THE DETERMINANTS OF MICRO AND SMALL ENTERPRISES PERFORMANCE: AN EMPIRICAL STUDY OF MILLENNIAL AND CENTENNIAL ENTREPRENEURS

Nur Ayu Ambinari, Muamar Nur Kholid*
Universitas Islam Indonesia, Indonesia

ABSTRACT: The purpose of this study is to determine the factors affecting the enterprise performance of Micro and Small Enterprises (MSEs) among generations Y (millennial) and Z (centennial) entrepreneurs during the Covid-19 pressure under the theory of Resource-Based View. Data were collected by online questionnaires to 227 generation Y and Z respondents and were analyzed using the Partial Least Squares Structural Equation Model (PLS-SEM). The data analysis findings indicate that risk-taking and networking positively affect micro and small enterprise performance positively and positively affect entrepreneurial competencies. Entrepreneurial competencies also significantly positively affect micro and small enterprise performance. While technology usage has no significant effect on micro and small enterprise performance, it substantially affects entrepreneurial competencies. Theoretical and practical contributions are provided.

Keywords: Micro and Small Enterprises (MSEs); Entrepreneurs; Entrepreneurial Competencies; Enterprise Performance.

Submitted: 21 February 2022; Revised: 13 & 18 April 2022; Accepted: 23 April 2022

*Corresponding Author: muamar.nk@uii.ac.id
DOI: 10.24252/minds.v9i1.27597
ISSN-E: 2597-6990
ISSN-P: 2442-4951
http://journal.uin-alauddin.ac.id/index.php/minds
Publisher: Program Studi Manajemen, Universitas Islam Negeri Alauddin Makassar
INTRODUCTION

The annual increase in the number of Micro and Small Enterprises (MSEs) in Indonesia and the government's continued efforts to improve the quality of MSEs demonstrate that the existence of MSEs in Indonesia is critical. Micro, Small, and Medium Enterprises employ 64.2 million people and contribute significantly to the Gross Domestic Product, which now stands at 61.07% or Rp. 8,573.89 trillion, and it is expected to absorb 97% of the workforce in the business world by 2020 (Kementerian Keuangan Republik Indonesia, 2021). However, the Covid-19 epidemic struck at the start of 2020; 82.9% of 206 MSEs experienced a negative impact, with up to a 30% loss in revenue, while just 5.9% experienced a positive effect (Bahtiar, 2021). The tourism industry, particularly the tour, and travel industry, is the MSEs sector hardest hit by the Covid-19 outbreak (Sugihamretha, 2020).

The threat of failure and bankruptcy that MSEs face in Indonesia's uncertain economic environment necessitates a strategy to ensure that MSEs' capabilities and performance remain competitive and sustainable. External factors affecting a business's performance include business competition, supplier negotiating power, buyer bargaining power, the threat of new entrants, and alternative products (Brustbauer, 2016). Along with external influences, a business's performance is influenced by internal factors. These internal variables are innovation, technology, operational activities, human resource strengthening, marketing, research, and development (Hanggraeni et al., 2019). A business or organization must have an internal tangible and intangible resource distinct from rivals' offerings and cannot be replicated. A company or organization needs to have a competitive advantage and perform well (Barney, 1991). Intangible internal resources are those of a business that is difficult to replicate. Innovation, human capital, reputation, and culture are all examples of intangible resources (Surroca et al., 2010).

A person's personality or characteristics significantly impact the MSE business organization's success (Entrialgo et al., 2000). Age or generational status is one of the individual characteristics that affect the success of business MSE. There are various well-known generations, including the Veteran generation, the Baby boom generation, the X generation, the Y generation, and the Alfa generation (Bencsik et al., 2016). Along with the world's business environment, which is evolving due to technology, ages Y and Z are believed to be prepared to adapt to the newest business climate (Bencsik et al., 2016). Generation Y, also known as the Millennials Generation, refers to those born between 1980 and 1995, while Generation Z, also known as the Gen Z or Centennials Generation, refers to those born between 1995 and 2010 (Zemke et al., 2013). The traits of Generation Y and Generation Z, which are future-oriented, imaginative and creative, adaptable to technology, and responsive to events, are similar to the primary attributes that a business owner must possess (Bencsik et al., 2016).
Numerous studies on a business’s performance have been conducted, particularly on Micro and Small Businesses (MSE). Risk-taking affects the performance of MSEs, with business size acting as a moderator (Asad et al., 2018). Entrepreneurial abilities or entrepreneurial competence affect small business performance (Abdullah & Bin Mansor; Radzi et al., 2017). Al Mamun & Fazal (2018) found that risk-taking does not affect entrepreneurial competencies, while entrepreneurial competencies positively affect enterprise performance. According to Al Mamun et al. (2019), entrepreneurial skills and networking affect entrepreneurial competencies, affecting entrepreneurial performance; however, networking does not affect enterprise performance.

