



# Entrepreneurial Behavior Model in Micro and Small Enterprises in Jambi Province

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**Abstract.** This study aims to describe the business performance of Micro and Small Enterprises in terms of their entrepreneurial behavior which is formed from individual characteristics and the business environment. This study uses a survey method with a research sample of 205 Micro and Small Business actors in 10 districts and cities in Jambi Province using a questionnaire instrument distributed via Google form. This study uses the Smart PLS analysis tool to analyze the data obtained. Based on the results of the study, it can be concluded that the characteristics of individuals and the business environment can shape entrepreneurial behavior that builds the positive character of Micro and Small business actors which have a positive but not significant impact on their business performance.

**Keywords:** Individual Characteristics · Business Environment · Entrepreneurial Behavior · Micro and Small Business · Business Performance

## 1 Introduction

Nowadays, both in big cities and in small towns, it is seen that more and more people are selling, both on street corners, on overhangs of shops, in front of houses, on-road bodies, on pedestrian bridges, and other places, where there is an empty place then some people place their wares at that location. These business actors are often called street vendors, they are micro-business actors who make a living for various reasons who are often also called non-formal sector workers (Nitisusastra, 2017). Many of these business actors have sprung up due to the global pandemic phenomenon that occurred at the end of 2019, namely the COVID-19 pandemic which resulted in many large businesses experiencing losses and even collapsing, resulting in new educated unemployment that was not absorbed by job opportunities or employees who were laid off by the government office and private sector, so that they try their luck to become entrepreneurs with limited capital. However, the pandemic has also caused many existing micro and small businesses to experience suspended due to the lack of people's purchasing power so that the wheels of the economy do not turn.

For Jambi Province itself, this problem has begun to be felt since the third quarter of 2019, where the growth of the micro and small manufacturing industry experienced negative growth of 1.67% compared to the second quarter of 2019. This is quite contradictory where nationally the growth of the micro and small industries experienced a positive growth of 0.29 (Central Bureau of Statistics, 2020) (Table 1).

**Table 1.** Micro and Small Manufacturing Industry (q-to-q) Quarter III

No	Industry Type	Growth (q-to-q) (%)	
		Jambi Province	Indonesia
1	Food industry	0.56	0.22
2	Textile industry	13.55	0.49
3	Manufacture of wood, goods from wood and cork (excluding furniture), woven goods from bamboo, rattan, and the like.	-7.89	1.71
4	Printing Industry	9.68	1.61
5	Non-metallic mineral industry	1.95	6.01
6	furniture industry	-9.35	-3.95
<b>IMK (micro and small industry)</b>		-1.67	0.29

Source: (Central Bureau of Statistics, 2019)

**Table 2.** Micro and Small Business 2016–2018

REGION	Micro			Small		
	2018	2017	2016	2018	2017	2016
Jambi Province	90 845	87 669	85 684	12 402	12 674	11 169
Kerinci	697	31 200	30 431	13	1 608	-
Merangin	2 231	8 327	1 468	600	2 229	99
Sarolangun	3 700	3 240	1 462	548	309	623
Muaro Jambi	1 297	1 462	2 024	459	623	412
East Tanjung Jabung	53 884	15 604	15 604	1 869	75	75
West Tanjung Jabung	6 644	6 132	6 132	981	311	311
Tebo	627	627	627	11	11	11
Bungo	4 291	4 291	4 291	2 177	2 177	2 177
Jambi City	7 257	8 542	8 542	3 506	4 144	4 144
Sungai penuh city	7 372	6 776	6 776	1 077	1 088	1 088

Source: (BPS Jambi Province, 2018)

In Jambi Province, the number of Micro and Small Business actors until mid-2019 amounted to 104,155 with a distribution of 90,845 being micro-enterprises, 12,402 were Small-scale business actors and 908 were Medium-sized businesses (Hanapi, 2019).

As for data from the Central Statistics Agency, the published data on the distribution of MSEs is only up to 2018 and can be seen in Table 2.

An entrepreneur must innovate without stopping, think creatively, and always be able to take advantage of various opportunities that exist. The success or failure of an entrepreneur in managing his business is not only influenced by the amount of capital he has but what is more important is that the business is managed by people who are entrepreneurial and know exactly what, why, and how the business should be run and managed. Facilities, capital, and connections, in general, do not guarantee that the business will be successful in the long term, so that in the end what guarantees the success of an entrepreneur is the person or the person concerned (Sunarya, 2011). Another characteristic of Micro and Small businesses is that they are weak in planning, difficult to cooperate with investors and other businesses, and do not yet have a strong and professional commitment (Riyanti, 2003). However, micro and small business actors are also able to survive for years without any significant progress, continue to emerge, and can become the driving force of a self-sufficient economy that allows business actors to create minimal employment opportunities for themselves (Nursiah et al., 2017).

