

Factors of Entrepreneurial Business Success: Towards Resilient and Competitive Entrepreneurs in the Post COVID-19 Pandemic Era

(Faktor Prestasi Perniagaan Usahawan: Ke Arah Usahawan Berdaya Tahan dan Berdaya Saing di Era Pasca Pandemik COVID-19)

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ABSTRACT

The COVID-19 pandemic has tremendously affected the economy, business, and human life, especially for micro-entrepreneurs in the low-income bracket. In fact, many have yet to achieve success in the aftermath of the pandemic. Drawing from Social Cognitive Theory and existing literature, this study aimed to investigate self-efficacy, digital adoption, social persuasion, and passion for work as factors influencing entrepreneurial business success, with self-efficacy proposed as a mediator of the relationships between the other factors and entrepreneurial business success. Employing a cross-sectional survey technique, a questionnaire was distributed via email to 250 micro-entrepreneurs in West Java, Indonesia. Of these, 174 responded, and 160 datasets were suitable for further analysis. Multiple regression results derived from SmartPLS 3 indicate that all the proposed variables significantly influence both self-efficacy and entrepreneurial business success. Moreover, the findings demonstrate that self-efficacy acts as a mediator between the examined factors and entrepreneurial business success. These discoveries offer valuable insights for policymakers, poverty alleviation organizations, and researchers in developing strategies and intervention programs for entrepreneurial business growth. Thus, these findings align with the goals of the Indonesian government and the United Nations' Sustainable Development Goals to cultivate resilient and competitive micro-entrepreneurs, striving towards a zero-poverty nation by 2030.

Keywords: Business; factors; micro-entrepreneurs; self-efficacy; success

ABSTRAK

Pandemik COVID-19 telah menjejaskan ekonomi, perniagaan, dan kehidupan manusia dengan ketara, terutamanya bagi usahawan mikro dalam kumpulan berpendapatan rendah. Malah, ramai yang masih belum mencapai kejayaan selepas wabak itu. Berdasarkan Teori Kognitif Sosial dan literatur sedia ada, kajian ini bertujuan untuk menyiasat efikasi sendiri, penggunaan digital, dokongan sosial, dan semangat untuk bekerja sebagai faktor-faktor yang mempengaruhi kejayaan perniagaan keusahawanan, dengan efikasi sendiri dicadangkan sebagai pengantara hubungan antara faktor-faktor lain dan kejayaan perniagaan keusahawanan. Menggunakan teknik tinjauan keratan rentas, soal selidik telah diedarkan melalui e-mel kepada 250 usahawan mikro di Jawa Barat, Indonesia. Daripadanya, 174 memberi maklum balas, dan 160 set data sesuai untuk analisis lanjut. Keputusan regresi berganda yang diperoleh daripada SmartPLS 3 menunjukkan bahawa semua pemboleh ubah yang dicadangkan secara signifikan mempengaruhi kedua-dua efikasi sendiri dan kejayaan perniagaan keusahawanan. Selain itu, dapatan menunjukkan bahawa efikasi sendiri bertindak sebagai pengantara antara faktor yang diperiksa dan kejayaan perniagaan keusahawanan. Penemuan ini menawarkan pandangan berharga untuk penggubal dasar, organisasi pembasmi kemiskinan, dan para penyelidik dalam membangunkan strategi dan program intervensi untuk pertumbuhan perniagaan keusahawanan. Oleh itu, penemuan ini selaras dengan matlamat kerajaan Indonesia dan Matlamat Pembangunan Lestari Pertubuhan Bangsa-Bangsa Bersatu untuk memupuk usahawan mikro yang berdaya tahan dan berdaya saing, berusaha ke arah negara sifar-miskin menjelang 2030.

Kata kunci: Perniagaan; faktor; usahawan mikro; efikasi sendiri; kejayaan

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INTRODUCTION

Poverty alleviation poses a significant challenge as millions worldwide struggle to make ends meet. In developing countries, this issue is one that governments and private organizations continuously take steps to address. In this regard, empowering the poor to become successful entrepreneurs is recognized as a superior solution to eradicating poverty. It not only elevates economic well-being but also creates new employment opportunities, enabling more individuals to join the cycle of prosperity (Frese et al. 2016; Glaub & Frese 2011).

However, the COVID-19 pandemic has had a profound impact on the economies of numerous countries worldwide, including Indonesia. The nation witnessed an economic slowdown, resulting in millions of Indonesians losing their jobs and consequently facing increased poverty. Among the hardest-hit sectors were micro, small, and medium enterprises (MSMEs), which contribute approximately 61 percent of the national Gross Domestic Product (GDP) and employ 97 percent of Indonesia's workforce, according to a report by the United Nations Development Program (UNDP) and Universitas Indonesia (UNDP Indonesia & Universitas Indonesia, 2020; Suminah & Anantanyu 2020). As of 2021, Indonesia had 65.4655 million businesses categorized as MSMEs (ASEAN Investment Report 2022), with 98 percent of those classified as micro-enterprises. The remaining 1.2 percent and 0.1 percent constituted small and medium enterprises, respectively.

