IRJEMS International Research Journal of Economics and Management Studies
Published by Eternal Scientific Publications
ISSN: 2583 – 5238 / Volume 2 Issue 3 August 2023 / Pg. No: 298-306
Paper Id: IRJEMS-V2I3P139, Doi: 10.56472/25835238/IRJEMS-V2I3P139

Original Article

The Role of Competitive Advantage, Balinese Local Wisdom, and Entrepreneurship on Financial Performance of BUMDes in Bali Province

[1]Ni Luh Putu Agustiari Sisca Dewi, [2]Putu Yudy Wijaya, [3]Mirah Ayu Putri Trarintya
[1,2,3]Faculty of Economics, Business and Tourism, Indonesian Hindu University, Bali, Indonesia.

Received Date: 05 August 2023 Revised Date: 12 August 2023 Accepted Date: 17 August 2023 Publshed Date: 21 August 2023

Abstract: *Village Owned Enterprises (Badan Usaha Milik Desa - BUMDes) are legal entities created by villages and/or in partnership with villages to manage businesses, use assets, develop investment and productivity, provide services, and/or provide other types of businesses for the highest level of prosperity village community. Well-managed BUMDes will generate the most PADes possible, enabling the village to become independent. Entrepreneurial orientation is important for business success, and as competition also has an impact on how well businesses function, businesses must adapt to changing environmental conditions in order to stay competitive. While Catur Purusa Artha, a set of distinctive local values about the meaning of life for Balinese people, serves as the organisational culture in this study. 100 BUMDes were used as samples in this investigation. The data analysis technique makes use of the Partial Least Square (PLS) method and Structural Equation Modeling (SEM), with the computation process aided by the Smarts PLS software application programme. Based on the results of the study, it was found that: (1) Catur Purusa Artha Culture has a positive and significant effect on Competitive Advantage; (2) Catur Purusa Artha Culture has a positive and insignificant effect on Financial Performance at BUMDes; (3) Entrepreneurial Orientation has no significant positive effect on BUMDes Financial Performance; (4) Entrepreneurial Orientation has a positive and significant effect on Competitive Advantage in BUMDes; (5) Competitive Advantage has a positive and significant effect on Financial Performance at BUMDes; (6) Competitive Advantage fully mediates the influence of Entrepreneurial Orientation on Financial Performance in BUMDes; (7) Competitive Advantage fully mediates the influence of the Purusa Artha Catur Culture on Financial Performance in BUMDes.*

Keywords: *Competitive Advantages, Catur Purusa Artha Culture, Entrepreneurship Orientation, Financial Performance, BUMDes.*

I. INTRODUCTION

The development of a village is crucial to achieving the goals of the country for an equitable and prosperous Indonesia. The realisation of an advanced, powerful, and independent village necessitates a strong commitment from all sides. Giving the village administration the power to independently control the village's size through local economic institutions is one strategy to promote development at the village level. Village-Owned Enterprises (BUMDes), which are legal entities established by villages and/or with villages to manage businesses, utilise assets, develop investment and productivity, provide services, and/or provide other types of businesses for the maximum welfare of the Village community, are the economic institutions at the village level based on Government Regulation Number 11 of 2021. Future prosperity and independence of the village will depend on BUMDes ability to operate successfully, enhance the hamlet's initial income, and decrease unemployment (Saman, 2016). Community independence is a quality of a developed community that can provide for its own requirements and is not entirely reliant on government help. Even though the village receives government assistance, its nature is only as a stimulant or stimulus (Wardoyo, 2015).

The amount of Village Original Income generated can be used to determine whether a village is independent or not. Village Original Income, which can also be obtained from the outcomes of BUMDes management, is income originating from village authority based on origin rights and local village scale authority. BUMDes that are well managed will produce maximum Village Original Income so that they can make the village independent. The good and bad management of BUMDes can be seen through the financial performance of BUMDes itself. The performance evaluation indicator of a BUMDes is the ability of the business to generate profit. Financial performance reflects whether the business is in good condition or not. The condition of BUMdes financial information and performance in the current period will be an illustration of the business conditions in the future. A key factor in determining a company's success and raising its financial performance is its courage in producing breakthroughs, inventions, facing competition, utilising resources, and responding rapidly to environmental changes

(Ndubisi, 2018). Additionally, it is crucial for small businesses to strengthen their entrepreneurial orientation in order to succeed in business.

In this study to improve business performance competitive advantage variables are used. This is evident because competition affects business performance, so companies must adapt to environmental changes to maintain a competitive position. Today, a company must engage in strategic planning and resource optimisation in order to prosper and keep its place in the market. The deliberate procedures put in place by corporate managers to run their firms and gain a competitive edge are found to result in the ability to detect opportunities. This will encourage interaction between individuals which generates knowledge and social capital as well as being a differentiator between the organization or company and its competitors which are then able to provide benefits and are not easily imitated. The significance of human resource practises to boost organisations' competitive advantage and make it possible for businesses to be more successful at acquiring competitive advantage (Wijaya & Suasih, 2023).