## 2 Review of Literature

### Entrepreneurial Characteristics

An entrepreneur is a person who is responsible for compiling, manage and measure the risk of a business venture. They are carriers of change in the business world who are individuals who do not easily give up in the face of various difficulties to pursue the success of the business they have started in a planned manner (Machfoedz, 2015). According to The American Heritage Dictionary, an entrepreneur (entrepreneur), is defined as someone who runs a business, manages it, and calculates various risks for a profitable business (nitisusastra, 2017).

Characteristics of actors in micro and small bussiness according to (Iskandar et al., 2020) consist of:

1. Demography is a characteristic in the form of the demographic factors of the business actors themselves consisting of age, gender, and education.
2. Psychological, is the character of business actors which includes hard workers, confidence, discipline, decision making, tolerance, uncertainty, innovation, independence, responsibility.
3. Culture is a character that is formed based on cultural influences consisting of local cultural influences and national cultural influences.

Meanwhile, according to (Slamet, 2014) Several characteristics that make up an entrepreneurial personality that can be used as good examples are:

- a. Having a desire to take responsibility, where an entrepreneur will not consider responsibility as a burden that must be borne but is a process needed to achieve his life goals.
- b. Taking medium risks, where an entrepreneur will not take risks arbitrarily but it has been calculated and planned well based on his knowledge and the risks taken are usually not high risks but medium levels.

- c. Self-confident. An entrepreneur always has the optimism to achieve success accompanied by high self-confidence.
- d. Desire to receive feedback as quickly as possible so that if there is a possible error it can be corrected immediately.
- e. Energetic. This trait is consistently needed to achieve business success.
- f. Oriented to the future. An entrepreneur has the vision to see future opportunities to achieve profit.
- g. Organizational skills. It is the ability to manage resources well, especially with people so that organizational management is needed.
- h. Value achievement more than money. The orientation of an entrepreneur is on pride and desire to achieve success, and money is only scoring to measure that success.

### **Business Environment**

Environment Business is the external environment of business actors where the elements in these environment have an indirect influence on the company but can be a guide for companies in obtaining and anticipating future opportunities (Gde et al., 2015). Any business will deal with the environment which consists of competitors, suppliers, consumers, economic political situation, government policies and so on which is called the business environment. The business environment faced by a business needs to be analyzed to identify the various business opportunities that exist, to also know the various threats in the business that need to be faced (Riyanto, 2018). According to (Sapar, 2006), the external business environment that must be faced by micro and small business actors, namely:

1. Capital
2. Living environment
3. Business Environment
4. Business coaching opportunities
5. Material availability
6. Number of Consumers

Business people who want to be successful in a business environment must work hard to utilize their knowledge and ability to predict what will happen in the future, which must be done honestly and eliminate the element of subjectivity. This is because the business environment is a very fast-changing factor, adapting from time to time (Rosyafah, 2017).

### **Entrepreneurial Behavior**

Entrepreneurial behavior is a reflection of behavior that occurs as a result of the interaction between the business actor himself and the stimuli that arise because of his work as a business actor (Mulyati, 2018). According to (Nursiah et al., 2017) entrepreneurial behavior consists of:

1. Affective (Attitude)

It is an attitude shown in running a business (disciplined, persistent, and diligent in running a business, committing business)

## 2. Cognitive (Knowledge)

Knowledge is the ability to manage a business.

## 3. Motor (Skill)

The skills possessed by individuals (entrepreneurs) in running a business (the ability to take opportunities, face risks, creativity, and innovation).

### **Micro and Small Enterprises (UMK)**

Criteria for Micro and Small Enterprises (MSE's) according to Article 6 of the Law Number 20 of 2018 in the form of capital is as follows; 1) Micro Business is a business with a maximum net worth of Rp. 50,000,000 excluding land and business buildings and having annual sales of at most Rp. 300,000,000. 2) Small Business is a business with a net worth of more than Rp. 50,000,000 up to a maximum of Rp. 500,000,000 and annual sales of more than Rp. 300,000,000.

Meanwhile, the goal of empowering Micro, Small and Medium Enterprises carried out by the government to realize an equal national economic pattern, continue to advance and develop as well as fair and enjoyed by all levels of society, besides that the state can develop the ability of Micro, Small and medium enterprises to become strong and independent businesses. Lastly, is to increase the role of MSMEs in development so that they can become government partners in creating jobs, income distribution, economic growth, and alleviating people from poverty (Law Number 20 of 2018, 2017).

