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Entrepreneurial Performance: The Role of Literacy and Skills

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Abstract

This research aims to determine the direct and indirect effects of digital literacy, economic literacy, and entrepreneurial skills on the performance of small- and medium-sized enterprises (SMEs) in garment clusters in the Bulak tourism industry Depok. Carrying out quantitative research with survey methods, data collection is using a questionnaire technique with 90 respondents, via saturation sampling. This research data analysis uses SPSS software version 25.0. Path analysis is used to determine the direct and indirect effects between variables. The results showed digital literacy, economic literacy, and entrepreneurial skills significantly and positively affect the performance of small- and medium-sized enterprises. The main finding in this study is that digital literacy has the greatest influence on the performance of SME entrepreneurs, both directly and indirectly. The results of the study provide input on performance development strategies for SME entrepreneurs through digital literacy, including digital business relationships, online facilities, and networks. The findings are also complementary to the factors shaping the performance of SME entrepreneurs in the digital age. The research results show that digital literacy has the greatest direct and indirect influence on the performance of SME entrepreneurs; this shows the essential contribution of digital literacy in developing business and marketing networks.

Keywords: Performance of SMEs, Entrepreneurial skills, Digital literacy, Economic Literacy, Shopping Tourism

JEL Classification Code: L25, L26, D83, I25, L83

1. Introduction

The development of small- and medium-sized enterprises has become the focus of studies for entrepreneurship researchers. How does business survive in times of crisis (Bourletidis & Triantafyllopoulos, 2014), in particular with the COVID 19 pandemic (Kuckertz et al., 2020; Maritz et al., 2020), and can grow its business in the digital age so that it needs strategy and business innovation (Satalkina, 2020; Wu, 2019). In the human resources economy, the skills of an entrepreneur can be learned, educated, and developed (Sharma, 2016). Such competencies are important because entrepreneurship is for a unique person an ability to take advantage of opportunities and courage to take risks. The condition makes not all starters of the business a success

Entrepreneurship as a buffer of the national economy has become a program of world economic development (Savrul, 2017; Valliere & Peterson, 2009). The study of entrepreneurship is an important issue in achieving social welfare from how to do business, what its competence, and how to manage a business in today's digital age to prosperity. The government's economic system is an important part of encouraging the development of entrepreneurship, especially for the younger generation who wants to compete internationally. It requires the right policies on the management on the part of entrepreneurs, especially social entrepreneurs. Social entrepreneurs are people who have innovation and creativity potential to solve problems in society.

Entrepreneurship is studied in college through economic education and entrepreneurial practice, but ultimately it is

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the skills (Suparno & Saptono, 2018) of every entrepreneur to be able to open and develop entrepreneurship. The experience of economic learning obtained is sufficient at the University of Economics in Indonesia where the average student takes entrepreneurship courses, introduction to economics, business, accounting, and finance, as well as management. But the entrepreneur's training needs to be reviewed to assess whether the economic and financial literacy that has been obtained affects the development of its business. Entrepreneurship and business confidence are studied in anticipation of unemployment and entrepreneurial intentions for the younger generation. Camba (2020) states that there is a relationship between entrepreneurship and business confidence in the long term, while in the short term unemployment decreases with an increase in entrepreneurship and business confidence.

Various digital businesses are growing rapidly in the world including in Indonesia (Tayibnapis et al., 2018). Digital entrepreneurship by the young generation is growing start-ups so it needs to be studied (Reis et al., 2018). For example, in Indonesia, elementary school age children dream of being YouTubers, become a public figure and be successful in digital business. They have known digital business through social media, which is triggered by the environment and the demands of a difficult life. High school level learning has assigned students the task of learning to make simple products or marketing through the "online market" web. Such progress is better than previous generations studying e-commerce at the university level. The existence of digital business transformation in e-commerce needs to be learned (Saptono et al., 2020) and anticipated as a business organizational capability (Nadeem et al., 2018), including the ability of entrepreneurs in business development, because education affects the skills and ability to manage the business (Suparno et al., 2019; Nurjanah et al., 2020).

Bulak tourism industry Depok City is a business place that has been engaged in garment confection since 1980. At first glance, the location of this center is in a narrow road, like a village. But this small industrial center becomes a wholesale place for big traders and tourism shopping. While supermarkets are closing, this tourist village is still able to grow. Cheap price, good quality, models that follows fashion are the choice for the buyers. If schools provide entrepreneurship learning in producing goods and services, this tourism village indirectly becomes an entrepreneurial learning center for the community in the production and marketing process that is integrated with the regions. This is a rare state of affairs, because it requires mutual respect, cooperation and social responsibility; not just focusing on business competition, but on how to progress and prosper together.

