

What Factors Influence the Entrepreneurial Behavior and Performance of MSMEs Survivors of Covid-19?

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ABSTRACT

Objectives: The objective of this research is to analyze the impact of individual factors, environmental factors, and entrepreneurial behavior on the performance of MSMEs post the height of the Covid-19 pandemic.

Methodology: This study uses a quantitative approach and the data was obtained by a questionnaire with 170 respondents from Jakarta who run micro, small, and medium enterprise (MSME) and applies digitalization in their business process. Data were processed using the SEM-PLS program.

Finding: The result shows that individual factors influence entrepreneurial behavior. In addition, environmental factors influence individual factors. However, individual factors don't significantly influence firm performance. Meanwhile individual and environmental factor mediates entrepreneurial behavior's positive influence on firm performance.

Conclusion: This study concludes that many, not only internal but external factors play a key role in how certain MSMEs can cope and survive during the Covid-19 pandemic. This study also contributes to showcasing some of the responses to government involvement and digitalization coupled with the MSMEs' entrepreneurial behavior that can influence their performances.

Keywords: Business Performance; Individual Factors; Environmental Factors; Entrepreneurial Behavior; MSME.

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INTRODUCTION

Due to the COVID-19 pandemic's impact, only half of MSMEs in Indonesia are still operating after 2019; More than 30 million MSMEs have already declared bankruptcy (CNN Indonesia, 2021). Even though the government has provided different forms of support, some businesses are still experiencing troubles, particularly those that have suffered significant losses due to serious issues with their financial and production systems. The government is concerned about ensuring the viability of MSMEs since they have an impact on the economic development of the nation. According to Sihombing (2019), The MSMEs empowerment policy is directed at supporting efforts to reduce poverty and inequality, create employment opportunities increase exports, and revitalize agriculture and rural areas which are the priority of national development in the year. To overcome this issue, the government has put up several revitalizations plan to help MSMEs, one of which is the best use of digitalization to ensure their sustainability.

Digitalization is a process known for transforming social life through digital communication and media infrastructure (Brennen & Kreiss, 2014). Digitalization is broadly applicable in a wide range of disciplines. In a business environment, Clerck defines digitalization as the application of digital technology and data by focusing on digital information to generate corporate profitability and growth (Reis et al., 2019). Digitalization may be implemented in MSME in several methods, including through online marketplace and e-commerce sales, social media marketing, and digital payment platform transactions. MSMEs may benefit from digitalization in several ways which might include cheaper marketing expenses and company growth potential (ANTARA, 2022).

As of June 2022, up to 30.4% of the 64 million MSMEs in Indonesia have incorporated digitalization into their business operations (Salinatri, 2022). With encouragement and incentives in the use of digitalization by the government, this number keeps rising. Digitalization capabilities shown through technology integration have shown the potential in affecting firm performance positively (Eryc, 2022). However, 49,4% of MSMEs that participated in the United Nations Development Program (UNDP) poll about the profitability of MSMEs did not see an improvement in their earnings as a result of adopting digitalization. According to the poll, digitalization has boosted business earnings, although only certain MSMEs are already seeing its effects (Dataindonesia. id, 2022). This is a concern since digitalization is an attempt to stimulate the economy regarding the state of MSMEs' declining performance.

Firm performance according to Wicaksono & Nuvriasari (2012) may be viewed as the outcome of business operations to fulfill firm goals under the effect of internal and external forces. Additionally, performance can be perceived through corporate governance which includes marketing, financial, human resource, and operational strategies. Firm performance has been examined by several researchers and assessed in light of the variables that may have an impact. A study conducted by Amir et al. (2018) examines the performance of cassava agro-industrial MSEs located in Padang by individual factors, environmental factors, and entrepreneurial behavior. The research concluded that firm performance is directly affected by environmental factors and entrepreneurial behavior.

One of the goals of this study is to examine the variables that may have an impact on the performance of MSMEs in Jakarta that have adopted digitalization. More specifically in urban cities like Jakarta that have recently digitized compared to the rural-based businesses (Sakudo, 2021). Therefore, the study chose MSMEs in Jakarta due to them being deemed significant in

this research. Based on the background stated earlier and the research gap found in previous studies, this study aims to analyze firm performance specifically through individual factors, environmental factors, and entrepreneurial behavior.