According to a strategic viewpoint, the secret to corporate success is the creation of distinctive competitive advantages, where excellence is the capacity to generate things that are challenging for rivals to replicate and valuable to customers (Adiputra and Mandala, 2017). The use of local culture can increase corporate performance through competitive advantage. Cultural values are significant in many aspects of human existence, including the development of social structures and the formation of individual behaviour. They also have a positive impact on economic activities, which may support the maintenance of firm performance. In this study, organisational culture is investigated as a creative inspiration that is maintained to enhance financial performance. It is based on local Balinese beliefs. The Catur Purusa Artha, which refers to the Balinese people's ultimate goal in life, serves as the study's organisational culture. The four components of this idea are Dharma, Artha, Kama, and Moksha. Activities conducted by BUMDes in Bali are based on the idea of Catur Purusa Artha.

Based on the background mentioned above, the objectives of this study are: (1) To determine the influence of the Catur Purusa Artha culture on the financial performance of BUMDes; (2) To determine the influence of Catur Purusa Artha culture on competitive advantage; (3) To determine the effect of entrepreneurial orientation on the financial performance of BUMDes; (4) To determine the effect of entrepreneurial orientation on competitive advantage; (5) To determine the effect of competitive advantage on the financial performance of BUMDes; (6) To find out whether competitive advantage plays a role in mediating the influence of the Catur Purusa Artha culture on BUMDes financial performance; (7) To find out whether competitive advantage plays a role in mediating the effect of entrepreneurial orientation on BUMDes financial performance.

II. LITERATURE REVIEW AND METHODS

A) Financial Performance

A generic construct (factor) used to gauge the impact of a company policy or choice is called company performance. Good performance, including financial performance, is always the goal of decisions or policies. A company can assess its performance using financial metrics, sometimes known as financial performance, which include profit and sales volume (Chong, 2008). Through the use of a Likert scale to assess respondents' impressions of a variety of financial metrics, including sales growth, improved profitability, and greater total assets, BUMDes performance evaluation methods can be carried out. The validity of these measurements in light of the performance attained by BUMDes will therefore have a significant impact on how company performance is measured. The study's definition of firm performance is financial performance. Profitability ratios are typically used to gauge financial performance. Being profitable means the business can turn a profit using the capital it has available. According to Horne and Wachowicz (2012), profitability refers to a company's capacity to make money over a specific time period through the utilisation of its total capital structure, which includes both debt (foreign capital) and own capital. One of the metrics used to measure long-term business performance is corporate profitability.

B) Entrepreneurial Orientation

According to Schumpeter (1934), entrepreneurship is a centralised activity distinguished by innovation. According to Schumpeter (1934) and Vesper (1980), entrepreneurship falls into five behavioural categories: introducing new products, introducing new production techniques, opening up new markets, looking for new alternative sources of supply, and developing an industrial organisation. Another way to describe entrepreneurship is as a sort of action including risk and uncertainty. A nation's economy can thrive as a result of its entrepreneurial culture. It is also said that entrepreneurship has the power to alter the economic structure through innovations made by businesspeople. (Casson, 2012). Entrepreneurs are defined as founders or managers or owners of small and medium sized companies that have growth potential (Eckhardt and Shane, 2003; Acs and Audstrech, 2003, Casson, 2012). Hayck (1937) and Kirzner (1973) in (Casson, 2012) argued that entrepreneurs are intermediaries who determine prices in trade and are motivated to gain profits so as to improve a country's economy.

According to Hisrich et al. (2005), creativity is the ability to produce something novel and distinctive. Entrepreneurship is defined by Scarborough and Zimmerer (2008) as the process of using creativity and innovation to solve issues and identify possibilities to enhance business life. Entrepreneurship is a term used to describe a type of organisational behaviour that involves having the guts to take (manage) risks and to be proactive and innovative. Three factors innovative, proactive, and risk-taking explain the fundamental cause of entrepreneurial orientation. First, it makes reference to a number of research, including Lumpkin and Dess (2001), Riana (2011), and Korry (2013), and makes use of innovative, proactive, and risk-taking qualities. Kreizer et al. (2002) in their analysis of the dimensions of Entrepreneurial Orientation (innovative, proactive and risk taking), shows that the introduction of other dimensions does not add much value to Entrepreneurial Orientation, in favor of a three-dimensional approach. Moreover, when examining the different dimensions separately, three dimensions (innovative, proactive and risk taking) have been shown to have a strong relationship to firm performance.

C) Resource Based View (RBV) Theory

According to the Resource Based View (RBV), scarce, expensive, and irreplaceable resources can be a source of exceptional performance and help businesses build long-term competitive advantages (Barney, 1991). RBV emerged from a traditional strategy formulation technique that often starts with an evaluation of the company's capabilities and resources, where factors that are unique (distinctive) or superior to rivals can serve as the foundation of competitive advantage. According to the RBV hypothesis, managing a company's resources to provide it a competitive advantage includes taking into account its internal capabilities. According to Schienstock (2009), management's capacity to coordinate the use of all available resources can boost a company's competitive edge. According to Barney (1991), a company's ability to compete will grow along with its managerial capability, which will eventually enable it to improve organisational performance. According to the RBV hypothesis, organisational resources and competencies that are valuable, uncommon, difficult to imitate, and non-substitutable are sources of long-term competitive advantage (Barney, 1991).