### **Business Performance**

The phenomenon of MSME performance has been found in various regions in Indonesia throughout Indonesia, especially for the provinces whose economic wheels are driven by the regional leading Micro Small Medium Enterprises (MSME's) sector. Although commodities can be said to be superior commodities, business trends have not shown an increase in yields from year to year. This is predicted as a result of business actors still being home-based (home industry) with a relatively low level of technology adoption compared to other manufacturing sectors. (Wardi et al., 2017). Performance (business performance) is directed at the level of achievement of the company within a certain period where good performance is in line with high sales, increased profits, and capital that continues to grow (Machmud et al., 2016).

Performance is the result of work produced by someone seen in terms of quality and quantity that can be accounted for according to their position in an organization accompanied by their abilities and skills in completing a job (Wibowo, 2018). The indicators of MSME performance can be explained as follows (Nursiah et al., 2017):

1. Profit (profit), namely the increase in income from time to time.
2. Competitive Ability, namely the ability of a business to compete with its competitors.
3. Marketing, namely product marketing, both in terms of the number of product units and the number of consumers and the marketing area carried out.
4. Business endurance, namely the ability of the business to maintain its existence.

According to (Suharyono, 2018) performance measurement can be assessed in three terms, namely the performance of attitudes, the performance of the behavior, and performance of results. Attitude and behavior performance is a prerequisite for determining the final performance (outcome), where:

- a. Attitude performance is seen from the attitude of discipline, high commitment, honesty, creativity, innovation, independence, and realism.
- b. Entrepreneurial behavior performance is shown based on achievement work behavior.
- c. The performance of success or failure is indicated by financial figures.

### 3 Methods

This research is classified as a survey research using quantitative approach. The data taken are primary data and secondary data, primary data is taken based on direct observation and using questionnaires distributed to MSME owners in 10 districts and cities of Jambi Province consisting of Kerinci Regency, Bungo Regency, Merangin Regency, Sarolangun Regency, Muaro Jambi Regency, Regency West Tanjung Jabung, East Tanjung Jabung Regency, Tebo Regency, Jambi City, and Sungai Penuh City. Secondary data was obtained from the cooperative and MSME service, the Central Bureau of Statistics, literature, publications, journals, and other relevant sources. To obtain primary data, the author uses a survey method by giving questions to respondents in the form of a questionnaire. In this study, a structured questionnaire is used, namely, a questionnaire equipped with alternative answers, and respondents choose answers that are following the perceptions or opinions of respondents. The distribution of the questionnaire was carried out using google documents which were distributed via email, WhatsApp application, and direct method (face to face) with respondents.

In this study, the population is Micro, and Small business actors scattered in almost all districts and cities in Jambi province with a proportional amount to represent all regions as shown in Table 3.

The operational definition describes a particular way used by researchers in operationalizing the construct, thus enabling other researchers to repeat measurements in the same way or try to share better construct measurements. In this study, operational definitions are described in Table 4.

Analysis of research data using Partial Least Square (PLS) method. The focus of Smart PLS is to predict or explain variance and to exploratory (Indrawati, 2015). With a research model as shown in Fig. 1.

### Results and Discussion

The profile of respondents in this study can be described as shown in Table 5.

Description of research variables can be described as shown in Table 6.

The results of statistical tests to explain the formulation of the problem can be explained in the model as follows (Fig. 2 and Table 7).

Measurement of loading factor results, if the score is greater than 0.7 then it is considered significant. Load factor measurement results the initial analysis data has a

**Table 3.** Percentage of Respondent Samples

Criteria	Amount	Percentage
Jambi City	21	10.24%
Muaro Jambi	20	9.76%
West Tanjung Jabung	20	9.76%
East Tanjung Jabung	20	9.76%
Sarolangun	21	10.24%
Muaro Bungo	20	9.76%
Bungo Tebo	20	10.24%
Merangin	21	10.24%
Sungai Penuh City	21	10.24%
Kerinci	21	10.24%
Total	205	100%

**Table 4.** Operational Research Variables

Variable	Sub variable	Code	Indicator	Measuring Scale
<b>Individual Characteristics</b>	Psychological	KRI1 KRI2 KRI3 KRI4 KRI5 KRI6 KRI7 KRI8	<ul style="list-style-type: none"> <li>• hard worker</li> <li>• Discipline</li> <li>• Self-confident</li> <li>• Likes to take risks</li> <li>• Innovate</li> <li>• Liking Uncertainty</li> <li>• independent</li> <li>• Responsible</li> </ul>	ordinal
	Culture	KRI1 KRI2 KRI3 KRI4 KRI5 KRI6 KRI7 KRI8 KRI9	<ul style="list-style-type: none"> <li>• Hereditary business in the family</li> <li>• Combining financial management</li> <li>• Depend on supplier</li> <li>• Honest Personal</li> <li>• Love the family together</li> <li>• Politeness</li> <li>• Friendly</li> <li>• Appreciate religious values</li> <li>• Cooperation in the environment</li> </ul>	

