

ENTREPRENEURIAL COMPETENCE AND PERSONALITY AS DRIVERS OF ENTREPRENEURIAL COMMITMENT: A STUDY ON DISABLED MICRO-BUSINESS OWNERS

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ABSTRACT

Micro-enterprises have become one of the main drivers of economic growth, with business owners playing an important role in building the local economy. This presents both opportunities and challenges for people with disabilities who own micro-enterprises. One factor that is believed to have a major influence on entrepreneurial success is the entrepreneurial competence and personality of the business owner. Entrepreneurial competencies include the skills, knowledge and attitudes required to manage a business effectively. In addition, the personality of business owners is also thought to influence their commitment to their own business. A proactive, creative and risk-taking personality tends to be positively correlated with entrepreneurial commitment. The purpose of this study was to determine the effect of entrepreneurial competence and personality on the entrepreneurial commitment of micro business owners with disabilities. This study uses a quantitative descriptive approach using a questionnaire to obtain data with a sample of 133 respondents of micro business owners with disabilities in three cities in Central Java, Indonesia. This research uses primary data collected directly by the researcher. The data analysis technique uses PLS-SEM with SmartPLS 3.0. Based on hypothesis testing that has been carried out, it is found that entrepreneurial competence and personality have a positive effect on entrepreneurial commitment in micro business owners with disabilities located in three regions in Central Java.

Keywords: *Entrepreneurial competence, Personality, Entrepreneurial commitment, Micro business, Disabilities*

1. INTRODUCTION

Background

People with disabilities with their limitations have the spirit to be empowered for themselves and benefit their families and fellow people with disabilities. For this reason, they took the initiative to become independent entrepreneurs in order to improve their economic welfare.

According to data from the Coordinating Ministry for PMK and Sakernas 2023, the number of people with disabilities who have worked in both the formal and informal sectors reached 7.25 million out of a total of 22.97 million people. Meanwhile, currently the number of MSMEs that have been connected to the digital economy ecosystem is 22.82 million or 76 per cent of the target. KemenKopUKM has started empowerment efforts for people with disabilities since 2022 (Suryadi, 2024). The existence of this coaching assistance and the utilisation of digital technology is expected to make MSME products made by people with disabilities more widely known to the public.

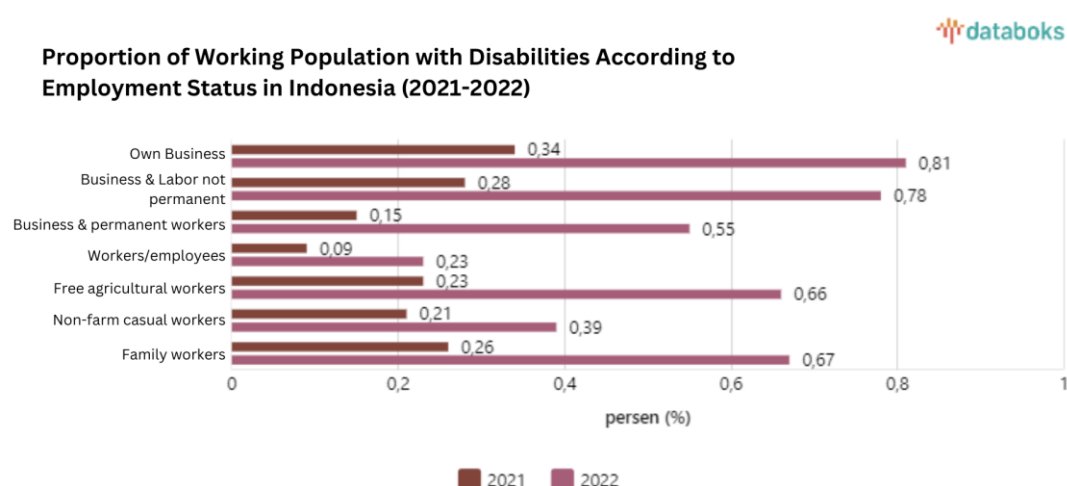


Figure 1. Proportion of Working Population with Disabilities According to Employment Status in Indonesia (2021-2022)
 Source: Badan Pusat Statistik (Databoks, 2023)

Micro-enterprises have become one of the main drivers of economic growth, where business owners play an important role in building the local economy. This provides both opportunities and challenges for people with disabilities who own micro-enterprises. One factor that is believed to have a major influence on entrepreneurial success is the entrepreneurial competence and personality of the business owner. Entrepreneurial competencies include the skills, knowledge and attitudes required to manage a business effectively. In addition, the personality of business owners is also thought to influence their commitment to their own business. A proactive, creative and risk-taking personality tends to be positively correlated with entrepreneurial commitment.

