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ENTREPRENEURIAL SELF-EFFICACY AND ENTREPRENEURIAL MOTIVATIONAL AND ITS EFFECT ON BUSINESS SUCCESS FOR SMALL MICRO ENTERPRISES (MSEs) IN MADIUN OF EAST JAVA IN INDONESIA

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Abstract

The potential and role of micro and small entrepreneurs can increase economic dynamism and create jobs so that small micro-enterprises (MSEs) are the object of research that continues to be in demand. This research aims to analyze the internal factors of entrepreneurship that influence the success of food and beverage MSEs in Madiun city, namely entrepreneurial self-efficacy and entrepreneurial motivation. The methodology of this study is a quantitative method with an unknown population. The sample was selected using purposive sampling techniques of 132 respondents. From the analysis with Lisrel version 8.70 and IBM SPSS Statistics 22, the following results were obtained: 1) entrepreneurial self-efficacy and entrepreneurial motivation partially and simultaneously influenced positively and significantly on business success; 2) Entrepreneurial motivation does not mediate the effect of entrepreneurial self-efficacy on business success. Further research can explore other factors that influence business success, such as self-personality, self-confidence, social environment, environmental uncertainty, technology, and the nation's culture.

Keywords: entrepreneurial self-efficacy, entrepreneurial motivation.

1. Introduction

Entrepreneurial empowerment is closely related to improving life and welfare for regional development by exploring entrepreneurs' strategic potentials. The result of entrepreneurship in various countries has made much progress, especially in Indonesia (Oetomo & Utami, 2019). Various previous studies have noted that Small and Medium Enterprises (SMEs) play an essential role in a country's economy so that the performance of the SME sector is closely related to the performance of the nation (Chittithaworn et al., 2010); in addition, the potential and role of entrepreneurship has proven to be resistant to various crises. Economy. Micro, Small, and Medium Enterprises (MSMEs) in Indonesia play a role in creating job opportunities for 96.87% of the workforce in Indonesia and have an important position in the sustainability of the Indonesian economy (www.Warta Ekonomi.co.id/,2019). The realization of the contribution of MSMEs to the national Gross Domestic Product (GDP) in 2018 reached around 60.34 % (Syarizka, 2019). Likewise, micro and small group entrepreneurs in the food and beverage sector in Madiun City were chosen as a study because this business field continues to increase in number, and many of these business actors continue to operate during the Covid-19 pandemic with the MSME movement going online as an opportunity for business actors to improve their business. The. The development of the entrepreneurial community in Madiun City is relatively rapid. This is indicated by the number of MSMEs in Madiun City. There were 22,790 units in 2011 and increased to 23,093 units in 2016 (https://jatim.antaranews.com, 28 November 2016), engaged in various fields such as convection, services. food, beverages, crafts, trade, and others. The government has established a culinary center to showcase the superior products of the city of Madiun.

Entrepreneurs create jobs and contribute to productivity and growth (Van Praag & Versloot, 2008; McLarty et al., 2012; Simpson et al., 2012; Garaika & Margahana, 2019). The success of a business is

undoubtedly influenced by many factors, both internal and external factors. Examples of external factors are stable economic growth and good social conditions. In contrast, internal factors are the influence of parents, one's ability to manage a business unit (self-efficacy), personality, courage to take risks, and motivation to achieve goals (Santoso & Oetomo, 2018). Shakeel et al. (2020) show that entrepreneurs' characteristics, external business environments, and supportive factors are positively related to the performance of women-owned businesses. This is supported by Caliendo et al. (2020), which states that the determinants of entrepreneurial persistence are the individual characteristics of entrepreneurs in the form of human capital, personality traits, and business characteristics. These individual characteristics strengthen the findings of Chen et al. (1998). They state that business founders (entrepreneurs) have higher self-efficacy (SE) in innovation and risk-taking entrepreneurial roles and tasks, such as marketing, innovation, management, risk-taking, and financial control, than non-business founders.

Sweden & Reichard (2013) define SE as a personal estimate of an individual's cognitive and physical ability to exercise control over situational demands. In general, entrepreneurial self-efficacy (ESE) is defined as the strength of an individual's belief that they can successfully perform various entrepreneurial roles and tasks (Chen et al., 1998). Garaika & Margahana (2019) shows that internal factors such as self-efficacy, self-personality, and self-confidence and external factors such as education and role models affect entrepreneurial intention for young entrepreneurs. Wardana et al. (2020) that entrepreneurship education has influenced entrepreneurial efficacy, entrepreneurial attitude, and mindset. SE has a significant positive impact on entrepreneurial behavior (Shahee & AL-Haddad, 2018); increasing business success by encouraging one's performance in various fields, including the business sector (Budiman & Pangestu, 2018; Ngek, 2019; Oyeku et al., 2020) including the business performance of women entrepreneurs (Yusuff et al., 2019); influences entrepreneurial motivation (Santoso & Oetomo, 2018; Nuryanto et al., 2019) and mediates the effect of self-efficacy on entrepreneurial intention (Kristiadi et al., 2016). From these various empirical studies, it can be concluded that self-efficacy is very important for business actors to have in running a business so that they are sure that the company they are undertaking can achieve success.

Another factor that influences entrepreneurial success is entrepreneurship motivation (EM). EM can influence entrepreneurial intentions and decisions to start a business (Kristiadi *et al.*, 2016; Santoso & Oetomo, 2018; Sánchez & Sahuquillo, 2012); and affect the innovation process and business performance and success (Machmud, 2017; Budiman & Pangestu, 2018). Hartmann & Herb (2015) mention that motivation and success are considered essential components of entrepreneurship. Motivation is a stimulus that encourages individuals to act to achieve specific goals. Self-motivation that leads to entrepreneurial activity is defined as a stimulus that can enable individuals to do business and be carried out with enthusiasm, creativity, innovation, and the courage to take risks to get profits, either in the form of money or other benefits (Santoso & Oetomo, 2018). Kisker (2016) proves that four motivational factors (independence, need for achievement, social recognition, and financial rewards) positively and significantly affect survival success.

Based on the previous description, the research aims to analyze entrepreneurial self-efficacy's direct and indirect effects on entrepreneurial motivation by examining research on food and beverage MSEs in Madiun, East Java, Indonesia.

2. Theoretical Review

2.1. Business Success (BS)

The main goal of entrepreneurs running a business is a business success so that all activities in it are shown to achieve success. In business studies, the concept of success is often used to refer to a firm's financial performance (Chittithaworn et al., 2010). However, there is no generally accepted definition of success, and business success has been interpreted in many ways (Foley & Green, 1989). Business success can be interpreted as a state of increasing progress of a business, seen from business capacity, net assets, and net income. Oyeku et al. (2020) show that an increase in entrepreneurial orientation, entrepreneurial self-efficacy, and environmental uncertainty causes entrepreneurial success seen from financial and non-financial aspects, which include: profitability, market share, net asset growth, sales growth, and government

policies. Nuses et al. (2012) in an empirical study on SME performance indicators covering aspects: financial, market and customers, processes, human resources, and other factors such as supplier services, legal environment, and social programs. Chittithaworn et al. (2010) show that the characteristics of SMEs, customers, and markets, ways of doing business, resources, and finances, and the external environment significantly influence business success.

A growing business is the hope of everyone who starts a business, but it does not happen instantly (Adolfina et al., 2018). From various empirical studies of external factors that influence the success of a company, including the family environment, task environment, aspects of government policy in the MSME sector, elements of roles related to institutions, social aspects, cultural aspects, and economic aspects (Rachmania et al., 2012), however, which is no less important to note is the factor of internal resources or known as the Resource-Based View (RBV) which is divided into three types, namely 1) physical resources which include factories, equipment, location, technology, raw materials, machines; 2) human resources including employees, training, experience, intelligence, knowledge, expertise, competence; 3) organizational resources include organizational structures, planning processes, information systems, patents, trademarks, copyrights, data centers, and so on (David & David, 2017).

2.2. Entrepreneurial Self-Efficacy (ESE)

According to Bandura (1977), self-efficacy (SE) shows a person's ability or competence in performing tasks, achieving goals, and conquering obstacles. Generally, the concept of self-efficacy comes from the psychological construct of Social Cognitive Theory (SCT), which explains people's beliefs in their ability to influence their actions and produce the desired results. SE relates to a person's ability to perform a task. According to Word and Bandura (1989), SE is related to individual perceptions of the skills possessed in completing tasks. According to Prodan & Drnovsek (2010) is the most influential factor in explaining entrepreneurial interest that will encourage action. The concept of *self-efficacy* includes three dimensions: magnitude, strength, and generality (Ivancevich et al., 2005). The magnitude dimension measures the difficulty of the task that is believed to be completed; the strength dimension identifies whether seriousness is high and can produce persistence in the face of adversity; and the dimension of generality as a person's wisdom to use in different situations.

Luthans (2011) explains that SE is an **individual's belief** in their ability to mobilize the motivation, **cognitive resources**, and **actions** needed to perform specific tasks. When SE is associated with business people, it will lead to confidence in completing business goals related to uncertainty in the future. Uncertainty about the results obtained requires confidence and specific competencies related to improving business performance. Learning makes a person able to develop knowledge, skills, and positive behavior. Learning outcomes can generate creative power by creating new processes in business (Gibson et al., 2012) so that effectiveness and efficiency can be achieved and improve business performance and independence. Ngek (2019); Budiman & Pangestu (2018) prove entrepreneurial self-efficacy's positive and significant influence on business success. Entrepreneurial self-efficacy significantly affects entrepreneurial intention (Martyajuarlinda & Kusummajanto, 2018; Lamanepa & Sidharta, 2019; Garaika & Margahana, 2019); entrepreneurial decisions (Sitinjak, 2019), while Adolfina et al. (2018) prove that motivation to start a business and self-efficacy has a significant effect on developing a business. Zaini et al. (2016) showed that self-efficacy and family factors positively influence women's entrepreneurial intention.

Meanwhile, entrepreneurial self-efficacy research is based on social cognitive theory and planned behavior theory (Ajzen, 1991), which explains the emergence of entrepreneurial intentions and entrepreneurial actions such as business creation and growth. Based on the *idea of planned Behavior*, ESE indicates the extent to which an individual's perceived behavioral control is the primary determinant of an individual's intention to engage in a particular behavior (Krueger et al., 2000). ESE is the self-confidence individuals have to succeed in carrying out specific task roles in entrepreneurship.

H1: Entrepreneurial self-efficacy (ESE) has a significant positive effect on business success.

2.3. Entrepreneurial Motivational (EM)

"Motivation" comes from the Latin "move," which means to move. Motivation for business actors is an internal factor contained in entrepreneurship. Internal factors are the most dominant factors affecting

the business performance of SMEs, such as the availability of resources, personal skills, entrepreneurial abilities, and the ability to use internal resources effectively. According to Huarng et al. (2012), EM is a strong urge from within a person to actualize one's potential through creative and innovative thinking in creating new products and having added value for many parties. Empirical studies Gemina et al. (2016) showed that business motivation, directly and indirectly, affects business success with business ability as a mediation, while Ardiyanti & Mora (2019) found that business interest and business motivation simultaneously significantly influence the business success of young entrepreneurs. Eijdenderg et al. (2015) prove that strong predictors of small business growth are: 1) motivation related to family background, opportunities, and needs; 2) motivation related to opportunities.

Kisker (2016) examines the impact of motivational factors consisting of independence, need for achievement, social recognition, and financial rewards and has been shown to have a positive and significant effect on the survival success of a business, while Muthalib & Yulianti (2015); Macmud (2017); Budiman & Pangestu (2018) show that EM has a significant effect on both the innovation process and business performance. These motivational factors are the cause of one's satisfaction. This satisfaction will increase the enthusiasm to carry out business activities so that it affects the success of the business undertaken. This means that self-motivation for entrepreneurship can affect business success; with solid motivation, business actors have a high self-motivation to be persistent and have a factual determination to run a business to achieve success. In another study (Santoso & Oetomo, 2018; Nuryanto *et al.*, 2019) found a significant effect of self-efficacy on entrepreneurial motivation, in another study, reason acts as a mediating influence of self-efficacy on entrepreneurial intention (Kristiadi et al., 2016); and entrepreneurial achievements (Eliyana et al., 2020) and entrepreneurial intention are strong predictors of one's actions to start a new business (Bernardus et al., 2020). Lampdarios (2017) identified that entrepreneurial orientation is an antecedent of business growth, has a significant favorable influence on business performance, and becomes a competitive advantage for SMEs.

H2: Entrepreneurial motivation (EM) has a significant positive effect on business success.

H3: Entrepreneurial motivational (EM) mediator influences entrepreneurial self-efficacy (ESE) on business success.

3. Materials and methods

3.1. Research Design

The research was conducted in Madiun City, with a population of food and beverage UMK owners spread over three sub-districts (Kartoharjo, Manguharjo, and Taman). The research method uses descriptive statistical analysis statistical testing, processed with the Lisrel program version 8.70 and IBM SPSS Statistic 22. Because the population is unknown with certainty, the sample was taken using the purposive sampling technique, determining the model based on specific considerations (Sugiyono, 2010). 2014), namely: the minimum length of time the business has been running and using information technology applications and internet networks to access sites (computers, laptops, smartphones). Data collection is done by distributing questionnaires. The distributed questionnaires have been tested for validity and reliability levels and distributed online with the Google Form application through social media and offline, namely visiting directly at the business location.

3.2. Measurement

Entrepreneurial self-efficacy (ESE) is defined as the self-confidence individuals have to perform specific task roles in entrepreneurship. ESE measurement refers to the opinion of Bandura (1977); Luthans (2011), which consists of dimensions: individual beliefs, action, cognitive resources.

