



# Exploring The Effects Of Entrepreneurship Competency And Environmental Adaptability On Marketing Performance: Business Strategy Mediation In Himki Jepara

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**Abstract.** This research investigates the influence of entrepreneurial competence and the ability to adapt to the environment on marketing performance in Small and Medium Enterprises (SMEs) in the furniture industry sector in Jepara, by considering the mediating role of business strategy. In the midst of globalization and intense competition, entrepreneurial competence, which includes managerial ability, innovation and risk taking, as well as environmental adaptability, which includes flexibility and response to market changes, have become key factors in improving marketing performance. This research uses a quantitative approach with correlational study methods and Partial Least Squares (PLS) statistical techniques to analyze data from 194 respondents who are members of the Jepara Indonesian Furniture and Crafts Industry Association (HIMKI). The research results show that entrepreneurial competence and environmental adaptability have a positive and significant influence on marketing performance. In addition, business strategy functions as a mediator in the relationship between entrepreneurial competence and marketing performance as well as between environmental adaptability and marketing performance. These findings emphasize the importance of developing entrepreneurial competence and adaptability as factors that not only have a direct impact on marketing performance but also through more effective business strategies. This research provides valuable insights for furniture entrepreneurs in Jepara in optimizing their marketing performance in a dynamic and competitive business environment.

**Keywords:** Entrepreneurial Competence, Environmental Adaptability, Marketing Performance, Business Strategy

## 1. INTRODUCTION

In the era of globalization and increasingly fierce business competition, the role of Micro, Small, and Medium Enterprises (MSMEs) is becoming increasingly important in driving a country's economic growth. In Indonesia, SMEs have proven to be the backbone of the national economy, especially in facing various economic crises. One of the SME sectors that has great potential is the furniture industry, with Jepara as one of its centers which is well known nationally and internationally (Yaskun et al., 2023) .

In context this, Set Industry Indonesian Furniture and Crafts (HIMKI) Jepara play role strategic in optimizing potency industry furniture and crafts in the area This. As organizing association perpetrator business in the sector furniture and crafts, HIMKI aims For advance industry with strengthen cooperation between members and provide necessary support For face challenge global market. With the existence of HIMKI, it is hoped industry furniture Jepara can increase Power competition, expanding network market, and contribute more big to growth economy national.

The phenomena currently occurring in the Jepara furniture industry are increasing global competition, uncertain fluctuations in market demand, and rapid changes in consumer preferences (Nurul, M., Reza, H., & Tony, MM 2023). This results in a big challenge for furniture entrepreneurs in Jepara in maintaining and improving their marketing performance.

In facing this challenging situation, entrepreneurial competency and the ability to adapt to the environment are two crucial factors that furniture entrepreneurs in Jepara need to have. Entrepreneurial competence includes various aspects such as managerial ability, innovation, risk taking, and market orientation. Meanwhile, the ability to adapt to the environment involves flexibility in facing change, the ability to read market trends, and speed in responding to new challenges and opportunities (A et al., 2023) .

Investigate the impact of entrepreneurial competence and environmental adaptability on marketing performance among HIMKI Jepara members, with a focus on the mediating role of business strategy. Studies This relevant in context global changes, such as digitalization, and awareness will product friendly environment. Findings expected give outlook for businessman furniture Jepara For increase performance marketing they. Study This Also important for developing SMEs in Indonesia and providing contribution on literature entrepreneurship, management strategic, and marketing with offer perspective comprehensive about influencing factors success of SMEs in the sector industry furniture.