*(continued)*

**Table 4.** (continued)

Variable	Sub variable	Code	Indicator	Measuring Scale
<b>Environment Business</b>	Capital	LKB1 LKB2	<ul style="list-style-type: none"> <li>• Small capital</li> <li>• Daily Capital</li> </ul>	ordinal
	Living Environment	LKB3	<ul style="list-style-type: none"> <li>• Family helps Business</li> </ul>	
	Business Environment	LKB4 LKB5 LKB6	<ul style="list-style-type: none"> <li>• Moving place of business</li> <li>• Uncomfortable place of business</li> <li>• Close to the crowd</li> </ul>	
	Business Development Opportunities	LKB7	<ul style="list-style-type: none"> <li>• Ease of getting business training</li> </ul>	
	Availability Ingredients	LKB8	<ul style="list-style-type: none"> <li>• Raw materials are easy to get</li> </ul>	
	Number of Consumers	LKB9 LKB10	<ul style="list-style-type: none"> <li>• Daily buyers under 30 people</li> <li>• Daily buyers above 30 people</li> </ul>	
<b>Entrepreneurial Behavior</b>	Affective	KRW1 KRW2	<ul style="list-style-type: none"> <li>• Persevere and persevere</li> <li>• Commitment in running a business</li> </ul>	ordinal
	Cognitive	KRW3 KRW4	<ul style="list-style-type: none"> <li>• Mastering the field of business</li> <li>• Special expertise according to the field of business</li> </ul>	
	motor	KRW5 KRW6	<ul style="list-style-type: none"> <li>• Able to take advantage of opportunities</li> <li>• Creative in running a business</li> </ul>	
<b>Performance Business</b>	Profit/Profit	KJU1 KJU2	<ul style="list-style-type: none"> <li>• Turnover increases even though it's small</li> <li>• Profit increases even though it fluctuates</li> </ul>	ordinal
	Competitive Ability	KJU3 KJU4	<ul style="list-style-type: none"> <li>• Adding product variations</li> <li>• Competitive product quality</li> </ul>	
	Marketing	KJU5	<ul style="list-style-type: none"> <li>• Expanding marketing area</li> <li>• Customer upgrade</li> </ul>	
	Business Endurance	KJU6	<ul style="list-style-type: none"> <li>• <i>Sustainability</i> business</li> <li>• Not bankrupt</li> </ul>	



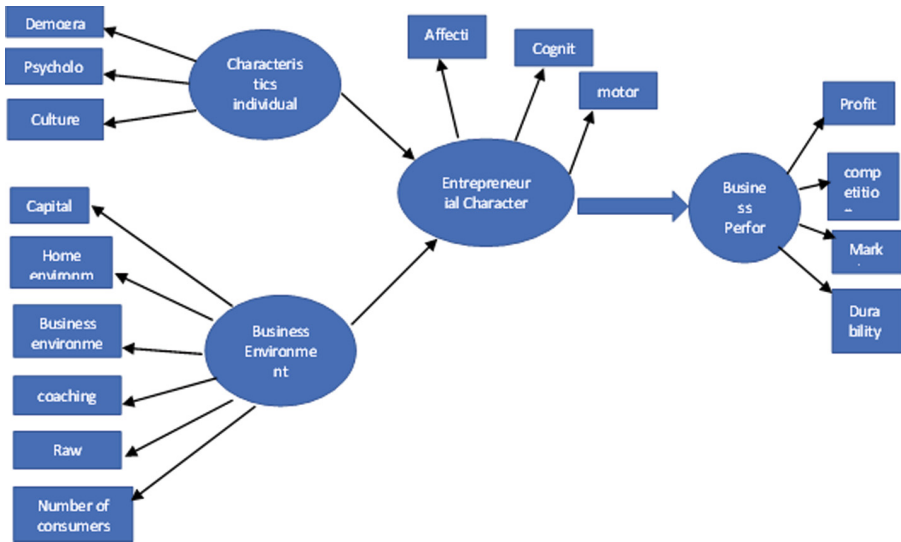


Fig. 1. Research Model

Table 5. Characteristics of Respondents

Characteristics	Criteria	Amount	Percentage
<b>Gender</b>	Man	110	53.66%
	Woman	95	46.34%
	<b>Total</b>	<b>205</b>	<b>100%</b>
<b>Age</b>	20–30 Years	113	55.13%
	31–40 Years	26	12.68%
	>40 Years	66	32.19%
	<b>Total</b>	<b>205</b>	<b>100%</b>
<b>Origin</b>	Jambi City	21	10.24%
	Muaro Jambi	20	9.76%
	West Cape Jabung	20	9.76%
	East Tanjung Jabung	20	9.76%
	Sarolangun	21	10.24%
	Muaro Bungo	20	9.76%
	Bungo Tebo	20	10.24%
	Fight	21	10.24%
	Full River City	21	10.24%
	Kerinci	21	10.24%
	<b>Total</b>	<b>205</b>	<b>100%</b>