Given entrepreneurs' struggle for survival amid high competition, only a select few manage to thrive (Begnetti et al. 2021), which raises the question of what distinguishes their performance. According to Shen et al. (2021), the leading factor contributing to entrepreneurial business success (hereafter EBS) is entrepreneurs' belief in their own capabilities, or high self-efficacy. This belief drives them to exert effort toward achieving their ultimate goal—success in their business ventures. Additionally, in the era of digitalization, many argue that adopting digital tools is crucial for enhancing efficiency and accelerating EBS. A survey conducted by UNDP Indonesia in collaboration with Universitas Indonesia (UNDP Indonesia & Universitas Indonesia 2020) revealed that the COVID-19 pandemic prompted nearly 44 percent of MSMEs to utilize digital marketing. The survey further indicated that 90 percent of micro-enterprises opted for social media as a platform to promote their products. Indeed, with digitalization, entrepreneurs can operate their businesses 24/7 without disruption, provided there is an internet connection.

Other factors, such as passion for entrepreneurial work and social persuasion, are equally crucial for EBS. Previous literature has indicated that self-efficacy (Alhadabi & Karspinski 2019; Lex et al. 2021; Miao et al. 2017), digital adoption (Nawaz et al. 2019; Ndofirepi et al. 2018; Radzi et al. 2017), social persuasion (Batool & Ullah 2017; Ezennia & Mutumbara 2020; Farooq et al. 2018), and passion for work (Kiani 2020; Lex et al. 2020) are predictors of entrepreneurial business success. Notably, several studies have found that self-efficacy plays a mediating role in the effects of digital adoption, social persuasion, and passion on EBS (Ndofirepi et al. 2018; Molino et al. 2018; Begnetti et al. 2020; Chavez & Guevara 2020).

While numerous studies to date have explored the interrelationships among self-efficacy, social persuasion, passion for work, and EBS in various contexts, such as Malaysia (Saraih et al. 2018; Zakaria et al. 2021), China (Shen et al. 2021), Norway (Spehar et al. 2016), and Pakistan (Farooq et al. 2018; Nawaz 2019), there remains a scarcity of research in the Indonesian context (Baharudin et al. 2021). Furthermore, few studies have focused on the mediating influence of self-efficacy in the links among digital adoption, social persuasion, passion, and EBS. Newman et al. (2019) emphasized that entrepreneurs who adopt technology, receive support from family and friends, and have a passion for their work are more likely to believe in their capabilities (i.e., have self-efficacy) before succeeding in their business ventures (Newman et al. 2019).

Given the severe impact of COVID-19 on the Indonesian economy and its MSME sector (Suminah & Anantanyu 2020), this research aimed to address the abovementioned literature gaps by investigating the direct and indirect factors contributing to the success of Indonesian micro-entrepreneurs. The specific research objectives were as follows: 1) to explore the effects of self-efficacy, digital adoption, social persuasion, and passion for work on EBS; 2) to investigate the effects of digital adoption, social persuasion, and passion for work on self-efficacy; and 3) to examine the mediating influence of self-efficacy on the effects of digital adoption, social persuasion, and passion for work on EBS.

The subsequent section reviews the relevant literature before outlining the methodology and analysis results of the study. Subsequently, this paper provides a discussion of the findings, following which it offers practical and theoretical implications, addresses the study limitations, and suggests avenues for future research.

LITERATURE REVIEW

The Social Cognitive Theory proposed by Bandura (1986) was chosen as the underpinning theory of this study to explain and predict EBS. A review of prior literature guided the selection of the predictor variables that were proposed to influence self-efficacy and EBS.

SOCIAL COGNITIVE THEORY

The Social Cognitive Theory postulates that self-efficacy is how one believes in his ability to execute control over events to achieve desired results (Bandura 1986). Accordingly, a self-efficacious person can adapt and regulate himself to reach success. The theory has been widely used in entrepreneurship literature, including to predict EBS. It posits that experience, social persuasion, and emotional state can elevate one's self-efficacy, which then empowers them to achieve targeted outcomes.

ENTREPRENEURIAL BUSINESS SUCCESS (EBS)

EBS is the phenomenon of interest in this study, defined as the perceived degree of business success experienced by micro-entrepreneurs across various aspects, including happiness, satisfaction, personal savings, and business growth. Strengthening the success of entrepreneurial endeavors is a potent strategy for poverty reduction and bolstering national economic development. Previous research indicates that many factors contribute to enhancing entrepreneurial success, including the entrepreneur's cognitive state in the form of self-efficacy (Suminah & Anantanyu 2020; Zakaria et al. 2020), as well as digital adoption (Ndofirepi et al. 2018), social persuasion (Nawaz et al. 2019; Molino et al. 2020), and passion (Chavez & Guevara 2020; Lex et al. 2020).

SELF-EFFICACY AND EBS

Self-efficacy refers to the entrepreneur's confidence in their ability to undertake entrepreneurial activities. Indeed, entrepreneurship demands resilience, persistence, passion, and proactive engagement for positive outcomes. Consequently, self-efficacy has emerged as a critical cognitive factor across various fields of research, including education, accounting, and entrepreneurship, as it can enhance individuals' motivation, intentions, and success.