D) Competitive Advantage

Gaining and maintaining a competitive advantage is crucial for a company's expansion and development (Bagastawa, 2006). The three competitive strategies of innovation strategy, quality improvement, and cost reduction are at the centre of the competitive advantage concept. If a corporation uses a value generation approach that is not also used by current or potential rivals, it will have a competitive edge. To achieve a competitive edge, businesses must be able to differentiating products produced in competition.

E) Organizational Culture

According to Kotter and Heskett (1997), organisational culture is a pattern of behaviour or a style that encourages new members to adopt. As it relates to symbols, rituals, myths, stories, and legends about how events, ideas, and experiences are interpreted by the groups of people with whom they engage, organisational culture plays a crucial role for members of the organisation. According to Hofstede (1991), culture is a way of thinking, feeling, and doing that is unique from other social groupings. Organisational culture, according to Schein (2004), is the fundamental idea that directs both customers and employees.

F) Catur Purusa Artha Concept

In Balinese life, there are habits or customs that believe in various concepts about life. One of the concepts about life is Catur Purusa Artha which consists of the words Catur, Purusa and Artha which as a whole mean the four goals of human life (Ministry of Religion of the Republic of Indonesia, 2010). According to A Sanskrit - English Dictionary (1974) Catur means four, Purusa means soul/human, Artha means goal, what is sought, what is pursued in life. According to Sudharta (2009), Artha has the meaning and understanding of trying, hoping or wanting. Related to business, Wiagustini (2017) describes that chess purusa artha can be used as the basis for business strategy, if a business uses dharma as a basis then it can be believed that it will be able to improve its performance. The concept of Catur Purusa Artha as expressed in Sarasamuscaya sloka 261 and 262, is a local Balinese concept in the form of customs/customs (Sudharta, 2009). The concept of Catur Purusa Artha is associated with the theory of Resource Based View (RBV) which is explained by Barney (1991) as part of the company's intangible resources.

G) Village Owned Enterprises (Badan Usaha Milik Desa - BUMDes)

Village Owned Enterprises, also known as BUMDes, are legal entities created by villages and/or in collaboration with villages to manage enterprises, make the best use of assets, increase investment and productivity, offer services, and/or provide other types of businesses for the greatest good. (Government Regulation Number 11 of 2021) A village community.

H) Conceptual Framework

The organisational culture of chess purusa artha, entrepreneurial orientation, and competitive advantage have an impact on financial performance, as shown in the following Fig. 1, which is based on the problem's background, theoretical studies, and prior research.

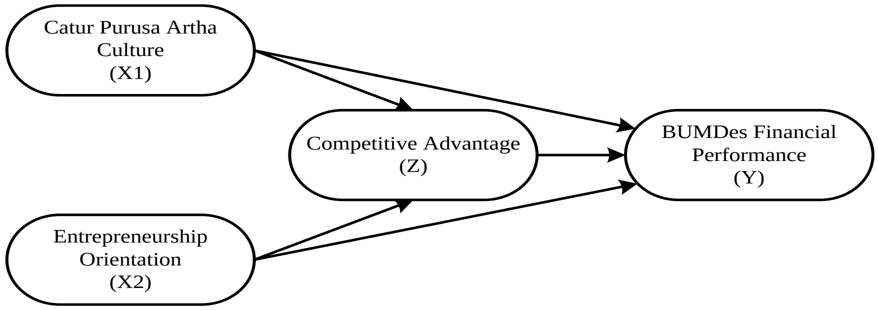

Fig. 1 Research Concept Framework

I) Research Methods

This study is a conclusive study. In this study, the Catur Purusa Arta Culture variable, Entrepreneurial Orientation, and Competitive Advantage were examined for their effects on the financial performance of BUMDes in Bali Province, with a focus on BUMDes that have been in operation for at least five years as the study population. With a population of 377 BUMDes and a tolerable sampling error rate of 10%, the Slovin formula was used to determine the sample size, and a minimum sample size of 100 BUMDes was found. The data analysis method uses Structural Equation Modeling (SEM) with the Partial Least Square (PLS) approach with the calculation process assisted by the Smarts PLS software application program.

III. RESULTS AND DISCUSSION

A) Results

Hypothesis testing was carried out through a t-statistic test with an alpha level of 0.05 (5%) or t-table 1.96. If the value of the t-statistic > t-table (1.96), this means that the test results are significant, whereas if the t-statistic ≤ t-table, it means that the test is not significant.