Despite policy efforts to improve their access to and opportunities for entrepreneurship, many barriers remain, especially in the micro-enterprise sector. As a critical sector in the economy, micro-enterprises have great potential to create jobs, reduce poverty, and improve people's welfare. However, people with disabilities often experience difficulties in entering and surviving in the business world, due to factors such as discrimination, limited access to resources, and lack of support.

Entrepreneurial competencies encompass a wide range of skills and knowledge required in starting, managing, and growing a business, including managerial, financial, marketing and innovation skills. On the other hand, individuals' personalities play a key role in shaping their attitudes, behaviours and decisions in entrepreneurship. Factors such as risk-taking courage, perseverance, achievement-orientation, and the ability to adapt to changes in the business environment that can affect one's level of entrepreneurial commitment.

Entrepreneurial commitment refers to an individual's dedication and determination in running a business venture. In the context of microenterprise owners with disabilities, this commitment can be influenced by a number of factors, including entrepreneurial competence and personality characteristics. In this study, we will discuss the theories that underlie the relationship between competence and personality and entrepreneurial commitment, especially for micro-entrepreneurs who experience disabilities.

Competence refers to the stable characteristics of knowledge, skills, cognition, and behaviour that a person exhibits to achieve desired performance. Entrepreneurial competence indicates the ability to advance individuals to achieve superior entrepreneurial performance (Luo, et. al., 2022). Through entrepreneurial competence, entrepreneurs are able to create competitive products and services, achieving desired profits in market competition. By relying on active entrepreneurial competence, students can increase their confidence in completing future entrepreneurial goals by completing predetermined entrepreneurial goals, thereby increasing entrepreneurial self-competence.

Entrepreneurial competence plays an important role in business success, especially in facing challenges and uncertainty. For micro business owners with disabilities, entrepreneurial competence can be a more crucial factor. They may face additional barriers to running a business, such as limited accessibility or discrimination. However, strong competencies can help them overcome these obstacles and achieve success. In this case, entrepreneurial competency theory can help us understand how these abilities and skills influence the commitment of microentrepreneurs with disabilities.

The main dimensions of entrepreneurial competence consist of (Capitán & García, 2019; Games & Rendi, 2019): (1) personal self-awareness which includes emotional awareness, self-evaluation, and self-confidence; (2) self-management which includes emotional self-control, transparency, adaptability, achievement, initiative, optimism; (3) social conscience which includes empathy, organizational awareness and service orientation; (4) relationship management which includes development of people, inspiring leadership, catalyze change, influence, conflict management and teamwork. An exploratory study conducted by Roblesa & Zárraga-Rodríguez (2015) showed that competencies, when developed, generally improve entrepreneurial behaviour and also increase the competitiveness of the organisation or even the economic system as a whole. Thus, business owners who possess good entrepreneurial competencies may be better able to overcome obstacles and achieve their entrepreneurial goals.

Personality is the whole way in which a person reacts and interacts with others (Wibowo, 2013). So it can be concluded, that personality is a characteristic possessed by each individual to show or reflect individual tendencies through thinking, behaviour and emotions as a result of a combination of genetic sources and environmental influences. Thus, entrepreneurial owners who have a personality that matches the demands of entrepreneurship may be more likely to survive and develop their business. For microentrepreneurs with disabilities, entrepreneurial commitment can have a deeper meaning, as they often face additional obstacles that require a high level of commitment. Factors such as competence and personality can be triggers to increase this commitment, provide the courage to face challenges, and build a sustainable business (Wibowo, 2013).

