

Enhancing Entrepreneurial Orientation Among Women Entrepreneurs

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Abstract— Entrepreneurial orientation is important for the development of SMES in Indonesia. The existence of entrepreneurial orientation is strengthened by entrepreneurial passion supported by entrepreneurial self-efficacy as a mediating variable. This research focuses on women entrepreneurs because of their large contribution to Indonesia. The aim of this research is to investigate the influence of entrepreneurial passion towards entrepreneurial orientation through entrepreneurial self-efficacy in women entrepreneurs who have online businesses. The type of research used is quantitative research using 100 respondents. Samples were obtained randomly using a non-probability sampling technique, namely purposive sampling. Collecting data using research questionnaires. The data processing technique uses SmartPLS version 3.0. The results show that entrepreneurial passion has a significant influence on entrepreneurial orientation through entrepreneurial self-efficacy as a mediation.

Keywords— *entrepreneurial passion, entrepreneurial orientation, and entrepreneurial self-efficacy*

I. INTRODUCTION

The number of Micro, Small and Medium Enterprises (MSMEs) continues to increase. According to the Surabaya Cooperative and Micro Business Office, the number of MSMEs has increased to 40 thousand and there are 29 thousand new MSMEs in Surabaya [1]. The pandemic period has influenced the new order in running a business. In the recovery period after this pandemic, MSMEs cannot rely on traditional forms of business but also think about expanding into online businesses. Many businesses are transforming into online forms, both operationally and in marketing products broadly.

MSME owners must be able to adapt to technological developments that affect the running of the business. Marketing can no longer only rely on conventional stores, but must also expand to online businesses. This provides a great opportunity for online businesses to achieve success. Many companies are transforming towards digital. This is driven by the huge potential of the digital economy market in Indonesia, which is marked by the rise of online shopping activities. Based on data from the Coordinating Ministry for the Economy, e-commerce transactions grew by 400% during the pandemic. [2].

Businesses thrive in using online platforms to support their activities. In running a business on an online platform, an entrepreneur must be able to create a business, operate and develop an organization, so that he can know the business risks involved but still be able to generate profits. Businesses that are carried out online cause entrepreneurs to

be able to manage businesses creatively, and innovatively, and able to take risks (Phonthanukitithaworn, et al, 2019).[3]

Women are starting to enter the business world. However, the number of female entrepreneurs is still not comparable to male entrepreneurs in Indonesia. women entrepreneurs are women or groups of women, who start, organize and run a business venture (Hasan & Almubarak, 2016).[4], [5] One of the most challenging aspects for entrepreneurs is how to increase the development of successful entrepreneurial activities, creating socio-economic value for society in general (Zollo, et al 2020)[6] Indonesia occupies the 30th position as a country that has opportunities for women to become entrepreneurs. Women as well as men tend to be entrepreneurs in the informal sector in a small-scale. The representation of women entrepreneurs in Indonesia is still low, and they concentrate mainly on micro and small businesses [7]. Thus, women need to be further encouraged to increase their role in becoming entrepreneurs. Surabaya itself has a large number of female population and is increasing from year to year.

To improve entrepreneurial skills, individuals need self-confidence, enthusiasm for entrepreneurship, and an understanding of how to build an entrepreneurial orientation. Entrepreneurial passion reflects the entrepreneurial spirit associated with identifying, and exploring new opportunities. The spirit of entrepreneurship is related to identifying as well as exploiting opportunities; and the passion associated with caring, growing, and expanding the business after it was founded [8]. Women entrepreneurs who have a passion will be more persuasive, motivated, have a larger social network and social capital. Therefore, passion or passion is very important for the development and success of women entrepreneurs.

Entrepreneurial orientation enables companies to turn entrepreneurial opportunities into new growth potential [8] Entrepreneurial orientation refers to the decision-making processes, practices, and activities used by entrepreneurs that lead to their entrepreneurial initiation [9.] Women entrepreneurs who develop their business are important to have an entrepreneurial spirit or passion. Passion comes from emotions associated with strong causes that encourage entrepreneurs to think and act. In contrast, the concept of self-identification is related to the entrepreneur's inner identification with entrepreneurial activity and their cognitive understanding of the personal meaning of being an entrepreneur [6] Personal traits and emotions can influence behavior, as well as input from the environment. Individual entrepreneurial orientation stems from a set of emotions,

beliefs and will to succeed and is associated with entrepreneurial passion.

The self-efficacy aspect of individuals or entrepreneurs is related to their level of belief in innovation in developing a business, being proactive in running a business, and the ability to dare to take risks for every action taken to develop their business. When a person has a passion/passion to start a business, he will be more likely to find ways to acquire and develop relevant skills related to entrepreneurial activities, which will increase their ability to carry out activities, thereby increasing their self-efficacy beliefs [10].