Table 1. Path Analysis Statistical Testing

Path Coefficient Between Variables	Original Sample (O)	T-Statistic	P Values	Criteria
Catur Purusa Artha Culture (X1) → Financial Performance (Y)	0.130	0.774	0.439	Not Significant
Entrepreneurship Orientation (X2) → Financial Performance (Y)	0.118	0.684	0.494	Not Significant
Purusa Artha Catur Culture (X1) → Competitive Advantage (Z)	0.518	4.966	0.000	Significant
Entrepreneurship Orientation (X2) → Competitive Advantage (Z)	0.411	4.419	0.000	Significant
Competitive Advantage (Z) → Financial Performance (Y)	0.540	3.096	0.002	Significant

Based on the results of testing the influence analysis between variables in the table above shows that:

1) Catur Purusa Artha culture has a positive effect of 0.518 on Competitive Advantage and the effect is significant at the 0.05 level because the t-statistic value = 4.966 is greater than 1.96. Based on this description, hypothesis 1 in the study, namely Culture Catur Purusa Artha has a positive and significant effect on Competitive Advantage is accepted or proven true.
2) Catur Purusa Artha culture has a positive effect of 0.130 on Financial Performance and the effect is not significant at the 0.05 level because the t-statistic value = 0.774 is less than 1.96. Based on this description, hypothesis 2 in the study, namely Catur Purusa Artha Culture, has a positive and insignificant effect on Financial Performance, which is not accepted or has not been tested for its truth.
3) Entrepreneurial orientation has a positive effect of 0.118 on financial performance and this effect is not significant at the 0.05 level because the t-statistic value = 0.684 is smaller than 1.96. Based on this description, hypothesis 3 in the Entrepreneurial Orientation study has a positive and significant effect on Financial Performance is not accepted or has not been tested for truth.
4) Entrepreneurial orientation has a positive effect of 0.411 on Competitive Advantage and the effect is significant at the 0.05 level because the t-statistic value = 4.419 is greater than 1.96. Based on this description, hypothesis 4 in this study, namely Entrepreneurial Orientation has a positive and significant effect on Competitive Advantage is accepted or proven true.
5) Competitive Advantage has a positive effect of 0.540 on Financial Performance and the effect is significant at the 0.05 level because the t-statistic value = 3.096 is greater than 1.96. Based on this description, hypothesis 5 in this study, namely Competitive Advantage has a positive and significant effect on Financial Performance is accepted or proven true.
6) To test hypothesis 6, Fig. The following 2 are sourced from Table 1 which contains the significance of the influence between variables.

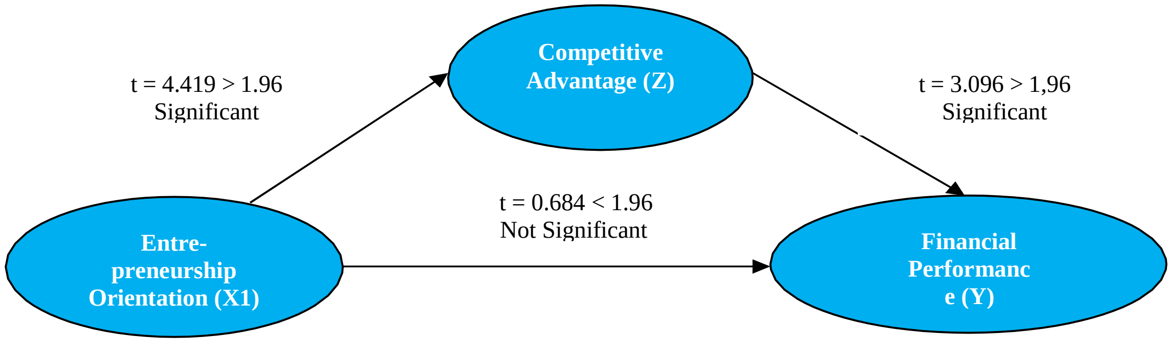

Fig. 2 Mediation of Competitive Advantage on the Effect of Entrepreneurial Orientation on Financial Performance

In the picture above it can be seen that the influence of Entrepreneurial Orientation on Competitive Advantage (C) is significant. The effect of Competitive Advantage on Financial Performance (D) is significant. The effect of Entrepreneurial Orientation on Financial Performance (A) is not significant. Since effect C is significant, effect D is significant and effect A is not significant, it can be stated that Competitive Advantage fully mediates the influence of Entrepreneurial Orientation on Financial Performance. Thus it means that hypothesis number 6 which states that Competitive Advantage is able to mediate the relationship between Entrepreneurial Orientation and Financial Performance is accepted, or proven true.

7) To test hypothesis 7, Fig. The following 3 are sourced from Table 1 which contains the significance of the influence between variables.

