



THE EFFECT OF ENTREPRENEURIAL CHARACTERISTICS AND SELF-EFFICACY ON BUSINESS SUCCESS IN BUMI WARAS DISTRICT

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ABSTRACT

This research aims to determine the influence of entrepreneurial characteristics and self-efficacy on business success in Bumi Waras District. This research is quantitative research with research methods using descriptive verification. The population in this study was 124 food business actors. The number of samples in this study was 95 people, which were obtained using probability sampling techniques using simple random sampling. Data collection uses observation, interviews, questionnaires and documentation. Hypothesis testing was carried out using t and F tests processed with the SPSS program. The results of this research show that there is a simultaneous influence of entrepreneurial characteristics and self-efficacy on business success in Bumi Waras District with a coefficient of determination of 63.9% and the remaining 36.1% is influenced by other factors not examined in this research.

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INTRODUCTION

Entrepreneurship is the main foundation of Indonesia's economic development. The position of entrepreneurship has long been recognized as a very important sector, because of its significant role in Indonesia's Gross Domestic Product (GDP). This is inseparable from the ratio of entrepreneurship, which is currently around 3.47% of the total population of Indonesia. This ratio is still very low when compared to neighboring countries. Entrepreneurship contributes greatly to the country, because with entrepreneurship new jobs can be wide open, given the current phenomenon of unemployment and the difficulty of finding a job so that many choose entrepreneurship as one of the livelihoods. Entrepreneurship is the initial foundation in increasing economic growth because entrepreneurship is able to change the mindset of entrepreneurs to create their own jobs, aka being able to become independent entrepreneurs.

In an effort to optimize entrepreneurial growth, the success of a business today depends on the entrepreneurial ability of its owner. Business success is a condition where the business has increased from the previous results. Business success is characterized by increased sales, production and profits generated. This is in accordance with what is said (Noor, 2007: 397) that "business success is essentially the success of a business in achieving its goals, a business is said to be successful if it makes a profit because profit is the goal of someone doing business". Therefore, as a first step to starting a business well, an entrepreneur must have business capital, not only capital in terms of finance, but also capital in his personality, namely entrepreneurial characteristics and self-efficacy. As research conducted by Samsiah (2022) that entrepreneurial characteristics and self-efficacy are indispensable and have a positive effect on business success.

The characteristics of an entrepreneur are one of the crucial things that every entrepreneur must have. This is because characteristics are soft skills in order to improve personal abilities. In terms of economics, entrepreneurial characteristics are chosen as an indispensable ability in improving the economy of a region. Apart from the importance of entrepreneurial characteristics, self-efficacy is one of the second important elements. Because characteristics alone are not enough if they are not accompanied by self-efficacy.

Someone who has high self-efficacy has the potential to become an entrepreneur who is ready to face new and more open economic flows. Vice versa, someone who has a low level of self-efficacy has a low potential to become an entrepreneur, especially in terms of business success.

In this case, researchers made observations related to the success of businesses in Bumi Waras Subdistrict. Based on data from the Central Bureau of Statistics (BPS) of Bumi Waras Subdistrict in 2021, the total number of existing businesses was 554 businesses, while in 2022 there were 485 businesses. The phenomenon that can be seen is that there was a decrease in the total number of businesses in 2022-2021, namely 69 businesses that were unable to maintain and continue their business or in other words, their business failed, seen from their declining income, the lack of customers who came, and small profits. The decline in sales will automatically affect revenue, so as a result there is an effect of decreasing business success. According to Latief (2017: 170) one of the factors of business failure is uncertain income. Therefore, it requires an active role from business actors, namely entrepreneurial characteristics and self-efficacy, but not as expected. "In a rapidly changing environment, competitive advantage is determined by creativity and innovation that can satisfy customers better than competitors" (Rusdiana, 2018: 224). The emergence of competitors with the same product is an obstacle for every business actor in Bumi Waras District. The problem that occurs due to the lack of entrepreneurial characteristics and lack of confidence in oneself to continue developing their business is that competitors will easily get rid of the products offered and consumers switch.

METHODOLOGY

This research method is quantitative research with a research method using descriptive verikatif. Descriptive method is a research method that seeks to describe and interpret objects as they are. The purpose of verification research is to determine the level of influence of variables in a population (Sukardi, 2008: 157). The approach used in analyzing the data of this study uses a quantitative data approach. The quantitative approach is used to measure the independent and dependent variables using numbers processed through statistical analysis.

Data collection uses observation, interviews, questionnaires, and documentation.