The number of entrepreneurs who have online-based business activities has increased in recent years also increasing competition. This study wants to analyze the entrepreneurial passion of women entrepreneurs in online business which is supported by entrepreneurial self-efficacy towards the entrepreneurial orientation of women entrepreneurs.

II. LITERATURE REVIEW

Entrepreneurial Passion

Cardon, Gregoire, Stevens, and Patel [11] say that passion is an intense positive feeling experienced when engaging in entrepreneurial activity that is associated with a meaningful and prominent role for the entrepreneur's self-identity. Entrepreneurial passion is a strong and positive feeling that comes from a strong identification with an entrepreneurial activity [6]. Entrepreneurial passion is the spirit and passion of an individual to start becoming an entrepreneur or develop his entrepreneurship with emotional support and competence.

Entrepreneurial Orientation

Entrepreneurial orientation in organizations is a strategy-making process that provides the basis for entrepreneurial decisions and actions. The willingness of entrepreneurs to take risks and be proactive in leading their organizations is an important behavior that a person can do (Bolton & Lane, 2012). [12] entrepreneurial orientation refers to the process of making strategies for organizations based on entrepreneurial decisions and actions that also involve management-related outcomes and preferences, beliefs and behaviors as expressed by top-level managers of the company. Entrepreneurial orientation is the process of making and developing entrepreneurial strategies in running a company entrepreneurially. The application of entrepreneurial orientation at the individual level can be beneficial for entrepreneurs in running their businesses. [13]

Entrepreneurial Self-efficacy

Self-efficacy refers to the personal ability that individuals feel that they can complete a certain set of tasks or jobs, and produce its effects through cognitive, motivational and affective processes [13]. Furthermore, entrepreneurial self-efficacy is an individual's assessment of their personal beliefs to engage, strive, and persevere in the face of obstacles [10]. Entrepreneurial self-efficacy is an individual's beliefs and abilities in terms of personal factors in carrying out their duties and interests such as entrepreneurship. Entrepreneurial self-efficacy is a person's confidence to be able to apply skills in achieving task-oriented goals [14].

Entrepreneurial Passion and Entrepreneurial Orientation

The positive behavior of entrepreneurs affects the company's innovation ability, so it can be assumed that passion for development affects entrepreneurial orientation. [8] When entrepreneurs have a passion for growth, they engage in activities that help find new customers, develop new markets, and optimize organizational processes. Entrepreneurial passion is related to the persistence of entrepreneurs which can affect their willingness to take risks and be aggressive in running a business [6].

H1 : Entrepreneurial passion has a significant influence on entrepreneurial orientation

Entrepreneurial Passion and Entrepreneurial Self-efficacy

Self-efficacy forms cognitive processes, and explains decision-making abilities in pursuing achievements in business. Entrepreneurial passion encourages and motivates individuals to recognize opportunities and build new businesses [15]. Entrepreneurial self-efficacy is a person's confidence in implementing entrepreneurial actions [13]. Entrepreneurs who believe in higher levels of self-efficacy feel more attached to entrepreneurial activities because they perceive themselves to be able to handle challenging situations and have passion and passion in them [16]. Furthermore, entrepreneurs who have passion will feel encouraged and have confidence in entrepreneurship.[15]

H₂: Entrepreneurial passion has significant influence toward entrepreneurial self-efficacy

Entrepreneurial Self-efficacy and Entrepreneurial Orientation

Self-efficacy has an influence on entrepreneurial orientation. Individuals with higher self-efficacy have a higher entrepreneurial orientation [17]. Self-efficacy consists of two types of beliefs, the first is competencies that have an impact on job performance, then the second is activities to achieve certain results successfully.[18] When an individual has positive beliefs, he tends to organize his activities in a successful direction. However, if individuals have negative beliefs, then they will not carry out their duties or leave the task when faced with obstacles. People who have positive self-efficacy will pursue higher career goals, and strive to achieve their goals.

H₃: Entrepreneurial self-efficacy has significant influence toward entrepreneurial orientation

H₄ : Entrepreneurial passion has a significant influence on entrepreneurial orientation with entrepreneurial passion as mediation

III. METHOD

This research uses quantitative methods, aims to test the hypothesis that has been determined by using a causal relationship. This study uses a population of female entrepreneurs who do business online. The sampling process in this study uses the non-probability sampling method, which means taking samples that do not provide equal opportunities or opportunities for each element or member of the population to be selected as samples. The sampling technique used is purposive sampling technique. The number of samples used

in this study using the Lemeshow formula because the total population is unknown. The number of samples used in this study were 100 respondents. The determination of the research sample was also determined through screening on research questionnaires and surveys by researchers with the help of social media to find samples of online-based female entrepreneurs in Indonesia. This study uses a Likert scale measurement. The Likert scale measures the attitudes, opinions, and perceptions of a person or group about social events or phenomena. Alternative answers in the Likert scale used are given a score of 1 to 5.