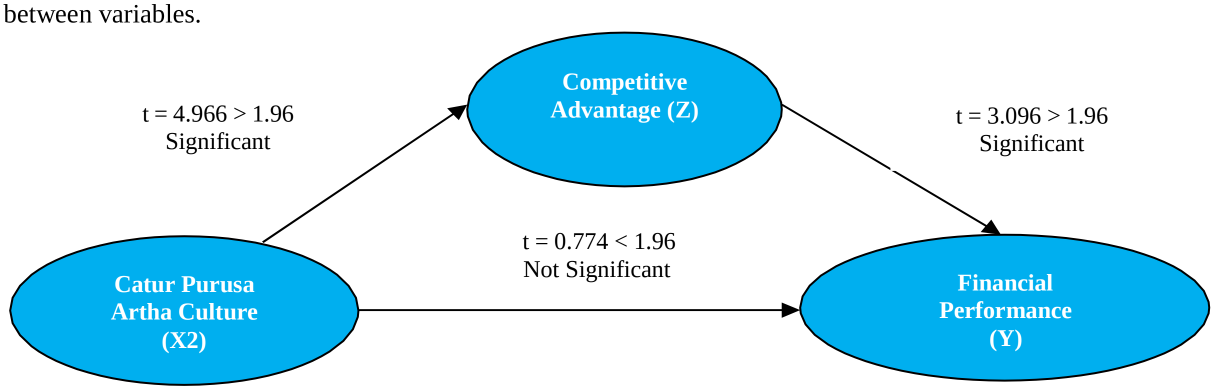

Fig. 3 Competitive Advantage Mediation on the Cultural Influence of Catur Purusa Artha on Financial Performance

In the picture above it can be seen that the influence of Catur Purusa Artha Culture on Competitive Advantage (C) is significant. The effect of Competitive Advantage on Financial Performance (D) is significant. The influence of Catur Purusa Artha Culture on Financial Performance (A) is not significant. Since effect C is significant, effect D is significant and effect A is not significant, it can be stated that Competitive Advantage fully mediates the influence of Catur Purusa Artha Culture on Financial Performance. Thus it means that hypothesis number 7 which states that Competitive Advantage is able to mediate the relationship between Catur Purusa Artha Culture and Financial Performance is accepted, or proven true.

B) Discussion

a. The Effect of Purusa Artha Catur Culture on Competitive Advantage

This study discovered that the Catur Culture of Purusa Artha significantly improved Competitive Advantage in BUMDes in Bali. This means that the more effectively the Catur Purusa Artha Cultural values are incorporated into BUMDes management, the more competitive advantage BUMDes will be able to establish in Bali. The application of the values of the Catur Purusa Artha Culture based on the Dharma indicator, namely BUMDes, has determined its own standard for the use of inputs, because it will be related to the quality of the products produced. The higher the standard and quality level set by BUMDes, the BUMDes will have a greater competitive advantage. Based on Artha's indicators, it can be seen that in managing BUMDes, they have carried out operations efficiently as indicated by the availability of resources that are in accordance with the business managed by the BUMDes itself so that in forming what is an advantage in the products and services offered have advantages over other competitors. Based on the Kama indicator, it can be seen that BUMDes has carried out integrated internal processes, synergized to achieve company goals and customer satisfaction through the creation of quality products according to consumer needs, creating products that are unique and not easily imitated, and providing affordable prices. able to compete with other companies such as SMEs. Based on the Moksa indicator, it can be seen from BUMDes that already have a good reputation in the eyes of the community, it will make it easier for them to create more advantages than other competitors. In order to gain a competitive edge by being able to offer customers greater value and benefits, the habit and management pattern used in BUMDes in Bali Province essentially followed the values contained in the Catur Purusa Artha idea.

The conclusions of this study are consistent with those of Wien Dyahrini (2019), Sudharta (2009), and PHDI (2011), all of which look at how organisational culture affects competitive advantage. His study's findings demonstrate how organisational culture affects cooperatives' competitive advantage. This indicates that the results of this study can support those of earlier studies.

b. The Effect of Catur Purusa Artha Culture on Financial Performance

According to this study, the Financial Performance at BUMDes in the Province of Bali was positively and insignificantly impacted by the Catur Purusa Artha Culture. This means that in the management of BUMDes there are cultural values of Catur Purusa Artha which are not implemented so that they cannot directly affect the financial performance of the BUMDes. This can be seen based on the Dharma indicator, namely the importance of the legality of the BUMDes itself, especially the legality of the Ministry of Law and Human Rights because if the BUMDes has legality from the Ministry of Law and Human Rights, then the BUMDes management can have a wider scope, not limited to the scope of that village alone. BUMDes has implemented the values of the Catur Purusa Arha Culture as evidenced by already having business legality in accordance with government regulations and applicable laws related to the business sector run by BUMDes, so Financial Performance, especially sales volume growth, has increased, but it turns out that this is not the case. enough to make BUMDes performance increase significantly, because in managing a business we also need to have our own advantages that can be provided by consumers, so that consumers get more value and more benefits that are not owned by other competitors, meaning by implementing the values Catur Purusa Artha is not the main focus that can improve the performance of BUMDes itself, because BUMDes needs to have advantages in order to have a differentiator from other competitors.