Entrepreneurial Motivational (ME) is operationally defined as a condition from within the individual (internal) that encourages individuals to consciously carry out activities to achieve the desired goal in business. EM measurement refers to Kisker (2016) and Macmud (2017), which includes aspects: financial motivation, social motivation, service motivation, self-fulfillment, or achievement motivation.

Business Success (BS) is operationally defined as an individual's perceived success in achieving business goals that are owned or run. BS measurement indicators refer to Nuses et al. (2012) and Oyeku et

al. (2020), which include aspects: sales volume, production result, operating profit, business growth, and business development.

3.3. The theoretical framework

Based on empirical studies, the business success of an entrepreneur is influenced by various factors, including entrepreneurial self-efficacy (ESE) and entrepreneurial motivational (EM) elements. It is also found that there is a mediating role of EM in the influence of ESE on business success (BS). This is illustrated in the following research model (Figure 1).

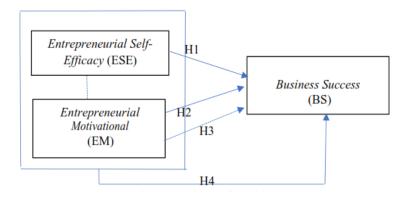


Figure 1. Research Model

4. Results and discussion

4.1. Descriptive of variables

Based on the data collection results, 132 food and beverage MSE actors were willing to respond to questionnaires distributed through social media and offline. Table 1 presents the characteristics of UMK owners who become respondents based on: gender, age, and length of business.

Table 1. Characteristics of Respondents

Gender	Amount	Percentage
Man	46	53.49%
Woman	86	65.15%
Total	132	100%
Age	Amount	Percentage
17-26 Years	36	27.27%
27-36 Years	28	21.21%
37-46 Years	32	24.24%
47-56 Years	24	18.18%
>56 Years	12	9.10%
Total	132	100%
Business Length	Amount	Percentage
1-10 Years	101	76.51%
11-20 Years	18	13.64%
21-30 Years	8	6.06%
31-40 Years	1	0.76%
41-50 Years	4	3.03%
Total	132	100%

Source: primary data processed by the author (2020)

Table 1 shows that 65.15% of respondents are female and 53.49% are male; 27.27% aged 17-26 years, 24.24% aged 37-46%, 21.21% aged 27-36 years, 18.18% aged 47-56 years and 9.10% aged >56% years. When viewed from the length of business, the maximum (76.51%) is 1-10 years. In table 2 below, the average value of respondents' responses to the indicators of the variables studied.

Table 2. Description of Research Variables

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Variable	Average	Information	
1 . Entrepreneurial Self-Efficacy	4.173	High	
Individual beliefs	4.293	Very high	
Action	4.025	High	
Cognitive resources	4.200	High	
2 . Entrepreneurial	4.125	High	
motivational			
Financial Reasons	4.210	Very high	
Social Reasons (Social	4.010	High	
recognition)			
Service Reasons	4.130	High	
Self-fulfillment Reasons	4.150	High	
(Achievement motivation)			
3. Business Success	4.074	High	
Sales Number	4.145	High	
Production results	4,100	High	
Operating profit	4.160	High	
Business growth	4.077	High	
Business development	3.890	High	

Source: Lisrel Output (2020)

In table 2, it is shown that the entrepreneurial self-efficacy indicator that stands out for food and beverage MSEs in Madiun who are respondents lies in the aspect of the individual belief (4,293), namely the element of self-confidence that entrepreneurs can overcome problems in the business they run, can develop their business. , believe in profit and able to compete. For entrepreneurial motivation, the most prominent (4,210) is the financial aspect. Entrepreneurship wants to increase income every month, improve the family economy, and develop a business. Most prominently, the respondents' business success is the aspect of operating profit (4,160), namely an increase in operating income every year and an increase in using income during certain events. In contrast, the aspect of business success that is felt the least is business development (3,890). This is possible because if Judging from the length of business, most respondents (76.51%) have a size of trade between 1-10 years, and to be able to develop a company is determined by many factors, such as capital, markets, and customers and others that cannot be achieved by an instant way but requires a process. A business process requires persistence, motivation, and resources to grow the business in the future.

4.2. Hypotheses testing

The results of hypothesis testing with path analysis using Lisrel 8.70 can be seen in Figure 2 and Table 4. In contrast, the evaluation of the effects of model testing can be seen in Table 3.

Table 3. Evaluation of Goodness of Fit Kriteria Criteria

Criteria	Result	Critical Values*	Model Evaluation
Cmin/DF	2.48	$1 \leq \text{Cmin/DF} \leq 5.00$	Good
Probability	0.25	≥0.05	Good

RMSEA	0.064	≤0.08	Good
GFI	0.89	<u>></u> 0.90	Moderate
CFI	0.96	≥0.94	Good

Source: * Hair (1998)

Table 3 shows the evaluation of model testing results with good results, only one criterion (GFI) with moderate results.

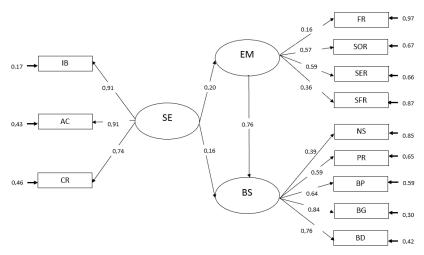


Figure 2. Business Success Model

Table 4. Path Coefficient (Standardized Regression) between Variables

Path	Path	CR	t table	Probability	Information
	Coefficient			(p)	
Entrepreneurial self-	0.16	2,904	1984	0.0025	Significant
efficacy →Business Success					
Entrepreneurial	0.76	5.489	1984	0.0000	Significant
motivational →Business					
Success					
Entrepreneurial self-	0.20	1.325	1984	0.0940	Not
efficacy →entrepreneurial					significant
motivational					

Source: Primary data processed (2020)

Table 4 shows that the effect of entrepreneurial self-efficacy (ESE) on business success (BS) is positive and significant at 16%, so H1 is accepted. Likewise, entrepreneurial motivational (EM) influence on business success is positive and significant at 76% (H2 is received). The moderating role of entrepreneurial motivation on the impact of entrepreneurial self-efficacy on business success is not proven; the insignificant effect of entrepreneurial self-efficacy indicates this on an entrepreneurial basis. This proves that one of the conditions for the mediating variable is that the influence of the independent variable on the mediating variable is significant (Baron and Kenny, 1986), not fulfilled, so H3 is rejected.

Table 5. R Square and F Calculate

Variable	R Square	F Count
Model: BS=0.76*EM+0.16*ESE	0.65	19,519
		p value: 0.000

Source: Primary data processed (2020)

R square of 0.65 or 65% in table 5 shows how much the percentage of entrepreneurial self-efficacy and entrepreneurial motivation affects business success, while other factors outside this study influence the remaining 35%. F calculates the simultaneous effect of 19.519 with a p-value 0.000 <0.050; simultaneously, the two independent variables significantly affect the dependent variable.

5. Discussion

5.1. Effect of entrepreneurial self-efficacy on business success

The test results show that the self-efficacy of food and beverage MSEs in Madiun has a significant positive effect on the success of their business. This means that the higher the entrepreneurial self-efficacy, the higher the business's success is being carried out. When viewed from the age of the respondents, most of them are between 17-26 years old (Table 1), the age range is still young and is a generation Y and millennial generation who are given many conveniences because of digital technology, making it easy to get information quickly, and the mindset and character of the students. This young entrepreneur is full of ideas and innovation, and confidence in running the business he started, so the opportunity to achieve business success is enormous. This supports Gibson et al. (2012), which states that learning makes a person develop knowledge, skills, and positive behavior and generate creative power by creating new processes in business. The findings in the field show that the most prominent aspect of the respondents' self-efficacy is individual beliefs, followed by cognitive resources and action (Table 2). Zaini et al. (2016) mentioned that one could increase entrepreneurial intentions through unique mental and emotional processes. This becomes a strong predictor of one's actions to start a new business (Bernardus et al., 2020) which ultimately affects the growth and performance of SMEs (Lampadarios, 2017; Macmud, 2017), because a person's selfefficacy affects the course of action to be chosen, such as trying to be persistent and tenacious, so that the business is carried out is successful.

This finding supports the Theory of Planned Behavior (TPB) that control belief is an individual's belief that it will be easy or difficult to perform certain behaviors associated with self-efficacy. High self-efficacy can increase self-confidence that the individual is capable of certain behaviors, including task roles in entrepreneurship. This means that the higher the self-efficacy of business actors, the higher the business success that can be achieved. The results of this study are in line with Adolfina et al. (2018); Budiman & Pangestu (2018); Ngek (2019); Yusuf et al. (2019); Oyeku et al. (2020), which shows that self-efficacy positively and significantly affect business success, because according to Chen et al. (1998) that entrepreneurs who have high self-efficacy will do a lot of innovation and dare to take risks and entrepreneurial tasks.

5.2. The influence of entrepreneurial motivation on business success

The study results prove that entrepreneurial motivation has a positive and significant impact on food and beverage MSEs in the city of Madiun (table 4). This means that the higher the entrepreneurial reason, the higher the business success that can be realized. The aspect of business success that is felt to be the most prominent is the acquisition of operating profit, while the element of business development needs to be improved (table 3). Entrepreneurial motivation in this empirical study is seen from financial, social, service, and self-fulfillment motives, and the dominant basis compared to others is the financial aspect and self-fulfillment aspect (Table 2); this supports Chittithaworn et al. (2010); Machmud (2017). Motivation moves entrepreneurs to display behavior towards the achievement of specific goals, such as business growth. According to Sirec & Mocnik (2010); Neneh & Vanzyl (2014), measuring MSMEs' growth can be seen from employee growth, sales growth, and asset growth. Neneh & Vanzyl (2014) use the term growth intention. Because the concept of entrepreneurship does not stop when a business is created but also includes the intention to develop the industry, this is following the Theory of Planned Behavior (TPB), that motivation is associated with subjective norms, namely the individual's view of things that can affect individual interest in taking action.

In contrast, motivation is the impetus to take action. This means that entrepreneurial motivation positively affects individual intentions to take action so that their business develops and succeeds. High motivation in entrepreneurship affects a person's success in doing business.

The results indicate that entrepreneurship motivates a person to succeed in business profits, independence, and opportunities to develop businesses and create jobs and community recognition. An entrepreneur needs this motivation to grow the intention to work hard and achieve business success. Someone with a solid entrepreneurial basis will use and mobilize all his potential to succeed in entrepreneurship (Nuryanto et al., 2019). The results of the study are in line with Muthalib & Yulianti (2015); Gemima *et al.* (2016); Kisser (2016); Macmud (2017); Budiman & Pangestu (2018), which proves that motivation affects business performance and business success. Business success is seen from production results, business profits, business growth, and business development. A growing business can be measured quantitatively, such as increased sales, profits, asset value, and volume of work.

5.3. Indirect effect of ESE on BS with EM as a mediator

The indirect effect of entrepreneurial self-efficacy (ESE) on business success (BS) through entrepreneurial motivation (EM) is not proven. The results do not support the research of Kristiadi et al. (2016); who found that reason acted as a mediating influence of self-efficacy on entrepreneurial intentions; and Eliyana et al. (2020), which shows that motivation acts as a complete mediation of the effect of self-efficacy on entrepreneurial achievements. In the study of Pihie & Bagheri (2013), the direct impact of self-efficacy on entrepreneurial intention and the indirect effect of self-efficacy on the entrepreneurial intention with self-regulation as partial mediation shows, while the results of this study indicate that the influence of entrepreneurial self-efficacy on entrepreneurs has a direct impact. To the business success that has been achieved so far. Another study (Chavez & Guevara, 2020) shows a significant complementary mediating effect of entrepreneurial passion on the relationship between entrepreneurial self-efficacy and innovative behavior.

6. Conclusion

Entrepreneurial self-efficacy and entrepreneurial motivation have an essential role in increasing the success of entrepreneurs' businesses, because based on the results of testing on food and beverage MSEs in the city of Madiun, it was found that there was a positive and significant effect on business success, either partially or simultaneously. The indirect impact of entrepreneurial self-efficacy on business success through entrepreneurial motivation is not supported. The main contribution to this research is to increase understanding for academics on how to understand the impact of the two internal entrepreneurial factors such as self-efficacy, self-personality, self-confidence, and motivation on contributing to the success of business actors.

The determinants of business success studied are two internal factors. Further research can explore other internal factors that influence business success: self-personality and self-confidence (Garaika & Margahana, 2019). External factors such as the external environment (Chittithaworn) can also be added. et al., 2010; Nuryanto et al., 2019; Shakeel et al., 2020); environmental uncertainty (Oyeku *et al.*, 2020); and for measuring business success indicators, it is also necessary to consider non-financial aspects such as national culture (Shakeel et al., 2020). The entrepreneurial motivation mediation test results on the relationship between entrepreneurial self-efficacy and business success need to be reviewed because various empirical studies have shown inconsistent results.

Acknowledgment

We want to thank the owners of the food and beverage MSEs and the managers of MD *Online Market* Madiun, who helped non-financially in this research.