**Table 1.** competence and environmental adaptability on marketing performance among HIMKI Jepara

Author-Year	Research Areas	Destinations	Key Findings	Limits
(Dhety Chusumastuti et al., 2022)	The impact of digital marketing and entrepreneurial skills on the marketing performance of MSMEs.	West Java, Indonesia	Both digital marketing skills and entrepreneurial competencies have a substantial positive effect on marketing performance.	This research needs to be developed further to investigate additional factors that influence marketing performance.
(Pratama et al., 2024)	The impact of entrepreneurial skills, market orientation, and social media marketing on the marketing performance	East Java - Indonesia	- Only entrepreneurial competence influences marketing performance.	Further research is needed to explore other factors that may influence marketing performance in the livestock business sector.

	of livestock businesses.			
(Kuspriyono, 2020)	The influence of community marketing strategies and personalization on marketing performance	Cilincing, North Jakarta	<ul style="list-style-type: none"> <li>- Online merchant community marketing strategies and marketing personalization simultaneously influence marketing performance.</li> </ul>	<ul style="list-style-type: none"> <li>- This research is limited to online traders in Cilincing, North Jakarta, so the results may not be generalized to other areas.</li> <li>- Does not discuss the impact of other external factors such as economic conditions or technological changes.</li> <li>- The research only uses data from questionnaires without considering qualitative data or in-depth interviews.</li> </ul>
(Fitriyah et al., 2021)	The impact of entrepreneurial orientation and adaptation to the business environment on marketing performance, with competitive advantage serving as an intervening variable.	Serang City, Banten, Indonesia	<ul style="list-style-type: none"> <li>- There is an influence of business environment adaptation on marketing performance.</li> <li>- Competitive advantage does not mediate the relationship between entrepreneurial orientation and business environmental adaptation on marketing performance</li> </ul>	Further research is needed to explore additional and other potential mediating factors in the relationships analyzed.

## **2. LITERATURE REVIEW**

### **Marketing Performance (Y)**

Marketing performance is a key concept in marketing management and business strategy. This concept refers to How well and efficiently an organization's marketing efforts align with its market goals, such as revenue, growth and market share. Marketing Performance evaluates the success of marketing strategies and tactics implemented by a company in achieving its marketing goals.

In marketing literature, marketing performance is often defined as the result of a company's overall marketing efforts. (Purwanto et al., 2023) explains that marketing performance includes various dimensions, including on sales volume, sales growth, profitability, market share, and customer satisfaction. Each of these dimensions provides a different but complementary perspective in evaluating the success of a company's marketing strategy. Indicators: Sales Volume, Sales Growth, Profitability, Market Share, Customer Satisfaction, Brand Equity, Customer Lifetime Value (CLV), Engagement Rate on Social Media, Website Traffic and Online Conversions (Purwanto et al., 2023).

### **Entrepreneurship Competency**

Entrepreneurship competency is a multidimensional concept that has become the focus of research in the fields of entrepreneurship and strategic management. This concept refers to a series of knowledge, skills and attitudes possessed by an entrepreneur that enable him to run and develop a business effectively and efficiently. (Cruz-Sandoval et al., 2023)

(Monterrey & Monterrey, 2020) Entrepreneurial competence is defined as the foundational traits—such as general and specialized knowledge, motivations, characteristics, self-perception, social roles, and abilities that contribute to the creation, sustainability, and expansion of a business venture. This definition emphasizes that entrepreneurial competence is not only about technical skills, but also includes psychological and social aspects that shape entrepreneurial behavior.

Indicators: Opportunity Competency, Relational Competency, Conceptual Competency, Organizational Competency, Strategic Competency, Commitment Competency, Technical Competency, Management Competency, Innovation Competency, Adaptation Competency.

### **Environmental A adaptability**

Environmental adaptability is a crucial concept in strategic management and organizational theory. This concept refers to the capacity of an organization or company to respond, adapt to, and even take advantage of changes in its business environment. In an

increasingly dynamic and uncertain context, the ability to adapt to the environment becomes a determining factor for organizational survival and success.

Organizational contingency theory, developed by Lawrence and Lorsch (1967), emphasizes the importance of the fit between organizational structure and the external environment. They argue that organizations that are able to adapt their structures to environmental demands will be more effective than those that are not. This concept is the basis for understanding the ability to adapt to the environment in an organizational context.