LITERATURE REVIEW

Firm Performance

Firm performance is a form of visualization of company goals shown through financial and non-financial aspects, as well as other aspects such as improving quality, efficiency, service, and employee involvement (Suyono, 2013). The value of business owners and workers, economic conditions, and other factors may all be taken into consideration at once by using firm performance as a measurement tool that takes into account several aspects of the company. Firm performance can assess the company's non-financial sector in addition to the financial sector through the performance management process to assist in making objective judgments and enhancing the company's strategy system (Đurica et al., 2020).

There are three key factors of firm performance according to Pinteá & Achim (2010), namely: its goal or purpose, company achievements by how well it uses its resources, and the ability to adapt to changing conditions. Firm performance can be arbitrary because of the stakeholders' control, such as a person in a position to influence all business activities which can cause company goals to alter. Furthermore, corporate entrepreneurship plays an important role in business performance, increasing business's competitive advantage in the markets and industries which gives opportunities to innovate further (Alecia & Layman, 2021). For the business to be sustainable, it is important to have a focus on firm performance that balances the needs of all stakeholders, including consumers, employees, all shareholders, and the environment.

Individual Factors

Individual factors can be explained in terms of unique personal characteristics, such as perceptions, mental attitudes, emotions, values, personality, ethics, decision-making, and motivation (DuBrin, 2013). When it comes to business, individual factors are traits that underlie a company leader to be critical and can be explained through individual characteristics such as self-efficacies, risk-taking, need for achievement, need for autonomy, need for power, social orientation, market awareness, creativity, and flexibility (Fenhan, 2014).

According to Mulyapradana et al. (2020), individual factors are one of the factors that influence behavior since they are seen as absolute and important essential factors whose existence can promote positive transformation and serve as fundamental keys to the direction of good behavior. Research led by Amir et al. (2018) and Aina et al. (2018) showed that the individual factors of business owners affect the firm performance. According to Aina et al. (2018), their motivation, family support, desire for achievement, and training influence entrepreneurial behavior. Since individual factors can influence how business owners behave and act, particularly regarding business activities, it can be believed that they can have an impact on entrepreneurial behavior.

Environmental Factors

Environmental factors play an important role in business because they may influence a company's efficacy and ability to compete, as evidenced by government support for human resource capacity, access to financial resources, and government control over the regulatory and legal framework (Bouazza et al., 2015). The components of environmental factors include macro and micro environmental circumstances, such as helping businesses to be adaptable by implementing strategies of adjustment to change (Kotler & Armstrong, 2016). Previous studies have shown that environmental factors shape several aspects of business, including performance and owner traits.

Everyone has different behaviors and traits from birth to adulthood because they are influenced by biological factors and external factors that can be seen in interactions through the environment during the growth period, such as support from family and friends, access to resources, opportunities, and training in the form of formal and non-formal education (Subotnik et al., 2019). As a result, environmental factors influence can originate from certain places and periods, as long as people are living and growing. Environmental factors might take on different forms. According to Amir et al. (2018), government regulations, social culture, and institutional functions are aspects of environmental factors that affect the individual factors of business owners. It can be assumed that environmental factors may impact business owners in shaping their factors.

The government has implemented several initiatives to encourage business activity, such as mentorship programs that help foster entrepreneurial enthusiasm, seek business opportunities, generate new ideas, and take calculated risks (Marliati, 2020). In addition to the government's participation in business, other business owners' support is essential as environmental factors have been proven to have an impact on entrepreneurial behavior (Aina et al., 2018; Amir et al., 2018). As a result, it is reasonable to assume that the relationship between environmental factors and entrepreneurial behavior can be explained in terms of a specific situation or environment that promotes the development of entrepreneurial behavior, one of which is through the role of the government and other business owners.

Entrepreneurial Behavior

Entrepreneurial behavior is an attitude that a person or group possesses to recognize all business opportunities and turn creative ideas into entrepreneurial actions, it can be motivated by an entrepreneurial desire to survive external changes, or by a desire to gain a competitive advantage (Wang et al., 2022). According to Palma et al. (2009), entrepreneurial behavior can be flexible to adapt to change so that when a new company is going through a difficult time, it functions as a motivating factor for entrepreneurs to improve individually in addition to its impact on the company growth.