This study uses data analysis techniques PLS (Partial Least Square). PLS is one of the basic SEM statistical variants to be designed in solving multiple regression if there are specific problems in the data, such as small research sample sizes, missing data (missing values), and multicollinearity. PLS model evaluation is done by testing the inner model and outer model.

IV. DATA ANALYSIS

This research using several steps to analyze the data. Before hypothesis testing, data must be tested using outer model test and inner model test

Outer model test

TABLE 1. CONVERGENT VALIDITY

Variable	Indicator	Loading factor	Result
Entrepreneurial Passion (X)	X1	0.764	Valid
	X2	0.758	Valid
	X3	0.721	Valid
	X4	0.740	Valid
	X5	0.571	Valid
	X6	0.791	Valid
	X7	0.768	Valid
	X8	0.703	Valid
	X9	0.717	Valid
	X10	0.642	Valid
	X11	0.678	Valid
	X12	0.660	Valid
	X13	0.749	Valid
Entrepreneurial Self-efficacy (Z)	Z1	0.686	Valid
	Z2	0.685	Valid
	Z3	0.727	Valid
	Z4	0.699	Valid
	Z5	0.687	Valid
	Z6	0.704	Valid
	Z7	0.754	Valid
	Z8	0.712	Valid
	Z9	0.644	Valid
Entrepreneurial Orientation (Y)	Y1	0.615	Valid
	Y2	0.658	Valid
	Y3	0.720	Valid
	Y4	0.665	Valid
	Y5	0.667	Valid
	Y6	0.781	Valid

Discriminant Validity Test

TABLE 2. CROSS LOADING

	Entrepreneurial Orientation (Y)	Entrepreneurial Passion (X)	Entrepreneurial Self-efficacy (Z)
Y1	0.643	0.509	0.427
Y2	0.667	0.462	0.550
Y3	0.746	0.559	0.532
Y4	0.673	0.437	0.451
Y5	0.722	0.555	0.473
Y6	0.787	0.649	0.624
X1	0.575	0.764	0.575
X2	0.568	0.757	0.532
X3	0.514	0.719	0.457
X4	0.555	0.740	0.411
X5	0.336	0.567	0.269
X6	0.611	0.792	0.604
X7	0.588	0.766	0.569
X8	0.579	0.703	0.445
X9	0.615	0.719	0.547
X10	0.484	0.640	0.411
X11	0.483	0.681	0.488
X12	0.502	0.662	0.515
Z1	0.612	0.574	0.693
Z2	0.478	0.470	0.686
Z3	0.511	0.508	0.721
Z4	0.533	0.496	0.706
Z5	0.525	0.538	0.703
Z6	0.442	0.445	0.702
Z7	0.508	0.463	0.767
Z8	0.536	0.552	0.727
Z9	0.446	0.439	0.671

Table 2 shows that cross loading value of each item is larger than other variable, so it fulfills the requirement for cross loading test.

TABLE 3. COMPOSITE RELIABILITY AND CRONBACH'S ALPHA

Variable	Cronbach's Alpha	Composite Reliability	Result
Entrepreneurial Orientation (Y)	0.800	0.857	Reliabel
Entrepreneurial Passion (X)	0.919	0.931	Reliabel
Entrepreneurial Self-efficacy (Z)	0.876	0.901	Reliabel

Table 3 shows that all variables are reliable due to the Cronbach alpha and composite reliability are above 0.6

Inner Model Test

TABLE 4. DETERMINATION COEFFICIENT VALUE (R²)

Variable	R ²
Entrepreneurial Orientation (Y)	0.641
Entrepreneurial Self-efficacy (Z)	0.502

The table explains entrepreneurial orientation v(Y) can be explained as entrepreneurial passion (X), and entrepreneurial self-efficacy (Z) with a value of 64.1%, 35.9% being

influenced by other variables outside the study. Furthermore, the entrepreneurial self-efficacy (Z) variable can be explained by the entrepreneurial passion variable with value of 50.2, so 49.8% is influenced by other variables.

Predictive Relevance

$$Q^2 = 1 - (1 - R^2Y) (1 - R^2Z)$$

$$Q^2 = 1 - (1 - 0,641) (1 - 0,502)$$

$$Q^2 = 0.821218$$

The Q2 value is 0.821218, it means that the predictive relevance of 0.821218 is, greater than 0. This shows that the model has a predictive and relevant value.