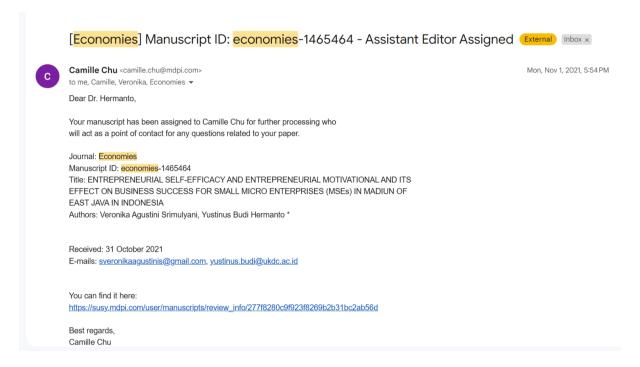
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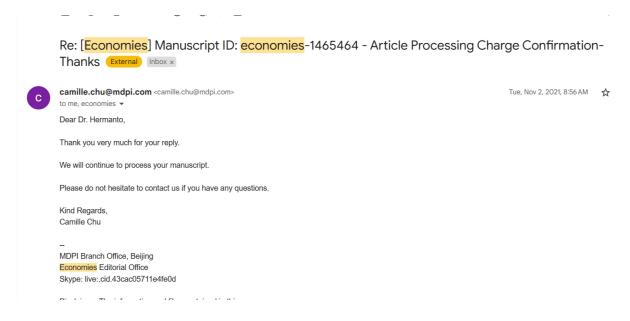
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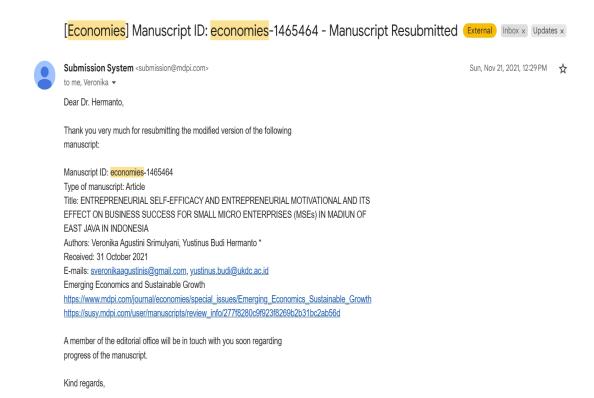
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If one of the referees has suggested that your manuscript should undergo extensive English revisions, please address this issue during revision. We propose that you use one of the editing services listed at https://www.mdpi.com/authors/english or have your manuscript checked by a native English-speaking colleague.

Please do not hesitate to contact us if you have any questions regarding the revision of your manuscript or if you need more time. We look forward to hearing from you soon.

Kind regards, Jessie Zang

10. Email dari Editor tentang "Revision Reminder" (14 Desember 2021, 12: 52 PM)

[Economies] Manuscript ID: economies-1465464 - Revision Reminder (Deadline: 14 December 2021)

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Economies Editorial Office <economies@mdpi.com>

Mon, Dec 13, 2021, 12:52 PM

to me, Veronika, Economies

Dear Dr. Hermanto,

We sent a revision request for the following manuscript on 9 December 2021.

Manuscript ID: economies-1465464

Type of manuscript: Article

Title: ENTREPRENEURIAL SELF-EFFICACY AND ENTREPRENEURIAL MOTIVATIONAL AND ITS EFFECT ON BUSINESS SUCCESS FOR SMALL MICRO ENTERPRISES (MSEs) IN MADIUN OF EAST JAVA IN INDONESIA

Authors: Veronika Agustini Srimulyani, Yustinus Budi Hermanto *

Received: 31 October 2021

E-mails: sveronikaagustinis@gmail.com, yustinus.budi@ukdc.ac.id

Emerging Economics and Sustainable Growth

https://www.mdpi.com/journal/economies/special issues/Emerging Economics Sustainable Growth

May we kindly ask you to update us on the progress of your revisions? If you have finished your revisions, please upload the revised version together with your responses to the reviewers as soon as possible.

You can find your manuscript and review reports at this link: https://susy.mdpi.com/user/manuscripts/resubmit/277f8280c9f923f8269b2b31bc2ab56d

Thank you in advance for your kind cooperation and we look forward to hearing from you soon.

Kind regards, Jessie Zang Assistant Editor

Email: jessie.zang@mdpi.com

Economies (http://www.mdpi.com/journal/economies/)

11. Email dari editor tentang "Manuscript Resubmitted" (13 Desember 2021, 1:46 PM)

[Economies] Manuscript ID: economies-1465464 - Manuscript Resubmitted

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Submission System <submission@mdpi.com>

Mon, Dec 13, 2021, 1:46 PM

to me, Veronika

Dear Dr. Hermanto,

Thank you very much for resubmitting the modified version of the following manuscript:

Manuscript ID: economies-1465464

Type of manuscript: Article

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A member of the editorial office will be in touch with you soon regarding progress of the manuscript.

Kind regards,

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12. Email dari editor tentang hasil review "Minor Revisions" (15 Desember 2021, 4:01 PM)

[Economies] Manuscript ID: economies-1465464 - Minor Revisions (Within 5 days)

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Economies Editorial Office <economies@mdpi.com>

Wed, Dec 15, 2021, 4:01 PM

to me, Veronika, Economies

Dear Dr. Hermanto,

Thank you again for your manuscript submission:

Manuscript ID: economies-1465464

Type of manuscript: Article

Title: ENTREPRENEURIAL SELF-EFFICACY AND ENTREPRENEURIAL MOTIVATIONAL AND ITS EFFECT ON BUSINESS SUCCESS FOR SMALL MICRO ENTERPRISES (MSEs) IN MADIUN OF

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Authors: Veronika Agustini Srimulyani, Yustinus Budi Hermanto *

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Emerging Economics and Sustainable Growth

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Your manuscript has been reviewed by experts in the field. Please find your manuscript with the referee reports at this link: https://susy.mdpi.com/user/manuscripts/resubmit/277f8280c9f923f8269b2b31bc2ab56d

- (I) Please revise your manuscript according to the referees' comments and upload the revised file within 5 days.
- (II) Please use the version of your manuscript found at the above link for your revisions.
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- (IV) Please provide a short cover letter detailing your changes for the editors' and referees' approval.

If one of the referees has suggested that your manuscript should undergo extensive English revisions, please address this issue during revision. We propose that you use one of the editing services listed at

https://www.mdpi.com/authors/english or have your manuscript checked by a native English-speaking colleague.

Please do not hesitate to contact us if you have any questions regarding the revision of your manuscript or if you need more time. We look forward to hearing from you soon.

Kind regards, Jessie Zang Assistant Editor

Email: jessie.zang@mdpi.com

Economies (http://www.mdpi.com/journal/economies/)

Response to Reviewer Comments:

Reviewer 1

Comment

(1) In the introduction, please clearly state the difference between this study and previous studies. In addition, describe in detail the knowledge gap in the literature that this study seeks to fill.

Response

differences between this study and previous studies have been added to our revised manuscript. Please refer to the introduction section. Details of knowledge gaps in the literature that this study has also added. The revisions we have made are as follows:

The difference between this study and previous studies (Shakeel et al. 2020; Caliendo et al. 2020; Oyeku et al., 2020; and Santoso & Oetomo, 2018) lies in the focus of research studies on two entrepreneurial characteristics factors in achieving success in the food and beverage business. In Madiun city and Madiun district, East Java, namely entrepreneurial self-efficacy (ESE) and entrepreneurship motivation (EM). These two factors were reviewed because, in several previous studies, their influence on entrepreneurial intentions and business performance was studied separately. The research questions were developed as follows: 1) does ESE have a significant positive influence on business success? 2) whether EM has a significant positive effect on business success; 3) does ESE indirectly influence business success through EM as a mediator? 4) do ESE and EM simultaneously significantly influence business success?

Comment

(2) State clearly the research questions of this study. Also, please explain the novelty of this research and the reasons why it should be published in Economics.

Response

The novelty of this research has been added, and the justification for why it should be published in Economics has been provided in our revised manuscript; please refer to the introduction section.

The research questions were developed as follows: 1) does ESE have a significant positive influence on business success? 2) whether EM has a significant positive effect on business success; 3) does ESE indirectly influence business success through EM as a mediator? 4) do ESE and EM simultaneously significantly influence business success?

The novelty of this research is that MSME owners who are also leaders have an important contribution and role to the progress of MSMEs.

Comment

(3) Operational definitions of key concepts and research variables are omitted. Please provide operational definitions and clarify their relevance to previous research. Also, please add a questionnaire in the attachment.

Response

operational definitions have been added to the revised manuscript. Clarification of relevance to previous research has been provided, and the questionnaire has been added in the appendix

The difference between this study and previous studies (Shakeel et al. 2020; Caliendo et al. 2020; Oyeku et al., 2020; and Santoso & Oetomo, 2018) lies in the focus of research studies on two factors of entrepreneurial characteristics in achieving success in the food and beverage business. In Madiun city and Madiun district, East Java, namely entrepreneurial self-efficacy (ESE) and entrepreneurship motivation (EM). These two factors were reviewed because, in several previous studies, their influence on entrepreneurial intentions and business performance was studied separately.

Appendix: Research Questionnaire

A. BUSINESS SUCCESS

No	Statement
	Sales Volume
1	The number of sales of my business (in the last three years) is increasing
	every year.
2	My business sales increase during certain events (exhibitions/festivals).
	Production results
3	The number of my business production continues to increase (in the last three
	years)

4	The number of products my business can meet market demand.	
	Operating profit	
5	My business income increases every certain event (exhibition/festival).	
6	In general, my operating income (in the last three years) is increasing every	
	year.	
	Business growth	
7	The number of my customers continues to increase every year (in the last	
	three years).	
8	My customers are from various regions outside my current business area.	
9	Marketing my business products is not only in the area where I currently live.	
	Business development	
10	I have more than one place of business.	
11	I have opened a business branch outside my current place of business.	
12	I have additional facilities (e.g., production process support	
	machine/computer/laptop/notebook/smartphone, etc.) which are used to	
	support the increase in my business production.	
13	I added the type of business to support the operationalization of existing	
	businesses in order to survive and or maintain the business during the Covid	
	19 pandemic.	

B. SELF-EFFICACY ENTREPRENEURIAL

No	Statement
	Individual Beliefs
1	I believe I can solve problems in business
2	I'm sure I can expand my current business
3	I'm sure I'll get adequate profit
	Action
4	I am able to compete with similar entrepreneurs
5	I am able to manage my resources well
6	I can work well
7	I am tireless in facing challenges
8	I can motivate employees to keep working hard
	C cognitive resources
9	I can accept the consequences of doing business
10	I can accept income uncertainty

C. ENTREPRENEURIAL MOTIVATION

No	Statement
	Financial reasons
1	I can earn every month
2	I can improve the family's economy
3	I can use the capital I have to develop a business
	Social reason
4	I am more appreciated in social circles
5	This effort makes me want to be known by other people
6	I can be a role model for others
7	I feel more honored than working with other people
	Service reason
8	I can open a new job
9	I can meet market demand
	Self-fulfillment reason
10	I can have my own business
11	I can still divide my time between business and family instead of working
	with other people
12	I can start my own business
13	I am not dependent on a family/parent-owned business

Comment

(4) In the research methodology, please explain in detail the actual research method in accordance with the 5W1H principle.

Response

The actual research method in detail according to the 5W1H principle has been provided in the research methodology.

The study was conducted in Madiun City, and Madiun Regency with a population of food and beverage UMK owners spread across three sub-districts located in the Madiun city area (Kartoharjo, Manguharjo, and Taman) and two sub-districts located in the Madiun Regency area (Wungu and Kare). The sampling technique used in this research is non - probability sampling with the purposive sampling method. Purposive sampling is a sampling technique based on certain considerations. Because the population

is unknown with certainty, the sample was taken using the purposive sampling technique, determining the model based on specific considerations (Sugiyono, 2010). 2014), namely: the minimum length of time the business has been running and using information technology applications and internet networks to access sites (computers, laptops, smartphones). Requirements regarding the ability to use IT applications that are connected to the internet network to facilitate online data collection. Data collection is done by distributing questionnaires. The distributed questionnaires have been tested for validity and reliability levels and distributed online with the Google Form application through social media and offline, namely visiting directly at the business location for those who are willing to visit. The validity test uses the criteria if the calculated r-value > r table and is positive, then the measurement item is declared valid, while the reliability test is seen from the Cronbach alpha value. The research method uses descriptive statistical analysis statistical testing, processed with the Lisrel program version 8.70 and IBM SPSS Statistics 22.

Comment

(5) In addition to explaining the research results in the Discussion, please strengthen the theoretical and practical contributions and implications of this research. Also, please explain the implications, insights, and extent of the results of this study. Next, describe the limitations of this study and directions for future research.

Response

The theoretical and practical contributions and implications of this study have been added to the revision of our manuscript. Implications, insights, and extensions of the results of this study have also been added to the manuscript. The limitations of this study and future research directions have been described in our manuscript.

6.1. Theoretical Contribution

The main contribution to this research is to increase understanding for academics on how to understand the impact of the two internal entrepreneurial factors of self-efficacy and motivation contributed to the success of business actors.

6.2. Implications for Practice

Based on the results of testing and identification of respondent profiles, the majority of MSEs are owned by young people with a business duration of fewer than ten years, so to improve the performance of MSEs in Indonesia, especially in East Java. Therefore, in addition to providing marketing facilitation, it is also necessary to pay attention and involve the government in providing various business reinforcements as well as fostering entrepreneurial mentality and organizational leadership to young entrepreneurs to be more creative and innovative in running a business and developing a business, so that the business they run can be long-lived and competitive in the global market.

6.3. Limitations and Future Research

Determining the success of the business studied in this study are two internal factors of self-efficacy and entrepreneurial motivation so that further research can explore other influence internal factors that business success: self-personality and selfconfidence (Garaika & Margahana, 2019). External factors such as the external environment (Chittithaworn) can also be added. et al., 2010; Nurvanto et al., 2019; Shakeel et al., 2020); environmental uncertainty (Oyeku et al., 2020); and for measuring business success indicators, it is also necessary to consider non-financial aspects such as national culture (Shakeel et al., 2020). The entrepreneurial motivation mediation test results on the relationship between entrepreneurial self-efficacy and business success need to be reviewed because various empirical studies have shown inconsistent results.