Entrepreneurial behavior can be viewed as the ability of business owners to recognize opportunities and put ideas into practice based on the outcomes of knowledge, initiative, and determination (Wang et al., 2022). This ability can be demonstrated when someone runs a business and shows the results of firm performance where the firm performance itself can be determined by managerial actions, such as utilizing opportunities, adapting to changes, and enhancing prior performance (Robbins et al., 2021). According to a study by Ashilina et al. (2019), entrepreneurial behavior can help encourage firm performance through the awareness

of opportunities in knowledge, technology, and markets which can encourage entrepreneurs to be more competitive.

Conceptual Framework

There have been several studies interested in entrepreneurial behavior and intention. Previous studies by Ernanda & Sumbari (2021) show that individual factors have a significant positive influence on entrepreneurial behavior but it does not influence business performance. However, the entrepreneurial factor is found to significantly influence business performance. This result contradicts Marliati's study that shows that personal characteristics influence entrepreneurial behavior, especially the family environment which concludes that both the internal and external environment influences entrepreneurial behavior. Ashilina et al. (2019) found that individual characteristics and business climate have a significant positive influence on entrepreneurial behavior that significantly affects business performance. In return, competition intensity and external environmental changes enforces the MSME to adopt new approaches including the adoption of digital marketing that could affect both the financial and non-financial performances (Layman, 2022).

Furthermore, businesses are often found to be mostly influenced by external factors, such as government help and support, economic circumstances, and technological advancements (Purwidiyanti et al., 2015). Without being directly involved, the government functions as a party that controls the rules, regulations, and policies made to promote the business climate of various economic sectors. The Indonesian government is developing several incentives and initiatives to encourage more business activity. Some assistance designed by the government, such as tax incentives and cost relief are known to be able to enhance firm performance during the pandemic (Lestari et al., 2021).

Environmental factors were found in earlier research to affect firm performance. Through training provided by the government, entrepreneurs can produce higher-quality products or services and increase firm performance. In addition, regulations and facilities from the government also support the growth of firm performance (Bagenda et al., 2016; Amir et al., 2018). In contrast, some studies found that external factors have a negative influence on entrepreneurial behavior (Puspitasari et al., 2018). Business strategies are shown as important to influence business performance (Bagenda, Febrian, et al., 2016).

Based on the inconsistencies of results and discrepancies of previous studies before and during Covid-19, therefore this study seeks to determine the factors that influence entrepreneurial behavior and firm performance in developing countries such as Indonesia. Based on that, the hypotheses of this study can be formulated as per the following (Fig.1):

H1: Environmental Factors positively Individual Factors

H2: Individual Factors positively influence Firm Performance

H3: Environmental Factors positively influence Firm Performance

H4: Individual Factors positively influence Entrepreneurial Behavior

H5: Environmental Factors positively influence Entrepreneurial Behavior

H6: Entrepreneurial Behavior mediates the positive influences of Individual Factors and Firm Performance

H7: Entrepreneurial Behavior mediates the positive influences of Environmental Factors and Firm Performance

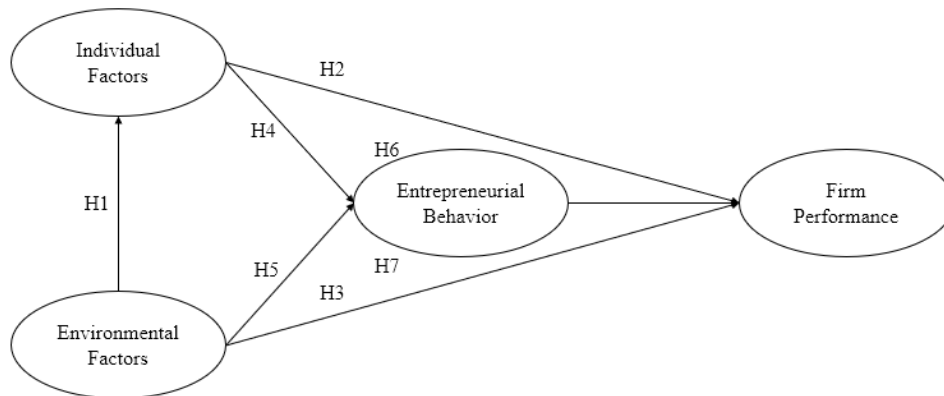


Figure 1. Conceptual Framework

METHOD

The method used in this study is quantitative research with a descriptive approach. Sampling was carried out using the nonprobability technique namely purposive sampling. Several criteria were employed to serve as a guide for sampling so that the data collected is based on the answers of respondents with prearranged characteristics. The data for this study were collected through a questionnaire that was sent out to respondents who owned digitalized MSMEs in the Jakarta area.