Regarding personality attitudes, researchers generally recognise and accept the term naming the Five Factor Model of Personality. According to Pervin (2010), the term Big Five is an invention where each factor includes more specific traits. So it can be concluded, that the Big Five Personality or Five Factors Model is a method of approach that is always consistent to assess personality in individuals through adjective factor analysis, where the five factors include extroversion, agreeableness, openness to experience, neuroticism, and conscientiousness. Personality is a set of psychological characteristics that influence the way an individual thinks, feels, and acts. Research in the field of psychology shows that certain characteristics can influence a person's propensity for entrepreneurship. The "Big Five

Personality Traits” theory is one commonly used approach to analyzing personality. The five dimensions are openness, conscientiousness, extroversion, agreeableness, and emotional stability (Pervin, 2010). For microentrepreneurs with disabilities, these characteristics can be important indicators of entrepreneurial commitment. For example, extroversion can help them in building networks and collaboration, while conscientiousness can support better business management.

By adapting the literature from Wesson (2011) which states that there are three types of commitment in organisations, including affective commitment as a desire to remain a member of the organisation due to emotional attachment and involvement with the organisation. Some emotion-based can be in the form of feelings of friendship, company climate or culture, and feelings of pleasure when completing work tasks. Second, continuance commitment is the desire to remain a member of the organisation because of concern for the costs associated with leaving. We stay because we still feel the need. It is called cost-based to stay in the organisation, including salary, benefits, and promotion issues, as well as those related to considering family issues. Third, normative commitment is the desire to remain a member of the organisation because it feels partly obligatory. We stay because we are supposed to. Thus, obligation-based reasons for staying in the organisation include feelings of indebtedness to superiors, colleagues, or the larger company (LePine, Wesson, & Colquitt, 2011). Microbusiness owners who have high levels of entrepreneurial commitment may be better able to overcome obstacles and achieve sustainable business success.

The influence of entrepreneurial competence and personality on entrepreneurial commitment in micro business owners with disabilities is an important and relevant subject in the entrepreneurship literature. Understanding the relationship between these factors can assist in the development of more effective strategies and interventions to enhance entrepreneurial success among individuals experiencing disabilities. However, it is important to keep in mind that individual context, such as the socio-economic environment can also influence the interaction between entrepreneurial competence, personality, and entrepreneurial commitment.

Based on a literature review of previous research, there are several studies that have examined the influence of entrepreneurial competence and personality with entrepreneurial performance, but there are still few studies that specifically focus on micro business owners with disabilities. Therefore, this study aims to fill the knowledge gap by investigating the influence of entrepreneurial competence and personality on entrepreneurial commitment in micro business owners with disabilities.

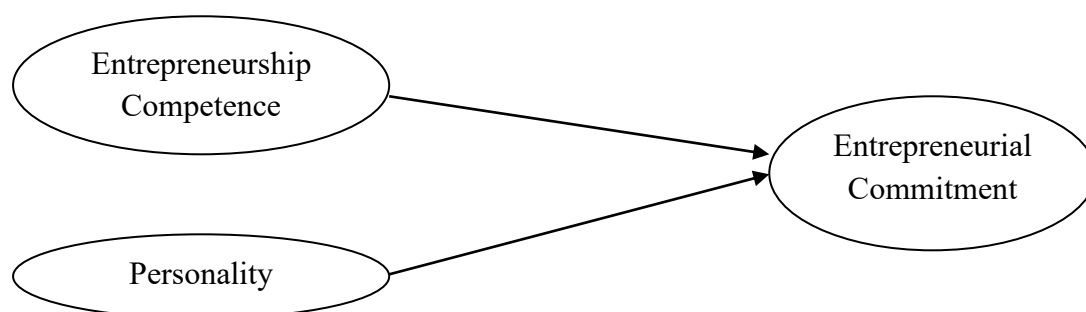


Figure 2. Research Model

With a better understanding of the factors that influence entrepreneurial commitment in micro business owners with disabilities, it is expected to provide valuable insights for stakeholders, including government, non-governmental organisations, and the general public, to develop strategies and programmes that support the economic inclusion of individual business owners with disabilities in running their businesses.

Problems Formulation

This study aims to determine how entrepreneurial competence and personality can affect the entrepreneurial commitment of a person with a disability who owns a micro business. So this study formulates the hypothesis to be tested as follows:

H1: Entrepreneurial competence has a positive effect on entrepreneurial commitment in micro business owners with disabilities.