Comment

(6) There is an error in the reference numbering—too few keywords. Please edit according to the journal's editorial guidelines, including citations and bibliography.

Response

We have revised the numbering of references, keywords, citations, and bibliography according to the journal's editorial guidelines. Please refer to our revised manuscript.

Keywords: entrepreneurial self-efficacy, entrepreneurial motivation, **Madiun City**, small entrepreneurs, micro-entrepreneurs

Comment

(7) Manuscripts must be corrected by professional correctors and native English speakers.

Response

We have corrected our manuscript using the Grammarly software to minimize grammatical errors

Reviewer 2

Comment

As a reviewer, I decided to reject the article due to the doubts expressed below. Despite this, however, I appreciate the author's contribution to the preparation of the text and conducting the research. If the research process is described in more detail and the theoretical introduction is more structured, the value of the research project undertaken may be appreciated. So I encourage you to try again.

Response

We appreciate reviewers for the correction of our manuscript and also encourage us to revise our manuscript based on comments.

Comment

introduction

The introduction does not explain why the author decided to conduct research in a particular community – Madiun City – is it specific? Why should readers be interested in this population? Can we expect extraordinary results regarding self-efficacy and its impact on entrepreneurial success? Why is the food and beverage sector used? It is unclear, and the data presented in rows 36-39 refer to 2011 and 2016, which makes them very old. The source of this data is not mentioned.

Response

The growth of MSMEs in Madiun City, East Java, has been significant in the past year, with 23,000 MSME players developing micro, small and medium enterprises spread across 27 Klurahan in 23 Sub-districts namely Kartoharjo, Taman, and Manguharjo, which are engaged in various fields such as convection, services, food, beverages. Crafts, trade, and more (Harianto, https://news.detik.com/, 2020). Culinary in Madiun City and Madiun Regency is growing rapidly enough to become superior as culinary tourism, such as pecel rice, jotos rice, lontong tofu telor, corah pentol, cokro bluder, brem, manco cake, madu mongso, and plates. The rapid development of MSMEs in the culinary field is evidenced by the increasing number of business actors who build cafes, coffee shops, and restaurants in the City and Madiun Regency areas. The food and beverage business sector as a tourist destination is the third contributor, with economic growth reaching 7.47 percent in the city of Madiun (Harianto, https://news.detik.com/, 2020). The Madiun City Government has provided adequate marketing places, one of which is the Sunday Market at the Traffic Park Bantaran Kali Madiun since mid-2019, and in 2020, the government began to develop culinary centers and art alleys. This program is devoted to accommodating MSME products in one place that aims to make them easily accessible to the public.

Economic growth is an important part that must be owned by a region, where stable economic growth will lead to prosperity in an area.

Answer 1 to 5

Comment

There is also an unacceptable definition of self-efficacy presented on line 46 – self-efficacy is not "one's ability to manage a business unit" but one's belief in one's own competence (this definition is also included in the text – line 59). There is also some other ambiguity in this section:

Response

The definition of self-efficacy is a person's belief in his own competence. Thanks for the correction. We have also corrected some other ambiguities in this section. Please refer to the introduction section.

According to Bandura (1977), self-efficacy (SE) shows a person's ability or competence in performing tasks, achieving goals, and conquering obstacles, while according to Sweden & Reichard (2013), SE is a personal estimate of cognitive and physical abilities of an individual in exercising control over situational demands.

Comment

- what does the author mean by "personality" (line 61)

Response

Self-confidence is SE related to one's belief in one's ability to perform tasks, achieve goals, and overcome obstacles.

Comment

-how SE can mediate the relationship between SE and motivation (line 70)

Response

Luthans (2011) explains that SE is an **individual's belief** in their ability to mobilize the motivation, **cognitive resources**, and **actions** needed to perform specific tasks. When SE is associated with business people, it will lead to confidence in completing business goals related to uncertainty in the future.

Uncertainty about the results obtained requires confidence and specific competencies related to improving business performance. Learning makes a person able to develop knowledge, skills, and positive behavior. Learning outcomes can generate creative power

by creating new processes in business (Gibson et al., 2012) so that effectiveness and efficiency can be achieved and improve business performance and independence. Ngek (2019);

Comment

-why is the word "Economy" added to line 28 and "The" to line 36?

Response

Thank you for the correction for the spelling error "You have omitted the words economics and the.

Comment

-lines 86-88 show a justified study of the impact of self-efficacy on entrepreneurial motivation - a completely different relationship is shown in summary and the following paragraphs.

Response

Thank you for the correction; we have added several paragraphs to the revised manuscript so that it shows a correlation between paragraphs.

Comment

Theoretical review

There are several explanations of business success, but it is unclear what the final definition and final factors were used in the study.

Response

The final definition and the final factor of the research have been described in our revised paper, which can be seen in the theoretical review.

Comment

Self-efficacy is defined here (119), but the definition and critical factors for SE are different from those presented earlier. Chapter 2.2 did not introduce hypothesis H1 well.

Response

H1: Entrepreneurial self-efficacy (ESE) has a significant positive effect on *business* success.

Comment

Section 2.3 is well prepared but does not explain hypothesis H3.

Response

H3: Entrepreneurial motivational (EM) mediator influences entrepreneurial self-efficacy (ESE) on business success.

Materials and methods

Comment

The research group is not well defined. Some assumptions are presented (lines 199-200) but are not explained (why selected?), and nothing is said if the respondent meets these requirements.

Response

The study was conducted in Madiun City, and Madiun Regency with a population of food and beverage UMK owners spread across three sub-districts in the Madiun city area (Kartoharjo, Manguharjo, and Taman) and two sub-districts located in the Madiun Regency area (Wungu and Kare). The sampling technique used in this research is *non* -

probability sampling with the purposive sampling method. Purposive sampling is a sampling technique based on certain considerations. Because the population is unknown with certainty, the sample was taken using the purposive sampling technique, determining the model based on specific considerations (Sugiyono, 2010). 2014), namely: the minimum length of time the business has been running and using information technology applications and internet networks to access sites (computers, laptops, smartphones). Requirements regarding the ability to use IT applications that are connected to the internet network to facilitate online data collection

Comment

No information on the research process – how many questionnaires were sent? What is the response rate? When was the research conducted? There is no information about tests and scores that refer to the validity and reliability of the tools used.

Response

Based on the data collection results, from 150 questionnaires distributed via google form (50 questionnaires) and direct distribution (100 questionnaires) and 132 food and beverage MSE actors were willing to respond to questionnaires distributed through social media and offline (response rate 88%). Data collection was carried out from January to February 2020. The results of the validity test obtained the r count of all measurement items > r table (0.1654) and Cronbach's Alpha value > 0.60 (table 1) so that the entire measurement instrument can be used for further analysis.

Comment

In chapter 3.2, another definition of self-efficacy is introduced, and other factors (later in line 127) are mentioned. Why? It's not clear.

Response

Because these factors are closely related

Comment

The research model presented in Figure 1 shows four hypotheses. What is H4? It wasn't mentioned before. H3 refers to the mediating role of SE is presented in the same way as H2, which may be an error.

Response

H4: Simultaneously, entrepreneurial self-efficacy (ESE) and entrepreneurial motivational (EM) significantly influence business success

Comment

What is the answer scale used in the questionnaire? There is no mention of what made the reader unable to understand the results presented in table 2 (lines 239 onwards). How are categories defined as high/very high? The Source of data in table no. 2 is also surprising – the reviewer expects the author's primary data here.

Response

The data has been presented in the appendix.

Comment

Due to the doubts presented above, it is very difficult to judge the conclusions presented in lines: 241-255.

Response

With the attachments that we provide, the doubts in assessing the conclusions have been answered.

Comment

There is also a lot of ambiguity in section 4.2.:

Response

We have corrected the ambiguity, and please look at the revised paper

Comment

The world "criteria†is repeated twice in the heading of Table 2. What kind of analysis does it show? Are the results based on the sources mentioned below the table or based on the author's research? What do the numbers in Figure 2. mean? What were statistical tests used to analyze the data and present the Business Success Model as such?

Response

The results in the table are based on the author's research; the statistical tests used are SPSS and Liserl.

Comment

Table no. 4 presents the results of the regression analysis †"it is not clear why the results referring to H1 are said to be significant †"Path coefficient = 0.16 indicates a very weak correlation.

Response

Because the results of the hypothesis test of the influence of ESE have a significant positive effect on business success, it is supported by several previous studies....(e.g., Ngek, 2019; Budiman & Pangestu, 2018)

Comment

Due to so many doubts regarding the research model and analysis of the results, it is impossible to judge the discussion section.

Response

In the revised article, I have corrected it thoroughly based on the reviewer.

Conclusion

Comment

The conclusion part is really bad. The conclusion seems trivial. There are no practical implications.

Response

We have revised the conclusion thoroughly based on the reviewer's input.

Original text

Responses to reviewers' Comments: Donate a better translation

The difference between this study and previous studies (Shakeel et al. 2020; Caliendo et al. 2020; Oyeku et al., 2020; and Santoso & Oetomo, 2018) lies in the focus of research studies on two factors of entrepreneurial characteristics in achieving success in the food and beverage business. In Madiun city and Madiun district, East Java, namely entrepreneurial self-efficacy (ESE) and entrepreneurship motivation (EM). These two factors were reviewed because their influence on entrepreneurial intentions and business performance was studied separately in several previous studies. The research questions were developed as follows: 1) does ESE have a significant positive influence on business success? 2) whether EM has a significant positive effect on business success; 3) does ESE indirectly influence business success through EM as a mediator? 4) do ESE and EM simultaneously significantly influence business success?

According to Bandura (1977), self-efficacy (SE) shows a person's ability or competence in performing tasks, achieving goals, and conquering obstacles, while according to Sweden & Reichard (2013), SE is a personal estimate of cognitive and of an individual in exercising control over physical abilities demands. Generally, the concept of self-efficacy comes from the psychological construct of Social Cognitive Theory (SCT), which explains people's beliefs in their ability to influence their actions and produce the desired results. SE relates to a person's ability to perform a task. SE relates to one's belief in one's own ability to perform tasks, achieve goals, and overcome obstacles. According to Word and Bandura (1989), SE is related to individual perceptions of the skills possessed in completing tasks. According to Prodan & Drnovsek (2010) is the most influential factor in explaining entrepreneurial interest that will encourage action. The concept of self-efficacy includes three dimensions: magnitude, strength, and generality (Ivancevich et al., 2005). The magnitude dimension measures difficulty of believed the the task that is to be completed; the strength dimension identifies whether seriousness is high and can

produce persistence in the face of adversity; and the dimension of generality as a person's wisdom to use in different situations.

13. Email editor tentang "Manuscript Resubmitted" (18 Desember 2021, 2: 19 PM)

[Economies] Manuscript ID: economies-1465464 - Manuscript Resubmitted

External

Ε

Economies Editorial Office <economies@mdpi.com>

Sat, Dec 18, 2021, 2:19 PM

to me, Veronika

Dear Dr. Hermanto,

Thank you very much for resubmitting the modified version of the following manuscript:

Manuscript ID: economies-1465464

Type of manuscript: Article

Title: ENTREPRENEURIAL SELF-EFFICACY AND ENTREPRENEURIAL MOTIVATIONAL AND ITS EFFECT ON BUSINESS SUCCESS FOR SMALL MICRO ENTERPRISES (MSEs) IN MADIUN OF

EAST JAVA IN INDONESIA

Authors: Veronika Agustini Srimulyani, Yustinus Budi Hermanto *

Received: 31 October 2021

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A member of the editorial office will be in touch with you soon regarding progress of the manuscript.

Kind regards,

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14. Email dari Editor tentang 'Providing" artikel revisi yang disubmit (20 Desember 2021, 10:44 AM)

[Economies] Manuscript ID: economies-1465464 - Revised Version Received (External) Indox x



Economies Editorial Office <economies@mdpi.com>

Mon. Dec 20, 2021, 10:44 AM

to me, Veronika, Economies

Dear Dr. Hermanto.

Thank you very much for providing the revised version of your paper:

Manuscript ID: economies-1465464

Type of manuscript: Article

Title: ENTREPRENEURIAL SELF-EFFICACY AND ENTREPRENEURIAL MOTIVATIONAL AND ITS EFFECT ON BUSINESS SUCCESS FOR SMALL MICRO ENTERPRISES (MSEs) IN MADIUN OF

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https://www.mdpi.com/journal/economies/special_issues/Emerging_Economics_Sustainable_Growth https://susy_mdpi.com/user/manuscripts/review_info/277f8280c9f923f8269b2b31bc2ab56d

We will continue processing your paper and will keep you informed about the status of your submission.