The state needs entrepreneurship to continue to be developed to drive the economy of a country (Quatraro & Vivarelli, 2013; Egedy et al., 2018), to encourage the production of goods and services (Hunt & Kiefer, 2017), driving the flow of demand and money turnover as well as the driving force and driver engine of the economy in a country (Raposo & do Paço, 2011). Whereas the economy emphasizes capital intensive and big business, entrepreneurship emphasizes labor intensive and interest on small loans. There is the political will from the government to grow and prosper society. Entrepreneurship is the basis of the economy, which requires special attention. The contribution of entrepreneurs in innovation and productivity provides economic change and renewal (Ambad & Damit, 2016; Heinonen & Poikkijoki, 2006), reducing unemployment by creating jobs for the community, and sustain economic growth (Van Gelderen et al., 2008).

Garment clusters in the Bulak tourism industry Depok City can develop and survive in the era of the digital entrepreneurial industry. Cluster-based entrepreneurial development is very important to review and develop (Suparno et al., 2019). A unique industrial village with tourism village-based marketing, where most of the population is craftsmen and in confection. The advantage of this location is that many traders from large markets buy and order from entrepreneurs. Traders came from big markets as are tourists. They can reach the ASEAN region through traders from the "Tanah Abang" market as well as online. The uniqueness of the location of the entrepreneurial village needs to be researched as regards the development of its business so that it can become a model in the development of local entrepreneurial-based businesses globally. Unemployment goes from the village to the city, but residents from the city to the tourist village will acquire new skills as entrepreneurs.

It is necessary to identify business development for tourist villages amid the challenges of the modern world today. The performance of SMEs to be able to open new businesses and achieve sales targets relies on digital literacy using social media and online commerce conducted by entrepreneurs; they also rely on economic literacy as an educational experience through both formal school and economic experience in public life; and entrepreneurs are to learn working skills to manage their business well.

2. Literature Review

2.1. Performance of SME entrepreneurs

The development of SME business as an entrepreneurial endeavor is very closely related to the performance of entrepreneurs. Entrepreneurs as managers run business organizations by implementing production management, resource capacity, financial governance, with the courage to take opportunities and risks, and marketing. The ability to achieve business targets based on potential and resource

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ownership becomes a challenge for every entrepreneur's performance. This will be related to efficiency and effectiveness.

Van Vuuren (Sebikari, 2014) stated that entrepreneurial performance is the ability to achieve established entrepreneurial goals. Further conveying that performance as an ability utilizes the available business opportunities to increase the effort. Performance is related to achieving work based on business targets by leveraging available opportunities. These conditions contain measurable risks that an entrepreneur should analyze and anticipate. Several factors are determined in preparing for entrepreneurship. Entrepreneurial attitudes and intentions can be explained by several factors such as need for achievement, risk perception, and locus of control (Wardana et al., 2020).

Kaplan and Norton (Looy & Shafagatova, 2016) state that the four dimensions in an organization's performance are financial perspectives, customer perspective, business process perspectives, and "learn and grow" perspectives. Based on this view, performance is very closely related to business development targets to be able to grow and take advantage of opportunities and conditions both financial, customer, and production capacity. In entrepreneurship with an SME focus, the improvement in the performance of entrepreneurs is seen from the increasing production capacity and the achievement of the number of sales in generating total production and the total profit that can be achieved.

The performance of entrepreneurs is also related to the efficient and effective management of resources. This will be very influential in achieving business results with proper management of production capacity. Entrepreneurial performance (Sebikari, 2014) is measured by return on investment, market share, profitability, and sales growth. This indicates that the performance is very close to the achievement and improvement of business in production, sales, and profit.

Based on the above review of the performance of SME entrepreneurs is the ability to manage their resources according to the objective stipulated. In this study, the performance of SME entrepreneurs was measured by the ability to increase production, business unit development, increase in the volume of sales, and business profits.

2.2. Entrepreneurial skills

Entrepreneurial skills begin with innovation sparked by personal factors and environmental factors. Personal factors that influence entrepreneurship are education, experience, commitment, vision, the courage to take risks, and age. While environmental factors are sociology, organization, family, opportunity, competitors, investors, and government policy. Entrepreneurial skills can be learned and developed (Suparno & Saptono, 2018). Entrepreneurship for the younger

generation can be grown through entrepreneurship education that fosters entrepreneurial intentions. Perceived desirability is the most influential factor in fostering entrepreneurial intentions by starting a business (Bui et al., 2020)

Skills in entrepreneurship demonstrate an ability to create something new and different. Innovation and creativity as capital in cooperation and competition. The rapid development of the business, demands different skills. Many opportunities can be utilized with innovation and creativity. Such skills need to be developed including technical and managerial capabilities, including taking risky business decisions. This is important to introduce and learn in entrepreneurial intentions as real skills and efforts build a business. Entrepreneurial intentions were introduced in the theory of planed behavior (Ajzen, 2005), which explains that attitudes, personality and behavior form entrepreneurial intentions. This indicates that the intention is very important as a real step to start entrepreneurship. Developing concepts and studies based on these theories (Lu & Wang, 2018) found the dimension of alertness as a major factor in entrepreneurship. We need to develop this study in the analysis of entrepreneurial performance in skills and knowledge as the main basis for entrepreneurial competence.