(Bartocci et al., 2023) developed a typology of adaptation strategies consisting of four types: Prospector, Analyzer, Defender, and Reactor. This typology describes the various ways organizations adapt to their environment. Prospectors actively seek new opportunities, Analyzers balance stability and innovation, Defenders focus on efficiency in a stable domain, while Reactors tend to be passive and less able to adapt. Understanding these types of adaptation is important in evaluating an organization's adaptability.

Indicators: Sensing Capability, Seizing Capability, Reconfiguring Capability, Proactive Capability, Digital Technology Capability.

### **3. METHODS**

Study This use approach quantitative For measure and analyze connection between the variables studied in a way numeric and statistics. Method applied is studies correlational, purposeful For determine connection between variable independent with dependent. Data is collected from sample of MSME Members of HIMKI Jepara about competence entrepreneurship, ability adaptation environment, and strategy business. Technique statistics correlation will used For analyze data and identify strength as well as significance connection between variable the.

#### **a. Population**

Population refers to a broad group of objects or subjects with specific qualities and characteristics defined by researchers, from which conclusions are drawn (Sugiyono, 2016). In this study, the population comprises 380 MSMEs that are members of the Indonesian Furniture and Crafts Industry Association (HIMKI) in Jepara.

#### **b. Sample**

To determine the sample size for this study, the Slovin formula is used due to the unknown population size. The following is Slovin's formula (Kuncoro, 2013: 140).

$$n = \frac{N}{1 + N(e^2)}$$

$$n = \frac{380}{1 + 380(0,5^2)}$$

$$n = \frac{380}{1 + 380(0,0025^2)}$$

$$n = \frac{380}{1 + 0,95}$$

$$n = \frac{380}{1,95}$$

$$n = 194$$

The calculation results show that the number of samples required in this research is 194 respondents. This aligns with the theory proposed by Sugiyono (2013: 131), which states that a suitable sample size in research is between 30 and 500.

Study This use questionnaire closed For collect data about competence entrepreneurship, ability adaptation environment, and strategy HIMKI Jepara member MSME businesses. Data analyzed with Partial Least Squares (PLS) using Smart PLS 4.0 Validity tested through item correlation, reliability use Cronbach's Alpha, and test assumption classic covers normality, multicollinearity, and heteroscedasticity. Hypothesis tested through analysis path and test Sobel For evaluate influence mediation.

#### 4. RESULTS

##### a. *Convergent Validity Test*

The results of this research's convergent validity testing can be observed using the outer loading values which are summarized in Table 2 below.

**Table 2.** Of Outer Loading Values

Variable	Construct	Outer Value	Loading	Information
<b>Marketing performance (Y)</b>	Y.1	0.886		Valid
	Y.2	0.842		Valid
	Y.3	0.809		Valid
	Y.4	0.800		Valid
	Y.5	0.847		Valid
	Y.6	0.803		Valid
	Y.7	0.833		Valid
	Y.8	0.784		Valid
	Y.9	0.772		Valid

	Y.10	0.837	Valid
	Y.11	0.814	Valid
	Y.12	0.796	Valid
	Y.13	0.744	Valid
	Y.14	0.804	Valid
	Y.15	0.804	Valid
<b>Competence entrepreneurship (X1)</b>	X 1. 1	0.767	Valid
	X 1. 2	0.799	Valid
	X 1.3	0.884	Valid
	X 1.4	0.886	Valid
	X 1.5	0.897	Valid
	X 1.6	0.851	Valid
	X 1.7	0.894	Valid
	X 1.8	0.900	Valid
	X 1.9	0.868	Valid
	X 1.10	0.855	Valid
	X 1.11	0.864	Valid
	X 1.12	0.899	Valid
	X 1.13	0.841	Valid
<b>Aaptability Environment (X2)</b>	X 2.1	0.867	Valid
	X 2.2	0.916	Valid
	X 2.3	0.763	Valid
	X 2.4	0.889	Valid
	X 2.5	0.701	Valid
	X 2.6	0.773	Valid
	X 2.7	0.935	Valid
<b>Strategy Business (Z)</b>	Z.1	0.793	Valid
	Z.2	0.799	Valid
	Z.3	0.846	Valid
	Z.4	0.889	Valid
	Z.5	0.880	Valid
	Z.6	0.851	Valid
	Z.7	0.822	Valid
	Z.8	0.790	Valid
	Z.9	0.812	Valid
	Z.10	0.843	Valid