H2: Personality has a positive effect on entrepreneurial commitment in micro business owners with disabilities.

2. RESEARCH METHOD

Research design is a detailed framework for collecting, measuring, and analysing data in order to answer research questions that have been made (Sekaran & Bougie, 2016). In this study, researchers used a descriptive quantitative approach or data with numerical results and analysis using statistics. This study uses primary data collected directly by researchers. This research uses a cross-sectional design or data that will only be taken once within a predetermined period of time.

The survey questionnaire must be developed based on several appropriate criteria. Therefore, researchers must include only important questions that answer the research objectives. This study uses a 5 (five) point Likert scale with information 1 = Strongly Disagree; 2 = Disagree; 3 = Moderately Agree; 4 = Agree; 5 = Strongly Agree. Sampling using non-probability sampling techniques on 133 respondents using a questionnaire instrument. Researchers determined the sample, namely micro business owners with disabilities in three cities in Central Java.

The data analysis technique uses computer software, namely Partial Least Square Structural Equation Modeling (PLS-SEM) with SmartPLS 3.0 which is used in analysing data from this study. Hypothesis testing through t-test and F-test by first conducting validity test and reliability test. The data analysis technique used is structural equation modelling (SEM) which consists of two analyses, namely outer model measurement (measurement model) and inner model measurement (structural model). Outer model includes validity and reliability tests (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014).

The validity analysis used in structural equation modelling (SEM) is convergent validity and discriminant validity. Outer model measurement analysis is carried out to test the validity and reliability of data, while inner model measurement analysis is in the form of R-square (R^2) test, predictive relevance test (Q^2), effect size test (f^2), path coefficient analysis, hypothesis testing and Heterotrait-Monotrait Ratio (HTMT) analysis.

3. RESULT AND DISCUSSION

Validity and Reliability Analysis

The results of the validity and reliability analysis, which are presented in Table 1, are as follows:

Table 1. Validity and Reliability Analysis Results

Variable	Average Extracted	Variance	Cronbach's Alpha	Composite Reliability	Explanation
Entrepreneurial Competence (X ₁)	0.570		0.851	0.883	Valid & Reliable
Personality (X ₂)	0.566		0.895	0.911	Valid & Reliable
Entrepreneurial Commitment (Y)	0.576		0.884	0.905	Valid & Reliable

According to the validity analysis results, all research variables—namely, market orientation, knowledge competency, entrepreneurial orientation, and business performance—have values of AVE > 0.5. According to convergent validity, which is defined as the average variance extracted (AVE) value, all indicators used to measure the variables used in this study are valid. All of the variables used in this study have composite reliability and Cronbach's alpha values greater than 0.7, indicating the reliability analysis results. It is claimed that every indicator used in this research is accurate in assessing the variables related to knowledge competency, market orientation, entrepreneurial orientation, and business performance.

R-Square and Predictive Relevance Test Results

The results of the r-square test, which are presented in table 2, are as follows:

Table 2. R-Square Test Results

Variable	Adjusted R ²	Q ²	Explanation
Entrepreneurial Commitment	0.810	3.749	Have Predictive Relevance

The r-square test results indicate that entrepreneurial competence and commitment together have a moderate influence on knowledge competence (51%), with the remaining 49% of knowledge competence being explained by variables not included in this study. The research model of entrepreneurship competence and personality on entrepreneurial commitment has good predictive relevance, according to the predictive relevance test results, because Q² is greater than 0. Given that Q² is greater than 0, the research model of the effects of entrepreneurship competence and personality on entrepreneurial commitment has good predictive relevance. Where the r-square value of 0.75 means strong, 0.50 means moderate, and 0.25 means weak (Hair *et al.*, 2017).

Effect Size Test Results

Effect Size is the change in value in R² of the model when certain exogenous constructs are removed from the model. It can be used to evaluate whether the removed construct has a substantive impact on the endogenous construct, which aims to determine the effect of the dependent variable on the independent variable. If the F² value is greater than or equal to 0.02, it means it has a small effect, 0.15 means it has a medium effect, 0.35 means it has a large effect, and if the value is below 0.02 it means it has no effect. (Hair *et al.*, 2017).