Empirical findings validate that self-efficacy is related to personal and organizational success. For example, Nguyen et al. (2017) established a positive correlation between self-efficacy and the positive success of 61 junior doctors in Australia. Likewise, Shen et al. (2021) concurred that self-efficacy positively influences business success among 411 nascent entrepreneurs in China. Similarly, Palmer et al. (2019) uncovered a positive relationship between self-efficacy and business success. Notably, in a recent meta-analysis, Miao et al. (2017) identified an above-average correlation between entrepreneurial self-efficacy and EBS. Building upon Social Cognitive Theory and existing literature (Miao et al. 2017; Nguyen et al. 2017; Palmer et al. 2019; Shen et al. 2021), this study formulated the following hypothesis:

H₁ Self-efficacy positively influences EBS.

DIGITAL ADOPTION, SELF-EFFICACY, AND EBS

Digital adoption entails the utilization of digital tools by entrepreneurs in running their enterprises. It serves as a gateway to a wealth of information that entrepreneurs can leverage in their business ventures. Adopting digital technologies in business operations prompts entrepreneurs to adapt to the contemporary environment, and enables businesses to operate continuously, regardless of time, location, or conditions. Indeed, the COVID-19 pandemic has accelerated the shift towards full digitalization in businesses. Ironically, businesses that fail to adopt digital practices risk being left behind, especially in the post-COVID-19 era. Numerous empirical studies have proven that digital adoption positively impacts firm success (Afolayan et al. 2015; Radzi et al. 2017; Westhuizen & Joel Goyayi 2020).

Afolayan et al. (2015) examined the influence of digital adoption on EBS among 161 enterprises in Lagos, Nigeria. They found that higher levels of technology usage corresponded to greater success for entrepreneurial businesses. Chatzoudes et al. (2015) further suggested that entrepreneurial self-efficacy mediates the influence of digital adoption on the success of 112 bank officers in Greece.

Similarly, Radzi et al. (2017) observed that digital adoption significantly predicts the business success of 166 small entrepreneurs under the Federal Land Development Authority (FELDA) in Malaysia. Additionally, Westhuizen and Goyayi (2020) examined the influence of digital adoption on self-efficacy among 109 participants in South Africa. Their findings revealed a significant improvement in entrepreneurial self-efficacy following the adoption of digitalization in their business ventures. Through frequent and intensive digital adoption, entrepreneurs gain confidence in their abilities, which contributes to their success (Suminah & Anantanyu 2019). The Social Cognitive Theory also suggests that mastery experiences lead individuals to believe in their abilities before attaining their desired goals (Bandura 1986).

Therefore, based on Social Cognitive Theory (Bandura 1986) and the extant literature (Afolayan et al. 2015; Radzi et al. 2017; Westhuizen & Goyayi 2020), this study postulated the following hypotheses:

H_{2A} Digital adoption positively influences EBS.

- H_{2B} Digital adoption positively influences self-efficacy.
H_{2C} Self-efficacy mediates the relationship between digital adoption and EBS.

SOCIAL PERSUASION, SELF-EFFICACY, AND EBS

Social persuasion refers to the support received by an entrepreneur from their family and friends in running their business (Radzi et al. 2017). Entrepreneurs rely on social support from their family and friends to help them achieve their desired goals or targeted success (Bhansing et al. 2018). Such support boosts entrepreneurial self-efficacy and is more likely to lead to success in business.

Indeed, several entrepreneurial studies have indicated that social persuasion influences EBS (Alzamel et al. 2019; Farooq et al. 2018; Molino et al., 2018). Alzamel et al. (2019) discovered that social persuasion improves EBS among 376 undergraduate female students in Saudi Arabia. Consistent with this, Farooq et al. (2018) reported that social persuasion is positively related to EBS. Additionally, Molino et al. (2018) revealed that self-efficacy mediates the relationship between social persuasion (from family and friends) and the business success of 658 Italian entrepreneurs. In other words, support from family and friends enhances an entrepreneur's self-efficacy, eventually motivating them to strive for success in their business ventures. Sahban et al. (2016) revealed a positive influence of social persuasion on 381 students' self-efficacy in Indonesia, which was corroborated by Saraih et al. (2018), who showed that family social persuasion, specifically cohesiveness, significantly affects entrepreneurial self-efficacy. Their study also supported the mediating role of self-efficacy between social persuasion and EBS.

Given the importance of social persuasion in enhancing self-efficacy and EBS, as per the Social Cognitive Theory and existing literature (Alzamel et al. 2019; Farooq et al. 2018; Molino et al. 2018), the study formulated the following hypotheses:

- H_{3A} Social persuasion positively influences EBS.
H_{3B} Social persuasion positively influences self-efficacy.
H_{3C} Self-efficacy mediates the relationship between social persuasion and EBS.

PASSION FOR WORK, SELF-EFFICACY, AND EBS

Passion for work refers to the satisfaction and joy that an entrepreneur experiences while engaging in work-related activities (Spehar et al. 2016). Entrepreneurs who are passionate about their business tap into their full potential to attain success. They are likely to embrace entrepreneurial activities as their identity, devoting more time and energy to ensure successful performance (Forest et al. 2012). Passion is perhaps the most valuable phenomenon behind EBS because it entails a deep commitment to behaving as an entrepreneur (Cardon & Kirk 2015; Cardon et al. 2009).