Source: Output data from SmartPLS version 4.0 (Processed)

Based on Table 2, the overall value of *outer loading* is  $> 0.60$ . These results show all instrument items used as variables in this research it was declared feasible (valid).

To see the convergent validity test through the *Average Variance Extracted* (AVE) value can be seen in Table 3 below:

**Table 3.** *Average Variance Extracted (AVE) Value*

Research variable	AVE value	Information
Competence entrepreneurship	0.744	Valid
Adaptability environment	0.706	Valid
Strategy business	0.708	Valid
Marketing performance	0.660	Valid

*Source: Output data from SmartPLS version 4.0 (Processed)*

*the outer loading and Average Variance Extracted (AVE) values contained in Table 2 and Table 3, it can be stated that the instruments (items) used in this research meet convergent validity, namely with an outer loading value > 0.60 and an AVE value > 0.50. This means that these instruments and variables can explain more than half of the indicator variables.*

**Structural Model Testing (Inner Model)**

**a. Goodness of Fit (GoF)**

*The Goodness of Fit value in this study aims to test the suitability or goodness of the model. The results of the GoF values in this study can be seen in table 4 as follows:*

**Table 4.** *Goodness of Fit (GoF) Value*

Construct	Saturated Model	Estimated Model
SRMR	0.088	0.088
NFI	<b>0.618</b>	<b>0.618</b>

*Source: Output data from SmartPLS version 4.0 (Processed)*

Based on Table 4.9, the value of *the Goodness of Fit (Gof) test* in this study is 0.618 and is included in the strong criteria, namely >0.36, so that there is suitability or suitability of the model between the observation results and the frequency obtained from the expected value.

**b. Coefficient of Determination (R-Square)**

R-squared is a measure used to assess the extent of the influence that the independent variable has on the dependent variable. An R-squared value of 0.67 indicates a strong influence, 0.33 represents a moderate influence, and 0.19 signifies a weak influence. The coefficient of determination (R-squared) results for this study are presented in Table 5 below.



**Table 5.** Values (*R-Square*)

<b>Variables (Constructs)</b>	<b><i>R-Square</i></b>	<b><i>R-Square Adjusted</i></b>
Strategy Business	0.121	0.112
Marketing Performance	0.309	0.294

*Source: Output data from SmartPLS version 4.0 (Processed)*

Based on the results in Table 5, it shows that *the R-square* value for MSME performance is 0.309 while the *adjusted R-square value* is 0.294. Indicates all exogenous constructs Together have an impact of 30.9% on Y, which can be considered a weak influence. Meanwhile, the remaining 69.1% can be explained by other variables and indicators not described in this study.

**c. Effect Size  $f^2$**

This test is carried out to determine the prediction capability of how good the resulting value is, if the resulting value is 0.002 (small), 0.15 (medium), 0.35 (large) it has an effect at the structural level. Based on data processing that has been carried out using *SmartPLS* version 4.0, *the effect size is obtained* in table 6 below.