Convergent validity testing is carried out to measure the extent to which an indicator can correlate with other indicators in a construct (Hair Jr. et al., 2019). In this study, convergent validity was tested through the loading factor and AVE scores. The results of validity testing with a loading factor score of more than 0.70 and an Average Variance Extracted (AVE) score of greater than 0.50 are categorized as ideal results or in other words, variables that have a correlation relationship (Ghozali & Latan, 2012).

The discriminant validity test shows the uniqueness of a construct and is completely different from another construct. In this study, the discriminant validity test was carried out through the Heteroit-Monotrait Ratio of Correlation (HTMT) which stated that it was valid if the HTMT score was below 0.90 (Hair Jr. et al., 2019). Furthermore, reliability testing used Cronbach's alpha and composite reliability. For Cronbach's alpha, the recommended score is 0.70 (Hair et al., 2019). The expected result of the composite reliability score is above 0.70 because a score below 0.60 indicates less reliability (Ghozali & Latan, 2012).

The level of significance to assess whether the hypothesis can be accepted or rejected through the relationship between variables. This test assesses the T-statistic or P-value to determine the effect and significance. This study uses a one-tailed test so the T-statistic is 1.65 with a significance value of 5%.

170 answers were gathered and analyzed using SmartPLS 3.2.9 software. The instruments used in this study are individual factors which were measured through six indicators adopted from Ernanda & Sumbari (2021), environmental factors which were measured through eight indicators adopted from Amir et al. (2018), entrepreneurial behavior which was measured

through five indicators adopted from Puspitasari et al. (2018), and firm performance which was measured through five indicator indicators adopted from Amir et al, (2018).

Based on the past literature therefore we propose several measures for each variable used in this study (Table 1).

Table 1. Variable Measures

No.	Variable	Indicators	Source
1.	Individual Factors (IF): A person's ability to focus on a task or job is influenced by emotional intelligence and cognitive knowledge (Syikhristani et al., 2019).	1. I have experience in running a business 2. I have confidence in running a business 3. I have the motivation in running a business 4. I have faith in the success of the business 5. I have the desire to maintain business	Ernanda & Sumbari (2021)
2.	Environmental Factors (EF): Factors consisting of economic, sociocultural, political, and technological factors that affect the life and growth of a business (Adagba & Shakpande, 2017).	1. I get the availability of raw materials easily 2. The government provides business guidance 3. The government provides business training 4. There is capital assistance provided by the government to support entrepreneurial activities 5. The government provides promotional space for businesses 6. The government provides marketing space for businesses 7. There is a mutually supportive relationship between entrepreneurs	Amir, Burhanudd in, & Priatna (2018)
3.	Entrepreneurial Behavior (EB): Behavior that is owned by individuals or groups that identify all opportunities and all possibilities and then carry out ideas in concrete actions, usually requires intelligence, determination, and initiative (Wang et al., 2022).	1. I can identify business opportunities 2. I have persistence in running a business 3. I don't depend on other people	Puspitasari et al. (2019)
4.	Firm Performance (FP): The results of work during a certain period from the tasks carried out, such as work standards, goals, or criteria from what has been set and agreed upon beforehand (Suindari & Juniariani, 2020)	1. My business is capable of expanding into new markets 2. The product or service that I offer cannot be imitated easily 2. The products or services that I offer cannot be easily replaced by other products or services	Amir, Burhanudd in, & Priatna (2018)

RESULTS AND DISCUSSION

Results

Respondents in this study are 170 business owners who are running a business, own a business that is located in Jakarta, and have adopted digitization. Most of the MSME businesses are accommodations and food and beverages with a percentage of 43%, followed by the trade and vehicle repair sector at 23%, and other services at 34%. These MSMEs run through offline and online shops and make up the largest number, namely 76 businesses with a percentage of 45%. Meanwhile, 25% run only offline store businesses, and 30% run online shops.