The literature has shown that passion positively influences self-efficacy and EBS. Self-efficacy was also found to mediate the relationship between entrepreneurial passion and business success among 129 entrepreneurs in Germany (Cardon & Kirk 2015). Likewise, Radzi et al. (2017) found that self-efficacy serves as a mediator between passion and EBS, while Spehar et al. (2016) observed the impact of passion for work on business success among 278 Norwegian small enterprises. Moreover, Obschonka and Stuetzer (2017) identified several variables—risk-taking, self-efficacy, and passion for work—that influence the business success of 137 German entrepreneurs.

Applying a self-regulation perspective, Lex et al. (2020) emphasized the significance of self-efficacy in the recursive cycle association between passion and EBS. Therefore, drawing from Social Cognitive Theory and prior literature (Cardon & Kirk 2015; Lex et al. 2020; Obschonka & Stuetzer 2017; Spehar et al. 2016), this study hypothesized the following:

- H_{4A} Passion for work positively influences EBS.
H_{4B} Passion for work positively influences self-efficacy.
H_{4C} Self-efficacy mediates the relationship between passion for work and EBS.

The conceptual framework of this research is illustrated in Figure 1.

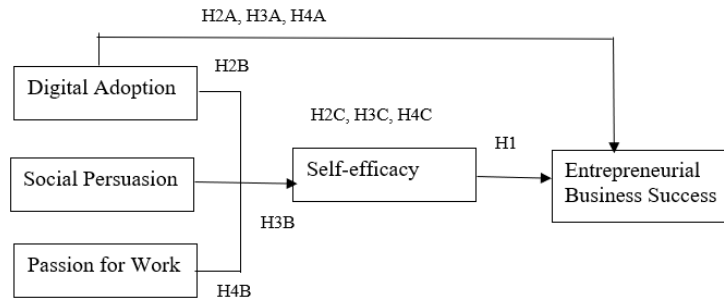


FIGURE 1. Conceptual framework

METHODOLOGY

SAMPLE AND DATA COLLECTION

This study focused on micro-entrepreneurs from five regions in the Eastern part of West Java, Indonesia due to their high prevalence of successful entrepreneurs (Baharudin et al. 2021). Referring to statistics from Jabar Open Data, a portal of the West Java Provincial Government, the selected regions based on number of micro-entrepreneurs (denoted as ‘n’) were: Cirebon Municipality (n=54,306), Cirebon (n=341,037), Kuningan (n=257,929), Majalengka (n=211,749), and Indramayu (n=128,103).

In Indonesia, micro-entrepreneurs are classified based on two criteria set by the government: i) total assets not exceeding IDR 50 million or USD 3.4 thousand, and ii) annual revenue from sales not exceeding IDR 300 million or USD 20.7 thousand (Suminah & Anantanyu 2020). As a comprehensive list of these businesses was not available, the researchers utilized purposive sampling to select micro-entrepreneurs operating in the aforementioned provinces.

The proposed minimum sample size for social science research, according to Tabachnick et al. (2019), is based on the formula $N > 50 + 8m$ (where m represents the number of predictor variables). For this study with four predictors, the suggested sample size was $50 + 8(4) = 82$. Additionally, G*power calculated the minimum sample size for four predictors to be 43 (Faul et al. 2007), whereas Roscoe (1975) suggested a sample size ranging from 30 to 500 for most behavioral studies. Thus, the sample size of 160 respondents in this study exceeded the recommended thresholds.

This research employed a cross-sectional quantitative technique, collecting data through a survey questionnaire. The questionnaire was emailed to 250 micro-entrepreneurs registered with MSME agencies in the five regions in May 2021. Responses were received between May and September 2021, yielding a total of 174. However, only 160 responses were usable for further analysis, suggesting caution in generalizing the results to the entire population of the provinces under study.

MEASUREMENT

This study adopted and adapted measurements for all five constructs from the literature. First, EBS is a multidimensional construct assessing various aspects of success, including happiness, satisfaction, personal savings, and business growth. Its measurement scale was adapted from Radzi et al. (2017) and Baharudin et al. (2021), with five items from the former and nine items from the latter, totaling 16 items. Given the likelihood of entrepreneurs lacking proper documentation, the researchers measured success based on self-report data, capturing respondents' perceptions of their EBS.

Second, the mediating variable of this study, self-efficacy, is a unidimensional construct gauging the entrepreneur's belief in their capability to perform their entrepreneurial role. The researchers adopted the measurement from Chen et al. (2001), consisting of eight items which have been validated in previous studies (Baharuddin et al. 2021; Mohd et al. 2014; Chen et al. 2001; Suminah & Anantanyu 2020). Next, unidimensional constructs digital adoption and passion for work were measured with five items each, adapted from Radzi et al. (2017) and Baum and Locke (2004) respectively.

