

## **THE EFFECT OF ENTREPRENEURIAL SELF-EFFICACY, ENTREPRENEURIAL ATTITUDES AND THE USE OF SOCIAL MEDIA ON SMES PERFORMANCE**

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### **ABSTRACT**

*The purpose of this study is to determine the impact of entrepreneurial self-efficacy, entrepreneurial attitudes and the use of social media on the performance of SMEs. The population used in this study is the owner of a small and medium culinary business in the Kelapa Gading area. The number of samples used for this study were 50 respondents using non-probability sampling for data collection and using a purposive sampling technique whose criteria were Small and Medium Culinary Enterprises in the Kelapa Gading area. The design of this research is descriptive cross-sectional because the data collection in this study uses field information, due to the data in this study using the SmartPLS version 3.3.3 application. What will happen is that this research states that entrepreneurial behavior does not have a significant effect on the performance of SMEs, while entrepreneurial self-efficacy and the use of social media have a positive and significant impact on the performance of SMEs. In the future, this research can help small and medium business owners to be able to use social media to run their business. And this research can also help increase the awareness of business owners that having self-efficacy in oneself and also mastering entrepreneurial attitudes is an important thing and can affect the business being run.*

**Keywords:** Entrepreneurial Self Efficacy, Entrepreneurial Attitudes, Use of Social Media, SMEs Performance

### **1. INTRODUCTION**

One of the economic developments in a country depends on the number of businesses made by the people of that country, one of which is the people who make businesses from small to medium capital or can be called Small and Medium Enterprises (SMEs). According to research by Malik et al. [1] states that SMEs play a strong role in the development of any country and this provides independence for the economy of any developed or developing country. is a small and medium-sized business that is not a subsidiary or branch of another company. Nowadays, there are many ways to run a business, and that causes the performance of SMEs to increase or decrease. Performance is a measure that measures the success of a business so that it remains on the path of a predetermined goal. According to research Soelaiman and Utami [2] Performance can be said to be a measure used to measure the success of a business in achieving the goals set by someone. The performance of SMEs also has several dimensions according to Rahmanto et al. [3], namely: (1) Sales growth, (2) Capital growth and (3) Labor growth.

As time goes by, the way people run a business or the business they run begins to change and begins to be more advanced, one of the factors is through social media. Social media users at this time continue to grow along with the development of technology, with so many SMEs trying to enter the world of social media so that their business can run in the world of social media as well.

There are several factors that make the performance of SMEs not going well due to several factors such as lack of confidence in running their business and lack of motivation to do so. Running a Small and Medium Business requires strong belief and commitment from yourself to take this business seriously, this can also be referred to as entrepreneurial self-efficacy.

The next factor is the attitude of SMEs or you could say the entrepreneurial attitude (entrepreneurial attitude).

The phenomenon that occurs from the explanation above can be felt at the present time. Since the COVID-19 virus, now many Small Medium Businesses have experienced a decline in sales due to regulations from the government which say that people should stay at home and are prohibited from gathering first, so the location of Small and Medium Businesses has become deserted with visitors due to this pandemic and performance. Small Medium Businesses continue to decline until they make many SMEs have closed their businesses. But there are Small Medium Businesses that persist to achieve their goals, by running their business online. for example, such as marketing the products it sells through social media and ordering can also be through social media. In this way, the performance of the SMEs can continue to improve under the current conditions.

Based on the information above, the researcher wants to conduct further research on the impact of entrepreneurial self-efficacy, entrepreneurial behavior and the use of social media on the performance of SMEs. The objectives of this study are: (1) to find out whether entrepreneurial self-efficacy has a significant impact on the performance of SMEs, (2) to find out whether entrepreneurial behavior has a significant impact on the performance of SMEs and (3) to find out the use of social media has significant impact on the performance of SMEs.

## **2. LITERATURE REVIEW**

### ***Entrepreneurial Self-Efficacy***

Ambarwati and Fitriasari [7] state that self-efficacy is a belief that a person has which aims to achieve the goals he has set. If someone has a large enough belief, it will make a person's motivation increase and have a large enough impact on one's business performance. Entrepreneurial self-efficacy also has several dimensions according to Bandura [8], namely: (1) Magnitude, (2) Strength and (3) Generality.