RESEARCH RESULT

Data Analysis

1. Normality Test Result

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		95
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.16393534
Most Extreme Differences	Absolute	.072
	Positive	.063
	Negative	-.072
Test Statistic		.072
Asymp. Sig. (2-tailed)		.200 ^{c,d}

From the results of the normality test using the Kolmogorov-Smirnov method, the significant result of the normality test is 0.200, where the result is greater than the significant level of 0.05 so it can be concluded that the normality test in the study is normally distributed.

2. Homogeneity Test

Test of Homogeneity of Variances					
		Levene Statistic	df1	df2	Sig.
X1	Based on Mean	2.090	6	86	.063
X2	Based on Mean	1.947	6	86	.082

The results of the homogeneity test on each research variable state that the entrepreneurial characteristics variable has a significance value of $0.063 > 0.05$ and the self-efficacy variable has a significance value of $0.82 > 0.05$, so it can be concluded that all variables in this study are homogeneous.

3. Regression Line Linearity Test

ANOVA Table							
			Sum of Squares	Df	Mean Square	F	Sig.
Y * X1	Between Groups	(Combined)	230.687	17	13.570	8.571	.000
		Linearity	199.060	1	199.060	125.736	.000
		Deviation from Linearity	31.626	16	1.977	1.249	.253
	Within Groups		121.903	77	1.583		
	Total		352.589	94			

ANOVA Table							
			Sum of Squares	Df	Mean Square	F	Sig.
Y * X2	Between Groups	(Combined)	204.607	13	15.739	8.615	.000
		Linearity	191.180	1	191.180	104.644	.000
		Deviation from Linearity	13.427	12	1.119	.612	.826
	Within Groups		147.983	81	1.827		
	Total		352.589	94			

Based on the data above, it can be seen that the significance value of the X_1 , and X_2 variables is greater than 0.05, namely 0.253 and 0.826, respectively. So, thus the regression model is said to be linear.

4. Multicollinearity Test

Coefficients ^a					
	Unstandardized Coefficients	Standardized Coefficients			Collinearity Statistics

Model		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	3.735	1.877		1.989	.050		

	X1	.205	.041	.457	4.961	.000	.462	2.165
	X2	.197	.045	.401	4.349	.000	.462	2.165
a. Dependent Variable: Y								

The determination of the multicollinearity test can be seen by comparing the Tolerance and VIF values. If tolerance > 0.10 or VIF < 10.00, the regression model does not have multicollinearity symptoms. Based on the table above, it is known that the tolerance on both variables is 0.462 > 0.10 and VIF 2.165 < 10.00. Thus the regression model does not have multicollinearity symptoms.

5. Autocorrelation Test

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.799 ^a	.639	.631	1.17652	2.115
a. Predictors: (Constant), X2, X1					
b. Dependent Variable: Y					

It can be seen that the DW value of the regression model is 2.115, while from the DW table with a significance of 0.05 and n = 95 and k = 2, get the value of DL = 1.6233 and DU = 1.7091, so the value of 4-dU = 2.291. Because the DW value = 2.115 so that DU < DW < 4- DU = 1.7091 < 2.115 < 2.291 the result can be said that there is no autocorrelation problem in the regression model. So it can be concluded that there is no positive or negative autocorrelation.

6. Heteroscedasticity Test

Coefficient ^a			
	Unstandardized	Standardized	

Model		Coefficients		Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.053	1.182		2.583	.011
	X1	.012	.026	.069	.463	.644
	X2	-.053	.028	-.280	-1.874	.064

a. Dependent Variable: ABS_RES

Based on the above tests, it can be concluded that the entrepreneurial characteristics variable has a significance value of $0.0644 > 0.05$ and self-efficacy has a significance value of $0.064 > 0.05$. So it can be concluded that there is no heteroscedasticity among the research data on each independent variable.

7. Simple Linear Regression

1 Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.172	1.957		3.154	.002
	X1	.337	.031	.751	10.981	.000

a. Dependent Variable: Y

Based on the data from the SPSS test results, obtained $t_{count} 3.154 > t_{table} 1.985$ and obtained a significance level of $0.002 < 0.05$, meaning that there is an effect of entrepreneurial characteristics on business success in Bumi Waras District. The regression coefficient X_1 has a value of 0.337, which means that each addition of one variable X_1 will increase variable Y by 0.337 or if the entrepreneurial characteristics are positive, it can increase business success by 33.7%.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.723	1.900		4.066	.000
	X2	.361	.034	.736	10.495	.000

a. Dependent Variable: Y

Based on the results of SPSS testing, the t_{count} is $4.066 > t_{table}$ 1.985 and the significance level is obtained at $0.000 < 0.05$, so there is an effect of self- efficacy on business success in Bumi Waras District. The X_2 regression coefficient has a value of 0.361, which means that each addition of one X_2 variable will increase variable Y by 0.361 or if self-efficacy is positive, it can increase business success by 36.1%.