Many previous studies on the factors that affect the performance of micro and small enterprises (MSEs) have been carried out. However, most of these studies have not considered the different generations of business owners. Given that the millennial and centennial generations exhibit qualities conducive to commercial success (Bencsik et al., 2016), it is critical to study these two generations. This study will investigate the effect of risk-taking, networking, technology usage, and entrepreneurial competencies on micro and small enterprise performance among millennial and centennial entrepreneurs.

THEORETICAL REVIEW

Theory of Resource Based-View (RBV)

The Theory of Resource-Based View (RBV) is a theory for determining a company’s competitive advantage compared to other businesses that emphasize internal resources above external resources (Barney, 1991). This competitive advantage can be created through the use of unique corporate resources (heterogeneity), which cannot be transferred or copied (immobility) (Grant, 1991). Internal resources can be tangible or intangible and must at the very least meet specific characteristics that provide the business a competitive advantage over other companies, such as having value (valued), being rare, being unique (inimitable), and not being replaceable (non-substitutable) (Barney, 1991).

Tangible resources are those that are visible, quantitative, and easily transportable. These substantial resources include financial resources in the form of funds for the business and physical resources in the shape of land, buildings, machinery, cars, and other visible equipment (Sukrin & Ilham, 2021). Intangible internal resources are those of a business that is difficult to replicate. Innovation, human capital, reputation, and culture are all examples of intangible resources (Surroca et al., 2010).

According to the Resource-Based View (RBV) paradigm, this research examines risk-taking, networking, and technology utilization as internal resources of the organization that can provide a competitive advantage over other businesses and impacts entrepreneurial competencies and micro and small enterprise performance.
Risk-Taking

Risk-taking is a person's proclivity to seize opportunities; it refers to the degree to which a person is prepared to undertake risky commitments in the face of failure or uncertainty in the future (Friesen & Miller, 1982). According to RBV theory, risk-taking is a critical skill to achieve high productivity and profitability for a business or firm (Barney, 1991). Entrepreneurial competencies are frequently demonstrated by a risk-taking mindset, such as when an organization or business actor makes strategic decisions to offer resources or debt substantial enough to expect a high rate of return where opportunities exist in the market (Lumpkin & Dess, 1996). Previous research has shown that risk-taking positively affects enterprise performance (Asad et al., 2018; Zhang et al., 2018). Previous research has also shown that risk-taking positively affects a firm's competencies in a critical environment (Slovic et al., 1982). In addition, some studies show that risk-taking is an important indicator that positively influences entrepreneurial intention (Sánchez, 2013). As a result, the following hypothesis was employed in this study:

H1: Risk-taking has a positive effect on micro and small enterprise performance
H2: Risk-taking has a positive effect on entrepreneurial competencies

Networking

In this study, networking is defined as an individual's or organization's capacity to manage their network or business relationships with other parties (Aldrich et al., 1986). According to RBV theory, networking is the simplest form of business organization that does not require any coordination to facilitate business growth and contribute to competitiveness (Barney, 1991). The network capacity to form commercial partnerships is one of the talents that demonstrates the presence of entrepreneurial competencies, precisely the power to build relationships (Man et al., 2002). Networking can significantly affect a business's growth and development (Anderson et al., 2010). The previous study has established that networking positively affects entrepreneurial competencies through polishing and developing skills (Al Mamun et al., 2019; Bird, 2019; Hazlina Ahmad et al., 2010). Additionally, a prior study indicates that networking activities can have a favorable effect on a business's growth, where growth is one way to measure a business's or enterprise's performance (Lee & Tsang, 2001; Nabiswa & Mukwa, 2017). As a result, the following hypothesis is being tested:

H3: Networking has a positive effect on entrepreneurial competencies
H4: Networking has a positive impact on micro and small enterprise performance

Technology Usage

Today, technology plays a significant role in the field of entrepreneurship. The term technopreneurship refers to the application of technology in entrepreneurship. It implies a strong correlation between technical advancement,
innovation, and entrepreneurship (Fowosire et al., 2017). Utilizing technology is one of an individual's abilities to generate a difficult-to-copy competitive advantage (Barney, 1991). Individuals and organizations can foster collaboration between small firms and their supply chain partners by implementing information and communication technology (Greene et al., 2000). According to RBV theory, technology usage enables businesses to achieve and sustain a competitive advantage (Radzi et al., 2017). Previous research on the use of technology shows that technology in entrepreneurship or technopreneurship positively influences the abilities and skills of an individual or entrepreneurial competency (Fowosire et al., 2017; Mopangga, 2015; Sulaiman et al., 2020). Technology usage has a positive effect on enterprise performance (Dibrell et al., 2008; Jasra et al., 2010; Raymond & Bergeron, 2008). As a result, the following hypothesis is being tested:

**H5:** Technology usage has a positive effect on entrepreneurial competencies

**H6:** Technology usage has a positive impact on micro and small enterprise performance

**Entrepreneurial Competencies**

According to RBV theory, entrepreneurial competencies contain essential information that enables them to deliver skills and talents that aid a business in generating competitive advantage (Barney, 1991; Grant, 1991). These abilities can range from the capacity to identify opportunities to the degree to build relationships, the power to generate and develop concepts, the capacity to prepare and manage operational flows, the ability to formulate strategies and plans, and the capacity to create long-term commitments (Man et al., 2002). Previous research has shown that entrepreneurial competencies positively influence the success of business performance or enterprise performance (Abdullah & Bin Mansor, 2018; Al Mamun et al., 2019; Al Mamun & Fazal, 2018; Baron & Markman, 2003). As a result, the following hypothesis is being tested:

**H7:** Entrepreneurial competencies have a positive effect on micro and small enterprise performance

Figure 1 illustrates a conceptual framework for micro and small enterprise performance.

---

**Figure 1. Conceptual Framework**

---
METHODOLOGY

This study uses quantitative methodologies in conjunction with primary data. Purposive sampling was used to obtain the sample for this study. Micro and small business actors (MSEs) who are members of Generation millennial (Y) and Generation centennial (Z) are included in the sampling criteria. Generation millennial comprises people born between 1980 and 1995, while Generation centennial comprises those born between 1995 and 2010 (Bencsik et al., 2016). The researcher employs these criteria because Generations Y and Z exhibit qualities such as a focus on future achievement, inventiveness, familiarity with technology, and an ability to react quickly to events due to the ease with which information can be received (Bencsik et al., 2016). There were two hundred forty-eight respondents in this survey, but only 227 met the criteria.

The data for this study were gathered using online surveys distributed via Google Forms. The questionnaire in this study employed a Likert scale ranging from "Strongly Disagree" to "Strongly Agree.". The measurement of variables in this study was adopted from several relevant previous studies. Each of the five-question items from Al Mamun & Fazal (2018) measures risk-taking, entrepreneurial competencies, and micro and small enterprise performance. Meanwhile, technology usage was measured using four questions adapted from (Radzi et al. (2017).

The data analysis method used in this study is PLS-SEM (Partial Least Square-SEM), which comprises a measurement model and a structural model (Hair et al., 2011). Convergent validity, discriminant validity, and reliability tests are all included in the measurement model. Concurrent validity is determined using a loading factor value parameter of more than 0.7 and an average variance extracted (AVE) value greater than 0.5. Convergent validity, discriminant validity, and reliability tests are all included in the measurement model. Concurrent validity is determined using a loading factor value parameter of more than 0.7 and an average variance extracted (AVE) value greater than 0.5. (Ghozali & Latan, 2015). While the discriminant validity test makes use of the cross-loading. The reliability test is conducted using a Composite Reliability value of better than 0.7. (Ghozali & Latan, 2015). Additionally, the structural model employs the R-Square (R2) and the t-value criterion (Hair et al., 2011).

RESULTS

Respondents Profile

Table 1 summarizes the characteristics of the respondents to this study. The majority of responders in this survey were female (174 respondents: 76.65%). Meanwhile, male respondents numbered 53 respondents (23.35 %). According to the respondents' ages, most respondents in this survey were 20+-25 years (98 respondents: 43.17%). Meanwhile, just 16 responders (7.05%) were
35+ to 40 years old. In terms of education, most respondents (144 respondents; 63.4%) have a bachelor's degree, while only two (0.88%) have a junior high school education. According to the respondents' business ages, the average respondent has less than five years old (184 respondents; 81.06%). According to the products or services offered, most are fashion and accessory retailers (75 respondents: 33.04%). Most respondents provide their products online (107 respondents: 47.14%). The majority of respondents (175 respondents; 77.09%) had a monthly revenue of IDR. 10,000,000 and were located in East Java (62 respondents; 27.31%).