**Table 6.** *Effect Size* Values

<b>Variables (Constructs)</b>	<b><i>Effect Size</i></b>
Competence entrepreneurship - > Performance Marketing	0.151
Adaptability environment -> Performance Marketing	0.137
Strategy business -> Performance Marketing	0.199

*Source: Output data from SmartPLS version 4.0 (Processed)*

. Based on the results above, it shows that Competence Entrepreneurship predicts competency scores entrepreneurship on marketing performance of 0.151 is classified as moderate. Adaptability Value environment on Performance Marketing of 0.137 is relatively small. Meanwhile, the Strategy value business on Performance Marketing of 0.199 is classified as medium.

**d. Predictive Relevance (*Q- Relevance Predictive*)**

The predictive relevance value of this research is shown in the path model which is considered to be able to predict or measure how well the data evaluates the model. Table 4.12 below shows the results of the predictive relevance values.

**Table 7.** Values Predictive Relevance

Variable	$Q^2_{predict}$
Marketing performance	
Strategy business	

*Source: Processed Primary Data, 2024*

Based on Table 4.12, it shows that the calculated value of  $Q^2$  for the marketing performance variable has a value of  $Q^2$  of 0.577, and for the business strategy variable it has a value of  $Q^2$  of 0.480. From these two results it can be seen that the magnitude is more than 0 (zero), so it can be concluded that the dependent variable has predictive relevance.

### Hypothesis Testing Results

#### a. Direct Effect Test Results (*Direct Effect*)

The results of direct influence testing were carried out by looking at the original sample values and t-statistics. A measurement can be said to be significant if it is  $>1.66$  with a significance level of 5%. The direct effect *path coefficient* values are shown in the following table.

**Table 8.** Path Coefficients (*Direct Effect*)

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Competence entrepreneurship - > Performance marketing	0.276	0.265	0.120	2,719	0.003
Competence entrepreneurship - > strategy business	0.275	0.265	0.120	2,943	0.000
Adaptability environment - > Performance marketing	0.348	0.366	0.118	2,950	0.002
Adaptability environment - > strategy business	0.339	0.359	0.117	2,950	0.002
Adaptability environment - > Performance marketing	0.348	0.366	0.118	2,950	0.002
Strategy business - > Performance marketing	0.396	0.425	0.120	3,309	0,000

*Source: Processed Primary Data, 2024*

**Influence Competence Entrepreneurship to Performance Marketing** : Hypothesis first to state that competence entrepreneurship influential to performance marketing has accepted. With the original sample value is 0.276 and the t-statistic is 2.719, which exceeds threshold limit of 1.66, as well as a p-value of 0.003 which is significant, results This show that competence entrepreneurship own influence positive and significant to performance marketing. That means, more and more tall competence entrepreneurship, increasingly good performance too marketing that can achieved.

**Influence Competence Entrepreneurship to Strategy Business** : Hypothesis both stated that competence entrepreneurship influence strategy business Also accepted. The original sample value is 0.275 and the t-statistic is 2.943, which is more tall of 1.66, as well as a very p-value low, i.e. 0.000, indicates that there is influence positive and significant from competence entrepreneurship to strategy business. This matter show that competence good entrepreneurship contribute direct on preparation and implementation strategy more business effective.

**Influence Adaptability Environment to Performance Marketing** : Hypothesis third, which states that adaptability environment influential to performance marketing, too accepted. With the original sample value is 0.348 and the t-statistic is 2.950 which exceeds 1.66, and the p-value is 0.002, the results This show exists influence positive and significant from adaptability environment to performance marketing. This means that ability For adapt with change environment market in a way direct increase results marketing.

**Influence Competence Entrepreneurship to Strategy Business** (in hypothesis fourth, repeated): Same like hypothesis second, results testing This Also show that competence entrepreneurship influential positive and significant to strategy business. The original sample value is 0.275 and the t- statistic is 2.943 strong significance with a p-value of 0.000. Competence good entrepreneurship in a way direct influence effectiveness strategy business.