### ***Entrepreneurial Attitudes***

This is very important for Small and Medium Businesses to communicate with consumers, because Small and Medium Businesses must be polite to consumers so that consumers feel comfortable communicating or making transactions with Small and Medium Businesses. Kato and Miyake [9] state that entrepreneurial attitude can be interpreted as a person's perception of starting a business, having an attitude that dares to take risks with his own abilities. That way the entrepreneurial attitude is very important for SMEs to run their business. Entrepreneurial attitude also has several dimensions according to Choe et al. [10] namely: (1) Achievement, (2) Personal control, (3) Innovation and (4) Opportunity recognition.

### ***Social Media***

Aziz et al. [4] states that with the large number of social media users, companies use this opportunity to maximize the benefits such as improving relationships between consumers and with companies. Cynthia and Tunjungsari [5] stated that there are many social media users in Indonesia, from there they can take opportunities to promote brands on social media. The use of social media also has several dimensions according to Helen and Rusdi [6], namely: (1) Communication, (2) Collaboration and (3) Connection.

### 3. METHOD

In this study using a descriptive research design, this study also uses cross-sectional, according to Sugiyono [11] descriptive is research carried out to find out the value of independent variables, either only one variable or more than one variable.

The sample collection technique in this study is non-probability sampling with purposive sampling technique whose criteria are SMEs in culinary field in Kelapa Gading area, social media users and have been running their business for more than 1 year. Questionnaires were distributed to Culinary SMEs in the form of a Google Form and distributed via social media.

According to Sugiyono [12], the appropriate sample size in the study is 30-500 samples. In this study, the sample used was 50 samples, which are Small and Medium Culinary Businesses in the Kelapa Gading area that have used social media.

This study uses a structural equation model (SEM) data analysis technique and to process the data using SmartPLS version 3.3.3 software.

### 4. RESULTS AND DISCUSSION

#### **Results**

In processing the data that has been collected, there are several indicators that must be deleted, namely ESE1, EA1 and EA2 to meet the validity of outer loading.

**Table 1** Convergent Validity

Variable	Indicator	Factor Loadings
Entrepreneurial Self-Efficacy	ESE2	0.711
	ESE3	0.782
	ESE4	0.716
	ESE5	0.582
	ESE6	0.573
Entrepreneurial Attitudes	EA3	0.604
	EA4	0.613
	EA5	0.610
	EA6	0.787
	EA7	0.693
	EA8	0.762
The Use of Social Media	USM1	0.532
	USM 2	0.635
	USM 3	0.795

	USM 4	0.800
	USM 5	0.687
	USM 6	0.669
SMEs Performance	SMEP1	0.743
	SMEP 2	0.659
	SMEP 3	0.643
	SMEP 4	0.570
	SMEP 5	0.624
	SMEP 6	0.690

Based on Table 1, it can be concluded that if all indicators are declared valid with an outer loading result  $\geq 0.5$ .

In the Average Variance Extracted section, there is a section for removing certain indicators on all variables that have the smallest outer loading values, namely ESE6, EA3, EA4, USM1, SMEP4 and SMEP5 in order to fulfill the Average Variance Extracted.

**Table 2** Average Variance Extracted Analysis

Variable	AVE	Description
Entrepreneurial Self-Efficacy	0.500	Valid
Entrepreneurial Attitudes	0.514	Valid
The Use of Social Media	0.527	Valid
SMEs Performance	0.577	Valid

Based on Table 2, the Average Variance Extracted results after the removal of the ESE6, EA3, EA4, USM1, SMEP4 and SMEP5 indicators can be said that all variables are declared valid with an Average Variance Extracted result of more than 0.5. According to Hair et al. [13] if the Average Variance Extracted value and loading factor are more than 0.5, it means that it can be said that the value is valid.

**Table 3** Reliability Analysis

Variable	Cronbach's Alpha	Composite Reliability
Entrepreneurial Self-Efficacy	0.671	0.798
Entrepreneurial Attitudes	0.680	0.807
The Use of Social Media	0.779	0.847
SMEs Performance	0.749	0.843

Based on Table 3, the Cronbach's Alpha and Composite Reliability test results have a value of 0.6 and thus can be declared reliable.