(continued)

**Table 5.** (continued)

Characteristics	Criteria	Amount	Percentage
<b>Status</b>	Marry	106	51.7%
	Not married yet	99	49.3%
	<b>Total</b>	<b>205</b>	<b>100%</b>
<b>Type of business</b>	Domestic industry	86	41.95%
	Service	42	20.49%
	Trade	77	37.56%
	<b>Total</b>	<b>205</b>	<b>100%</b>
<b>Long-Running Business</b>	<1 Year	68	33.17%
	1–3 Year	55	26.83%
	>3 Years	83	40%
	<b>Total</b>	<b>205</b>	<b>100%</b>

**Table 6.** Average Score of Variables

Variable	Dimension	Indicator	Score	Note:
<b>Individual Characteristics</b>	psychology	Hardworking Nature	4.57	Tall
		Discipline in Running a Business	4.55	Tall
		High Confidence	4.49	Tall
		Dare to Take Risks	4.24	Tall
		Looking for a New Path in Business	4.46	Tall
		Liking Uncertainty in Entrepreneurship	3.83	Tall
		Independent Personal	4.62	Tall
		Person in charge	4.58	Tall
	Culture	Legacy Effort	2.72	Currently
		Financial Management for Business and Personal	2.99	Currently
		Dependency with Supplier	3.60	Tall
		Honest Personality	4.59	Tall
		Togetherness with Family or Friends	4.62	Tall
		Good manners	4.53	Tall
		Friendly to Others	4.57	Tall
Having Religious Values	4.69	Tall		
Want to work together	4.58	Tall		

(continued)

**Table 6.** (continued)

Variable	Dimension	Indicator	Score	Note:
<b>Business Environment</b>	Capital	Relatively Small Capital	3.38	Currently
		Capital Used Daily Capital	3.27	Currently
	Living Environment	Family Involvement in Helping Business	3.80	Tall
	Business Environment	Moving Business Place	2.59	Low
		Convenience in Running a Business	2.19	Low
		Strategic Business Location	3.93	Tall
	Number of Consumers	Daily Buyers Less than 50 Buyers	3.75	Tall
		Uncertainty in the Number of Consumers	3.97	Tall
<b>Entrepreneurial Behavior</b>	Affective	Persistent in Running a Business	4.38	Tall
		Commitment in Running a Business	4.44	Tall
	Cognitive	Mastering the Business Field	4.22	Tall
		Have Expertise in Business	4.23	Tall
	Motor	Utilization of Business Opportunities	4.34	Tall
	<b>Business Performance</b>	Profit	Increasing Sales Turnover	3.88
Increasing Profit			3.98	Tall
Competitive Ability		Products sold vary	3.89	Tall
		Better Quality Compared To Competitors	3.94	Tall
Marketing		Business Marketing Expansion	3.92	Tall
		The Number of Customers That Continues to Increase	4.00	Tall
Sustainability		Endurance Endurance Effort	4.02	Tall
		Never Bankrupt	4.04	Tall

loading factor value on the indicator KWR\_3, and LKB\_10, are less than 0.7, then these 2 (two) indicators are not included in the model (Table 8).

Cronbach's Alpha Analysis:

Entrepreneurial Character Variable is 0.789, Individual Characteristics variable is 0.837, Business Performance Variable is 0.833, and Business Environment Variable is 0.857. The results show the accuracy and reliability of all variables, where the score is greater than 0.7.

Composite Reliability Analysis:

The Entrepreneurial Character Variable is 0.848, the Individual Characteristics variable is 0.867, the Business Performance Variable is 0.869, and the Business Environment