Entrepreneurial skills (Fitriati & Hermiati, 2011) consist of technical skills as an ability to manage business operations; management skills include planning and organizing, identifying customers and channels in attribution, managing resources; personal maturity skills are skills in self-awareness, business reflection, problem-solving and finding solutions. The study of entrepreneurial skills (Suparno & Saptono, 2018) consist of 1) technical communication, environment monitoring, problem-solving, technology implementation and use, interpersonal, and organizational skills; 2) business management planning and goal setting, decision-making, human resources management, marketing, finance, accounting, customer relations, quality control, negotiation, business launch, growth management, and compliance with regulations skills; 3) personal entrepreneurial self-control and discipline, risk management, innovation, persistence, leadership, change management, network building, and strategic thinking.

In this study, entrepreneurial skills are the ability possessed by an SME entrepreneur in developing his business, covering technical skills, management skills, entrepreneur skills, and personal maturity skills, which is reflected in the measurement results in the form of scores obtained through respondents' answers from a set of questions using the assessment scale given to SME entrepreneurs.

2.3. Economic literacy

Rapid economic development demands the ability to carefully anticipate economic conditions. That is economic

knowledge in an learning experience both formally and non-formally. Socioeconomic life in society is good economic learning because economic conditions teach individuals how can build businesses, develop, avoid crises, even take risks to be able to achieve business expansion. In general, it is part of economic literacy, which consists of economic and financial knowledge.

Literacy also contains a good understanding of basic economic problems, to solve economic problems with the right decisions. Good literacy should also be possessed by entrepreneurs because they must master manufacturer's behavior, consumer behavior, and limited resource optimization require priority scale. Consumer behavior is an analysis and basis for developing production for entrepreneurs. On the other hand, producer behavior is part of consumer decisions. Today, we find a lot of training on "being smart to be a consumer", managing income, prospering in old age, managing intake and preparing for the future. This is the risk bearing of economic knowledge as literacy helped towards smart choices to live a prosperous life in the future.

Economic literacy is not only obtained through formal education, non-formal education in public life, as well as the information received from various sources personally. It can also provide more knowledge and improve economic literacy with basic assistance that has been received via informal education. Daily economic life forges entrepreneurial know-how to be rational in optimizing the economy towards prosperity. We often find consumers making decisions; income expenditure is based on wants and needs, but economic behavior changes when there are many discounts for other items that are not the priority scale. Economic literacy plays an important role here, because basically rationality is the basis for making economic decisions. Economic wants without purchasing power can lead to debt.

In "Entrepreneurship education and its influence on financial literacy and entrepreneurship skills in college", Suparno (2018) states that financial literacy greatly affects how students acquire entrepreneurial skills. This indicates that, if financial literacy is developed in higher education, it will provide sufficient literacy as an entrepreneur's provision. Financial literacy is a much-needed knowledge in recent policy debates given that it involves an understanding of debt, investment, and spending patterns (Lusardi & Mitchell, 2007).

Economic literacy according to NCEE (The National Center on Education and the Economy) developed 20 indicators measuring people's economic literacy levels (Iqomudin, 2017). In economic literacy, research is adjusted with indicators to measure the literacy of SME entrepreneurs as the ability to analyze changes in demand for goods, manage the role of entrepreneurship, analyze market changes, analyze the impact of government policy, use resources, analyze the costs and benefits of economic transactions, analyze the impact of inflation, and analyze business development.

2.4. Digital literacy

The development of technology and information has brought the current generation into the world of digital literacy. In 2016, a total of 132.7 million Indonesians were connected to the Internet, out of 256.2 million. The utilization of e-commerce by SMEs is part of digital literacy. The constraints of SMEs to use e-commerce include, among others, lack of technical understanding of information technology, the high cost of Internet access only accessible to some people, complaints from buyers because the goods do not match the original and some other constraints (Candra & Ashari, 2014).