The majority of businesses have been established for less than three years (45%), 24% have been established for 3-6 years, and 14% have been established for 6-9 years. Based on the MSME's business sales within one year, 63% are micro businesses (< Rp 2.000.000.000), 23% are small business owners (Rp 2.000.000.000 – Rp 15.000.000.000), and 14% are medium business owners (Rp 15.000.000.000 – Rp 50.000.000.000). Furthermore, these MSMEs mostly use social media in their business activities, marketplaces, and websites in their digitization processes.

Outer Model

The outer model measures the model to be used as valid and reliable. For this reason, testing the outer model was carried out through the evaluation of convergent validity, discriminant validity, and reliability.

The results of the convergent validity test with a loading factor score > 0.70 and an Average Variance Extracted (AVE) > 0.50 are evaluated as valid (Ghozali, 2008). Table 2 shows the convergent validity of the model. Among the 24 indicators used in estimating their variable, six of them were found to have a value less than the standard and considered invalid. These invalid indicators were then eliminated and the remaining 18 indicators were considered to be used in this study.

Table 2. Convergent Validity

Variables/Indicators	Outer Loading	AVE	Evaluation
Individual Factors (IF)			
IF1	0,816	0,601	Valid
IF2	0,711		Valid
IF3	0,820		Valid
IF4	0,812		Valid
IF5	0,708		Valid
Environmental Factors (EF)			
EF1	0,776	0,693	Valid
EF2	0,767		Valid
EF3	0,808		Valid
EF4	0,888		Valid
EF5	0,899		Valid
EF6	0,902		Valid
EF7	0,774		Valid
Entrepreneurial Behavior (EB)			
EB1	0,925	0,778	Valid
EB2	0,890		Valid
EB3	0,829		Valid
Firm Performance (FP)			
FP1	0,728	0,656	Valid
FP2	0,832		Valid
FP3	0,874		Valid

An indicator is said to be valid when it meets the requirements of the testing standard. Discriminant validity testing was conducted by measuring the value of the Heteroit-Monotrait Ratio of Correlation (HTMT) that is worth below 0,90 to be considered valid. The discriminant validity in Table 3 shows that all variables have met the requirement as indicated. It can be concluded that all indicators are valid and can be used for further testing.

Table 3. Discriminant Validity

	Individual Factors	Environmental Factors	Firm Performance
Individual Factors			
Environmental Factors	0,431		
Entrepreneurial Behavior	0,461	0,397	0,580
Firm Performance	0,504	0,683	

The reliability testing shows the extent to which the research instrument is without bias and error as well as showing the consistency of measurements over time (Sekaran, Uma Bougie, 2016). Reliability testing of this study was based on the value of Cronbach's Alpha and Composite Reliability value where each variable can be declared reliable if it is above 0,7 as any value below 0,6 indicates less reliability (Hair et al., 2019; Ghozali & Latan, 2012). Based on Table 4, the value of all variables were above the standardized value thus implying that all variables are reliable.

Table 4. Reliability

	Cronbach's Alpha	Composite Reliability	Evaluation
Individual Factors	0,833	0,882	Reliable
Environmental Factors	0,925	0,940	Reliable
Entrepreneurial Behavior	0,858	0,913	Reliable
Firm Performance	0,736	0,851	Reliable

Inner Model

Inner model testing is used to describe the relationship between research variables (Hair Jr et al., 2017). In this study, testing the inner model was carried out through multicollinearity, coefficient of determination, and path coefficient.

The multicollinearity test was performed to find out whether there is a high correlation between the independent variables (Sekaran, Uma Bougie, 2016). A good model is defined when the independent variables correlate with the dependent variable containing a minimal correlation between each independent variable (Hair et al., 2006). To detect the presence of multicollinearity, inner VIF results were analyzed with the standard multicollinearity test below 10. The model used in this study can be said to be a good model as it contains no multicollinearity issue.

Based on Table 5 below, the R-Square value on firm performance is 0,403 and entrepreneurial behavior is 0,210. According to Ghozali & Latan (2012), R-Square values of 0,67, 0,33, and 0,25 respectively indicate a strong, moderate, and weak model. The R-Square value for firm performance is concluded as a moderate model with its predictors, namely environmental factors and entrepreneurial behavior. Whereas, entrepreneurial behavior is concluded as a weak model through individual factors and environmental factors.