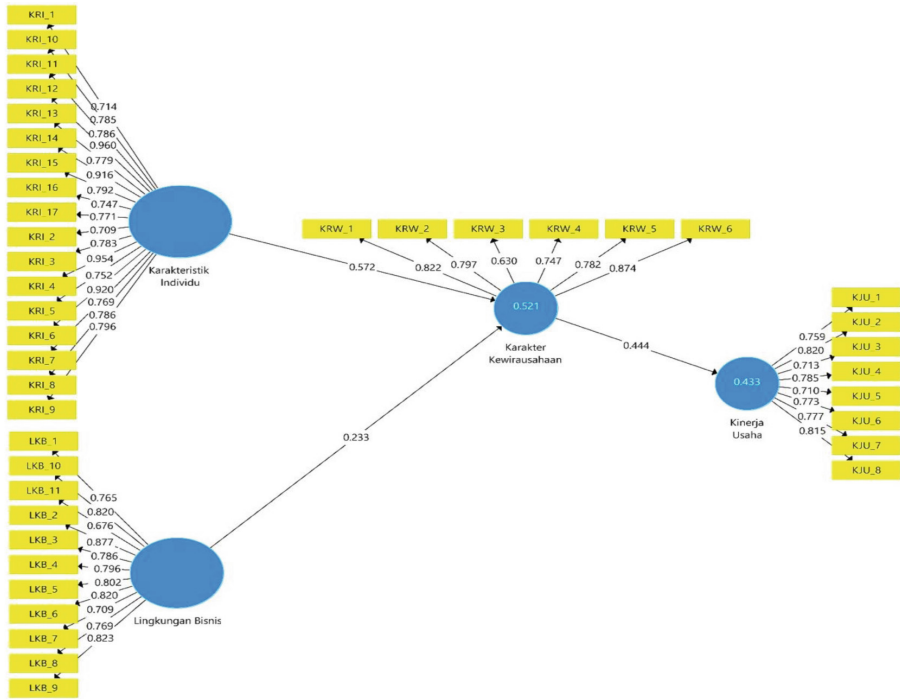


Fig. 2. PLS Model

Table 7. Outer Loadings

	Entrepreneurial Character (KRW)	Characteristics Individual (KRI)	Business Performance (KJU)	Business Environment (LKB)
KJU_1			0.759	
KJU_2			0.820	
KJU_3			0.713	
KJU_4			0.785	
KJU_5			0.710	
KJU_6			0.773	
KJU_7			0.777	
KJU_8			0.815	
KRI_1		0.714		
KRI_2		0.709		
KRI_3		0.783		

(continued)

**Table 7.** (continued)

	<b>Entrepreneurial Character (KRW)</b>	<b>Characteristics Individual (KRI)</b>	<b>Business Performance (KJU)</b>	<b>Business Environment (LKB)</b>
<b>KRI_4</b>		0.954		
<b>KRI_5</b>		0.752		
<b>KRI_6</b>		0.920		
<b>KRI_7</b>		0.769		
<b>KRI_8</b>		0.786		
<b>KRI_9</b>		0.796		
<b>KRI_10</b>		0.785		
<b>KRI_11</b>		0.786		
<b>KRI_12</b>		0.960		
<b>KRI_13</b>		0.779		
<b>KRI_14</b>		0.916		
<b>KRI_15</b>		0.792		
<b>KRI_16</b>		0.747		
<b>KRI_17</b>		0.771		
<b>KRW_1</b>	0.822			
<b>KRW_2</b>	0.797			
<b>KRW_3</b>	0.630			
<b>KRW_4</b>	0.747			
<b>KRW_5</b>	0.782			
<b>KRW_6</b>	0.874			
<b>LKB_1</b>				0.765
<b>LKB_2</b>				0.877
<b>LKB_3</b>				0.786
<b>LKB_4</b>				0.796
<b>LKB_5</b>				0.802
<b>LKB_6</b>				0.820
<b>LKB_7</b>				0.709
<b>LKB_8</b>				0.769
<b>LKB_9</b>				0.823
<b>LKB_10</b>				0.676

**Table 8.** Construct Reliability and Validity

	<b>Cronbach’s Alpha</b>	<b>rho_A</b>	<b>Composite Reliability</b>	<b>Average Variance Extracted (AVE)</b>
<b>Entrepreneurial Character</b>	0.789	0.840	0.848	0.602
<b>Individual Characteristics</b>	0.837	0.874	0.867	0.785
<b>Business Performance</b>	0.833	0.838	0.869	0.512
<b>Business Environment</b>	0.857	0.870	0.893	0.512

**Table 9.** Value of R Square

	<b>R Square</b>	<b>R Square Adjusted</b>
<b>Entrepreneurial Character</b>	0.521	0.510
<b>Business Performance</b>	0.433	0.414

Variable is 0.893. The results show that overall the variables are declared reliable, where the score is more than 0.7.

Analysis of Average Variance Extracted (AVE):

Variable Entrepreneurial characteristics are 0.602, Individual Characteristics variables are 0.785, Business Performance Variables are 0.512, and Business Environment Variables are 0.816 The results show that the variables as a whole are declared to meet the validity, where the score is more than 0.5 (Table 9).

R Square Analysis:

- The value of r square for Entrepreneurial Characteristics is 0.521 with a criterion of 0.3, meaning that individual characteristics and the business environment can contribute or influence 0.521 on Entrepreneurial Characteristics.
- The value of r square of Business Performance obtained a value of 0.433 with a criterion of 0.3, meaning that individual characteristics and the business environment through entrepreneurial characters can contribute or influence 0.433 on Business Performance (Fig. 3 and Table 10).

T statistic value > 1.96 and P-value significant level 0.05, in Table 5 is known for each hypothesis on the accepted variable.