Kind regards, Jessie Zang Assistant Editor

15. Email dari editor tentang "Acceptance" manuscript (24 Desember 2021, 2: 54 PM)

[Economies] Manuscript ID: economies-1465464 - Accepted for Publication

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Fri, Dec 24, 2021, 2:54 PM

to me, Veronika, Economies, Jessie

Dear Dr. Hermanto,

Congratulations on **the acceptance of your manuscript**, and thank you for your interest in submitting your work to Economies:

Manuscript ID: economies-1465464

Type of manuscript: Article

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Authors: Veronika Agustini Srimulyani, Yustinus Budi Hermanto *

Received: 31 October 2021

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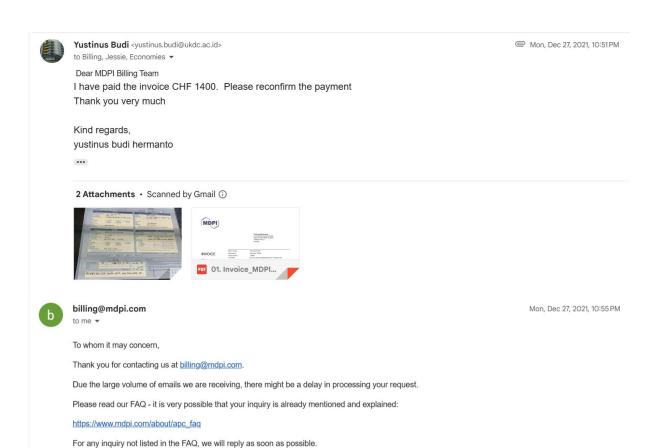
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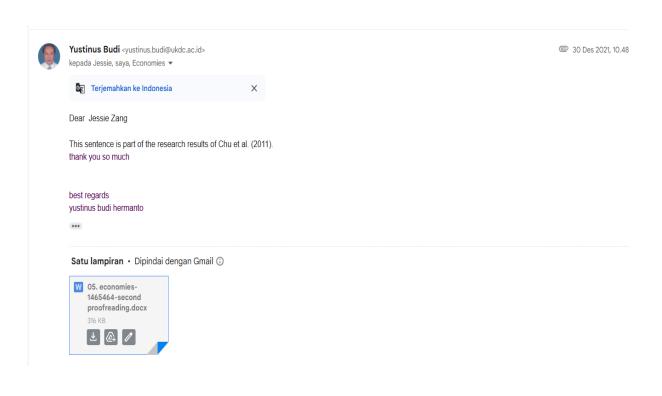
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Articl

Impact of Entrepreneurial Self-Efficacy and Entrepreneurial Motivation on Micro and Small Business Success for Food and Beverage Sector in East Java, Indonesia

Veronika Agustini Srimulyani 1 and Yustinus Budi Hermanto 2,*

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- Management Study Program, Darma Cendika Catholic University, Surabaya, East Java 60117, Indonesia; *Correspondence: yustinus.budi@ukdc.ac.id

Abstract: The research aims to examine the impact of entrepreneurial self-efficacy and entrepreneurial motivation on the success of the food and beverage (F&B) sector's micro and small enterprises (MSEs). The sample was selected using purposive sampling techniques from 267 MSE owners in the F&B businesses in Madiun City, Madiun Regency, and Magetan Regency, East Java, Indonesia. The test results of the hypothesis showed that: (1) partially, self-efficacy entrepreneurship and entrepreneurial motivation are significantly positive on business success in micro and small F&B businesses in East Java, Indonesia; (2) entrepreneurial motivation acts as a partial mediation of the influence of self-efficacy entrepreneurship on the business success of micro and small businesses in the field of food and beverage in East Java, Indonesia; abd (3) simultaneously, self-efficacy entrepreneurship and the influence of entrepreneurial motivation are significantly positive on business success in micro and small businesses in the food and beverage fields of East Java, Indonesia. The results showed that self-efficacy and motivation in entrepreneurship are necessary because they affect business success, particularly in micro and small F&B businesses in Indonesia. Further research can explore other factors that influence business success by expanding the research area and other types of creative industry businesses. Further research could explore other factors influencing business success by expanding research areas, such as entrepreneurial leadership and innovative work behavior.

Keywords: entrepreneurial self-efficacy; entrepreneurial motivation; business success; food and beverage

neurial Self-Efficacy and Entrepreneurial Motivation on Micro and Small Business Success for Food and Beverage Sector in East Java, Indonesia. Economies 9: x. https://doi.org/10.3390/xxxxx

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1. Introduction

Entrepreneurial empowerment is closely related to improving life and welfare for regional development by exploring entrepreneurs' strategic potential. The result of entrepreneurship in various countries has made much progress, especially in Indonesia (Oetomo and Utami 2019). Various previous studies have noted that micro, small and medium enterprises (MSMEs) play an essential role in a country's economy so that the performance of the MSME sector is closely related to the performance of the nation (Chittithaworn et al. 2011); in addition, the potential and role of entrepreneurship has proven to be resistant to various crises. Micro, small, and medium enterprises (MSMEs) in Indonesia play a role in creating job opportunities for 96.87% of the workforce in Indonesia and have an important position in the sustainability of the Indonesian economy (Republika 2019). The realization of the contribution of MSMEs to the national Gross Domestic Product (GDP) in 2018 reached around 60.34%, and the estimated contribution of MSMEs to GDP increased by 5% in 2019 (Syarizka 2019). The food and beverage (F&B) industry are able to make a significant contribution to the national economy. Throughout 2020, the

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food and beverage industry, which is a subsector of the non-oil and gas processing industry, became the largest contributor to national GDP, reaching 7.02%, and the food and beverage industry also provided the highest export value in the manufacturing group, which penetrated IDR 27.59 billion in January–November 2020 (Ramdhani 2021).

In the time of the COVID-19 pandemic, many MSEs in Indonesia are struggling to deal with their business; more than a few have gone out of business. However, the growth of the healthy food and beverage culinary business continues to rise due to public awareness of a healthy lifestyle. One of the business opportunities in question is the ready-toeat processed food business. The situation of social restrictions during the COVID-19 pandemic caused people, especially millennials, to get used to buying frozen or ready-to-cook food because it is easier and more efficient in terms of serving. One of the business strategies to maintain food and beverage (F&B) businesses in the era of the COVID-19 pandemic is to take advantage of opportunities in the digital ecosystem. In the framework of national economic recovery, MSMEs can restore the creative economy to passion, especially in the culinary sector. This is because food and beverage (F&B) are the primary requirements. Likewise, micro and small group entrepreneurs in the food and beverage sector in Madiun City were chosen as a study because this field continues to increase in number, and many of these business actors continue to operate during the COVID-19 pandemic with the MSME movement going online as an opportunity for business actors to improve their business. The development of the entrepreneurial community in Madiun City is relatively rapid. This is indicated by the number of MSMEs in Madiun City.

The growth of MSMEs in Madiun City, East Java, has been significant in the past year; namely, there are 23,000 MSME actors developing micro, small, and medium enterprises spread across 27 Kelurahan in 23 Districts, namely, Kartoharjo, Taman, and Manguharjo engaged in various fields such as convection, services, food, drinks, crafts, trade, and more (Harianto https://news.detik.com/2020 accessed on 14 October 2021). The culinary industry in Madiun City and Madiun Regency is growing rapidly enough to become superior in the form of culinary tourism for foods such as pecel rice (https://warungnasi-pecel-yu-gembrot.business.site/ accessed on 15 December 2021), jotos rice (https://www.cakwicak.com/2021/06/nasi-jotos-madiun.html accessed on 15 December 2021), lontong tofu telor (https://superapp.id/blog/lifestyle/makanan-khas-madiun accessed on 15 December 2021), corah pentol, cokro bluder (https://www.cokrogroup.com December accessed on 15 2021), brem (https://www.timesindonesia.co.id/read/news/337677/ accessed on 15 December 2021), manco cake, madu mongso (https://new.detik.com/accessed on 15 December 2021), and tempeh (https://www.timesindonesia.co.id/read/news/339226/ accessed on 15 December 2021). The rapid development of MSEs in the culinary field is evidenced by the increasing number of business actors who build cafes, coffee shops, and restaurants in the City and Madiun Regency areas. As a tourist destination, the food and beverage business sector is the third contributor, with economic growth reaching 7.47 percent in the city of Madiun (Harianto https://news.detik.com/2020 accessed on 14 October 2021). The Madiun City Government has provided adequate marketing places such as the Sunday Market at the Traffic Park Bantaran Kali Madiun. Since mid-2019 and in 2020, the government began to develop culinary centers and art alleys. This program is specifically designed to accommodate MSME products in one place to make them easily accessible to the public.

On the culinary side, Indonesian food and drink is part of the best wealth legacy in the world; therefore, culinary tourism is one of the attractions in various regions in Indonesia. In addition to the Madiun area, the Magetan regency area also has culinary tours that are the flagship of the local government, featuring foods such as: Gandu roast chicken (https://visit.magetan.go.id/2021/09/22/ayam-panggang-gandu-bu-setu on accessed on 15 December 2021), sponge cake (https://regional.kompas.com/read/2019/01/14/12253671/accessed on 15 December 2021), tempeh chips, yam chips, corn rice, pecel rice (https://www.tripadvisor.co.id/restaurant_review-Warung Nasi Pecel Bu Parti, Magetan-Ulasan Restoran—Tripadvisor/accessed on 15 December 2021), and traditional herbs, as

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well as traditional "gethuk" foods (https://www.facebook.com-gethuk-bakar-abimanyu-cabang-magetan/accessed on 15 December 2021); (https://www.gotravelly.com/cullinary-Getuk Pisang Diana Magetan/accessed on 15 December 2021). Culinary tourism is predicted to continue to grow, although the COVID-19 pandemic still exists.

Economic growth is an important development that must be owned by a region, where stable economic growth will lead to prosperity in an area. Entrepreneurs create jobs and contribute to productivity and growth (Van Praag and Versloot 2008; McLarty et al. 2012; Simpson et al. 2012; and Garaika and Margahana 2019). The success of a business is undoubtedly influenced by many factors, both internal and external factors. Examples of external factors are stable economic growth and good social conditions. In contrast, internal factors are the influence of parents, one's ability to manage a business unit (self-efficacy), personality, courage to take risks, and motivation to achieve goals (Santoso and Oetomo 2018). Shakeel et al. (2020) show that entrepreneurs' characteristics, external business environments, and supportive factors are positively related to the performance of womenowned businesses. This is supported by Caliendo et al. (2020), which states that the determinants of entrepreneurial persistence are the individual characteristics of entrepreneurs in the form of human capital, personality traits, and business characteristics. These personal characteristics strengthen the findings of Chen et al. (1998). They state that business founders (entrepreneurs) have higher self-efficacy (SE) in innovation and risk-taking entrepreneurial roles and tasks, such as marketing, innovation, management, risk-taking, and financial control, than non-business founders.

Sweida and Reichard (2013) define SE as a personal estimate of an individual's cognitive and physical ability to exercise control over situational demands. In general, entrepreneurial self-efficacy (ESE) is defined as the strength of an individual's belief that they can successfully perform various entrepreneurial roles and tasks (Chen et al. 1998). Garaika and Margahana (2019) show that internal factors such as self-efficacy, self-personality, and self-confidence, and external factors such as education and role models affect entrepreneurial intention for young entrepreneurs. Wardana et al. (2020) show that entrepreneurship education has influenced entrepreneurial self-efficacy, entrepreneurial attitude, and mindset. SE has a significant positive impact on entrepreneurial behavior (Shaheen and AL-Haddad 2018); increasing business success by encouraging one's performance in various fields, including the business sector (Budiman and Pangestu 2018; Ngek 2015; and Oyeku et al. 2020) and the business performance of women entrepreneurs (Yusuff et al. 2019); and influencing entrepreneurial motivation (Santoso and Oetomo 2018; Nuryanto et al. 2019) and mediating the effect of self-efficacy on entrepreneurial intention (Kristiadi et al. 2016). From these various empirical studies, it can be concluded that self-efficacy is very important for business actors to have in running a business in order to ensure that the company they are undertaking can achieve success.

Another factor that influences entrepreneurial success is entrepreneurship motivation (EM). EM can influence entrepreneurial intentions and decisions to start a business (Kristiadi et al. 2016; Santoso and Oetomo 2018; and Sánchez and Sahuquillo 2012) and affect the innovation process and business performance and success (Machmud 2017 and Budiman and Pangestu 2018). Hartmann and Herb (2015) mention that motivation and success are considered essential entrepreneurship components. Motivation is a stimulus that encourages individuals to act to achieve specific goals. Self-motivation that leads to entrepreneurial activity is defined as a stimulus that can enable individuals to do business and be carried out with enthusiasm, creativity, innovation, and the courage to take risks to get profits, either in the form of money or other benefits (Santoso and Oetomo 2018). Kisker (2016) proves that four motivational factors (independence, need for achievement, social recognition, and financial rewards) positively and significantly affect survival success.

Islam et al. (2020) conducted a study on 133 small and medium-sized businesses in the food sector in the Kazakh city of Almaty. They found a significant relationship between the self-efficacy of entrepreneurship, entrepreneurial resilience, and the financial Economies 2022, 9, x FOR PEER REVIEW 4 of 22

performance of MSEs. The results of Kimathi et al.'s (2019) research on MSEs in Kenya show that ESE is a good predictor of high business performance. The results of a study by Khalil et al. (2021) on 353 small businesses in Pakistan showed that the dimensions of ESE significantly affected small business performance. Ummah and Gunapalan (2012) conducted research on women entrepreneurs operating at small scales in Sri Lanka, showing that achievement, autonomy, and confidence are the most important factors for business success. Chu et al. (2011) explained that the motivation of business ownership of entrepreneurs in Beijing, Shanghai, and Guangzho is to increase revenue, become their own boss, and prove that they can succeed for the most important reasons; reputation for honesty, providing good customer service and having good management skills become the necessary conditions for business success, and customer friendliness and hard work are also important for high-performing companies. Table 1 shows the summary of previous research studies and current research.