The findings of this study disagree with those of Lee and Yu (2004), Murphy et al (2013), and Wiagustini et al. (2017), who found a strong correlation between improving the company's financial performance and organisational culture (Catur Purusa Artha Culture). This indicates that the results of this study do not concur with those of earlier studies.

c. The Effect of Entrepreneurial Orientation on Financial Performance

This study discovered that the financial performance of BUMDes in the Province of Bali was not significantly impacted by entrepreneurial orientation. This means that in the management of BUMDes there are entrepreneurial orientations that have not been implemented so that they cannot directly affect the financial performance of BUMDes. This can be seen based on proactive and risk-taking indicators where BUMDes are less proactive in managing information regarding what consumers need and are also less proactive in establishing partnerships with other partners and are less courageous in taking any existing risks, so this can reduce BUMDes financial performance. Therefore it is important in BUMDes management to apply a proactive attitude and risk taking as an effort to develop business, develop alternatives to increase sales, seek objectively to reduce costs so that Financial Performance will increase. A leader can develop an entrepreneurial strategy that results in company growth and, with the addition of having an advantage in competition, will make our business the preferred option of customers because of our efforts to provide more value and benefits that other competitors might not be able to offer. These three dimensions, namely innovative, proactive, and risk-taking, enable a leader to identify and take advantage of opportunities that arise in the corporate environment. Entrepreneurial Orientation is a combination of innovative, proactive and risk-taking behavior that should not only be possessed by company owners or management but also by all employees. All members of the organization synergize and complement each other to create added value, competitive advantage and increase profits through exploiting opportunities. Entrepreneurial organizations in BUMDes are explained as a form of proactive effort in acquiring customers, establishing partnerships with competitors; innovative by updating the way resources are managed to formulate strategic responses related to existing opportunities. The form of a small business is not a strong or weak determinant of the Entrepreneurial Orientation that is owned in improving Financial Performance. Courage in making breakthroughs, innovations, facing competition, utilizing resources and quickly being able to respond to environmental changes is a determinant of the success of a business and improving Financial Performance.

The results of this study are not in line with the research findings of Lim (2002), Zahra and Garvis (2000), Lee and Lim (2009), Poudel et al (2012), Kraus et al (2012), Wiagustini (2017) which shows that Entrepreneurial Orientation positive and significant effect on the Company's Financial Performance. This means that the findings of this study do not support the findings of previous studies.

d. The Effect of Entrepreneurial Orientation on Competitive Advantage

According to this study, Competitive Advantage in BUMDes in Bali Province was positively and significantly influenced by Entrepreneurial Orientation. As a result, BUMDes management that is proactive, innovative, and risk-taking will be able to develop products that are more distinctive and alluring than those of its rivals, be able to develop new business opportunities, and be willing to take risks when making decisions that may not be certain but may lead to better outcomes. Additionally, a more effectively implemented Entrepreneurship Orientation will spur BUMDes management to seek out valuable, unusual, difficult-to-imitate, and difficult-to-replace resources in comparison to their rivals in order to obtain an advantage. Entrepreneurial Orientation will drive adjustments, including how to employ available resources, to keep up with client demands. The utilisation of assets that are utilised to create core competences, which in turn constitute a source of competitive advantage, is impacted by the ongoing innovation that is being applied. Continuous innovation will shape the efficiency of input use and the effectiveness of achieving business results, the resulting products are of better quality, customer satisfaction can be met with competitive product prices, product demand will increase which ultimately increases competitiveness. Increasing pro-active thinking will also increase the ability to capture new business opportunities, excellence in recognizing customer desires earlier and developing business capacity earlier than competitors, thus enabling companies to create products that are superior to their competitors.

The findings of this study are consistent with those of Arbawa and Wardoyo (2018) and Reswanda (2011), who discovered that having an entrepreneurial attitude increases competitive advantage in a favourable and significant way. This indicates that the results of this study can support those of earlier studies.

e. The Effect of Competitive Advantage on Financial Performance

According to this study, Competitive Advantage at BUMDes in Bali Province has a good and significant impact on Financial Performance. This indicates that through managing BUMDes, it has developed a competitive advantage that can give consumers additional value and advantages. A BUMDes with a competitive advantage has a differentiator that sets it apart from rivals and grants it a special position in the market, which has a significant impact on the BUMDes own success. Competitive Advantage itself can be seen from the creation of unique products, providing competitive prices, and providing total service to consumers. BUMDes with a competitive advantage will continue to carry out constant innovation in order to produce high-quality products that match market demands and have a competitive advantage over rivals. These resources will be valuable, scarce, difficult to replicate, and difficult to replace. Sales, profits, and general business performance will all grow as a result of the increased demand for the products being offered. The findings of this study are consistent with those of studies by Adiputra and Mandala (2017), Nuryanto et al. (2020), and Ferine (2020), which discovered that competitive advantage characteristics have a substantial impact on long-term organisational performance. This means that the findings of this study can strengthen the findings of previous researchers.

f. The Role of Competitive Advantage in Mediating the Relationship Between Entrepreneurial Orientation and Financial Performance

This study demonstrated that the influence of entrepreneurial orientation on financial performance in BUMDes in Bali Province is totally mediated by competitive advantage. This means that BUMDes with a competitive advantage have a differentiator that sets them apart from rivals and grants them a special position in the market, which has a significant impact on the BUMDes own performance. BUMDes that have a Competitive Advantage will take advantage of valuable, rare, difficult to imitate, difficult to replace resources by continuing to carry out continuous innovation so as to create product quality achievements that are in accordance with consumer desires and have competitive advantages compared to competitors, so as to be able to bridge the Entrepreneurship Orientation owned by BUMDes, where BUMDes with a high level of Entrepreneurship Orientation will always innovate products consistently, dare to take considered business risks, and act proactively against possible environmental changes as well as efforts to develop businesses, develop alternatives to increase sales, strive objectively to reduce costs so that Financial Performance will increase.