**Table 4** Coefficient of Determination and Predictive Relevance

Variable	$R^2$
SMEs Performance	0.422

Based on Table 4, the coefficient of determination is 0.422 or 42.2%. This means that the variables of self-efficacy, attitude and use of social media are 42.2%, the remaining 57.8% small performance variables are influenced by other variables. did not exist in this study.

**Table 5** Predictive Relevance

Variable	$Q^2$
SMEs Performance	0.154

Based on Table 5, the results of predictive relevance ( $Q^2$ ) that is equal to 0.154 to the performance of SMEs, which means the value of  $Q^2$  is greater than 0 so it can be said if the predictive relevance variable.

**Table 6** Effect Size Test Results ( $f^2$ )

Variable	Effect Size ( $f^2$ )
Entrepreneurial Self-Efficacy	0.145
Entrepreneurial Attitudes	0.118
The Use of Social Media	0.006

Based on Table 6, the results of the F-Square ( $f^2$ ) calculation show that entrepreneurial self-efficacy has a weak relationship with the performance of SMEs. Then the entrepreneurial attitude has a weak relationship to the performance of SMEs. Finally, the use of social media has a non-significant relationship to the performance of SMEs.

**Table 7** Path Coefficient

Hypothesis	Variable	Original Sample	T-Statistics	P-Value
H1	ESE → SMEP	0.329	2.720	0.007
H2	EA → SMEP	0.083	0.179	0.642
H3	USM → SMEP	0.371	2.625	0.009

Based on Table 7, the results of the path coefficient hypothesis test on entrepreneurial self-efficacy on the performance of SMEs have original sample results of 0.329, t-statistics of 2.720 and p-values of 0.007.

The results of the path coefficient hypothesis test on entrepreneurial attitudes towards the performance of SMEs have original sample results of 0.083, t-statistics of 0.179 and p-values of 0.642.

The results of the path coefficient hypothesis test on the use of social media on the performance of SMEs have original sample results of 0.371, t-statistics of 2.625 and p-values of 0.009.

**Table 8** Hypothesis Test Results

Hypothesis	Results
H1	Hypothesis was supported
H2	Hypothesis was not supported
H3	Hypothesis was supported

Based on Table 8, H1 was accepted where entrepreneurial self-efficacy has a positive and significant effect on the performance of SMEs because the original sample has a positive value, t-statistics 1.96 and p-values < 0.05.

H2 was rejected, entrepreneurial attitude has a significant but not significant effect on the performance of SMEs because the t-statistics value is below 1.96 and the p-values are above 0.05.

H3 was accepted where the use of social media has a positive and significant effect on the performance of SMEs because the original sample has a positive value, t-statistics 1.96 and p-values < 0.05.

## **Discussion**

### *The Effect of Entrepreneurial Self-Efficacy on the Performance of SMEs*

The results of the H1 test in this study explain that entrepreneurial self-efficacy has a positive and significant influence on the performance of SMEs. This can happen because of the confidence in the owners of Small Medium Businesses in running their businesses, even though there are some Small and Medium Business owners who lack experience in the business they run, but still have confidence in running their business. The results of this study also support the research of Imran et al. [14] which states that the entrepreneurial self-efficacy variable has a positive and significant influence on the performance of SMEs.

### *The Effect of Entrepreneurial Attitudes on the Performance of SMEs*

The results of the H2 test in this study explain that entrepreneurial attitudes have an insignificant but not significant effect on the performance of SMEs. This result can occur because the owners of SMEs feel that there is a lack of proper goals or planning to run their business and are less able to control themselves when problems occur when there are problems in running their business, this causes the performance of Small and Medium Businesses to be less good in their operations. when running a business. The results of this study differ from those of Malik et al. [1] which states that in his research the entrepreneurial attitude variable has a positive and significant influence on the performance of SMEs because

in his research it shows that a business owner must make good plans and decisions for the business being run and can control himself when problems occur, so that the business implemented can have good performance in the future.