**Tabel 1. Respondents Profile**

| Characteristics       | Freq. | %    | Sales Model        | Freq. | %    |
|-----------------------|-------|------|--------------------|-------|------|
| Gender                |       |      |                    |       |      |
| Male                  | 53    | 23.35% | Online             | 107   | 47.14% |
| Female                | 174   | 76.65% | Offline            | 17    | 7.49%  |
|                      |       |      | Online and Offline | 103   | 45.37% |
| Age (Years)           |       |      |                    |       |      |
| 15+20                 | 61    | 26.87% | <10,000,000        | 175   | 77.09% |
| 20+25                 | 98    | 43.17% | 10,000,000 – 30,000,000 | 35   | 5.42% |
| 25+30                 | 31    | 13.66% | 30,000,000 – 50,000,000 | 8    | 3.52% |
| 30+35                 | 21    | 9.25%  | 50,000,000 – 70,000,000 | 4    | 1.76% |
| 35+40                 | 16    | 7.05%  | 70,000,000 – 90,000,000 | 1    | 0.44% |
|                      | 16    | 7.05%  | 90,000,000 – 110,000,000| 2   | 0.88% |
| Education             |       |      |                    |       |      |
| Junior high school    | 2     | 0.88%  | >190,000,000       | 1     | 0.44% |
| Bachelor's degree     | 144   | 63.44% | DKI Jakarta        | 24    | 10.57% |
| Master’s degree       | 5     | 2.20%  | DI Yogyakarta      | 9     | 3.96% |
| Master’s degree       | 5     | 2.20%  | Jawa Barat         | 22    | 9.69% |
| Business Age (Years)  |       |      |                    |       |      |
| < 5                   | 184   | 81.06% | Jawa Tengah        | 12    | 5.29% |
| 5+10                  | 39    | 17.18% | Sumatera           | 23    | 10.13% |
| 20+15                 | 4     | 1.76%  | Kalimantan         | 21    | 9.25% |
| 20+15                 | 4     | 1.76%  | Sulawesi           | 9     | 3.96% |
|                      |       |      |                    | 33    | 14.54% |
| Product or Service Type|     |      |                    | 75    | 33.04% |
| Fashion and accessories| 75  | 33.04% | Nusa Tenggara     | 10    | 4.40% |
| Food/drink            | 71    | 31.28% | Papua              | 1     | 0.88% |
| Beauty                | 21    | 9.25%  |                    |       |      |
| Household             | 10    | 4.41%  |                    |       |      |
| Internet              | 7     | 3.08%  |                    |       |      |
| Education             | 4     | 1.76%  |                    |       |      |
| Otomotif              | 5     | 2.20%  |                    |       |      |
| Creative product      | 12    | 5.29%  |                    |       |      |
| Tour & travel         | 3     | 1.32%  |                    |       |      |
| Event organizer       | 4     | 1.76%  |                    |       |      |
| Others                | 15    | 6.61%  |                    |       |      |
Measurement Model Results

The convergent validity test is illustrated in Table 2, where the outer loadings are more significant than 0.7 and the Average Variance Extracted (AVE) value for each variable is more significant than 0.5. The reliability test is evident by the Composite Reliability value for each variable, which is greater than 0.7 in all cases. For instance, NE1's external loading value is more powerful than the indicator's correlation with other constructs.

| Variabel                          | Outer Loadings | AVE  | CR  |
|-----------------------------------|----------------|------|-----|
| **Entrepreneurial Competencies**  |                |      |     |
| EC1                               | 0.775          |      |     |
| EC2                               | 0.750          |      |     |
| EC3                               | 0.785          |      |     |
| EC4                               | 0.800          |      |     |
| EC5                               | 0.784          |      |     |
| **Micro and Small Enterprise Performance** |          | 0.693 | 0.919 |
| EP1                               | 0.822          |      |     |
| EP2                               | 0.850          |      |     |
| EP3                               | 0.795          |      |     |
| EP4                               | 0.860          |      |     |
| EP5                               | 0.835          |      |     |
| **Networking**                    |                | 0.743 | 0.945 |
| NE1                               | 0.779          |      |     |
| NE2                               | 0.869          |      |     |
| NE3                               | 0.870          |      |     |
| NE4                               | 0.896          |      |     |
| NE5                               | 0.875          |      |     |
| NE6                               | 0.876          |      |     |
| **Risk Taking**                   |                | 0.535 | 0.852 |
| RT1                               | 0.712          |      |     |
| RT2                               | 0.732          |      |     |
| RT3                               | 0.698          |      |     |
| RT4                               | 0.733          |      |     |
| RT5                               | 0.779          |      |     |
| **Technology Usage**              |                | 0.595 | 0.854 |
| TU1                               | 0.743          |      |     |
| TU2                               | 0.810          |      |     |
| TU3                               | 0.801          |      |     |
| TU4                               | 0.728          |      |     |
Tabel 3. Cross Loadings

|     | EC  | EP  | NE  | RT  | TU  |
|-----|-----|-----|-----|-----|-----|
| EC1 | 0.755 | 0.451 | 0.425 | 0.385 | 0.590 |
| EC2 | 0.750 | 0.432 | 0.458 | 0.374 | 0.308 |
| EC3 | 0.785 | 0.475 | 0.398 | 0.432 | 0.535 |
| EC4 | 0.800 | 0.474 | 0.408 | 0.409 | 0.457 |
| EC5 | 0.784 | 0.546 | 0.474 | 0.392 | 0.489 |
| EP1 | 0.501 | 0.822 | 0.472 | 0.453 | 0.449 |
| EP2 | 0.522 | 0.850 | 0.468 | 0.408 | 0.414 |
| EP3 | 0.531 | 0.795 | 0.524 | 0.433 | 0.323 |
| EP4 | 0.483 | 0.860 | 0.492 | 0.427 | 0.333 |
| EP5 | 0.509 | 0.835 | 0.527 | 0.410 | 0.294 |
| NE1 | 0.579 | 0.495 | 0.779 | 0.434 | 0.375 |
| NE2 | 0.479 | 0.513 | 0.869 | 0.316 | 0.310 |
| NE3 | 0.434 | 0.482 | 0.870 | 0.306 | 0.279 |
| NE4 | 0.454 | 0.516 | 0.896 | 0.313 | 0.264 |
| NE5 | 0.454 | 0.516 | 0.875 | 0.339 | 0.286 |
| NE6 | 0.448 | 0.557 | 0.876 | 0.252 | 0.267 |
| RT1 | 0.252 | 0.337 | 0.332 | 0.712 | 0.226 |
| RT2 | 0.507 | 0.427 | 0.216 | 0.732 | 0.445 |
| RT3 | 0.252 | 0.336 | 0.298 | 0.698 | 0.179 |
| RT4 | 0.429 | 0.380 | 0.289 | 0.733 | 0.332 |
| RT5 | 0.343 | 0.366 | 0.294 | 0.779 | 0.271 |
| TU1 | 0.448 | 0.355 | 0.340 | 0.383 | 0.743 |
| TU2 | 0.485 | 0.351 | 0.305 | 0.296 | 0.810 |
| TU3 | 0.556 | 0.354 | 0.251 | 0.366 | 0.801 |
| TU4 | 0.399 | 0.276 | 0.149 | 0.234 | 0.728 |