The results of the effect size test, which are presented in Table 3, are as follows:

Table 3. Effect Size Test Results

Variable	Entrepreneurial Commitment
Entrepreneurship Competence	0.873
Personality	0.999

The results of effect size test explained that entrepreneurship competence affects entrepreneurial commitment by 0.873, which means that the effect is large. Furthermore, personality affects entrepreneurial commitment by 0.999, which means that effect is large.

Hypothesis Test Results

Hair *et al.* (2017) explains that assessing the significance of model relationships is built based on bootstrapping standard error as a basis for calculating the t-statistic and p-value of the path coefficient at a probability error rate of 5% if zero is not included in the 95% confidence interval.

The results of the hypothesis test, which are presented in Table 4, are as follows:

Table 4. Hypothesis Test Results

Code	Hypothesis	<i>Original Sample</i>	<i>t-statistics</i>	<i>p-values</i>	Conclusion
H1	Entrepreneurship Competence → Entrepreneurial Commitment	0.297	2.252	0.025	H1 accepted
H2	Personality → Entrepreneurial Commitment	0.472	3.547	0.000	H2 accepted

The hypothesis can be said to be accepted if the t-statistic has a value of more than 1.96 with a p-value of less than 0.05.

Discussion

The Effect of Entrepreneurial Competence on Entrepreneurial Commitment

The first hypothesis is statistically accepted. Entrepreneurial competence has a positive effect on entrepreneurial commitment. The results of this study are in line with the research Luo, et. al. (2022), that research revealed that Entrepreneurial competence demonstrates the ability to advance individuals to achieve superior entrepreneurial performance. The results of this study are also in line with and in accordance with research conducted by Buil *et al.* (2020) which states An entrepreneur by learning more about competencies will make it more likely for their business to be successful and sustainable in the long run. Bird (2019) explained their research that Entrepreneurial competence refers to the quality of actions taken by an entrepreneur and they will earn term income, goodwill, and stability.

The Effect of Personality on Entrepreneurial Commitment

The second hypothesis is statistically accepted. Personality has a positive effect on entrepreneurial commitment. The results of this study are in line with the research of Farukh *et al.* (2017), revealed that personalities can develop a higher level of commitment to their projects (endeavours). Ezekiel *et al.* (2018) explained in their research that There are results that five types of personality have an influence on entrepreneurial commitment, the five types of personality are agreeableness, extraversion, conscientiousness, openness to experience & neuroticism.

4. CONCLUSIONS AND RECOMMENDATIONS

Based on previous research references, the results of hypothesis testing, there are two research conclusions, as follows:

- a. There is a positive and significant influence of entrepreneurship competence on the entrepreneurial commitment.
- b. There is a positive and significant influence of personality on the entrepreneurial commitment.

Entrepreneurial competency, personality, and commitment provide an important framework for understanding how these factors play a role in fostering entrepreneurial commitment in microenterprise owners with disabilities. By understanding the interaction between these factors, we can formulate more effective strategies to support and empower microentrepreneurs with disabilities in achieving business success.

The implications of this research from the theoretical implications aspect are that the results of this research contribute to the entrepreneurship literature by showing that entrepreneurial competence and personality are important factors that influence entrepreneurial commitment among people with disabilities, a segment that is often underrepresented in entrepreneurship studies. The practical implications of the results of this research are that policy makers can take the initiative to develop policies that are more inclusive and support people with disabilities in entrepreneurship, for example through funding facilities, subsidies or tax incentives for businesses led by people with disabilities. Apart from that, there are still social implications from the research results, namely the importance of economic empowerment of people with disabilities through entrepreneurship, which in turn can increase their

independence and welfare and also help reduce negative stigma and stereotypes regarding people with disabilities as entrepreneurs.

Research suggestions:

- a. Conduct further research with additional variables (external factors) to examine how external factors such as social support, government policies, and economic conditions influence the relationship between entrepreneurial competence, personality, and entrepreneurial commitment.
- b. Conduct a comparative study by comparing entrepreneurs with disabilities and non-disabled entrepreneurs to explore whether there are significant differences in the factors that influence entrepreneurial commitment.

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