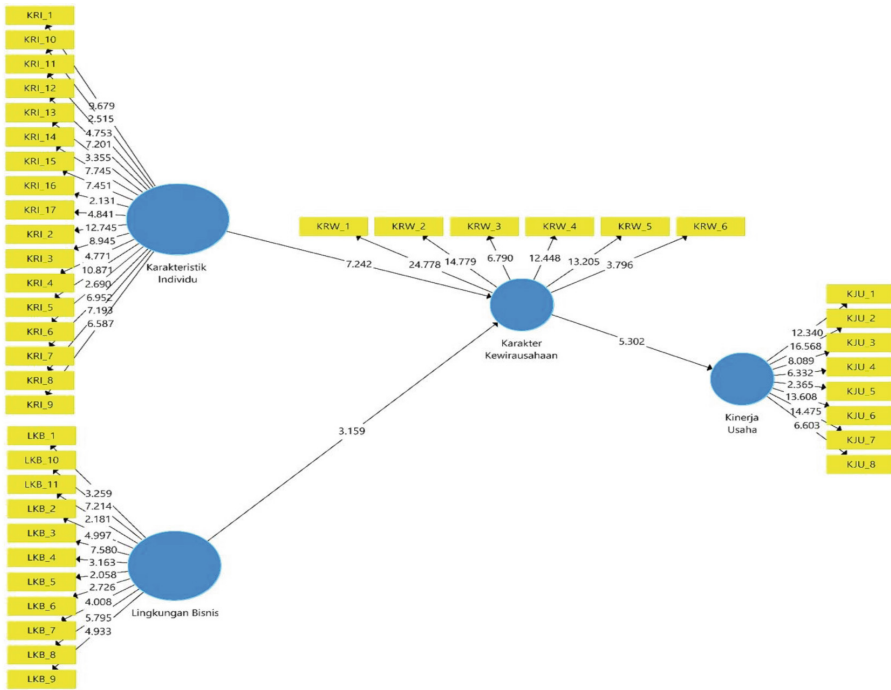


Fig. 3. Bootstrapping Model

Based on the results of the structural model analysis that has been carried out, the interpretation of the results of the analysis will be explained next. The following is an explanation of the results of the structural model that has been carried out following the research questions and hypotheses.

**Individual Characteristics Have a Positive Effect on Entrepreneurial Behavior**

Based on the results of the analysis seen in the structural model, it can be seen that the individual characteristics have a positive and significant effect with the loading factor value meeting the requirements of more than 0.7. This is also supported by the results of the path coefficient of 0.572 which means the hypothesis that connects Individual Characteristics → Entrepreneurial Behavior has a significant positive effect. This influence is quite large when viewed from the value of 57.2% so that it can be said that the personal character of business actors has a decisive influence on entrepreneurial behavior or the ability of business actors to run their business. This result is in line with research that has been done by previous researchers where it is stated that the characteristics of individual business actors will affect their entrepreneurial behavior where an individual and the environment will directly shape behavior both in entrepreneurship or doing business (Nursiah et al., 2017). Where the characteristics that are quite prominent here are the

**Table 10.** Bootstrapping

	<b>Original Sample (O)</b>	<b>Sample Mean (M)</b>	<b>Standard Deviation (STDEV)</b>	<b>T Statistics (IO/STDEV)</b>	<b>P Values</b>	<b>Result</b>
<b>Entrepreneurial Behavior → Business Performance</b>	0.444	0.482	0.064	5,302	0.000	Accepted
<b>Individual Characteristics → Entrepreneurial Behavior</b>	0.572	0.581	0.079	7,242	0.000	Accepted
<b>Business Environment → Entrepreneurial Behavior</b>	0.233	0.229	0.155	3,159	0.000	Accepted
<b>Individual Character → Entrepreneurial Behavior → Business Performance</b>	0.254	0.280	0.064	3,993	0.000	Accepted
<b>Business Environment → Entrepreneurial Behavior → Business Performance</b>	0.104	0.111	0.076	4.104	0.000	Accepted

nature of hard workers, discipline in running a business, confidence, willingness to take risks, politeness, friendly and have religious ethics in running their business.

**Business Environment Has a Positive Effect on Entrepreneurial Behavior**

Based on the results of the analysis for the business environment has a positive and *significant* loading factor value that meets the requirements of more than 0.7. This is also supported by the path coefficient of 0.233 which means the hypothesis that links the Business Environment → *Entrepreneurial Behavior* have a significant positive effect. The effect is not high when viewed from the value, only 23.3%. This is because the capital for business is still personal capital with daily turnover so it is not strong enough to maintain business continuity and the number of consumers is uncertain in number every day, while in terms of the number it is still below 50 consumers per day. This is supported by previous research which states that micro-business actors are satisfied with the income they get, so there is no motivation to increase their business volume, so they



are only oriented to meeting family needs (Nursiah et al., 2017). Lack of knowledge about financial management and less strategic business locations also hinder business actors from developing, in line with Heni's research which states: knowledge in managing finances is still limited; Business finances have not been separated from family finances, which are some of the performance barriers (Widyarti, 2016).