8. Multiple Linear Regression

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	225.243	2	112.622	81.363	.000 ^b
	Residual	127.346	92	1.384		
	Total	352.589	94			
a. Dependent Variable: Y						
b. Predictors: (Constant), X2, X1						
Coefficient						
s ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.735	1.877		1.989	.050
	X1	.205	.041	.457	4.961	.000
	X2	.197	.045	.401	4.349	.000
a. Dependent Variable: Y						

Hypothesis testing in this study using F statistics. based on the results of the F test, the F_{count} value was 81.363 with a significance value (sig.) of 0.000, and the F_{table} value with dk (degree of freedom) numerator 2 and denominator $(n-k-1)$ or $(95-2-1) = 92$ was obtained, namely 3.10, and using $\alpha = 0.05$. Then the value of $F_{count} > F_{table}$ or $81.363 > 2.70$ with a sig value. $0.000 < 0.05$, so that the decision H_0 is rejected and H_1 is accepted, which states that there is a simultaneous influence between entrepreneurial characteristics (X_1) and self- efficacy (X_2) on business success (Y) in Bumi Waras District.

It is known that a is 3.735; $b_1 = 0.205$ and $b_2 = 0.197$ so that the regression equation obtained is: $\hat{Y} = \alpha + b_1 X_1 + b_2 X_2 = 3.735 + 0.205 X_1 + 0.197 X_2$. The

result of the constant a is 3.735 so that if there is a variable value of entrepreneurial characteristics and self-efficacy, the average result of obtaining business success data is estimated at 3.735.

The regression coefficient (b) on X_1 of 0.205 indicates that if the increase in the value of the entrepreneurial characteristics variable is 1 point and the other independent variables remain, the level of the business success variable will increase by 20.5%. The regression coefficient (b) on X_2 of 0.197 indicates that if the increase in the value of self-efficacy is 1 point and the other independent variables remain constant, the level of business success variables will increase by 19.7%.

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.799 ^a	.639	.631	1.17652
a. Predictors: (Constant), X_2 , X_1				
b. Dependent Variable: Y				

It is known that the R Square value is 0.639, which means that entrepreneurial characteristics (X_1) and self-efficacy (X_2) affect business success (Y) in Bumi Waras District by 63.9% and 36.1% is influenced by other factors not examined in this study.

Discussion

1. The Effect of Entrepreneurial Characteristics (X_1) on Business Success (Y)

Entrepreneurial characteristics can be one of the influences on success in running a business. This is because entrepreneurial characteristics can determine success in running and developing a business. Without the characteristics, the business will certainly not run smoothly and as expected. According to Sinaga (2016) an entrepreneur who has entrepreneurial characteristics usually has high self-confidence, is optimistic, task and result oriented, is not afraid of challenges,

dares to take risks, has a leadership spirit, is open minded to suggestions and criticism, and is easily adaptable to others, and of course has high creativity.

In line with the opinion of Bahar (2019) who said that entrepreneurs who have high entrepreneurial character have stronger beliefs. They are able to do something by making changes when compared to entrepreneurs who lack entrepreneurial character. Low entrepreneurial character tends to give up easily, avoid risks or stop altogether when facing problems. In the research process that has been carried out by researchers, it is known that some entrepreneurs are still unable to take advantage of existing opportunities, are afraid to take risks, lack consistency and are also difficult to make decisions for the progress of their business. Whereas if someone is able to optimize their entrepreneurial characteristics, the success of their business will also be achieved. So that in entrepreneurship, entrepreneurial character is the right attitude to be applied in achieving business success. This is because a strong entrepreneurial character can face business competition so that it excels in competition.

Therefore, from the explanation described above, it can be seen that the entrepreneurial characteristics variable is one of the important factors that influence the success of a business in the Bumi Waras sub-district.

2. The Effect of Self-Efficacy (X_2) on Business Success (Y)

Self-efficacy is a feeling that exists in a person that he is able to handle certain tasks effectively, it can also be said that this self-efficacy refers to a person's knowledge of his own ability to complete certain tasks without the need to compare with the abilities of others and still believe in himself (Anita Woolfolk, 2009: 127).