Structural Model Results

As shown in Table 4, the R-Square value for the entrepreneurial competencies’ variable is 0.543, indicating that the independent variable can account for 54.3 percent of the entrepreneurial competencies variable variance. Additionally, the micro and small enterprise performance variables have an R-Square of 0.501, indicating that all independent variables in this study may account for 50.1 percent of the effect on micro and small enterprise performance. The R-Square value is more significant than 0.5, indicating that the model in this study is moderate.

Tabel 4. R-Square

|                             | R Square Adjusted |
|-----------------------------|-------------------|
| Entrepreneurial Competencies| 0,543             |
| Micro and Small Enterprise Performance | 0,501             |

The findings of hypothesis testing are presented in Table 5. The results of the hypothesis analysis in this study indicate that the t value must be greater
than 2.57 for the hypothesis to be accepted or have a significant effect. It can be seen that the risk-taking and networking variables significantly influence micro and small enterprise performance. This result is consistent with previous research that risk-taking and networking can also affect enterprise performance (Asad et al., 2018; Nabiswa & Mukwa, 2017; Zhang et al., 2018).

| Tabel 5. Path Coefficient |
|---------------------------|
| **Relationships** | **t-value** | **P-Values** | **Hypothesis** |
| RT → EP | 0,216 | 3,275 | 0,001 | Accepted |
| RT → EC | 0,211 | 4,255 | 0,000 | Accepted |
| NE → EC | 0,331 | 5,057 | 0,000 | Accepted |
| NE → EP | 0,341 | 4,565 | 0,000 | Accepted |
| TU → EC | 0,416 | 6,650 | 0,000 | Accepted |
| TU → EP | 0,056 | 0,741 | 0,459 | Rejected |
| EC → EP | 0,278 | 3,273 | 0,001 | Accepted |

Source: Adapted Smartpls output

The results of data analysis show that risk-taking, networking, and technology usage have a significant effect on entrepreneurial competencies. That is, H2, H3, and H5 are all accepted. These findings corroborate prior studies indicating that risk-taking, networking, and technology use can positively affect entrepreneurial competencies (Al Mamun et al., 2019; Sánchez, 2013; Sulaiman et al., 2020). Meanwhile, hypothesis testing on H6 reveals a value of less than 2.57, indicating that technology use has no significant effect on enterprise performance in SMEs. Additionally, the H6 test of entrepreneurial competencies and its impact on business performance is accepted. It is indicated that entrepreneurial talents have a significant effect on business performance. These findings corroborate prior studies showing that the capability of business actors can increase enterprises' performance (Abdullah & Bin Mansor, 2018; Al Mamun et al., 2019; Al Mamun & Fazal, 2018).

DISCUSSION

According to the research findings, risk-taking positively affects enterprise performance in MSEs owned by millennial (Y) and centennial (Z) entrepreneurs. The greater a person's guts to take risks for all possible outcomes, including failure, the greater the performance or micro and small enterprise performance generated. The trouble acquired is not always negative, such as the risk of failure or loss; it can also be good, such as an increase in sales or again in reputation, making the company more well-known. As a result, entrepreneurs must adopt a risk-taking attitude to dare to take unanticipated risks in their businesses in the future. Similarly, risk-taking has a significant positive effect on entrepreneurial competencies, where the bravery to take risks is critical in uncertain times like these when situations are inherently unpredictable (Clark, 2010). An entrepreneur's risk-taking mindset is one aspect that contributes to the development of entrepreneurial competencies that result in a competitive
advantage (Al Mamun et al., 2019). The risk-taking mindset also reflects an entrepreneur's ability, precisely the capacity to seek out chances and develop strategies and plans (Man et al., 2002).