Entrepreneurship is also the emergence of a new elite group, who want to get respect and income in society as a social status. Business uncertainty creates speculation and trust as opportunities. Looking to the future of business opportunities requires intuitive skills, which is an important strategy for entrepreneurs (Aujirapongpan et al., 2020) with the challenges of the very rapid and rapid development of the business world in the field of information and technology.

Digital literacy is the ability of entrepreneurs to adapt to the development of the technology world to be able to utilize media as communication, marketing, analyzing trends, and demand for goods and services. Social media is a very important part today as people are always in touch with smartphones. Various applications make it very easy to manage businesses and expand the reach of the online market. Various groups, trending topics, and communities are very important for business entrepreneurs to follow. Such capabilities, developed with web management into e-commerce, supported by big data and coding, are conditions to launch a start-up where technology-based entrepreneurs can communicate and reach the wider market.

Technology can also increase corporate entrepreneurship, with indications of organizational innovation, self-renewal, new business discovery, and responsiveness (Alvarez & Barney, 2007). With technology, SMEs can increase the level of accuracy in innovating, which can ultimately increase the added value of the company. Gilster (Lankshear & Knobel, 2015) states that digital literacy is defined as the ability to understand and use information in various forms from a wide range of sources accessed through computer devices. In detail, digital literacy consists of the ability to access, manage, integrate, analyze, and evaluate information, build new knowledge, and create and communicate with others to participate effectively. Based on the above review, the following hypotheses are formulated:

H1: Digital literacy is significantly and positively related to performance of SME entrepreneurs

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H2: Digital literacy is significantly and positively related to entrepreneurial skills

H3: Economic literacy is significantly and positively related to entrepreneurial skills

H4: Economic literacy is significantly and positively related to performance of SME entrepreneurs

H5: Entrepreneurial skills are significantly and positively related to performance of SME entrepreneurs

3. Research Methods and Materials

This research is a quantitative study, which aims to determine the direct and indirect effects of digital literacy, economic literacy, and entrepreneurial skills on the performance of SME entrepreneurs. Data were collected by survey with a questionnaire to measure all variables. Research in Bulak tourism industry Depok City is interesting because the location is attached to the tourist village, with the potential of products and marketing reaching nationally, as well as because of the presence of many large traders from the national market ordering both online and coming to pick up merchandise on a national and regional marketing scale. The focus in this study is 90 garment businesses in Bulak tourism industry, where every entrepreneur has workers, production machinery, and marketing systems, so we can analyze digital literacy and economic literacy, as well as entrepreneurial skills.

This research was carried out from March to September 2020, with descriptive data collection and research orientation, because it was constrained by COVID-19. The population in this study is 90 entrepreneurs of small- and medium-sized enterprises selected via saturated sampling. Data analysis was performed quantitatively and descriptively using SPSS version 25.0 software. Based on the validity test critical value table, each test item is to be valid when at significance level of 0.05 obtained t value count $\geq$ t table, and reliability test questionnaire items obtained the number of valid and reliable questionnaire items, seven for digital literacy variable, nine for economic literacy, six for job skills, and 12 questionnaire items for performance of SME entrepreneurs. Then, following the collection of research data, testing normality, regression, and analysis path test to know the direct and indirect influence between variables were undertaken (Riduwan & Engkos, 2011).

4. Results and Discussion

Based on the data obtained through the process of filling out questionnaires by 90 respondents, the performance variable of SME entrepreneurs, from a set of 15 items, 12 items were identified as valid. For digital literacy, from a set of eight items, seven items were identified as valid. For economic literacy, from a set of 11 items, nine items were identified as valid. For entrepreneurial skills, six items were identified as valid. Variables are valid above 0.05 (Validity-Corrected Item-Total Correlation) and Reliability Cronbach's Alpha of 0.771, 0.790, 0.783, and 0.759, respectively. The total score of each variable as data input and discussion is shown in Table 1.

The research then carried out test requirements that aim to find out whether the data is distributed normally or not, and test linearity. Based on statistical tests conducted with SPSS 25, then Variable X1 is digital literacy and variable X2 is economic literacy, X3 is entrepreneurial skill, while variable X4 is the performance of SMEs. Based on the normality test, digital literacy variables, economic literacy, entrepreneurial skills, and performance of SME entrepreneurs showed a p-value of 0.200, 0.187, 0.138, and 0.153, respectively. These results show a greater value when compared to the level of significance greater than 0.05, so that it meets normally distributed data requirements. Thus, the data normality requirements are met for all the variables studied. Further linearity and path coefficient tests are carried out.