Table 5. R-Square

Variable	R-Square
Entrepreneurial Behavior	0,201
Firm Performance	0,405

Path coefficient was used to test the assumptions or hypotheses that have been proposed previously. The value of the T-statistic must be above 1,65 and the P-value below 0,05 to

indicate a significant effect. As shown in Table 7, all hypotheses have a significant effect because the values of the T-statistic and P-value are obtained based on their benchmarks. Furthermore, the value of the original sample is used to find out whether the direction of the relationship formed is positive or negative.

The path coefficient result based on Table 6 indicates that individual factors are significantly related to entrepreneurial behavior (OS=0,295; T=3,336; P=0,001), thus H1 is accepted. Environmental factors are significantly related to individual factors (OS=0,394; T=6,692; P=0,000), thus H2 is accepted. Environmental factors are significantly related to entrepreneurial behavior (OS=0,253; T=3,992; P=0,000), thus H3 is accepted. Entrepreneurial behavior is significantly related to firm performance (OS=0,293; T=3,745; P=0,000), thus H4 is accepted. Environmental factors are significantly related to firm performance (OS=0,465; T=7,480; P=0,000), thus H5 is accepted.

Table 6. Hypothesis Testing

Hypothesis	Direct Effect	Original Sample	T-Statistic	P-Value	Results
H1	EF → IF	0,392	6,749	0,000	Accepted
H2	IF → FP	0,127	1,594	0,112	Rejected
H3	EF → FP	0,426	6,566	0,000	Accepted
H4	IF → EB	0,297	3,408	0,000	Accepted
H5	EF → EB	0,253	3,971	0,001	Accepted
Hypothesis	Indirect Effect	Original Sample	T-Statistic	P-Value	Results
H6	IF → EB → FP	0,077	2,268	0,024	Accepted
H7	EF → EB → FP	0,065	2,466	0,014	Accepted

Discussion

Environmental factors have a positive and significant effect on individual factors (H1 accepted). This means that environmental factors can increase individual factors such as experience, self-confidence, motivation, belief, and desire in running a business. Even while business owners may have hands-on management expertise, there is still room for improvement. Experiences can be shaped by environmental factors, particularly through learning activities like training programs held by the government. This is in line with earlier studies by Amir et al. (2018) showing that stronger environmental factors can foster better individual characteristics.

Individual factors in entrepreneurial behavior can be shown through the decisions made by business owners which may be good or poor depending on their character and driven by their motivation. Someone very motivated to succeed and earn a lot of money can gather the courage to take action bravely (Nursiah et al., 2017). However, individual factors don't directly impact firm performance (H2 rejected) which shows certain individual traits are formed by only those that take on more entrepreneurial behavior which could contribute to firm performance.

Environmental factors have a positive and significant effect on entrepreneurial behavior (H3 accepted). The quality of entrepreneurial behavior may improve with the contribution of environmental factors. Various supports provided by external parties, particularly the government can influence entrepreneurial behavior through training and guidance, capital assistance, promotion, regulation, and availability of information (Zainura et al., 2016). Mudjiarto et al. (2016) also state that environmental factors influence firm performance through government policies, technology, and environmental situations.

In addition, individual factors are found to significantly influence entrepreneurial behavior (H4 Accepted). The discoveries in this study show that individual factors in business owners may encourage entrepreneurial behavior in running a business. This is even more evident in the case of micro and small businesses in Indonesia where entrepreneurial behavior strategically effect on business success (Cahyani et al., 2022). The findings of earlier studies by Amir et al. (2018) and Ashilina et al. (2019) indicate that there is a positive influence between individual factors on entrepreneurial behavior which are also consistent with this.

Business owners can instill the entrepreneurial and managerial values necessary to set establish and operate a business through training and guidance in entrepreneurship. Throughout past studies, entrepreneurial orientation is highlighted to have a positive influence on SME performance (Teofilus et al., 2020). Further business owners' in-depth prior knowledge affects the readiness for the surrounding environment providing a better view of entrepreneurial opportunities (Berlilana & Wahyuningsih, 2021). Nursiah et al. (2017) also stated that environmental factors can influence entrepreneurial behavior through the ease of obtaining input materials, compactness, government policies, and cooperative services (H5 accepted).