Finally, social persuasion is a multidimensional construct measured with eight items adopted from Zimet et al. (1988). Although the original scale comprised three dimensions (family, peers, and significant others), this study focused solely on two dimensions: family and friends. All items in the survey were rated on a 7-point Likert scale, ranging from strongly disagree to strongly agree. Table 1 provides an overview of the measurements for each construct.

TABLE 1. Measurements of the constructs

Constructs	Number of items	Sources
EBS	16 items	Radzi et al. (2017)
Self-efficacy	8 items	Chen et al., (2001)
Digital adoption	5 items	Radzi et al. (2017)
Social persuasion	8 items	Zimet et al. (1988)
Passion for work	5 items	Baum and Locke (2004)

DATA ANALYSIS

In this study, data was analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) via SmartPLS version 3. This technique was chosen because PLS-SEM is superior to other regression analyses when assessing mediation (Hair et al. 2019). Additionally, Hair et al. (2022) suggested PLS-SEM for models focused on testing theoretical frameworks from a predictive perspective.

To mitigate common method bias and multicollinearity between constructs (Kock 2015), the researchers regressed all constructs against a common construct using the Variance Inflation Factor (VIF). The findings revealed VIF values ranging between 1.69 and 2.55 for all constructs, indicating no multicollinearity issue and thus no bias stemming from single-source data.

PLS-SEM evaluates data in two models: the measurement model and the structural model. The measurement model illustrates the relationships between a latent variable and its indicators. In this stage, the researchers conducted assessments to ensure that the data met the criteria for goodness, reliability, and convergent and discriminant validity. After fulfilling all requirements, the analysis proceeded to the structural model to test the proposed hypotheses.

RESULTS

PARTICIPANT'S DEMOGRAPHIC PROFILE

The participants' demographic profile was developed using frequency and descriptive analysis. Findings show that of the 160 participants, 79 (49.4%) were females and 81 (50.6%) were males. The majority were married (129 or 80.6%), followed by 29 (18.1%) who were single and two (1.3%) who were widowed. Regarding age distribution, most participants fell within the 40 to 60 years range (83 or 52.9%), followed by 19 to 39 years (35 or 21.9%), and over 60 years (21 or 13.1%). In terms of education level, the highest proportion of participants had completed senior secondary school or SMA (77 or 48.1%), followed by bachelor's degree holders (35 or 21.9%), diploma holders (18 or 11.3%), junior high school or SMP graduates (15 or 9.4%), elementary school or SD graduates (13 or 8.1%), and finally, master's degree holders (2 or 1.2%). Table 2 provides a detailed overview of the participants' demographic profile.

TABLE 2. Participants' demographic profile

	Frequency	%
Gender		
Female	79	49.4
Male	81	50.6
Marital Status		
Single	29	18.1
Married	129	80.6
Others	2	1.3
Age		
19 – 39	56	35.0
40 to 60 years	83	51.9
More than 60 years	21	13.1
Level of Education		
SD	13	8.1
SMP	15	9.4
SMA	77	48.1
Diploma	18	11.3
Bachelor Degree	35	21.9
Master Degree	2	1.2

N = 160

MEASUREMENT MODEL

Following the two-stage PLS-SEM analysis, first, the measurement model was evaluated. As shown in Table 3, factor loading values exceeded 0.50 (Bagozzi et al. 1991) and composite reliability (CR) values were higher than 0.70, confirming the data's internal consistency reliability. Additionally, the constructs' average variance

extracted (AVE) values were above 0.50 (Hair et al. 2022), indicating that the model had satisfactory convergent validity.

TABLE 3. Measurement model

Construct	Items	Loading	AVE	CR
Entrepreneurial Business Success (EBS)	BP1	0.675	0.518	0.837
	BP2	0.721		
	BP3	0.757		
	BP4	0.718		
	BP5	0.590		
	BP6	0.610		
	BP7	0.818		
	BP8	0.744		
	BP9	0.740		
	BP10	0.660		
	BP11	0.827		
	BP12	0.525		
	BP13	0.771		
	BP14	0.771		
	BP15	0.593		
Self-efficacy (S-E)	S-E	0.820	0.609	0.825
	S-E1	0.790		
	S-E2	0.816		
	S-E3	0.852		
	S-E5	0.795		
	S-E6	0.813		
	S-E7	0.678		
	S-E8	0.658		
	Digital Adoption (DA)	DA		
DA2		0.855		
DA3		0.833		
DA4		0.805		
DA5		0.815		
DA6		0.815		
Social Persuasion (SP)	SP	0.835	0.516	0.893
	SP1	0.804		
	SP2	0.761		
	SP3	0.770		
	SP4	0.538		
	SP5	0.685		
	SP6	0.603		
Passion for Work (WP)	WP	0.819	0.549	0.856
	WP1	0.823		
	WP2	0.546		
	WP4	0.750		
	WP5	0.730		
	WP6	0.730		

Next, discriminant validity was tested using the HTMT criterion, as suggested by Henseler et al. (2015). HTMT values should not exceed 0.85 for the more conservative threshold, or 0.90 for the more lenient threshold. The results shown in Table 4 confirm that this study's constructs were conceptually distinct, as all values adhered to the HTMT_{0.85} criterion. Therefore, discriminant validity was established.