### **Entrepreneurial Behavior Has a Positive Effect on Business Performance**

Based on the results of the analysis for entrepreneurial behavior has a positive and significant effect with a loading factor value that meets the requirements of more than 0.7. This is also supported by the path coefficient of 0.444, which means the hypothesis that links Entrepreneurial Behavior → *Business Performance* have a significant positive effect. The effect is sufficient, namely 44.4% where if the business actors have good entrepreneurial behavior in terms of high affective, cognitive and motoric, then their business performance will also be good. Entrepreneurial behavior is influenced by factors that exist in the individual itself which makes it encouragement or motivation which is then characterized by the attitude in acting, knowledge in running a business, and skills in creating products (Nursiah et al., 2017). Perseverance in running a business, commitment, and being able to take advantage of opportunities are some of the factors that quite contribute to business performance so that even though they are small, there is an increase in turnover, profits, and customers.

### **Individual Characteristics on Business Performance Through Entrepreneurial Behavior/Character**

Hypotheses linking Individual Characteristics → *Entrepreneurial Behavior* → *Business Performance* have a significant positive effect. The effect is not so high at 25.4%, this is in line with previous research which states that the characteristics of MSMEs have a positive and significant effect on the performance of MSMEs, and the characteristics of MSME actors consisting of demographic, psychological, and cultural characteristics have a positive and significant effect on the performance of MSMEs (Iskandar et al., 2020) The high influence of individual characters is only to form entrepreneurial behavior but does not have much impact on entrepreneurial business performance, this is because there are still many business actors who manage Finance for Business and Personal, meaning mixing up business and personal money so that it looks like they are digging a hole. holes and this harms business performance.

### **Business Environment on Business Performance Through Entrepreneurial Behavior/Character**

Hypotheses linking the Business Environment → *Entrepreneurial Behavior* → *Business Performance* have a significant positive effect. The effect is not so high that is 0, 104, or 10,4%. The business environment of micro-enterprises in Jambi province has a low response due to the unstable nature of the micro-enterprises, where the location is less strategic, the business environment moves so that it is not very comfortable, and the daily capital is small. The small value of the response of the business environment to entrepreneurial behavior (23.3%) so that it does not have much impact on business performance. Knowledge in managing finances is still limited so that in terms of book-keeping it is still not regular. They also have a fairly heavy debt burden due to the

small amount of personal capital they have (Widyarti, 2016). Entrepreneurial behavior is not mechanistic or homogeneous in the face of external pressures but is influenced by a complex interaction of internal and external factors, so there is heterogeneity in entrepreneurial behavior because not all entrepreneurs act and react in the same way in the face of pressure (Zainura et al., 2016).

## 4 Conclusions and Recommendations

Based on the results of the discussion on the influence of individual entrepreneurial characteristics (internal factors) and the business environment (external factors) on the entrepreneurial behavior of micro and small business actors in Jambi Province, the following conclusions can be drawn:

1. The results of the analysis show that individual characteristics have a positive and significant influence on entrepreneurial behavior with a smaller percentage and impact on business performance
2. The business environment shows a positive and significant influence on entrepreneurial behavior with a not too large impact, as well as if it is associated with business performance.
3. Entrepreneurial behavior shows a positive and significant influence on business performance where positive behavior that has been formed shows that it can improve the performance of micro business actors.

The suggestions that can be considered for further research and Micro business actors are as follows:

1. For micro-enterprises, based on the results of the study, it can be seen that the motivation of micro-entrepreneurs for entrepreneurship is high enough so that they can form positive behaviors that can support the motivation to continue entrepreneurship, such as diligent work, honest, disciplined, friendly, polite and like challenges to form good behavior affectively, cognitively and motorically, but the inadequate micro-business environment makes it uncomfortable to work plus the possibility of moving locations makes it difficult to get regular customers, so performance fluctuates. Lack of financial knowledge is also an obstacle. Business actors should start looking for knowledge and information related to business and financial management,
2. Provincial and local governments should be able to provide training and counseling for micro-enterprises considering that from the results of research, good personal authorized capital for entrepreneurship is already owned by business actors, it's just that the constraints on business management, knowledge, and capital assistance make business performance a lot worse. Hampered. It is hoped that the government through the relevant agencies, including the regional government, the ministry of cooperatives and MSMEs, as well as the banking sector, will be able to synergize to provide convenience assistance for micro-business actors in Jambi province.
3. For further researchers, it is necessary to strengthen the weaknesses in this study, where the character aspect can be described more specifically in the questionnaire

so that respondents understand the questions asked so that they get a more honest and valid response from respondents.

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