The analysis process begins with the affirmation of the analytical frame of thought (constellation) based on the structure of the influence pathways built in the study, namely, the model structure in Figure 2.1 is further analyzed based on sub-structures (X_1, X2, and X_3 to X_4) sub-structures (X_1 and X_2 to X_3), and sub-structure/correlation (X_1 to X_2). Based on the calculation, results obtained matric correlation coefficient between variables that are the basis of the analysis. The basis of the matrix calculation above can be used as a guideline to develop an analysis of the path between variables by calculating the inverse value of the correlation matrix.

By using SPSS 25.00, the results outlined between structures with the development of sub-structure model equation models 1 (X_1 and X_2 to X_3), digital literacy (X1), and economic Literacy (X2) contribute simultaneously to entrepreneurial skills (X3). Model structure: X3 = ρx3x1 X1 + ρx3x1 X2 + ρx3 ε. The overall test of digital literacy (X1) and economic literacy (X2) contributes simultaneously to entrepreneurial skills (X3) shown on Table 2.

Based on individual data testing [(X1 related to X3) and (X2 related to X3)], digital literacy (X1) and economic literacy (X2) contribute simultaneously to entrepreneurial skills (X3). Based on the model, the summary obtained the value R square = 0.413, and the Anova table gets a value F of 30,558 with a probability value (sig) = 0.000. Because of the value of sig < 0.05, then there is a significant influence. Therefore, individual data testing has been carried out and it meets the path analysis data requirements (Riduwan & Engkos K, 2011); the result of the path coefficient is px3x1 = 0.317. It appears that in the Sig (significant) column in the coefficients table, a sig value of 0.09 is obtained. It turns out that the sig value of 0.009 is smaller than the probability value of 0.05 or the value of 0.05 > 0.009, meaning the coefficient of the path analysis is significant. So, digital literacy (X1) contributes significantly to entrepreneurial skills (X3).

Table 1: SME Entrepreneur Research Variable Score Data

Indicator		Question Item	Score	Total score	Percentage
Performance of SME Entrepreneurs					
Increased Production	EP1	There has been an increase in acceptance of my business in the last 3 years	947	3777	25,1
	EP2	My business is experiencing increased production capacity			
	EP3	My business is experiencing an increase in sales volume			
Business Unit Development	EP5	I'm adding a new business unit	1584		41,9
	EP6	I was able to achieve the target amount and quality of production			
	EP7	My business has new product innovations			
	EP8	Customers with good loyalty increase			
	EP9	My business production capacity can meet consumer demand with inventory			
Increase in Sales Amount	EP12	I provide after-sales service for customer satisfaction	1246		33
	EP13	Many new customers are buying my products			
Business Profit earned	EP14	The annual sales target I set was reached			
	EP15	My business has increased operating profit			
Digital Literacy					
Access	DL1	I was able to access the online store in developing my business	315	2224	14,2
Manage	DL2	I updated my sales information online	321		14,4
Integrate	DL3	I can use some online media for business purposes	317		14,3
Analyzing and Evaluating Information	DL4	I can choose accurate information from online media	311		14
Building new Knowledge	DL6	Online digital facilities provide new knowledge for me	320		14,4
Create and communicate with people	DL7	Online media makes my business network grow	320		14,4
	DL8	Lots of new relationships in my online business	320		
Skills of SMEs					
Technical Skills	ES1	I can operate any equipment used in working technically	311	2198	14,2
Management Skills	ES2	I was able to manage the effort to run properly	314		14,3
Entrepreneurial skills	ES3	I can overcome any business risks that may arise	617		28,1
	ES4	I'm making innovations from existing businesses			
Personality Maturity Skills	ES5	I can build good cooperation with other employees	633		28,8
	ES6	I can establish good communication with other employees in this company	323		14,7

Table 1: (Continued)

| Economic Literacy						
	EL1	Analyze changes in demand for goods	327		11,4
Developed Economic Literacy for SMEs from	EL2	Able to manage entrepreneurial roles	321		11,2
	EL4	Analyze changes in supply and demand	327		11,4
	EL5	Analyze the impact of government policy	321		11,2
	EL6	Analyze the impact of changes in demand and supply	317	2865	11,1
	EL7	Explain the limited use of resources	304		10,6
	EL8	Analyze the costs and benefits of economic transactions	308		10,8
	EL9	Analyze the impact of inflation	327		11,4
	EL11	Analyze industry development	313		10,9

Table 2: Model Summary and Coefficients Research Data

Model	Dependent Variable	Independent Variables		F	R Square
	(Constant)	Dig_Lit_X1	Eco_Lit_X2		
Coefficients	9,011	0,217	0,203	30,558	0,413
SE	1,534	0,081	0,064		
Beta		0,317	0,375		
t-test	5,874	2,683	3,178		
sig	0,000	0,009	0,002		

