BUILDING MSME’S PERFORMANCE IN THE DYNAMICS OF ENVIRONMENTAL CHANGE AND IMPROVING THE COMPETENCY

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ABSTRACT
This study aims to improve the performance of MSMEs (Micro Small Medium Entreprise’s) in a sustainable manner that is influenced by competence under conditions of dynamic environmental change. This research was conducted in small and medium industries in the city of Malang, both those who joined the association and those who did not belong to the association. The first year of the study was conducted with observations on small and medium industries to explore competencies, responses to dynamic environmental changes, and the performance of MSMEs. This research was conducted by conducting direct interviews and distributing questionnaires, as well as direct observation of MSMEs. In the second year, it is carried out with direct intervention on MSMEs to develop their competencies so that MSME performance is sustainable. The analysis was carried out with quantitative descriptive by combining statistical analysis to strengthen the results of descriptive analysis, namely by using frequency analysis to find out the responses of respondents to the questionnaire distributed to 147 respondents in Malang. The results of this study indicate that understanding of the analysis of environmental changes for small entrepreneurs is needed. This is to anticipate fluctuations in business performance so as not to decrease. Another way to maintain sustainable performance is by increasing entrepreneur competence.

Keywords : uncertainty environment, competency, small-medium enterprises (SME’s)