It is found that digitalized MSME owners set up a business during the pandemic in changing circumstances. Entrepreneurial behaviors fully mediate the individual factor influence towards firm performance (H6 accepted). With the ability in entrepreneurial behavior, they are capable to recognize and seize opportunities to boost business growth while also developing products or services that cannot be easily imitated and replaced. This finding supports earlier research by Nursiah et al. (2017) that shows entrepreneurial behavior explained by attitudes, knowledge, and skills has an influence on firm performance.

The influence of environmental factors on firm performance is also partially mediated by entrepreneurial behavior (H7 accepted). This implies that environmental factors particularly government policies and support put in place to offset adverse effects through entrepreneurial behavior that affects a firm's performance. Through the execution of numerous marketing and promotion initiatives as well as financial programs that assist firm performance, the government's support for digitalized MSMEs is evident. Capital assistance through government policies tries to aid the business' financing that may enhance performance.

CONCLUSION

A growing number of MSMEs in Indonesia have adopted digitalization to assist business activities and more research is needed to determine how well these digitalized MSMEs function through their performance. The findings of this study show that entrepreneurial behavior serves as a significant mediator on the impact of both individual and environmental factors on firm performance. To outperform rivals and so boost performance, it is through the owners' entrepreneurial behavior that they can identify market gaps and create competitive advantages for their products or services. In addition, contributions from environmental factors may improve the firm performance of digitalized MSMEs, increasing their capacity to survive and grow in the face of the epidemic. It has been discovered that environmental factors affect individual factors and entrepreneurial behavior.

The quality of the business owners' entrepreneurial behavior and individual factors in running the business may be influenced by the growing assistance from environmental factors. It is also said that individual factors play a role in determining entrepreneurial behavior. Larger levels of

individual factors would result in higher levels of entrepreneurial behavior. To promote the growth of entrepreneurial behavior, it is suggested that the government as policymakers create opportunities and possibilities through a wider variety of initiatives. By establishing field supervision, the government can also create regulations that are both effective and on target. Additionally, for policies to be fully utilized, the government and business owners must work together so business owners must constantly seek out this business-related information.

The results of the study show that individual factors influence entrepreneurial behavior in terms of motivation, persistence, and knowledge. In turn, an entrepreneur is able to carry out his business diligently without relying on other people. It takes the role of the government and related educational institutions that provide a forum for the community to increase entrepreneurial knowledge and shape character in entrepreneurial behavior. Various activities can be held such as training, seminars, and workshops which can provide opportunities for entrepreneurs to understand the role of entrepreneurial behavior. In these activities, organizers can invite people who are experts in various fields of entrepreneurship to deliver material and share experiences so that entrepreneurs can add insight into entrepreneurship including good entrepreneurial behavior.

Research also shows that environmental factors through the government and other entrepreneurs can influence individual factors, entrepreneurial behavior, and business performance. The role of the government is very important in assisting in financial terms through the provision of business capital, as well as non-financial assistance through the establishment of regulations and business training. Government policies can be a solution to the problems faced by business owners today, especially for businesses that are experiencing financial difficulties due to rising prices for most commodities. Various kinds of assistance provided, such as capital and funding specifically for MSMEs can be of benefit to businesses experiencing financial problems. It is hoped that this assistance can be used effectively for MSMEs that need it so it is in the government's best interest to supervise for it to be distributed on target. Assistance provided by the government can improve business performance only if business owners are more active in digging up relevant information. Therefore, cooperation between the government and business owners is needed to maximize the success of programs and policies made.

There are various ways to increase entrepreneurial behavior for owners that can be carried out by educational institutions, including compiling a curriculum focused on establishing entrepreneurial behavior as a provision for future entrepreneurs. The reason for this is that they will be more prepared and competent in running a business. This is further supported by the observation that certain entrepreneurial policies can only be enjoyed by certain SMEs, specifically, those who receive continuous training (Purwanti et al., 2019). Then, educational institutions can also organize training programs related to entrepreneurial behavior so that prospective entrepreneurs can build and instill the values needed to run a successful business.

Future research can collect answers from respondents from different geographical areas and it is recommended for a wider area to find out the opinions of respondents from different areas other than Jakarta. Certain variables could also be included including more entrepreneur factors, such as education level (Xuan et al., 2020), commitment (Sidiqqoh & Alamsyah, 2017), and family environment (Marliati, 2020). In addition, further studies can involve more MSME sectors in both rural and urban areas to find out the opinions of respondents covering various business sectors.

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