Table 1. Summary of Previous Research Studies and Current Research

Name of	Research	Research	Research	Research Results
researcher	variables	Area	Objects	
(year)				
Chu et al. (2011)	Motivation of Business ownership of entrepreneurs	Beijing, Shanghai, and Guangzho, China	Small and Medium Entrepreneurs	Motivation of business ownership of entrepreneurs in Beijing, Shanghai, and Guangzho is to increase revenue, become their own boss, and to prove that they can succeed the most important reason; reputation for honesty, providing good customer service, and having good management skills become the necessary conditions for business success; and customer friendliness and hard work are also important for high-performing companies.
Ummah	Achievement	Sri Lanka	Small Woman	Achievement, autonomy,
and	• Autonomy		Entrepreneurs	and confidence are the
Gunapalan	Confidence			most important factors
(2012)	• Business suc-			for business success.
	cess	**		TOT 1 11 11 1
Kimathi et	• ESE	Kenya	Micro, Small	ESE is a good predictor of
al. (2019)	Business per-		Entrepreneurs	high business
	formance			performance
Islam et al.	• ESE	Kazakh	Small and	There is a significant
(2020)	 entrepreneur- 	City,	Medium	correlation between
	ial resilience	Almaty	Businesses	entrepreneurial self-

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	 financial 			efficacy, entrepreneurial
	performance			resilience, and the
				financial performance of
				SMEs.
Khalil et	Dimensions of	Pakistan	Small	There is a significant
al. (2021)	Entrepreneurial		businesses in	influence on the
	Self-Efficacy		the food	dimension of ESE on
	(ESE)		sectors	small business
				performance
Srimulyani	• ESE	Madiun,	Micro, Small	ESE and EM significantly
and	• Entrepreneur-	Magetan,	Entrepreneurs	and positively affect
Hermanto	ial Motivation	East Java,	in the food &	business success, both
(2021)	(EM)	Indonesia	beverage	simultaneously and
	• Business suc-		sectors	partially. The results also
	cess (BS)			showed that EM
				mediated the influence of
				ESE on BS.

MSE owners who are also leaders have a significant contribution and role in the progress of MSMEs. The existence of self-efficacy and the strong desire of business owners to develop a business and have the drive to run a business successfully is an ideal that an owner expects. Self-efficacy and entrepreneurial motivations are the main components of entrepreneurial values in improving employee performance and business performance. Business performance will increase along with applying entrepreneurial values for MSE owners. The sustainability of MSMEs will depend on the performance of MSEs that have been achieved. MSMEs play a vital role in the development of the economy. Based on data from the Ministry of Tourism and Creative Economy (kemparekraf), culinary subsectors in Indonesia accounted for IDR 455.44 trillion, or about 41% of the total creative gross domestic product (GDP), which totaled IDR 1134.9 trillion in 2020; in addition, culinary subsectors also absorb the most labor, namely, 9.5 million people (Situmorang 2021). This means that culinary subsectors are the largest contributor to the Gross Domestic Product of the creative economy. In this context, the research aims to analyze entrepreneurial selfefficacy's direct and indirect effects on entrepreneurial motivation by examining research on food and beverage MSEs in Madiun City, Madiun Regency, and Magetan Regency, East Java, Indonesia.

The difference between this study and previous studies (Shakeel et al. 2020; Caliendo et al. 2020; Oyeku et al. 2020; and Santoso and Oetomo 2018) lies in the focus of research studies on two entrepreneurial characteristics factors in achieving business success in the food and beverage sectors in Madiun city, Madiun Regency, and Magetan Regency, East Java, namely, entrepreneurial self-efficacy (ESE) and entrepreneurial motivation (EM). These two factors were reviewed because they separately influenced entrepreneurial intentions and business performance in several previous studies. MSEs have a vital role in developing the economy, and analyzing ESE and EM can benefit entrepreneurs operating in micro and small businesses. Improving ESE and EM can contribute to helping entrepreneurs operate better, eventually leading to improved performance. Moreover, this study can provide a better understanding to other stakeholders, specifically governments, who can develop better policies to facilitate small businesses in improving ESE and EM can influence both partially and simultaneously against BS by conducting research on small micro-

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businesses in the food and beverage sectors. The study also examined the effect of EM mediation on the influence of ESE on BS.

The research questions were developed as follows: (1) does ESE have a significant positive influence on business success? (2) does EM have a significant positive influence on business success?; (3) does ESE indirectly influence business success through EM as a mediator?; and (4) do ESE and EM simultaneously significantly influence business success?

2. Theoretical Review

2.1. Business Success (BS)

The main goal of entrepreneurs running a business is business success so that all activities are shown to achieve success. In business studies, the concept of success is often used to refer to a firm's financial performance (Chittithaworn et al. 2011). However, there is no generally accepted definition of success, and business success has been interpreted in many ways (Foley and Green 1989). Business success can be interpreted as a state of increasing progress of a business, seen from business capacity, net assets, and net income. Oyeku et al. (2020) show that an increase in entrepreneurial orientation, entrepreneurial self-efficacy, and environmental uncertainty causes entrepreneurial success seen from financial and non-financial aspects, which include: profitability, market share, net asset growth, sales growth, and government policies. From some of these expert opinions, it can be concluded that business success can be interpreted as a state of increasing business progress, viewed from financial and non-financial aspects.

Nuses et al. (2012) studied MSEs performance indicators covering various aspects: financial, market and customers, processes, human resources, and other factors such as supplier services, legal environment, and social programs. Chittithaworn et al. (2011) show that the characteristics of SMEs, customers, and markets, ways of doing business, resources, and finances, and the external environment significantly influence business success. A growing business is the hope of everyone who starts a business, but it does not happen instantly (Adolfina et al. 2018). There is no consensus among researchers on the factors that contribute to business success, but some variables were discussed more often in previous studies which are grouped into the following categories: (1) related to psychology and the behavioral characteristics of entrepreneurs; (2) managerial skills and training employers; and (3) the external environment in which entrepreneurs operate. From the various empirical studies of external factors that influence the success of a company, including the family environment, task environment, aspects of government policy in the SMEs sector, elements of roles related to institutions, social aspects, cultural aspects, and economic aspects (Rachmania et al. 2012), it is no less important to note the factor of internal resources, known as the resource-based view (RBV). RBV is divided into three types, namely, (1) physical resources which include factories, equipment, location, technology, raw materials, and machines; (2) human resources including employees, training, experience, intelligence, knowledge, expertise, and competence; and (3) organizational resources including organizational structures, planning processes, information systems, patents, trademarks, copyrights, data centers, and so on (David and David 2017).

2.2. Entrepreneurial Self-Efficacy (ESE)

Self-efficacy (SE) has been defined by researchers from various perspectives. According to Bandura (1977), SE is defined as an individual's confidence about one's abilities to accomplish a specific task or achieve individual goals, while according to Sweida and Reichard (2013), SE is a personal estimate of an individual's cognitive and physical ability to exercise control over situational demands. Generally, the concept of self-efficacy comes from the psychological construct of social cognitive theory (SCT), which explains people's beliefs in their ability to influence their actions and produce the desired results. SE relates to

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a person's ability to perform a task. SE relates to one's belief in one's ability to perform tasks, achieve goals, and overcome obstacles. According to Wood and Bandura (1989), SE is related to individual perceptions of the skills possessed in completing tasks. According to Prodan and Drnovsek (2010) SE is the most influential factor in explaining entrepreneurial interest that will encourage action. The concept of self-efficacy includes three dimensions: magnitude, strength, and generality (Ivancevich et al. 2005). Definition of ESE focuses on the need for entrepreneurs to develop beliefs to control negative thinking (Drnovšek et al. 2010). The magnitude dimension measures the difficulty of the task that is believed to be completed; the strength dimension identifies whether seriousness is high and if they can produce persistence in the face of adversity, and the dimension of generality assesses a person's ability to apply wisdom in different situations.

Luthans (2011) explains that SE is an individual's belief in their ability to mobilize the motivation, cognitive resources, and actions needed to perform specific tasks. When SE is associated with business people, it leads to confidence in completing business goals related to uncertainty in the future. Uncertainty about the results obtained requires confidence and specific competencies related to improving business performance. Learning makes a person able to develop knowledge, skills, and positive behavior. Learning outcomes can generate creative power by creating new processes in business (Gibson et al. 2012) so that effectiveness and efficiency can be achieved and improve business performance and independence. Academics argue that self-efficacy is a good thing for entrepreneurs to have. For example, scholars such as Shane et al. (2003) argue that an entrepreneur who is high in self-efficacy tends to "exert more effort for a larger period of time, persevere through setbacks, and develop better plans and strategies for the task being executed. Ngek (2019); Budiman and Pangestu (2018); Islam et al. (2020); and Khalila et al. (2021) prove entrepreneurial self-efficacy's positive and significant influence on business success. Entrepreneurial self-efficacy significantly affects entrepreneurial intention (Martyajuarlinda and Kusumajanto 2018; Lamanepa and Sidharta 2019; and Garaika and Margahana 2019) and entrepreneurial decisions (Sitinjak 2019), while Adolfina et al. (2018) prove that motivation to start a business and self-efficacy has a significant effect on developing a business. Zaini et al. (2016) showed that self-efficacy and family factors positively influence women's entrepreneurial intention.

Meanwhile, entrepreneurial self-efficacy research is based on social cognitive theory and planned behavior theory (Ajzen 1991), which explains the emergence of entrepreneurial intentions and entrepreneurial actions such as business creation and growth. Based on the idea of planned behavior, ESE indicates the extent to which an individual's perceived behavioral control is the primary determinant of an individual's intention to engage in a particular behavior (Krueger et al. 2000). ESE is the self-confidence individuals have to succeed in carrying out specific task roles in entrepreneurship.

The higher the ESE possessed by an entrepreneur, the higher the success of the business undertaken. Entrepreneurs have the confidence and trust to carry out entrepreneurial tasks, including dealing with their business environment's dynamic conditions. We speculate that entrepreneurship self-efficacy will be needed for SMEs to manage crises such as COVID-19 in order to survive successfully.

Hypothesis 1 (H1). Entrepreneurial self-efficacy (ESE) has a significant positive effect on business success.

2.3. Entrepreneurial Motivational (EM)

"Motivation" comes from the Latin "move", which means to move. Motivation for business actors is an internal factor contained in entrepreneurship. Internal factors are the most dominant factors affecting the business performance of MSEs, such as the availability of resources, personal skills, entrepreneurial abilities, and the ability to use internal resources effectively. According to Huarng et al. (2012), EM is a strong urge from within a person to actualize one's potential through creative and innovative thinking in creating

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new products and having added value for many parties. Empirical studies Gemina et al. (2016) showed that business motivation, directly and indirectly, affects business success with business ability as a mediation, while Ardiyanti and Mora (2019) found that business interest and business motivation simultaneously significantly influence the business success of young entrepreneurs. Eijdenderg et al. (2015) prove that strong predictors of small business growth are: (1) motivation related to family background, opportunities, and needs and (2) motivation related to opportunities. The results of the study are in line with Amit and Muller (1995), who argue that "when both forces ("pull" and "push") are at work, one might expect superior performance."

Kisker (2016) examines the impact of motivational factors consisting of independence, need for achievement, social recognition, and financial rewards, which have been shown to have a positive and significant effect on the survival success of a business, while Muthalib and Yulianti (2015), Machmud (2017), and Budiman and Pangestu (2018) show that EM has a significant effect on both the innovation process and business performance. These motivational factors are the cause of one's satisfaction. This satisfaction will increase the enthusiasm to carry out business activities so that it affects the success of the business undertaken. This means that self-motivation for entrepreneurship can affect business success; with solid motivation, business actors have a high self-motivation to be persistent and have a factual determination to run a business and achieve success.

Hypothesis 2 (H2). Entrepreneurial motivation (EM) has a significant positive effect on business success.

Entrepreneurial belief in self-ability in entrepreneurial tasks can be a solid self-motivation to build, promote, and maintain their business in any situation. The existence of solid self-motivation will encourage entrepreneurs to do the best for their business so that the business carried out has maximum results. In another study (Santoso and Oetomo 2018 and Nuryanto et al. 2019) found a significant effect of self-efficacy on entrepreneurial motivation. Furthermore, in another study, reason acts as a mediating influence of self-efficacy on entrepreneurial intention (Kristiadi et al. 2016), and entrepreneurial achievements (Eliyana et al. 2020) and entrepreneurial intention are strong predictors of one's actions to start a new business (Bernardus et al. 2020). Lampdarios (2017) identified that entrepreneurial orientation is an antecedent of business growth, has a significant favorable influence on business performance, and becomes a competitive advantage for MSEs. Entrepreneurs with high self-efficacy believe in their ability to achieve the set business targets, thereby increasing strong motivation in entrepreneurship to affect one's business success.

Hypothesis 3 (H3). Entrepreneurial motivational (EM) mediator influences entrepreneurial self-efficacy (ESE) on business success.

To improve self-competence and EM, entrepreneurs require an enterprising spirit to progress and be successful. ESE and EM influence entrepreneurial intentions and decisions to start a business (Santoso and Oetomo 2018). The performance or achievements achieved by entrepreneurs are obtained through confidence in their abilities in carrying out entrepreneurial activities such as creativity and innovation in generating new ideas or products and marketing products produced by an entrepreneur who has a strong motivation in entrepreneurship, such as independence—the need for achievement, social recognition, and income. ESE is beneficial for entrepreneurs because it motivates them to improve self-competence, and EM is a driving spirit for entrepreneurs to succeed. Entrepreneurs to improve self-competence and EM is an enterprising spirit for entrepreneurs to progress and be successful. ESE and EM influence entrepreneurial intentions and decisions to start a business (Santoso and Oetomo 2018).