The influence of economic literacy (X2) contributes to entrepreneurial skills (X3), the test is individually indicated by table coefficients, that the coefficient results path $px3x2 = 0.375$. It is noticeable that in the Sig column (significant) in table coefficients, a sig value of 0.002 is obtained. It turns out that the sig value of 0.002 is smaller than the probability value of 0.05 or the value of $0.05 > 0.002$, meaning the coefficient of the path analysis is significant. economic literacy (X2) contributes significantly to entrepreneurial skills (X3). The empirical causal relationship framework between X1 and X2 related to X3 can be created through the Model 1 structure equation model: $X3 = px3x1\ X1 + px3x1\ X2 + px3\ \varepsilon$. $X3 = 0,295\ X1 + 0,414\ X2 + 0,61\ \varepsilon$

The R value of x3.x1.x2 or R square can be seen in the model summary that is 0,413. To find the value $px3\ \varepsilon$ (remaining variable) is determined with the formula: $px3\ \varepsilon 2 = 1 - R^2\ x3x1x2 = 1 - 0.413 = 0.587$. Based on the formula of the contribution of the above track analysis, the variable digital literacy (X1) and economic literacy (X2) relate to entrepreneurial skills (X3).
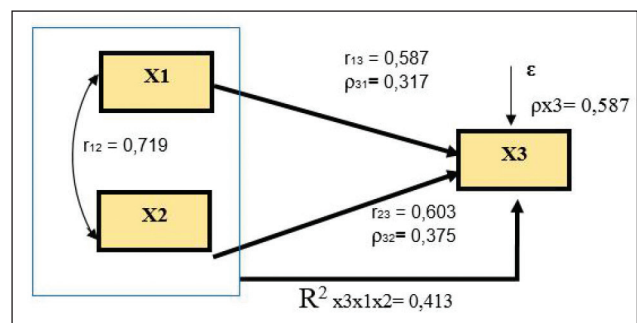
Figure 1: Empirical Causal Relationship Path Diagram X1 and X2 to X3

The path analysis shows that the form of the model is acceptable and gives the result of the contribution of each variable, as follows: digital literacy (X1) directly affects entrepreneurial skills (X3) by $0.317^2 = 0.10\%$; economic literacy (X2) directly affects entrepreneurial skills (X3) by $0.375^2 = 0.140$ or 14 %, 3). Digital literacy (X1) and economic literacy (X2) simultaneously directly affect the entrepreneurial

skills (X3) of R^2 square = 0.413 = 41.3 %. The remaining 0,587 or 58.7% was influenced by other factors that could not be explained in the study.

Sub-structure model equations 2 (X_1, X_2, and X_3 to X_4) to determine the influence of digital literacy (X1), economic literacy (X2), and entrepreneurial skills (X3) contribute simultaneously to the performance of SME entrepreneurs (X4). Model structure: X4 = ρx4x1. X1 + ρx4x2. X2 + ρx4x2. X3 + ρx4. ε2. Structure of influence pathways between research variables hypothesized in calculating the Model 2 path coefficient, the test is shown on Table 3.

In the table, the above model obtained the value R square = 0.889 and gets a value of F of 258,711 with a probability value (sig) = 0.000. Because of the value of sig < 0.05, it means there is a significant influence. Therefore, individual testing can be done. Individual test model 2: digital literacy (X1), economic literacy (X2), and entrepreneurial skills (X3) contribute simultaneously to the performance of SME entrepreneurs (X4).

The test individually indicate, that the result of the path coefficient is px4.x1 = 0.705. It appears that, in the Sig (significant) column in the coefficients table, a sig value of 0.00 is less than the probability value of 0.05 or a value of 0.05 > 0.00, meaning the coefficient of the path analysis is significant. So, digital literacy (X1) contributes significantly to the performance of SME entrepreneurs (X4). The influence of econom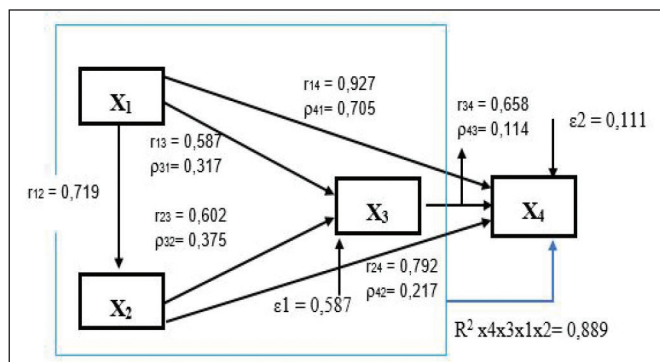ic literacy (X2) contributes to the performance of SME entrepreneurs (X4), tests individually indicated the coefficient results of the path px4.x2 = 0.217. It appears that the Sig (significant) column shows the sig value of 0.000, is less than the probability value of 0.05 or a value of 0.05 > 0.009, meaning the coefficient of the path analysis is significant. So, economic literacy (X2) contributes significantly to the performance of SME entrepreneurs (X4).