**Influence Adaptability Environment to Strategy Business** : Hypothesis the fifth stated that adaptability environment influential to strategy business accepted. With the original sample value is 0.339 and the t-statistic is 2.950, which exceeds 1.66, and the p-value is 0.002, the results This show influence positive and significant from adaptability environment to strategy business. Ability For adapt with environment market contribute on development and implementation strategy more business effective.

### **The Influence of Entrepreneurship Competency on Marketing Performance**

Based on the results of research by Dhety Chusumastuti et al. (2022) and Pratama et al. (2024), entrepreneurial competence shows a significant positive influence on marketing performance. Research Results of Dhety Chusumastuti et al. (2022): Entrepreneurial competency contributes positively to the marketing performance of MSMEs in West Java, but the influence is weaker than digital marketing competency.

Pratama et al.'s research results. (2024): Entrepreneurial competency has also been proven to influence the marketing performance of livestock businesses in East Java.

H1: Entrepreneurship Competency has a Positive and Significant Influence on Marketing Performance

### **The Influence of Entrepreneurship Competency on Business Strategy**

Entrepreneurial competency has a significant influence on business strategy. According to (Dhety Chusumastuti et al., 2022) various dimensions of entrepreneurial competence such as opportunity, relational, conceptual, organizational, strategic and commitment competence influence the formulation and implementation of business strategies. Research by (Kuspriyono, 2020) also supports these findings by showing that high entrepreneurial competence contributes to the development of more effective and adaptive business strategies. Thus, increasing entrepreneurial competence can strengthen an organization's ability to formulate and implement successful business strategies.

H2: Entrepreneurship Competency has a Positive and Significant Influence on Business Strategy

### **The Influence of Environmental Adaptability on Business Strategy**

Research by Fitriyah et al. (2021) studied the influence of business environment adaptation on marketing performance with competitive advantage as an intervening variable in Serang City, Banten, Indonesia. The main findings of this research indicate that business environmental adaptation has a significant direct influence on marketing performance.

H3: Environmental Adaptability has a positive and significant effect on Business Strategy

### **The Influence of Environmental Adaptability on Marketing Performance**

The ability to adapt to the environment (environmental adaptability) is an important factor in determining the effectiveness of business strategies, especially in dynamic industries such as furniture in Jepara. Organizational contingency theory (Kurniawan & Prasetio, 2024) emphasizes that an organization's effectiveness is highly dependent on its ability to adapt its structure and practices to the demands of the external environment. The concept of dynamic capabilities (Wu, 2024) also supports the importance of adaptability in responding to market

and technological changes. Empirical research shows that companies that can adapt quickly to changing trends and regulations tend to develop more effective strategies.

H4 : Environmental Adaptability has a positive and significant influence on marketing performance

### **The Influence of Business Strategy on Marketing Performance**

Kuspriyono's (2020) research identified that community marketing strategies and personalization have a significant influence on marketing performance. This research was conducted in Cilincing, North Jakarta, and found that online shopping is increasingly popular because of the ease and security of transactions. Additionally, online merchant communities formed for collaboration and sharing experiences can significantly improve marketing performance. However, this research is limited to online merchants in these locations and does not consider external factors such as economic conditions or technological changes, and only uses quantitative data from questionnaires without in-depth interviews.

H5: Business Strategy has a Positive and Significant Influence on Marketing Performance

## **DISCUSSION**

### **a. The Influence of Entrepreneurial Competence on Marketing Performance**

The research results show that entrepreneurial competence has a positive and significant influence on marketing performance, with an original sample value of 0.276 and a t-statistic of 2.719 which exceeds the threshold of 1.66, and a p-value of 0.003. This supports the first hypothesis that entrepreneurial competence plays an important role in improving marketing performance. This finding is in line with resource-based theory which states that internal capabilities, such as entrepreneurial competence, can be a source of competitive advantage. Entrepreneurs with high competence tend to be more efficient in designing and implementing effective marketing strategies, thereby potentially improving overall marketing results. This research shows that investment in developing entrepreneurial competencies can bring direct benefits to marketing performance.