The findings of this study are consistent with those of Mustari et al., (2021), Cindera Fatikha et al., (2021), and Mentari (2019), who explains that competitive advantage has the ability to mediate the impact of entrepreneurial orientation on firm performance. This indicates that the results of this study can support those of earlier studies.

g. The Role of Competitive Advantage in Mediating the Relationship Between Catur Purusa Artha Culture and Financial Performance

This study found that Competitive Advantage fully mediates the influence of Catur Purusa Artha Culture on Financial Performance in BUMDes in Bali Province. This means that BUMDes that have a Competitive Advantage means having a differentiator that differentiates them from competitors and provides a unique position in the market which greatly determines the success of the BUMDes itself. BUMDes that have a Competitive Advantage will take advantage of valuable, rare, difficult to imitate, difficult to replace resources by continuing to innovate continuously so as to create product quality achievements that are in accordance with consumer desires and have competitive advantages compared to competitors, so as to be able to bridge the organizational culture of BUMDes that are already implementing the cultural values of purusa arta chess as evidenced by already having business legality, especially from the Ministry of Law and Human Rights, then in the management of BUMDes it can have a wider scope, not limited to the scope of the village alone so that Financial Performance, especially sales volume growth increases, meaning that by With this legality, BUMDes are more able to collaborate with external partners so that BUMDes can develop faster.

This is consistent with the research results of Wien Dyahrini (2019), who says that having a strong organisational culture will improve competitive advantage, which will enhance cooperative performance. This indicates that the results of this study can support those of earlier studies.

IV. CONCLUSION

It is possible to draw the following conclusion from the research and discussion: (1) Catur Purusa Artha Culture significantly enhances competitive advantage. This suggests that the competitive advantage in BUMDes in the Province of Bali can be greatly increased the higher the Purusa Artha Catur Culture; (2) Catur Purusa Artha culture has no appreciable positive impact on financial performance. This means that the level of implementation of the Catur Purusa Artha Culture has no significant effect on improving the financial performance of BUMDes in the Province of Bali; (3) Entrepreneurial orientation has no significant positive effect on financial performance. This indicates that the amount of entrepreneurial orientation, whether high or low, has no discernible impact on the financial performance of BUMDes in the Province of Bali; (4) the impact of entrepreneurial orientation on competitive advantage is highly substantial. This suggests that the competitive advantage of BUMDes in the Province of Bali can be greatly increased by having a higher entrepreneurial orientation; (5) competitive advantage has a significant favourable impact on financial performance. This means that the higher the Competitive Advantage of BUMDes, it can significantly improve the Financial Performance of BUMDes in Bali Province; (6) Competitive Advantage fully mediates the influence of Entrepreneurial Orientation on Financial Performance at BUMDes in the Province of Bali. This means that Entrepreneurial Orientation can improve Financial Performance through Competitive Advantage; (7) Competitive Advantage fully mediates the influence of Catur Purusa Artha Culture on Financial Performance at BUMDes in Bali Province. This means that Catur Purusa Artha Culture can improve Financial Performance through Competitive Advantage.

This study has the limitation of only examining the relationship between 2 (two) non-financial variables (Organizational Culture and Entrepreneurial Orientation) as predictors of Competitive Advantage and Company Financial Performance. Organisational Culture and Entrepreneurial Orientation should not be the only non-financial factors taken into account in future study as indicators of Competitive Advantage and Financial Performance. These non-financial factors, such Product Quality and Competence of Human Resources (HR), are expected to enhance Financial Performance.

V. REFERENCES

[1] Edgar H. Schein, Organizational Culture and Leadership, 3rd ed. John Wiley and Sons, Inc. San. (2004).

[2] G. Hofstede, Cultures and Organizations: Software of the Mind, London, UK: McGraw-Hill. (1991)

[3] G. Schienstock, Organizational Capabilities: Some Reflections on the Concept. IAREG Working Paper 1.2.C, Research Unit for Technology, Science and Innovation Studies (Tasti), University of Tampere, Tampere. (2009).

[4] G.T. Lumpkin and G.G. Dess, Linking two dimensions of entrepreneurial orientation to firm performance: The moderating role of environment and industry life cycle, Journal of Business Venturing. 16(5) (2001) (429-451).

[5] H. Gin Chong, Measuring Performance of Small-and Medium sized Entreprises: the grounded theory approach, Journal of Business and Public Affairs. 2(1) (2008).

