix 13. : Questionnaire Design	. 121
Appendix 14. Data of Bakpia 25 Yogyakarta	. 133