### *The Effect of Using Social Media on the Performance of SMEs*

The results of the H3 test in this study explain that the use of social media has a positive and significant impact on the performance of SMEs. This can happen because the owners of SMEs feel that it is helpful to have social media to communicate with their consumers, and in addition to social media communication, it also helps the work of Small and Medium Business owners to promote the products or services they sell so that they are more easily recognized. or known by consumers who are in need of products or services that the Small and Medium Business owners promote through social media. That way the performance of Small and Medium Businesses will increase when product or service orders increase as well after promoting what the Small and Medium Business owners sell on social media. The results of this study support the research of Sudirman et al. [15] with the use of social media greatly helps the work of SMEs and improves the performance of the SMEs, so it can be said that the use of social media has a positive and significant impact on the performance of SMEs.

## **5. CONCLUSION**

Based on the origin of the results of the analysis of this research, it can be said as follows: (1) Entrepreneurial self-efficacy has a positive and significant impact on the performance of SMEs in Culinary Medium Business owners in Kelapa Gading, (2) Entrepreneurial attitudes have a but not significant effect on performance of SMEs on the owners of SMEs in culinary in Kelapa Gading, (3) The use of social media has a positive and significant impact on the performance of SMEs in Culinary Medium Business owners in Kelapa Gading.

The results of this study can provide benefits for Culinary Medium Business owners, in order to solve problems that occur in running their businesses related to entrepreneurial self-efficacy, entrepreneurial attitudes and the use of social media on the performance of SMEs. Because entrepreneurial self-efficacy can increase when business owners have confidence in running their business and from there it can improve the performance of SMEs, entrepreneurial attitudes can increase when business owners have good planning and decisions in running their business so that they can improve the performance of SMEs, if the use of social media can increase when using it to run a business such as promotion, communication with consumers or others so that it can improve the performance of SMEs. It is hoped that this research can help the owners of Small and Medium Culinary Businesses to run their businesses.

In carrying out this research, there are several limitations, namely: (1) The limitation of sampling is only in the Kelapa Gading area and the sample is only 50 Culinary SMEs. (2) Cannot directly interview respondents due to the current state of the COVID-19 virus, so they only distribute questionnaires to respondents.

There are several indicators that are not appropriate or invalid which results in the removal of some indicators to meet the validity and reliability requirements.

From this study there are several suggestions, namely: (1) Based on the results of this study, the indicator (SMEP6) on the performance variable of SMEs with the statement "I am able to select prospective employees to get good employees" has the lowest outer loading value of 0.611. so it can be suggested for SMEs to be more thorough and better in selecting prospective employees, in order to get employees who have good performance and good results. (2) Based on the results of this study, the indicator (ESE5) on the entrepreneurial self-efficacy variable with the statement "I feel confident in the business I am running" has the lowest outer loading value of 0.569, so it can be recommended for Small and Medium Businesses to be more confident with the business that is being run, in order to be able to plan and determine the right decisions in running a business, if you have high confidence in the business that is being run. (3) Based on the results of this study, the indicator (EA5) on the entrepreneurial attitude variable with the statement "I have the will to work hard in starting a business" has the lowest outer loading value of 0.640, so it can be suggested for Small and Medium Businesses to continue to improve their sense of belonging. willingness to try harder in starting a business, so that they are more enthusiastic in starting their business and can achieve predetermined goals. (4) Based on the results of this study, the indicator (USM2) on the variable of social media use with the statement "Social media helps my business to communicate with consumers" has the lowest outer loading value of 0.604, so it can be suggested for SMEs to increase the use of social media when running their business, so they can communicate with consumers better and can improve the relationship between consumers and sellers. (5) Further research is recommended to increase the number of samples from previous studies so that more Small and Medium Business owners are researched and can also expand the distribution of respondents to other areas so that not only Small and Medium Businesses are in the culinary field in Kelapa Gading area. (6) It is recommended for further research to use respondent data collection methods other than questionnaires, such as direct interviews with the owners of the Culinary SMEs in order to get a direct point of view from the owners of the Culinary SMEs and get better subjects for the research carried out.

In the future, this research can help small and medium business owners to be able to use social media to run their business. And this research can also help increase the awareness of business owners that having self-efficacy in oneself and also mastering entrepreneurial attitudes is an important thing and can affect the business being run.

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