[6] I Gede Riana, Impact of Tri Hita Karana Local Culture Implementation on Entrepreneurial Orientation and Market Orientation, Jurnal Teknik Industri. 13(1) (Juni 2011).

[7] I Nyoman Sugawa Korry, The Role of Entrepreneurial Orientation in Mediating the Effect of Organizational Culture and Government Policy toward Business Performance (Case Study: Koperasi Unit Desa in Bali Province), International Journal of Business and Commerce. 2(12) (Aug 2013) (29-42).

[8] I.P. Adiputra and K. Mandala, The Effect of Competence and Capability on Competitive Advantage and Company Performance, E-Jurnal Manajemen Unud. 6(11) (2017) 6090-6119.

[9] J.P. Kotter and S.L. Heskett, Corporate culture and performance, PT. Prenhallindo Simon & Schruster (Asia) Pte Ltd. (1997).

[10] J. Schumpeter, Capitalsm, Socialism, and Democrazy, New York: Harper and Row. (1984).

[11] James C. Horne and John M. Wachowicz, Principles of Financial Management, Book 1 Issue 13, Jakarta: Salemba Empat. (2012).

[12] Jay Barney, Firm Resources and Sustained Competitive Advantage, Journal of Management. 17(1) (1991) 99-120.

[13] Jonathan T. Eckhardt and Scott A. Shane, Opportuniest and Entrepreneurship, Journal of Management. 1(2003) 39.

[14] Kementrian Agama Republik Indonesia, Direktorat Jendral Bimbingan Masyarakat Hindu, Dasar-Dasar Agama Hindu (Modul 1-16 PAH/3SKS). (2010)

[15] Krishna P. Poudel, Robert Carter, and Subhash Lonial, The Process Aspect of Entrepreneurial Orientation-Performance Relationship: Uncovering the Mediating Roles of Technological Capabilities, Innovation and Firm Growth. Frontiers of Entrepreneurship Research. 32(12) (2012) 1 – 15.

[16] Mark Casson, Entrepreneurship Theory, Network, History. Jakarta: Raja Grafindo Persada. (2012).

[17] M. Mustari, N. Arisah, I. Thaief, F. Fatmawati, and M. Hasan, The Effect of Entrepreneurial Orientation and Market Orientation on MSME Performance in Makassar City, In Seminar Nasional Teknologi Pendidikan. (July 2021).
[18] N.L.P. Wiagustini, N.L.A.P. Ningsih, L.G.S. Artini, "Catur Purusa Artha" Culture and Entrepreneurial Orientation as the Basis for Funding Decisions and Financial Performance, In Prosiding Seminar Nasional AIMI, Jambi. (October 2017) (27-28).
[19] N.M. Scharborough and T.W. Zimmerer, Effective Small business Management, McMillan, New York. (2008)
[20] Nelson Oly Ndubisi and Khurram Iftikhar, Relationship between entrepreneurship, innovation and performance: Comparing small and medium size enterprises, Journal of Research in Marketing and Entrepreneurship. 14 (2012) (214-236).
[21] P.M. Kreiser, L.D Marino, and K.M. Weaver. Assessing the Psychometric Properties of Entrepreneurial Orientation Scale: A Multi–Country Analysis, Journal of Entrepreneurship Theory and Practise. 26 (2002) 71 –103.
[22] P.Y. Wijaya and N.N. R. Suasih, Determinants of woodcraft family business success, Decision Science Letters. 12 (2023) (629–638).
[23] Robert Hisrich, Janice Langan-Fox, and Sharon Grant, Entrepreneurship Reasearch and Practice: a Call to Action for Psychology, American Psycologist. 62(6) (2007) 575-586.
[24] S.A. Zahra and D.M. Garvis, Entrepreneurship and firm performance: The moderating effect of international environmental hostility, Journal of Business Venturing. 15(5) (2000) 469-492.
[25] S.K. Lee and K. Yu, Corporate Culture And Organization Performance, Journal Of Managerial. (2004).
[26] Sang M. Lee and Songbae Lim, Entrepreneurial Orientation and the Performance of Service Business, Service Business. 3 (2009) (1-13).
[27] Saptadi Bagastawa, Manager as Leader, Yogyakarta: Amara Books. (2004).
[28] Sascha Kraus, J.P. Coen Rigtering, Mathew Hughes, and Vincent Hosman, Entrepreneurial Orientation and the Business Performance of SMEs. (2012).
[29] Seongbae Lim, Entrepreneurial Orientation And The Performance Of Service Business, St, Mary"S University, One Camino Santa Maria, San Antonio, TX 78228. (2002).
[30] Tjok Rai Sudharta, Sarasamuccaya Smerti Nusantara, Surabaya: Paramitha. (2009).
[31] Z.J. Acs and D.B. Audretsch, Innovation and Tehnological Change, Handbook of Entrepreneurship Research, Boston, Dordrecht and London: Kluwer Academic Publishers. (2003) 55-79.