Self-efficacy as a self-assessment of one's ability to perform a series of actions to achieve a desired goal. In other words, it does not emphasize the skills that individuals have, but rather the individual's self-assessment of the ability to use these skills to achieve goals (Srimulyani & Hermanto, 2021). Self-efficacy can also be interpreted as a person's confidence in his ability to complete a job that controls a person's thoughts, feelings and behavior in entrepreneurship. (Setiawan & Soelaiman, 2022).

This study found that self-efficacy has a positive and significant effect on business success. With this, self-efficacy has a considerable influence on business success in Bumi Waras District. The self-efficacy of an entrepreneur shows that it is important for an entrepreneur to be able to motivate employees who work with him and for him to continue to want to work hard so that later the business goals set as targets can be achieved well in order to achieve business success. So it can be concluded that self-efficacy has a big role in business success. The results of this study are also in accordance with the research of Srimulyani & Hermanto (2021) which states that the results of the study show a positive and significant influence between self-efficacy and business success. Based on the discussion above, it can be seen that apart from the variable entrepreneurial characteristics, self-efficacy is also an important factor that affects business success in Bumi Waras sub-district.

3. The Effect of Entrepreneurial Characteristics (X_1) and Self-Efficacy (X_2) on Business Success (Y)

The results of the regression analysis with these two variables obtained a correlation coefficient X_1 of 0.205 which means that entrepreneurial characteristics have a positive influence on business success. The X_2 coefficient is 0.197 which means that self-efficacy has a positive influence on business success. The multiple regression equation can be described as follows: $\hat{Y} = \alpha + b_1 X_1 + b_2 X_2 = 3.735 + 0.205 X_1 + 0.197 X_2$

In addition, the R coefficient value of 0.639 was obtained, indicating a simultaneous relationship between the variables of entrepreneurial characteristics and self-efficacy on business success in Bumi Waras District with a determination level of 63.9% and the remaining 36.1% was influenced by other factors not examined in this study.

Based on the explanation above, simultaneously the variables of entrepreneurial characteristics and self-efficacy have a positive and significant effect on business success. The more positive the implementation of these two variables will increase the business success of entrepreneurs. Likewise, on the contrary, the worse the percentage of these two variables will cause a decrease in the business success of entrepreneurs.

It is known that the success of a business is certainly influenced by several 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).

Some experts define self-efficacy as a personal estimate of an individual's cognitive and physical ability to exercise control over situational demands. In general, entrepreneurial self-efficacy is defined as the strength of an individual's belief that they can successfully perform various entrepreneurial roles and tasks. Apart from the importance of self-efficacy, entrepreneurial characteristics are also an important element. Because characteristics alone are not enough if not accompanied by self-efficacy. Someone who has high self-efficacy has the potential to become an entrepreneur who is ready to face new and more open economic flows. Vice versa, someone who has a low level of self-efficacy has low potential to become an entrepreneur, especially in terms of business success.

While the entrepreneurial characteristics variable also has a considerable influence as research conducted by Siti Samsiah (202) where the study found that entrepreneurial characteristics partially have a positive and significant effect on business success, the calculated value is 2.951 with a significant value of 0.004. After that, the results of the F test show that entrepreneurial characteristics simultaneously have a positive and significant effect on business success.

From the discussion above, it can be understood that in this study there are two variables, namely entrepreneurial characteristics and self-efficacy, which simultaneously affect business success in Bumi Waras District so that entrepreneurial characteristics and self-efficacy together must be considered in order to increase the business success of entrepreneurs. Of the two variables, it can be seen that entrepreneurial characteristics are the variables that have the greatest influence. This is because entrepreneurial characteristics are the main characteristics that an entrepreneur must have, so that if the entrepreneurial characteristics of an entrepreneur are high in him, it will increase the success of his business.

CONCLUSIONS

Based on the results of hypothesis testing and data analysis that has been carried out, it can be concluded as:

1. There is a positive and significant influence of entrepreneurial characteristics (X_1) on business success (Y) in Bumi Waras District. This shows that if the entrepreneurial characteristics of entrepreneurs are high, business success will increase.
2. There is a positive and significant effect of self-efficacy (X_2) on business success (Y) in Bumi Waras District. This shows that if self-efficacy has a positive attitude, business success will increase.
3. There is a positive and significant effect of entrepreneurial characteristics (X_1) and self-efficacy (X_2) together on business success (Y) in Bumi Waras District.

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