TABLE 4. Discriminant validity

	1	2	3	4	5
Business Success (BP) – 1	0.856				
Self-efficacy (S-E) – 2	0.671	0.835			
Digital Adoption (DA) – 3	0.213	0.168	0.819		
Social Persuasion (SP) – 4	0.114439	0.283178	0.339244	0.838	
Passion for Work (WP) – 5	0.110901	0.308424	0.261809	0.462241	0.819

STRUCTURAL MODEL

Next, the study's structural model was analyzed to test the hypotheses. This phase involved bootstrapping analysis with 5000 resamples to derive path coefficients, standard errors, confidence intervals, effect sizes, t-values, and p-values. These results, presented in Table 5, enabled the researchers to determine the significance of the hypotheses.

Initially, the researchers tested the four direct predictors of EBS, which produced an R² of 0.432 (Q² = 0.360). This shows that self-efficacy, digital adoption, social persuasion, and work passion altogether explained 43.20 percent of the variance in EBS. Notably, the findings indicated that all four factors had a significant positive effect on EBS (p<0.01), supporting H₁, H_{2A}, H_{3A}, and H_{4A}. Similarly, digital adoption, social persuasion, and passion for work demonstrated significant positive relationships with self-efficacy (p<0.01), validating H_{2B}, H_{3B}, and H_{4B}.

Their R^2 was 0.376 ($Q^2 = 0.289$), indicating that the three predictors explained 37.60 of the variance in self-efficacy. Overall, all the direct relationships were significant, and the model exhibited strong predictive accuracy and predictive relevance.

TABLE 5. Hypotheses testing for direct effects

Hypothesis	Estimate	S.E.	T	p-value	f ²	VIF	Relationship	
H ₁	S-E → BP	0.306	0.009	32.287	0.000	0.069	2.312	Significant
H _{2A}	DA → BP	0.263	0.010	24.769	0.000	0.023	2.943	Significant
H _{2B}	DA → S-E	0.294	0.009	29.847	0.000	0.023	2.411	Significant
H _{3A}	SP → BP	0.297	0.011	26.026	0.000	0.020	1.543	Significant
H _{3B}	SP → S-E	0.07	0.008	8.841	0.000	0.034	2.333	Significant
H _{4A}	WP → BP	0.245	0.016	14.882	0.000	0.037	1.766	Significant
H _{4B}	WP → S-E	0.252	0.012	20.847	0.000	0.026	2.222	Significant

Next, the mediation hypotheses were assessed following the bootstrapping technique suggested by Preacher and Hayes (2004) to determine indirect effects. If the bias-corrected 95 percent confidence interval does not straddle a zero, mediation is confirmed to exist. Based on this criterion, the findings indicated that self-efficacy significantly mediates the impact of digital adoption ($\beta = 0.09$, $p < 0.05$), social persuasion ($\beta = 0.07$, $p < 0.01$), and passion for work ($\beta = 0.07$, $p < 0.1$) on EBS. Therefore, H_{2C}, H_{3C}, and H_{4C} were supported. Table 6 presents the hypothesis testing results for indirect effects, while Figure 2 depicts the structural model.

TABLE 6. Hypothesis testing for indirect effects

Hypothesis	Standard Beta (β)	Standard Error	t-values	p-values	BCL LL	BCL UL	
H _{2C}	DA → S-E → BP	0.090	0.031	2.938	0.003	0.064	0.243
H _{3C}	SP → S-E → BP	0.088	0.026	3.307	0.001	0.065	0.330
H _{4C}	WP → S-E → BP	0.072	0.041	1.777	0.076	0.079	0