### **b. The Influence of Entrepreneurial Competency on Business Strategy**

The second hypothesis which states that entrepreneurial competence influences business strategy is also accepted. The original sample value is 0.275 and the t-statistic is 2.943, and the p-value is 0.000, indicating that entrepreneurial competence contributes significantly to the preparation and implementation of business strategies. These results confirm that entrepreneurs who have high competence are able to formulate and implement more effective and adaptive business strategies. Entrepreneurial competencies help in the identification of market opportunities, development of innovative strategies, and management

of resources, ultimately increasing the effectiveness of business strategies. This research reinforces the importance of entrepreneurial competence in developing competitive business strategies.

**c. The Effect of Environmental Adaptability on Marketing Performance**

The results of testing the third hypothesis show that environmental adaptability has a positive and significant effect on marketing performance, with an original sample value of 0.348 and a t-statistic of 2.950 and a p-value of 0.002. These findings underscore the importance of the ability to adapt to changes in the market environment in improving marketing performance. Companies that are able to adapt to changing market trends, regulations, and technology can maintain their relevance and increase marketing efficiency. Strong adaptability allows companies to be responsive to rapidly changing market dynamics, which contributes to achieving better marketing results.

**d. The Influence of Entrepreneurial Competency on Business Strategy (Repeat)**

Retesting the second hypothesis strengthens previous findings that entrepreneurial competence has a significant effect on business strategy. With an original sample value of 0.275 and a t-statistic of 2.943 and a p-value of 0.000, these results show the consistency that entrepreneurial competence directly influences the effectiveness of business strategy. This confirms the important role of entrepreneurial competence in the development of appropriate and adaptive strategies to face market challenges.

**e. The Influence of Environmental Adaptability on Business Strategy**

The fifth hypothesis which states that environmental adaptability influences business strategy is accepted with an original sample value of 0.339 and a t-statistic of 2.950 and a p-value of 0.002. These findings suggest that the ability to adapt to changes in the market environment contributes to the development and implementation of more effective business strategies. Adaptability allows companies to adjust their strategies according to dynamic market conditions, which can increase the effectiveness of business strategies.

**CONCLUSION**

This research confirms that entrepreneurial competence and environmental adaptability have a positive and significant effect on marketing performance. High entrepreneurial competence contributes to improving marketing performance and the effectiveness of business strategies. On the other hand, the ability to adapt to changes in the market environment also improves marketing results and supports the development of more effective business strategies.

Interestingly, the results of this study also show that business strategy mediates the relationship between entrepreneurial competence and marketing performance, as well as between environmental adaptability and marketing performance. This indicates that entrepreneurial competence and environmental adaptability function as important inputs in the formulation and implementation of business strategies which ultimately improve marketing performance. Therefore, focusing on developing entrepreneurial competencies and adaptability not only has a direct impact on marketing performance but also through strengthening business strategies. These findings underline the importance of business strategy integration as a mediator in efforts to achieve optimal marketing results in a dynamic business environment.

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*Article history : Keywords : Human Resources Practices ; Organizational Performance; Small and Medium Enterprises* Shahzadi, S., Samikon, S. A., Shahzad, I. A., Shahzadi, Y. (2023) *The Impact of Human Resources Practices on Organizational Performance : Mediating Role of Supply Chain Operational Performance Among Pakistani Smes* The subject of supply chain management is highly attracted since 2000 for professionals and research even though the first appearance of SCM in literature dated back to 1982, the concept was appeared years before in the mid-1960s and now as stated by (Huan, Sheoran and Wang, 2014; Cooper, 2016) the concept of supply chain management (SCM) has become a crucial fascination for researchers since 1990's. According to (Hadiyan, Ibrahim, Zailani, & Choon 2015) emphasizes on the concepts of supply chain should be considered essential in studies of organizational performance, as supply chain management and its performance has been. 1–19.
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