The influence of entrepreneurial skills (X3) contributes to the performance of SME entrepreneurs (X4); tests individually indicated the coefficient results of the path px4. x2 = 0.114, the coefficient is 0.012, sig value is less than the probability value of 0.05 or the value of 0.05 > 0.012, meaning the coefficient of the path analysis is significant. Entrepreneurial skills (X3) contributes significantly to the performance of SME entrepreneurs (X4). The empirical causal relationship framework between X1, X2, X3 to X4 can be created through the model structure equation as follows: X4 = ρx4x1 X1 + ρx4x2 X2 + ρx4x2 X3 + ρx4 ε2. X4 = 0,705 X1 + 0,217 X2 + 0,114 X3 + ρx4 ε2. R value x4x3x1. x2 or R square can be seen in the value px4 ε2 (Remaining variable) is specified with the following formula ρx4 ε2 = $1 - R^2_{x4x1x23x1x2}$ = 1 − 0.889 = 0.111.

The formulation of the contribution of the above path analysis can included the contribution of variable digital literacy (X1), economic literacy (X2), and entrepreneurial skills (X3), which contributing simultaneously to the performance of SME entrepreneurs (X4) as follows:

Table 3: Model Summary and coefficients research data

Model	Dependent Variable (Constant)	Independent Variables			F	R Square
		Digital Literacy	Economic Literacy	Entrepreneurial Skills		
Coefficients	2,234	1,063	0,259	0,251	258,71	0,889
SE	1,658	0,077	0,062	0,098		
Beta		0,705	0,217	0,114		
t-test	1,348	13,827	4,194	2,559		
sig	0,181	0,000	0,000	0,012		

Figure 2: Empirical Causal Relationship Path Diagram X1, X2, and X3 to X4

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Table 4: Decomposition Summary of Coefficient of Models 1, and 2 Obtained Direct Influence, Indirect Influence and Total Influence Between Digital Literacy Variables (X1), Economic Literacy (X2), and Entrepreneurial Skills (X3) Contributes Simultaneously to The Performance of SME Entrepreneurs (X4)

Variable Influence	Causal influence I		Remaining ε1 and ε2	Total
	Direct	**Indirect (Via X3)**		
X1 to X4	0.705	-	-	0.705
	-	0.705 + (0.317 x 0.114)	-	0.741
X2 to X4	0.217	-	-	0.217
	-	0.217 + (0.375 x 0.217)	-	0.298
X1 X2 X3 to X4	0.587	-	0.111	1.000
X1 to X3	0.317	-	-	0.295
X2 to X3	0.375	-	-	0.414
X1 X2 to X3	0.413	-	0.587	1.000

The path analysis shows that the form of the model is acceptable and gives the result of the contribution amount of each variable. The large direct and indirect influence (through X3) and total influence of digital literacy (X1), economic literacy (X2), and entrepreneurial skills (X3) contribute simultaneously to the performance of SME entrepreneurs (X4) as follows: direct effect of variable X1 on X4 = 0.705; indirect influence between variable X1 to X4 through X3 = 0.705 + (0.317741. x 0.114) = 0; the total effect of X1 on X4 is 0,741. 2); direct effect of variable X2 on X4 = 0.217; indirect influence between variable X2 to X4 through X3 = 0.217 + (0.375 x 0.217) = 0.298; the total effect of X2 on the X4 is 0.298. 3). Digital literacy (X1) directly affects the performance of SME entrepreneurs (X4) by $0.705^2 = 0.497$ or 49.7 %. 4); economic literacy contribution (X2) directly affects the performance of SME entrepreneurs (X4) by $0.217^2 = 0.047$ or 4.7 %

The contribution of digital literacy (X1), economic literacy (X2), and entrepreneurial skills (X3) contribute simultaneously to the performance of SME entrepreneurs (X4) of $R^2 = 0.889 = 88.9\%$. The remaining 0.111 or 11.1% was influenced by other factors that could not be explained in the study. Table 4 shows the decomposition summary of the line coefficient, direct influence, the total impact on this model is as follows:

The coefficient values points to the fact that all paths prove significant. Thus, the structural model proposed in this study does not need to be modified. This is because the path model that has been built on the evolving theory (research construct) has qualified for the testing of the statistical hypothesis.