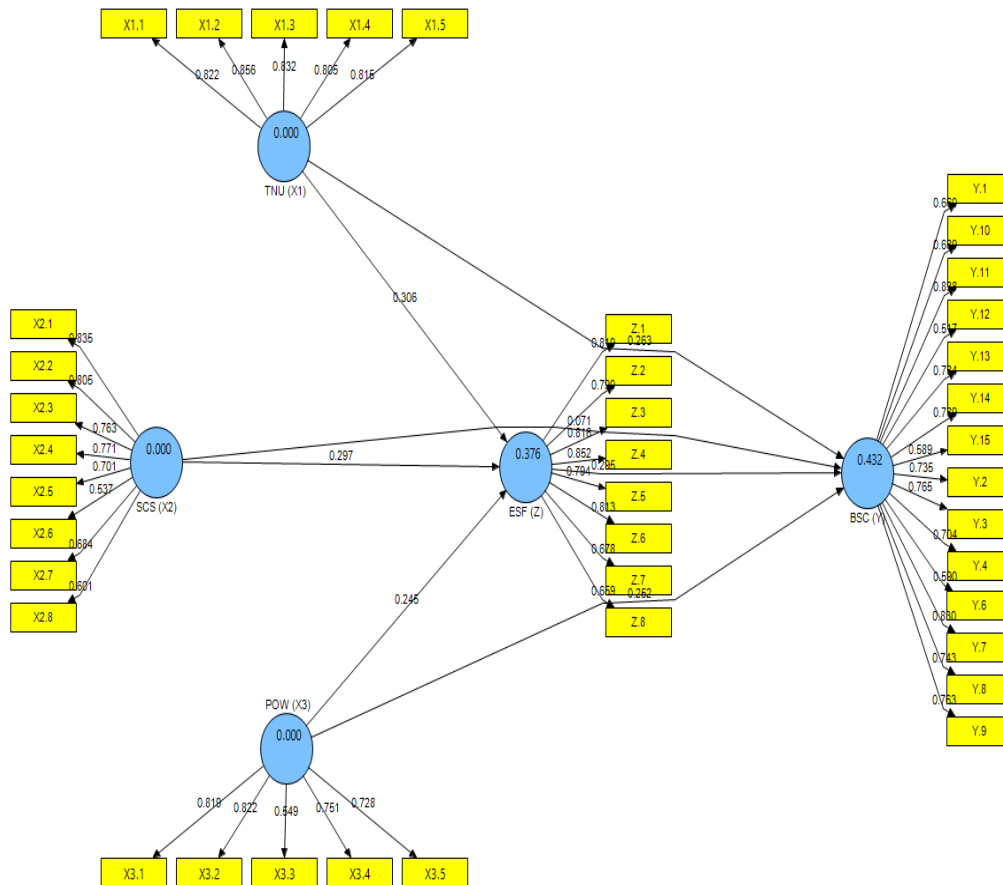


FIGURE 2. Structural model

DISCUSSION

This study's first objective was to investigate the effects of self-efficacy, digital adoption, social persuasion, and passion for work on EBS. The analysis results indicated that higher levels of self-efficacy, digital adoption, social persuasion and passion among entrepreneurs leads to their greater perceptions of success in business. The findings concur with prior studies relating self-efficacy (Miao et al. 2017; Nguyen et al. 2017; Palmer et al. 2019; Shen et al. 2021), digital adoption (Afolayan et al. 2015; Radzi et al. 2017; Raymond & Bergeron 2008), social persuasion (Alzamel et al. 2019; Farooq et al. 2018; Farrukh et al. 2017; Molino et al. 2018), and passion (Cardon & Kirk 2015; Lex et al. 2020; Obschonka & Stuetzer 2017; Spehar et al. 2016) to EBS.

Entrepreneurs who believe in their abilities tend to demonstrate higher levels of self-efficacy. They endure risks, persist in facing challenges, and adapt to changes, which are crucial for business success. On the other hand, entrepreneurs who embrace digitalization utilize the advancement of technology to innovate, increase efficiency, and stay competitive, helping them continuously grow and succeed. In addition, positive social persuasion is essential in providing valuable guidance, collaboration opportunities, and encouragement to entrepreneurs to strengthen their skills and resilience. Passion for work further fuels their motivation, creativity, and determination, driving entrepreneurs' sustainable commitment and positive impact. Ultimately, the interplay between self-efficacy, digital adoption, social persuasion, and passion significantly influences EBS by shaping entrepreneurs' mindset, skills, innovation, and resilience in managing the complex business world.

Next, this study investigated and verified the significant positive effects of digital adoption, social persuasion, and passion for work on self-efficacy. These findings are in tandem with prior studies concerning digital adoption (Chatzoudes et al. 2015; Westhuizen & Goyayi 2020), social persuasion (Malino et al. 2018; Sahban et al. 2016; Sarahi et al. 2018), and passion (Cardon & Krik 2015) in relation to self-efficacy.

Entrepreneurs who effectively integrate digital tools tend to be more self-efficacious and eventually realize their full capabilities. Moreover, positive social persuasion, via feedback, encouragement, and support, is vital in bolstering an entrepreneur's self-belief and confidence in their abilities. Likewise, passion for their work drives them to confront challenges, set ambitious goals, and strive for success. Passionate entrepreneurs also display greater resilience in overcoming setbacks, as well as higher intrinsic motivation and commitment, which contribute to stronger self-efficacy in entrepreneurial endeavors. These findings align with Bandura's Self-Efficacy Theory proposed in 1986, suggesting that self-efficacy is cultivated through mastery experiences, which are facilitated by digital adoption, social persuasion, and a psychological state of passion for undertaking tasks.

The third objective was to determine the mediating role of self-efficacy in the effects of digital adoption, social persuasion, and passion for work on EBS. The findings revealed that self-efficacy is indeed a significant mediator of these relationships, corroborating previous studies (Chatzoudes et al. 2015; Cardon & Kirk 2015; Malino et al. 2018).

Entrepreneurs become skillful, confident, and self-efficacious in using technology when they adopt digital tools effectively. They employ their digital knowledge to make informed decisions and adapt to market changes, ultimately contributing to EBS. Apart from that, positive social persuasions, namely mentorship, constructive feedback, and networking, enhance an entrepreneur's self-efficacy by reinforcing their confidence, capabilities, and resilience. With higher entrepreneurial self-efficacy, entrepreneurs can leverage social resources effectively, build strong relationships, and navigate challenges, thus promoting EBS through collaboration, learning, and growth opportunities. Lastly, passionate entrepreneurs tend to exhibit higher levels of self-efficacy, as their passion drives them to set and achieve goals while enduring challenges. This elevated entrepreneurial self-efficacy, resulting from a passion for work, empowers entrepreneurs to stay motivated, make strategic decisions, and overcome obstacles, eventually contributing to their success through sustained effort, creativity, and impact.