Another independent variable that has a significant positive effect on entrepreneurial competencies is the networking variable for MSEs in Generations Y and Z. Entrepreneurs must have strong networking abilities to create relationships with all parties that contribute to their firms' effectiveness and efficiency. Networking is an invaluable resource for developing a unique skillset necessary for growing one's business. According to the findings of this study, networking has a significant positive effect on micro and small enterprise performance as well (Hazlina Ahmad et al., 2010). For instance, with excellent networking for micro and small enterprises, a business can obtain various benefits, including free promotions from others in their immediate vicinity, accurate market share information, and constructive criticism and suggestions (Anderson et al., 2010). As a result, networking can significantly impact a business's growth and development (Correa et al., 2010).

Technology usage has a significant positive effect on entrepreneurial competencies. The word technopreneurship demonstrates that utilizing technology is a method of developing entrepreneurial competencies that result in a competitive advantage for a business (Fowosire et al., 2017). As a result, entrepreneurs who continue to operate their businesses according to the traditional model have shifted their focus to maximizing their use of technology, from using social media to promote and sell their products or services to automated applications to complete transactions. Thus, entrepreneurial capabilities will develop due to the urge to conduct business to live with the rapid advancement of technology (Alfonsius et al., 2021; Febrian & Ahmad, 2021). An entrepreneur capable of utilizing technology and staying current with technological advances will possess entrepreneurial abilities, including identifying opportunities, building relationships, generating and developing a concept, and preparing and managing the flow. It takes operational skills, the capacity to create strategies and plans, and the capacity to make long-term commitments (Man et al., 2002).

This study discovered that technology usage had no significant effect on micro and small enterprise performance. It could be because MSEs owners, particularly Generation Y and Generation Z, have incorporated technology into their businesses, as evidenced by their sales strategy, most of which are online (Soto-Acosta et al., 2018). The more company that uses technology, the less competitive advantage there is in technology utilization, which also does not affect micro and small enterprise performance (Rastini & Respati, 2021). The competitive advantage being discussed is a resource that cannot be replicated and is scarce in an era when technology usage is widespread among most business actors (Barney, 1991; Grant, 1991). As a result, entrepreneurs may devote additional resources to innovation and continued development of technology utilized in transactions and offers their products via social media (Brustbauer, 2016).
Finally, the study's findings indicate that entrepreneurial competencies significantly positively affect business performance. It signifies that the greater one's entrepreneurial competencies, the greater micro, and small enterprise performance. Thus, an entrepreneur must master all entrepreneurial competencies to improve and last over time for the ensuing performance (Hall & Rosson, 2006; Ireland et al., 2003). With entrepreneurial competencies, an entrepreneur will have an advantage in overcoming the hurdles that his business will experience, such as introducing new competitors or replaceable products, which will result in a decline in business revenue. When an entrepreneur possesses entrepreneurial competencies, they will prioritize micro and small enterprise performance goals such as increased sales, market share expansion, product innovation, production and sales growth, business sustainability, and long-term investments within their capabilities.

FURTHER STUDY

While the model developed in this study can explain the factors affecting the micro and small enterprise performance, the study also has limitations beyond the researcher’s control. The first is that most respondents are female, so the results may alter if the proportion of male and female respondents is balanced. Another constraint is the unequal distribution of surveys, as responders from Java outnumber those from other Indonesian islands by around 20 to one. Further study, particularly beyond Java, is projected to increase the number of responses.

REFERENCES

Abdullah, Y. A., & Bin Mansor, M. N. (2018). The Moderating Effect of Business Environment on the Relationship between Entrepreneurial Skills and Small Business performance in Iraq. Journal of Legal, Ethical and Regulatory Issues, 22(Specialissue), 1–12.
Al Mamun, A., & Fazal, S. A. (2018). Effect of Entrepreneurial Orientation on Competency and Micro-Enterprise Performance. Asia Pacific Journal of Innovation and Entrepreneurship, 12(3), 379–398. https://doi.org/10.1108/apjie-05-2018-0033
Al Mamun, A., Fazal, S. A., & Muniady, R. (2019). Entrepreneurial Knowledge, Skills, Competencies and Performance. Asia Pacific Journal of Innovation and Entrepreneurship, 13(1), 29–48. https://doi.org/10.1108/apjie-11-2018-0067
Aldrich, H., Zimmer, C., & Jones, T. (1986). Small Business Still Speaks With the Same Voice: A Replication of “The Voice of Small Business and The Politics of Survival.” The Sociological Review, 34(02), 335–356.
Alfonsius, A., Depari, G. S., & Huang, J. P. (2021). Marketing Mix and Repurchase Intention of Cafe Industry During Covid-19: A Statistical and Data Mining Analysis. Jurnal Minds: Manajemen Ide Dan Inspirasi, 8(2), 209. https://doi.org/10.24252/minds.v8i2.22171
Anderson, A. R., Dodd, S. D., & Jack, S. (2010). Network Practices and
Entrepreneurial Growth. *Scandinavian Journal of Management*, 26(2), 121-133. https://doi.org/10.1016/j.scaman.2010.01.005

Asad, M., Shabbir, M. S., Salman, R., Haider, S. H., & Ahmad, I. (2018). Do Entrepreneurial Orientation and Size of Enterprise Influence the Performance of Micro and Small Enterprises? A study on Mediating Role of Innovation. *Management Science Letters*, 8(10), 1015–1026. https://doi.org/10.5267/j.msl.2018.7.008

Bahtiar, R. A. (2021). Dampak Pandemi Covid-19 Terhadap Sektor Usaha Mikro, Kecil, dan Menengah Serta Solusinya. *Pusat Penelitian Badan Keahlian DPR RI, Bidang Ekonomi Dan Kebijakan Publik*, XIII(10), 19–24.

Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17(1), 99–120. https://doi.org/10.1177/014920639101700108

Baron, R. A., & Markman, G. D. (2003). Beyond Social Capital: The Role of Entrepreneurs’ Social Competence in Their Financial Success. *Journal of Business Venturing*, 18(1), 41–60. https://doi.org/10.1016/S0883-9026(00)00069-0

Bencsik, A., Juhász, T., & Horváth-Csikós, G. (2016). Y and Z Generations at Workplaces. *Journal of Competitiveness*, 6(3), 90–106. https://doi.org/10.7441/joc.2016.03.06

Bird, B. (2019). Toward a Theory of Entrepreneurial Competency. *Advances in Entrepreneurship, Firm Emergence and Growth*, 21, 115–131. https://doi.org/10.1108/S1074-75402019000021011

Brustbauer, J. (2016). Enterprise Risk Management in SMEs: Towards a Structural Model. *International Small Business Journal: Researching Entrepreneurship*, 34(1), 70–85. https://doi.org/10.1177/0266242614542853

Clark, L. (2010). Decision-making during gambling: An integration of cognitive and psychobiological approaches. In *Philosophical Transactions of the Royal Society B: Biological Sciences*. https://doi.org/10.1098/rstb.2009.0147

Correa, T., Hinsley, A. W., & de Zúñiga, H. G. (2010). Who interacts on the Web?: The intersection of users’ personality and social media use. *Computers in Human Behavior*. https://doi.org/10.1016/j.chb.2009.09.003

Dibrell, C., Davis, P. S., & Craig, J. (2008). Fueling Innovation through Information Technology in SMEs. *Journal of Small Business Management*, 46(2), 203–218.

Entrialgo, M., Fernández, E., & Vázquez, C. J. (2000). Psychological characteristics and process: The role of entrepreneurship in Spanish SMEs. *European Journal of Innovation Management*, 3(3), 137–149. https://doi.org/10.1108/14601060010334894

Febrian, F., & Ahmad, N. F. (2021). Internal and External Factors Affecting the Sales of Hype Drinks in Online Platform. *Jurnal Minds: Manajemen Ide Dan Inspirasi*, 8(1), 89. https://doi.org/10.24252/minds.v8i1.20953

Fowosire, R. A., Elijah, O., & Fowosire, R. (2017). Technopreneurship: A View of Technology, Innovations and Entrepreneurship. *Type: Double Blind Peer Reviewed International Research Journal Publisher: Global Journals Inc*, 17(7).

Friesen, P., & Miller, D. (1982). Innovation in Conservative and Entrepreneurial
Firms: Two Models of Strategic Momentum. *Strategic Management Journal*, 3(December 1980), 1–25.

Ghozali, P. D. H. I., & Latan, H. (2015). *Partial Least Squares: Konsep, Teknik, dan Aplikasi Menggunakan Program SmartPLS 3.0* (Dedi (ed.); 2nd ed.). Badan Penerbit Universitas Diponegoro.

Grant, R. M. (1991). The Resource-Based Theory of Competitive Advantage: Implications for Strategy Formulation. *California Management Review*, 33(3), 114–135. https://doi.org/10.2307/41166664

Greene, P. G., Brush, C. G., & Brown, T. E. (2000). Resources in Small Firms: *Journal of Small Business Strategy*, 25–40.

Hair, J. F., Ringle, C. M., & Sarstedt, M. (2011). PLS-SEM: Indeed a silver bullet. *Journal of Marketing Theory and Practice*, 19(2), 139–152. https://doi.org/10.2753/MTP1069-6679190202

Hall, J., & Rosson, P. (2006). The impact of technological turbulence on entrepreneurial behavior, social norms and ethics: Three internet-based cases. *Journal of Business Ethics*. https://doi.org/10.1007/s10551-005-5354-z

Hanggraeni, D., Šlusarczyk, B., Sulung, L. A. K., & Subroto, A. (2019). The Impact of Internal, External and Enterprise Risk Management on the Performance of Micro, Small and Medium Enterprises. *Sustainability (Switzerland)*, 11(7). https://doi.org/10.3390/su10022172

Hazlina Ahmad, N., Ramayah, T., Wilson, C., & Kummerow, L. (2010). Is Entrepreneurial Competency and Business Success Relationship Contingent Upon Business Environment?: A study of Malaysian SMEs. *International Journal of Entrepreneurial Behaviour & Research*, 16(3), 182–203. https://doi.org/10.1108/13552551011042780

Ireland, R. D., Hitt, M. A., & Sirmon, D. G. (2003). A model of strategic entrepreneurship: The construct and its dimensions. *Journal of Management*. https://doi.org/10.1016/S0149-2063(03)00086-2

Jasra, J. M., Khan, M. A., Hunjra, A. I., Rehman, R. A. U., & Azam, R. i. (2010). Determinants of business success of small and medium enterprises. *International Journal of Business and Social Science*, 2(20), 2740–280.