TABLE 5. PATH COEFFICIENT

Path	Path Coefficient	t-statistic	P values	Result
EP → EO	0.480	5.309	0,000	Significant
EP → ESE	0.709	7.812	0,000	Significant
ESE → EO	0.385	3.937	0,000	Significant

The results showed that the entrepreneurial passion variable (X) had an influence on entrepreneurial orientation (Y) with a path coefficient significance value of 0.480 and a t-statistic value of 5.309. The results showed that the entrepreneurial passion (X) variable had an influence on entrepreneurial self-efficacy. (Z) with a coefficient significance value of 0.709 and a t-statistic value of 7.812. The results show that the entrepreneurial self-efficacy variable (Z) has an influence on entrepreneurial orientation (Y) with a coefficient significance value of 0.385 and a t-statistic value of 3.937. This shows that entrepreneurial self-efficacy (Z) has a significant effect on entrepreneurial orientation (Y). entrepreneurial passion has a significant influence on entrepreneurial orientation if it is through entrepreneurial self-efficacy because it has a t-statistic value of 3.544 which exceeds the required t-statistic value

The results of the study show that entrepreneurial passion has an influence on entrepreneurial orientation in online-based female entrepreneurs in Surabaya. Women entrepreneurs who have a high entrepreneurial passion will strengthen their entrepreneurial orientation. When entrepreneurs have a passion for growth, they engage in activities such as helping to find new customers, developing new markets, and optimizing the processes of their business activities. All of these activities are an important role of entrepreneurial orientation.[18]

Women entrepreneurs need support from themselves or other parties to support their business activities. By being creative, innovative, proactive, and taking responsibility for making decisions, women entrepreneurs can become entrepreneurs who have an advantage over the competition. Entrepreneurs Women who run businesses must understand the importance of their entrepreneurial passion. They can use it for certain tasks in their business activities that can help their businesses achieve better performance. Therefore, it is important to identify and cultivate the passion of a woman entrepreneur in order to be able to improve her ability to run and develop her business.

This study shows that the entrepreneurial passion variable has an influence on entrepreneurial self-efficacy in online-based female entrepreneurs in Surabaya. Female entrepreneurs who have a high level of entrepreneurial passion will strengthen their entrepreneurial self-efficacy. This is in accordance with the statement of Li et al. [17] that entrepreneurial passion has a significant influence on entrepreneurial self-efficacy. A woman who is passionate, confident and confident and likes in an activity (entrepreneurship) will develop her skills to become better at doing these activities. The spirit in entrepreneurship of an individual will affect the belief in the individual's ability to succeed as a woman entrepreneur. The results of the study show that entrepreneurial self-efficacy has an influence on entrepreneurial orientation in online-based female entrepreneurs in Surabaya. This is in accordance with the statement of previous research [15] which explains that self-efficacy has an influence on entrepreneurial orientation. Women entrepreneurs who have a high level of confidence in running their businesses will have an influence on their ability to innovate, take risks, and be proactive in leading their businesses [20]. The results of the questionnaire data in this study explain that female entrepreneurs believe in their ability to develop entrepreneurial strategies. These capabilities enable individuals to identify, exploit, and even create market opportunities. This allows women entrepreneurs to market growth while identifying new opportunities and approaches that provide efficiencies to their businesses.

V. CONCLUSION

This study has the following conclusions: Entrepreneurial passion has a significant influence on entrepreneurial orientation, meanwhile entrepreneurial passion has a significant influence on entrepreneurial self-efficacy. Entrepreneurial self-efficacy is a variable that acts as a mediation between entrepreneurial passion and orientation.

Business owners must more quickly anticipate changes in the business environment, and strengthen their adaptability. Entrepreneurs are more confident and brave in taking risks in carrying out their business activities. Overall, the entrepreneurial orientation variable has a lower mean value than the other variables, therefore it is recommended that online female entrepreneurs in Surabaya can increase innovation in their products, be more proactive in developing their business, and dare to make decisions based on existing risks.

Entrepreneurs have many opportunities to develop their business every day, but the willingness to take risks and act aggressively is important to respond to business opportunities Women entrepreneurs should strengthen the ability to focus on their entrepreneurial strategies, making efficient use of resources.

In the digital era, entrepreneurs have the opportunity to reach a wider market area with minimal costs. This can make entrepreneurs more flexible to act without incurring an increase in costs. Women Entrepreneurs should still believe in their ability to face market developments, and seek added value so that they can compete with other businesses. Women entrepreneurs are advised to be able to identify business opportunities in Indonesia, especially in recovery after the pandemic.

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