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Hypothesis 4 (H4). Simultaneously, entrepreneurial self-efficacy (ESE) and entrepreneurial motivational (EM) significantly influence business success

3. Materials and Methods

3.1. Research Design

The first phase of research was conducted in early 2020 by taking the research area in Madiun City and Madiun Regency with the population of food and beverage MSME owners spread across three sub-districts in the Madiun city area (Kartoharjo, Manguharjo, and Taman) and two sub-districts located in the Madiun Regency (Wungu and Kare) areas. The second phase of research was conducted in early November 2021 by taking the research area in Magetan Regency with the population of food and beverage MSE owners spread across several sub-districts. The sampling technique used in this study is non-probability sampling with the purposive sampling method. Purposive sampling is a sampling technique based on certain considerations. Because the population is not known with certainty, the sample was taken using the purposive sampling technique, determining the model based on specific considerations (Sugiyono 2010), namely: the minimum length of time the business has been running and using information technology applications and Internet networks to access sites (computers, laptops, and smartphones). Therefore, it requires the ability to use IT applications connected to the internet network to facilitate online data collection. The sample target was 300 owners of MSEs in food and beverage. Data collection was done by distributing questionnaires. The distributed questionnaires were tested for validity and reliability levels and distributed online with the Google Form application through social media and offline, namely, visiting the business directly at its location. The validity test uses the criteria if the calculated r value > r table is positive, then the measurement item is declared valid, while the reliability test is seen from the Cronbach's alpha value. The research method uses descriptive statistical analysis statistical testing, processed with the Lisrel program version 8.70 and IBM SPSS Statistic 22.

3.2. Measurement

Referring to Bandura (1977) and Luthans (2011), entrepreneurial self-efficacy (ESE) is operationally defined as the self-confidence possessed by individuals in their ability to succeed in carrying out specific roles in entrepreneurship as seen from the dimensions: individual beliefs, action, and cognitive resources.

Referring to Huarng et al. (2012), entrepreneurial motivational (ME) is operationally defined as a condition from within the individual (internal) that encourages individuals to consciously carry out activities to achieve the desired goal in business. EM measurement refers to Kisker (2016) and Machmud (2017), which includes the following aspects: financial motivation, social motivation, service motivation, self-fulfillment, or achievement motivation.

Business success (BS) is operationally defined as an individual's perceived success in achieving business goals that are owned or run. The measure of business success in business research is the company's financial performance (Chittithaworn et al. 2011). BS measurement indicators refer to Nuses et al. (2012) and Oyeku et al. (2020), which include the following aspects: sales volume, production result, operating profit, business growth, and business development.

Variable measurement scales use Likert scales: 1 (highly disagree), 2 (disagree), 3 (Neutral), 4 (agree), and 5 (highly agree). Research variable measurement items can be seen in Appendix A.

3.3. The Theoretical Framework

Based on empirical studies, the business success of an entrepreneur is influenced by various factors, including entrepreneurial self-efficacy (ESE) and entrepreneurial motivational (EM) elements. It is also found that there is a mediating role of EM in the influence of ESE on business success (BS). This is illustrated in the following research model (Figure 1).

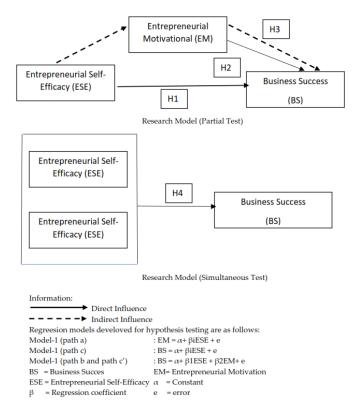


Figure 1: Research Model

4. Results and Discussion

4.1. Descriptive of Variables

Based on the data collection results of 300 questionnaires distributed via Google Form (150 questionnaires) and direct distribution (150 questionnaires), 267 food and beverage MSE actors were willing to respond to questionnaires distributed through social media and offline (response rate: 89%). The data collection was carried out through two stages: stage (1) January to February 2020, and stage (2) October to November 2021. The results of the validity test obtained r count of all measurement items > r table (0.1654) and Cronbach's alpha value > 0.60 (Table 2) so that the entire measurement instrument can be used in further analysis.

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Table 2. Reliability Test.

Variable	Cronbach's Alpha	Critical Values	Criterion
Business succes (BS)	0.844	0.60	Reliable
Entrepreneurial self efficacy (ESE)	0.856	0.60	Reliable
Entrepreneurial motivational (EM)	0.626	0.60	Reliable
Business succes (BS)	0.844	0.60	Reliable

Table 2 presents the characteristics of MSE owners who became respondents based on: gender, age, length of business, and business field.

Table 3 shows that 26.12% of respondents are female and 73.88% are male; 31.83% aged 17–26 years, 28.46% aged 27–38 years, 18.73% aged 37–46 years, 13.48% aged 47–56 years, and 7.50% aged >56 years. When viewed from the length of business, the maximum (56.18%) is 1–10 years. As many as 80.52% of respondents are business actors in the food sector and 19.48% in the beverage sector. Food products offered by respondents are generally in the form of typical foods in the business area of operation, such as sambal pecel and nasi pecel, tempeh, meatballs, chicken geprek, gado-gado, chicken noodles, tofu lontong, fried rice, jotos rice, satay, rawon rice, gethuk, cake, various chips, and others. Examples of beverage products offered by respondents are ginger milk, traditional herbs, honey tea, soy juice, and wedang uwuh.

Table 3. Characteristics of Respondents.

Gender	Amount	Percentage
Man	70	26.12%
Woman	197	73.88%
Total	267	100%
Age	Amount	Percentage
17-26 Years	85	31.83%
27–36 Years	76	28.46%
37–46 Years	50	18.73%
47–56 Years	36	13.48%
>56 Years	20	7.50%
Total	267	100%
Business Length	Amount	Percentage
1–10 Years	150	56.18%
11-20 Years	77	28.84%
21–30 Years	30	11.24%
31-40 Years	5	1.87%
41-50 Years	5	1.87%
Total	267	100%
Business field	Amount	Percentage
Food	215	80.52%
Beverage	52	19.48%
Total	267	100

Source: Authors' calculation.

Data analysis was presented using a Likert scale with a minimum value of 1 and a maximum value of 5, after which the average respondent's answer was calculated. The interpretation of the average high and low average of respondents' answers to the studied variables is based on the 0.8 scale range of the research instrument, namely, scale 5 (Table 4).

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Table 4. Range Scale.

Range Scale	Information	Information
1–1.8	Highly disagree	Very low
>1.8–2.6	Disagree	Low
>2.6-3.4	Neutral/moderate	Moderate
>3.4-4.2	Agree	High
>4.2-5.0	Highly agree	Very high

In Table 5, the average value of respondents' responses to the indicators of the variables studied are presented.

Table 5. Description of Research Variables.

Variable	Average	Information
1. Entrepreneurial self-efficacy	4.180	High
Individual beliefs	4.307	Very high
Action	4.040	High
Cognitive resources	4.206	High
2. Entrepreneurial motivational	4.132	High
Financial reasons	4.217	Very high
Social reasons (Social recognition)	4.047	High
Service reasons	4.125	High
Self-fulfillment reasons	4.155	High
(Achievement motivation)	4.155	Tilgit
3. Business success	4.061	High
Sales number	4.174	High
Production results	4.110	High
Operating profit	4.178	High
Business growth	4.097	High
Business development	3.933	High

Source: Authors' calculation.

In Table 5, it is shown that the entrepreneurial self-efficacy indicator that stands out for food and beverage MSEs in Madiun city, Madiun Regency, and Magetan Regency who are respondents lies in the aspect of the individual belief (4.307), namely, the element of self-confidence that entrepreneurs can overcome problems in the business they run, can develop their business, believe in profit, and are able to compete. The belief of F&B business owners in the research area to stay afloat in the pandemic period can be seen from the average value of the "individual beliefs" dimension. Table 5 shows that the action dimensions in ESE have the smallest value of the other two dimensions (4.047). Table 5 shows that the action dimensions in ESE have the smallest value of the other two dimensions. Based on the results of interviews with several respondents who are just starting a business, there are still some young entrepreneurs in the field of F&B who need to increase confidence in their abilities. Some still rely on others, do not believe in products made by themselves, and there are even actors who have not been able to make their own decisions because they still defer to others in running their business.

The most prominent (4.217) is the financial aspect of entrepreneurial motivation. The strongest motivation of micro and small entrepreneurs in the field of food and beverage in the research area in running a business is to earn income to improve the family economy and raise capital for business development. Another factor that motivates the entrepreneur in running a business is self-fulfillment or self-advancement through business own-

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ership, work-life balance, and not being dependent on the family business. Another reason is that such businesses and their services can generate jobs, meet market demand, and get social recognition (i.e., social reasons).

Online business in Indonesia is an increasing trend and conventional offline businesses can participate by adding business content and directions online to survive. The culinary industry is one of the fields of creative business that is on the rise and growing rapidly today with increasing opportunities. In fact, many people, including millennials, are now trying culinary business, both offline and online. In addition to large profits, reaching more than 50 percent, the culinary business has also never died. During the work from home policy launched by the Indonesian government during the COVID-19 pandemic, many culinary businesses started to offer online sales, including online food delivery because many people choose to order food or drinks through online food delivery services such as "gojek and grab", as well as other services from their own business actors while still adhering to health protocols during the pandemic (Cahya 2021). Most prominently, the respondents' business success is the aspect of operating profit (4.178), namely, an increase in operating income every year and an increase in using income during certain events. In contrast, the aspect of business success that is felt the least is business development (3.933). This is possible because if judging from the length of business, most respondents (56.18%) have a length of trade between 1-10 years. Development of a company is determined by many factors, such as capital, markets, customers, and others that cannot be achieved instantaneously, rather, they require a process. A business process requires persistence, motivation, and resources to grow the business in the future.

4.2. Hypotheses Testing

The results of hypothesis testing with path analysis using Lisrel 8.70 can be seen in Table 6. In contrast, the evaluation of the effects of model testing can be seen in Table 6.

Table 6. Evaluation of Goodness of Fit Kriteria Criteria.

Criteria	Result	Critical Values *	Model Evaluation
Cmin/DF	2.480	$1 \le Cmin/DF \le 5.00$	Good
Probability	0.250	≥0.05	Good
RMSEA	0.064	≤0.08	Good
GFI	0.890	≥0.90	Moderate
CFI	0.960	≥0.94	Good

Source: * Hair et al. (2010).

Table 6 shows the evaluation of model testing results with good results; only one criterion (GFI) presented moderate results.

Table 7 shows that the effect of entrepreneurial self-efficacy (ESE) on business success (BS) is positive and significant at 18% with t count 2.981 > t Table 1.645 (model 1), so H1 is accepted. Likewise, entrepreneurial motivational (EM) influence on business success is positive and significant at 13.3% with t count 2.186 > t Table 1.645 (model 2), so H2 is received. The role of entrepreneurial motivation mediation on the impact of self-efficacy entrepreneurship on business success is evident (H3 is received). This is seen from the significant effect of ESE on EM (path a) and the effect of EM on BS is also significant (path b). The influence of ESE on BS, both direct influence (path c) and ESE influence on BS after EM control, remains significant (path c'). Referring to Baron and Kenny (1986) about testing the role of mediating variables, this suggests the role of EM is partially mediating over the influence of ESE on BS.

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Table 7. Path Coefficient (Standardized Regression) between Variables.

Path	Path Coefficient	t Count	t Table	Probability (p)	Information
	Model-1 (path a): EM = 3.773 + 0.133ESE				
ESE → EM	0.133	2.186	1.645	0.015	Significant
	Model-2 (path c) BS = 3.287 + 0.180ESE				
ESE → BS	0.180	2.981		0.001	Significant
	Model-3 (path	n b & path o	c'): BS = 2.41	1 + 0.161ESE + 0.143	BEM
ESE → BS	0.161	2.665	1.645	0.090	Significant
EM → BS	0.143	2.372	1.645	0.004	Significant

Source: Authors' calculation.

R square of 0.45% or 45% in Table 8 shows how much the percentage of entrepreneurial self-efficacy and entrepreneurial motivation affects business success, while other factors outside this study influence the remaining 55%. F calculates the influence simultaneously at 7.335 with a p-value of 0.001 < 0.050, meaning H4 is accepted, meaning that simultaneously, both free variables significantly affect the bound variable.

Table 8. R Square and F Calculation.

Variable	R Square	F Count
Model 3: BS = 2.411 + 0.161ESE + 0.143EM	0.45	7.335
Model 5: B5 = 2.411 + 0.161E3E + 0.143EM	0.45	p value: 0.001

Source: Authors' calculation.

5. Discussion

5.1. Effect of Entrepreneurial Self-Efficacy on Business Success

With a high level of self-efficacy, business actors can be more confident in achieving business success. A high ESE indicates that business actors believe that they can carry out their duties and become successful entrepreneurs, which is an important aspect in encouraging business success, seen from the number of sales, production results, business profits, business growth, and development. The test results show that the self-efficacy of food and beverage MSEs in Madiun and Magetan has a significant positive effect on the success of their business. This means that the higher the entrepreneurial self-efficacy, the higher the business's success. When viewed from the age of the respondents, most of them are between 17-26 years old (Table 3); the age range is young and are of the Y and millennial generations who are given many conveniences because of digital technology, making it easy to get information quickly, and the mindset and character of students. This type of young entrepreneur is full of ideas and innovation, and has confidence in running the business they started, so the opportunity to achieve business success is enormous. For example, during the COVID-19 pandemic, with the limited time that people have to prepare food, a healthy food menu is a business opportunity to provide healthy food and herbal drinks typical of Indonesia. Based on the results of interviews with several respondents, in order to continue to exist and maintain customers, business owners have made food additions and new menus, with items such as ginger juice drinks, ginger herbs, soy juice, pudding, honey tea, and "wedang uwuh" (https://www.detik.com/edu/detikpedia/d-5614929/ accessed on 15 December 2021). The pricing of such new menu items is affordable by most Indonesian people. Business owners are utilizing marketing services on online transportation applications for marketing new menus during the pandemic.