Kementerian Keuangan Republik Indonesia. (2021). *Pemerintah Terus Perkuat UMKM Melalui Berbagai Bentuk Bantuan*.

Lee, D. Y., & Tsang, E. W. K. (2001). The Effects of Entrepreneurial Personality, Background and Network Activities on Venture Growth. *Journal of Management Studies*, 38(4), 583–602.

Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 21(1), 135–172. https://doi.org/10.5465/AMR.1996.9602161568

Man, T. W. Y., Lau, T., & Chan, K. F. (2002). The competitiveness of small and medium enterprises: A conceptualization with focus on entrepreneurial competencies. *Journal of Business Venturing*, 17(2), 123–142. https://doi.org/10.1016/S0883-9026(00)00558-6

Mopangga, H. (2015). Studi Kasus Pengembangan Wirausaha Berbasis Teknologi (Technopreneurship) di Provinsi Gorontalo. *Trikonomika*, 14(1), 156
Nabiswa, D. F., & Mukwa, J. S. (2017). Impact of Credit Financing on Human Resource Development Among Micro and Small Enterprises: A Case Study of Kimilili Sub County, Kenya. Asian Journal of Management Science and Economics, 4(1), 43–53.

Radzi, K. M., Nazri, M., & Nor, M. (2017). The impact of internal factors on small business success: a case of small enterprises under the FELDA scheme. Asian Academy of Management Journal, 22(1), 27–55.

Rastini, N. M., & Respati, N. N. R. (2021). Public Attitudes and Interests in Using Online Transactions (TAM Application And TRA Model). Jurnal Minds: Manajemen Ide Dan Inspirasi, 8(1), 175–190. https://doi.org/10.24252/minds.v8i1.21348

Raymond, L., & Bergeron, F. (2008). Enabling the business strategy of SMEs through e-business capabilities: A strategic alignment perspective. Industrial Management & Data Systems, 108(5), 577–595. https://doi.org/10.1108/02635570810876723

Sánchez, J. C. (2013). The impact of an entrepreneurship education program on entrepreneurial competencies and intention. Journal of Small Business Management, 51(3), 447–465. https://doi.org/10.1111/jsbm.12025

Slovic, P., Fischhoff, B., & Lichtenstein, S. (1982). Why Study Risk Perception? Risk Analysis, 2(2), 83–93.

Soto-Acosta, P., Popa, S., & Martinez-Conesa, I. (2018). Information technology, knowledge management and environmental dynamism as drivers of innovation ambidexterity: a study in SMEs. Journal of Knowledge Management, 22(4). https://doi.org/10.1108/JKM-10-2017-0448

Sugihamretha, I. D. G. (2020). Respon Kebijakan: Mitigasi Dampak Wabah Covid-19 Pada Sektor Pariwisata. Jurnal Perencanaan Pembangunan: The Indonesian Journal of Development Planning, 4(2), 191–206. https://doi.org/10.36574/jpp.v4i2.113

Sukrin, S., & Ilham, I. (2021). Pengaruh Sumberdaya Berwujud Terhadap Kinerja Pemasaran Yang Dimediasi Oleh Keunggulan Bersaing Studi Pada Bank Tabungan Negara Kota Baubau. Managament Insight: Jurnal Ilmiah Manajemen, 16(1), 1–20.

Sulaiman, M. M., Surajo, A. Z., & Matinja, Z. I. (2020). Role of ICT for Entrepreneurship Development in Nigeria. KIU Interdisciplinary Journal of Humanities and Social Sciences, 1(2), 97–111.

Surroca, J., Tribo, J. A., & Waddock, S. (2010). Corporate Responsibility and Financial Performance: The Role of Intangible Resources. Strategic Management Journal, 31, 463–490. https://doi.org/https://doi.org/10.1002/smj.820

Zemke, R., Raines, C., & Filipczak, B. (2013). Generations at work: Managing the clash of Boomers, Gen Xers, and Gen Yers in the workplace (Second). Library of Congress Cataloging-in-Publication Data.

Zhang, F., Yang, J., Xu, Z., & Zhu, G. (2018). Large shareholder participation behaviors, managers’ risk-taking and firm innovation performance: A
shareholder activism perspective. Nankai Business Review International, 9(1), 99–115. https://doi.org/10.1108/NBRI-04-2017-0017