CONCLUSION

Acknowledging that numerous factors contribute to entrepreneurs' success in their ventures, this study sought to investigate digital adoption, social persuasion, and passion for work as direct and indirect factors driving the self-efficacy and EBS of micro-entrepreneurs in Indonesia. The findings revealed that all the predicted factors, namely self-efficacy, digital adoption, social persuasion, and passion for work, have significant positive effects on EBS. Moreover, self-efficacy was found to significantly mediate the relationships of the three predictor factors, i.e., digital adoption, social persuasion, and passion for work, with EBS. Successful entrepreneurs are resilient, competitive, and agile in the face of challenges and uncertainties. Most importantly, they are able to elevate their social status and transcend the poverty line. Eventually, their initiatives align with the national agenda and the United Nations' Sustainable Development Goals to eliminate inequalities and achieve a zero-poverty nation by 2030.

This study offers theoretical insights to the academic understanding of EBS determinants, highlighting the pivotal roles of digital adoption, social persuasion, passion for work, and self-efficacy. The findings are supported by and extend the Social Cognitive Theory, which posits that entrepreneurial success is contingent upon the

efficacy of the entrepreneur. Moreover, the study provides empirical support for the theory, indicating that internal factors such as passion for work and technological adoption, coupled with external factors like social persuasion, bolster entrepreneurial self-efficacy and pave the way for business success. Additionally, the research confirms self-efficacy as a crucial mediator that underlies and explains the influence of internal and external factors on individual outcomes, in line with the tenets of Social Cognitive Theory. The study also enriches the literature by highlighting the mediating role of self-efficacy in the impacts of digital adoption, social persuasion, and passion for work on EBS. Overall, these findings validate the relevance of Social Cognitive Theory in elucidating how individual cognitive (self-efficacy), behavioral (passion for work), and environmental (social persuasion) factors contribute to positive entrepreneurial success.

This study carries valuable implications for policymakers, governmental bodies, non-government organizations, SME agencies, and academicians to exert their concerted efforts towards implementing multiple intervention programs. Training programs, for instance, can help entrepreneurs build their knowledge and skills, and thus enhance their business success. In particular, training surrounding motivation, entrepreneurship, digitalization, and other topics can elevate entrepreneurs' expertise, which will enhance their confidence and self-efficacy. In turn, this will reinforce their resilience, competitiveness, and ultimate business success.

However, access to training remains a challenge, particularly for those from low-income backgrounds. Hence, it is a societal duty for all parties to provide sufficient training and ensure equitable access to training opportunities for entrepreneurs to manage their businesses effectively. Indeed, despite its higher costs, training does not only benefit the entrepreneurs but also the entire nation in the long run.

For entrepreneurs, the findings of this study underscore the importance of acknowledging their self-potential and self-efficacy, which is the utmost critical factor for superior business success. Confidence in one's ability, i.e., self-efficacy, boosts entrepreneurs' self-esteem and propels them to strive for their desired success. The research results further provide insights to entrepreneurs to leverage digitalization in every sphere of their business, as it can accelerate business efficiency, marketability, and success. Conversely, those who remain in the traditional setting and refuse to change will be shunned from the system.

Moreover, the discoveries of this study inform entrepreneurs that they should embrace their passion for entrepreneurial activities to pursue high business success. Passionate entrepreneurs will put substantial effort, energy, and resources to attain excellence and success. They will commit themselves without feeling exhausted, burdened, and stressed. Apart from passion, this study highlights that entrepreneurs need the support of family and friends to motivate and push them towards greater heights in business. This support can be in the form of capital resources or psychological resources like emotion and morale.

Despite its contributions, this study's limitation is that it did not explore why and how entrepreneurs can achieve higher business success. Future research is suggested to adopt the qualitative approach to holistically analyze and understand EBS in depth. Another limitation is that the study employed a cross-sectional approach and collected data during the COVID-19 pandemic. Future researchers should conduct longitudinal research by collecting data over an extended period. They should also compare pre- and post-pandemic differences in EBS to reveal the severity of the pandemic's impact on entrepreneurs.

Furthermore, beyond personal, social, and contextual aspects, the literature suggests that factors such as innovation and financial literacy play significant roles in influencing business success. On the one hand, continuous innovation in products and strategies is essential for entrepreneurs to maintain competitiveness. On the other hand, entrepreneurs who possess financial literacy skills are adept at maximizing revenue, diversifying risks, and minimizing costs, contributing to overall business success. Given the importance of these factors, the researchers advocate for future studies to investigate them.

Finally, the current study was conducted in West Java, Indonesia, and the findings may not necessarily apply to other cultures and locales. To enhance the validity and generalizability of the results, it is recommended that future research undertake cross-cultural investigations. Exploring differences and similarities across various cultural contexts can enrich the understanding of the dynamics of EBS in specific cultural contexts.

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