This supports Gibson et al. (2012), who state that learning makes a person develop knowledge, skills, and positive behavior and generate creative power by creating new processes in business. The findings in the field show that the most prominent aspect of the ESE is individual beliefs, followed by cognitive resources and action (Table 4). Zaini

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et al. (2016) mentioned increasing entrepreneurial intentions through unique mental and emotional processes. This becomes a strong predictor of one's actions to start a new business (Bernardus et al. 2020) which ultimately affects the growth and performance of SMEs (Lampadarios 2017 and Machmud 2017) because a person's self-efficacy affects the course of action to be chosen, such as trying to be persistent and tenacious, so that the business carried out is successful.

This finding supports the theory of planned behavior (TPB) that perceived behavioral control is an individual's belief that it will be easy or difficult to perform certain behaviors associated with self-efficacy. High self-efficacy can increase self-confidence in that the individual is capable of certain behaviors, including task roles in entrepreneurship. This means that the higher the self-efficacy of business actors, the higher the business success that can be achieved. The results of this study are in line with Ngek (2015); Dessyana and Riyanti (2017); Adolfina et al. (2018); Budiman and Pangestu (2018); Yusuff et al. (2019); Oyeku et al. (2020); Islam et al. (2020); and Khalil et al. (2021) which show that self-efficacy positively and significantly affect business success because according to Chen et al. (1998), entrepreneurs who have high self-efficacy achieve more innovation and dare to take risks in entrepreneurial tasks.

5.2. The Influence of Entrepreneurial Motivation on Business Success

The study results prove that entrepreneurial motivation positively impacts food and beverage MSEs in Madiun City, Madiun Regency, and Magetan Regency (Table 7). High entrepreneurial motivation enables business actors to overcome difficulties they face.. Motivation is considered an important factor in entrepreneurship because high motivation in a person can cause, channel, and support a person's behavior so that they want to work hard and enthusiastically achieve optimal results. The most prominent aspect of business success by F&B business people who are respondents to research is the acquisition of business profits, while aspects of business development need to be improved (Table 6). Entrepreneurial motivation in this empirical study is seen from financial, social, service, and self-fulfillment motives, and the dominant basis compared with others is the financial aspect and self-fulfillment aspect (Table 5); this supports Chittithaworn et al. (2011) and Machmud (2017). Motivation moves entrepreneurs to display behavior towards achieving specific goals, such as business growth. According to Sirec and Mocnik (2010) and Neneh and Vanzyl (2014), measuring MSEs' growth can be seen from employee growth, sales growth, and asset growth. Because the concept of entrepreneurship does not stop when a business is created but also includes the intention to develop the industry, this is following the theory of planned behavior (TPB), that motivation is associated with subjective norms, namely, the individual's view of things that can affect individual interest in taking action. In contrast, motivation is the impetus to take action. This means that entrepreneurial motivation positively affects individual intentions to take action so that their business develops and succeeds. High motivation in entrepreneurship affects a person's success in doing business

The results indicate that entrepreneurship motivates people to succeed in business profits, independence, and opportunities to develop businesses and create jobs and community recognition. An entrepreneur needs this motivation to grow the intention to work hard and achieve business success. Someone with a solid entrepreneurial basis will use and mobilize all their potential to succeed in entrepreneurship (Nuryanto et al. 2019). The results of the study are in line with Muthalib and Yulianti (2015); Gemina et al. (2016); Kisker (2016); Machmud (2017); and Budiman and Pangestu (2018), which prove that motivation affects business performance and business success. Business success is seen in production results, profits, growth, and business development. A growing business can be measured quantitatively, such as increased sales, profits, asset value, and volume of work.

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The new findings in the new study compared with previous research lie in the results of an analysis path showing that entrepreneurial motivation (EM) acts as an indirect influence of partial mediation of self-efficacy (ESE) entrepreneurship on business success (BS). This means that high ESE can be decisive either directly or indirectly in influencing business success through EM as mediation. This means that high ESE can be a determinant either directly or indirectly in influencing business success through EM as a mediation. The results of this study reinforce the research of Kristiadi et al. (2016), who find that reason acts as an influence of self-efficacy mediation on entrepreneurial intentions. The results of this study strengthen the research of Eliyana et al. (2020), which found that selfefficacy has an indirect impact on entrepreneurial intentions with entrepreneurial achievement as mediation. Entrepreneurial achievement in the current study is one of the indicators of entrepreneurial motivation measurement. In the study of Pihie and Bagheri (2013), the direct impact of self-efficacy on entrepreneurial intention and the indirect effect of self-efficacy on the entrepreneurial intention with self-regulation as partial mediation are shown, while the results of this study indicate that the influence of entrepreneurial self-efficacy on entrepreneurs has a direct impact on the business success achieved so far. Another study (Norena-Chavez and Guevara 2020) shows a significant complementary mediating effect of entrepreneurial passion on the relationship between entrepreneurial self-efficacy and innovative behavior.

5.4. Simultaneous Influence of ESE and EM on Business Success

To become a successful entrepreneur, it is necessary to have the self-confidence to complete the task well, balanced with a strong entrepreneurial motivation. The test results show that ESE and EM simultaneously affect the business success of food and beverage business actors in Madiun (Table 6). This means that to improve the business performance of food and beverage MSEs in Madiun City, Madiun Regency, and Magetan Regency, it is strongly influenced by these business actors' self-efficacy and self-motivation factors. This shows that improved business performance can increase self-efficacy and motivation, such as financial, social, service, and self-fulfillment or achievement. ESE is an individual's belief in a series of necessary actions that can provide an excellent opportunity to achieve the desired level of business performance. Entrepreneurial motivation is needed to achieve actual business performance, consisting of many motives that drive entrepreneurs to achieve it.

6. Conclusions

The results of this study reinforce Santoso and Oetomo (2018), which shows that ESE and EM can influence entrepreneurial intentions in achieving business success, as research shows that ESE and EM influence significant and positive business success. This is evident from the results of testing on food and beverage MSEs in Madiun City Madiun Regency, and Magetan Regency, which found a positive and significant effect on business success, either partially or simultaneously. These findings confirm the importance of entrepreneurs' psychological resources in the form of self-efficacy and motivation for the success of food and beverage MSMEs in East Java, Indonesia. This means that entrepreneurial self-efficacy and entrepreneurial motivation have an essential role in increasing the success of entrepreneurs' businesses. This indicates that business owners with high ESE tend to set challenging growth expectations for their company and stay in their quest to achieve those goals. This positively impacts business development and the entrepreneurial work environment and can create a willingness to create business ideas and face business challenges. F&B business owners who can develop the motivation to achieve and high willingness to dare to take risks in connection with opportunities can increase the ability of start-ups and innovate in producing new products; therefore, improving the performance of the business carried out. The indirect impact of entrepreneurial self-efficacy on business success through entrepreneurial motivation is supported. This means that high ESE can Economies 2022, 9, x FOR PEER REVIEW 17 of 22

be a determinant that can influence business success either directly or indirectly through entrepreneurial motivation.

6.1. Theoretical Contribution

The main contribution of this research is to increase understanding for academics on how to understand the impact of the two internal entrepreneurial factors of self-efficacy and motivation contributing to business actors' success. The current study goes forward with two important implications for social cognitive theory (SCT), theory of planned behavior (TPB), and the goal-setting theory.

Research indicates that people with high self-efficacy are confident in surviving and achieving their goals. The results showed that ESE significantly positively influenced business success. This finding supports the SCT initiated by Bandura (1977), which explains that how individuals behave depends on reciprocation between the environment and individual personal factors, especially cognitive factors related to one's belief that they are able or unable to act to achieve certain results successfully (self-efficacy).

The level of entrepreneurial motivation affects a person's business success. Evidence suggests that entrepreneurs are driven by a combination of entrepreneurial motivations such as financial, social, service, and self-fulfillment reasons to start and run a business that increases their capacity to be successful in relation to profitability and growth. These findings support the goal-setting theory that if some people perform better than others despite being equal in ability and knowledge, then the cause should be motivation (Latham and Locke 1991). The findings also support the planned behavior theory put forward by Ajzen (1991) by assuming interest as a motivating factor influencing a behavior, which is indicated by how hard individuals attempt to perform the behavior.

6.2. Implications for Practice

Before the pandemic, food and beverage businesses in various regions of Indonesia grew rapidly. Since the spread of COVID-19 in November 2019, companies, including MSEs in the food sector, have tried hard to manage their business and sustain this crisis to avoid closure. Therefore, based on the results of this study, it is recommended that MSE entrepreneurs' ESE needs to be maintained and improved because it can help entrepreneurs energize the need to work hard with a special focus on their goals, thus maintaining their business performance even during the current pandemic. The study recommends that MSE owners should have high confidence in themselves and their ability to steer their businesses resiliently during difficult times such as the COVID-19 pandemic. Most businesses in the F&B sector during the COVID-19 pandemic experienced a decrease in sales turnover and experienced various marketing and sales constraints and product distribution. Businesses need to continue to find marketing and sales alternatives, secure capital and assets, temporarily divert to other businesses, and learn effective technologies to promote and sell creatively and innovatively.

Culinary MSMEs today must be good at finding market needs that are in accordance with the conditions. Currently, the community is very concerned with health, so MSMEs must be able to create good food and drinks while having good nutritional content. Another innovation that can be considered is to make food in packaging tailored to current needs with attractive design. Someone will be interested in buying culinary products if the packaging is attractive, especially in the digital era where buyers see more products through e-commerce or online motorcycle/taxi food delivery applications. Presently, culinary Indonesia has become an important part of people's lifestyle, and almost everyone loves various types of F&B. However, to run a culinary business, innovation is needed that distinguishes a business from competitors. These innovations can cover skills, shapes, tastes, and presentation creations.

Based on the results of testing and identification of respondent profiles, the majority of MSEs are owned by young people with less than ten years of business experience.

Therefore, to improve the performance of MSEs in Indonesia, especially in East Java, in addition to providing marketing facilitation, it is also necessary to pay attention to involvement of the government in providing various business strengthening and mental entrepreneurial development and organizational leadership initiatives to young entrepreneurs. Such initiatives can assist MSE owners in becoming more creative and innovative in running and developing a business, improving the possibility of achieving a successful, long-lived business in the competitive global market. Business owners are also expected to follow entrepreneurship activities more often and build good relationships with other entrepreneurs to gain new experiences and obtain various useful information for the business being run.

In Indonesia, MSEs are one of the fields of business with a fairly important role in economic growth and MSEs also have a hand in the absorption of labor and the distribution of results building. In addition to the internal factors of entrepreneurship that need to be improved for the resilience of MSEs during the COVID-19 pandemic, policies from the government are needed in easing the burden of MSEs, including employee protection and information accuracy, improving the economy, income, and employment support for MSMEs, planning, and building resilience capabilities and positive social relationships. In order for MSEs to survive this pandemic, the government is expected to continue to work to overcome the difficulties they experience by providing a number of stimuli for MSEs through loan restructuring policies, additional capital assistance, electricity bill repayment waivers, and other financing support.

6.3. Limitations and Future Research

First, research was conducted on food and beverage MSMEs in Madiun City, Madiun Regency, and Magetan Regency, East Java, Indonesia, thus, limiting the conclusion of causation, so that the results of this study cannot be generalized to all types of MSMEs in Indonesia. Future research can expand the research area and other types of creative industry businesses. Second, determining the success of the businesses studied in this study are two internal factors of self-efficacy and entrepreneurial motivation so that further research can explore other internal factors that influence business success: entrepreneurial leadership and innovative work behavior.

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Appendix A. Research Questionnaire

A BUSINESS SUCCESS

No	Statement
1	The number of sales of my business (in the last three years) is increasing every year.
2	My business sales increase during certain events (exhibitions/festivals).
3	The number of my business production continues to increase (in the last three years)

4	The number of my business products can meet market demand.
5	My business income increases for every specific event (exhibition/festival).
6	In general, my operating income (in the last three years) is increasing every year.
7	The number of my customers continues to increase every year (in the last three years).
8	My customers are from various regions outside my current business area.
9	Marketing my business products is not only in the area where I currently live.
10	I have more than one place of business.
11	I have opened a branch of business outside my current place of business.
12	I have additional facilities (e.g., production process support machine/computer/laptop/notebook/smartphone,
12	etc.) used to support my business production.
13	I added the type of business to support the operationalization of existing businesses to survive and maintain
	the business during the COVID 19 pandemic.

B ENTREPRENEURIAL SELF-EFFICAY

No	Statement
1	I am sure I can solve problems in business
2	I am sure I can expand my current business
3	I am sure I will get adequate profit
4	I can compete with similar entrepreneurs
5	I can manage my resources well
6	I can work well
7	I am tireless in facing challenges
8	I can motivate employees to keep working hard
9	I can accept the consequences of doing business
10	I can accept income uncertainty

C ENTREPRENEURIAL MOTIVATION

No	Statement
1	I can earn every month
2	I can improve the family's economy
3	I can use the capital I have to develop a business
4	I am more appreciated in social circles
5	This effort makes me want to be known by other people
6	I can be a role model for others
7	I feel more honored than working with other people
8	I can create a new job
9	I can meet market demand
10	I can have my own business
11	I can still divide my time between business and family instead of working with other people
12	I can start my own business
13	Lam not dependent on family/parent-owned businesses

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