Based on the data of the above research results, the relationship between variables can be descriptively posited. Data on the performance of entrepreneurs in SMEs is the primary data obtained through a Likert scale questionnaire with indicators of increase production, business unit development, increase in sales volume, and business profit earned. Twelve questionnaire items were answered by 90 respondents, with the highest score of 54 and the lowest score of 25. The variance score is 48,257, with a standard deviation of 6,947. The indicator with the highest score is: business growth of 41.90%, with the addition of new business units and increased customer loyalty. While the lowest indicator is: increased production capacity with an increase in receipts in three years. This shows that SME entrepreneurs need to increase their production capacity and provide space for new business development for entrepreneurs.

Digital literacy data on SME entrepreneurship show the highest score of 32 and the lowest score of 14. The variance score is 21,219, with a standard deviation of 4,606. The indicator with the highest score is: to build new knowledge and create, and communicate with people with a score of 320 or 14, 39%. While the lowest indicator is: analyzing and evaluating information. This indicates that digital literacy in SMEs needs to improve in analyzing and evaluating information and entrepreneurs in SMEs are already building new knowledge, creating and communicating with people as a form of media utilization in shaping customers.

Economic literacy data on SME entrepreneurship identifies indicators able to analyze changes in demand for goods, able to manage the role of entrepreneurship, able to analyze changes in supply and demand, able to analyze the impact of government policy, able to analyze the impact of changes in demand and supply, able to explain the limited use of resources, able to analyze the costs and benefits of economic transactions, able to analyze the impact of inflation, able to analyze the development of the industry. The highest score is 43 and the lowest score is 13. The variance score is 33,786, with a standard deviation of 5,813. The indicator with the highest score: can analyze the change in demand for goods,

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able to analyze changes in supply and demand, able to analyze the impact of inflation with a score of 11.41%. While the lowest indicator is: can explain the limited use of resources. This indicates that to be able to explain the limited use of resources to SMEs, there needs to be an improvement in analyzing and being able to explain the limited use of resources.

Data of entrepreneurial skills on SME entrepreneurs with technical skills indicator, management skills, personality maturity skills. The highest score is 28 and the lowest score is 13. The variance score is 9.916, and a standard deviation of 3.149. The indicator with the highest score is: personality maturity skills with the ability to build good cooperation with other employees. While the lowest indicator is: technical skills with the ability to operate any equipment used in technical work. This indicates the need for development and training in technical skills in SME entrepreneurship.

5. Conclusions

The results of this research on the influence of digital literacy (X1), economic literacy (X2), and entrepreneurial skills (X3) on the performance of SMEs (X4) on entrepreneurship in Depok city can be summed up as follows: 1) there is a significant and positive influence of digital literacy on the performance of SME entrepreneurs, meaning that the higher the knowledge of digital literacy, the higher the performance of SME entrepreneurs; 2) there is a significant and positive influence of digital literacy on entrepreneurial skills, meaning that the higher the knowledge of digital literacy, the more entrepreneurial skills of SME entrepreneurs will increase; 3) there is a significant and positive influence of economic literacy on entrepreneurial skills, meaning the higher the knowledge of economic literacy, the entrepreneurial skills of SME entrepreneurs will increase; 4) there is a significant and positive influence of economic literacy on the performance of SME entrepreneurs, meaning the higher the knowledge of economic literacy, SME entrepreneur's performance will increase; 5) there is a significant positive influence of the entrepreneurial skills on the performance of SME entrepreneurs, meaning that the better the skills of entrepreneurs, the better the performance of SMEs.

Based on the research results, it shows that digital literacy has the greatest direct and indirect influence on the performance of SME entrepreneurs; this shows the importance of digital literacy in developing business and marketing networks. Performance development through entrepreneurial skills and literacy shows a positive and significant correlation. Management skills are able to contribute to performance. The ability of an entrepreneur in managing a business organization is also essential in achieving business success. Organizational ability and organizational learning affect financial performance

(Hindasah & Nuryakin, 2020). Organizational skills as important management skills are learned to determine the performance of SMEs. Managerial abilities for entrepreneurs with their development strategies are important for company performance (Cheng et al., 2020).

The results of the research are the basis for suggestions that strengthen the argument of factors that influence the performance of SME entrepreneurs. This research can be used as a theoretical reference in developing the performance of SME entrepreneurs. It can be used by entrepreneurs especially on SMEs shopping tours to improve the performance of SMEs, such as SME office development, and material to optimize the role of SME entrepreneurs in shopping tourism to improve digital literacy education and training, economic literacy and entrepreneurial skills to improve the performance of SME entrepreneurs. For regional heads, the study results can be the basis for policymaking considerations to improve the performance of SME entrepreneurs.

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