Decoding MSME Entrepreneurship: A Study from Bogor, Indonesia

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This research explores the entrepreneurial behavior characteristics of MSMEs in Nagrak Village, Bogor, aiming to provide empirical insights that guide MSME actors in enhancing their business success. Employing a survey method with a descriptive analysis approach, data was collected through observation, interviews, and questionnaires from 27 MSME entrepreneurs. Results indicate that MSMEs in Nagrak exhibit generally strong entrepreneurial behavior, with respondents showing high levels of entrepreneurial knowledge, positive mental attitudes towards entrepreneurship, and proficient entrepreneurial skills. These findings underscore the importance of nurturing knowledge, attitude, and skills in entrepreneurship to foster successful MSME businesses. The study offers valuable input for MSME entrepreneurs in Nagrak, suggesting areas of focus to further improve their entrepreneurial endeavors and achieve business success.

Keywords: Entrepreneurial Behaviour, Entrepreneurial Mental Attitude, Entrepreneurial Skills, Descriptive Analysis, Business Success
1. INTRODUCTION

MSMEs dominate most business actors in Indonesia. This business group has made a large contribution to Indonesia's economy. MSMEs expand employment opportunities, form Gross Domestic Product (GDP), and carry out productive economic activities because they act as a safety net, especially for low-income people. There is a need for support for strong macroeconomic and financial system stability to achieve stable and sustainable economic growth. The contribution of MSMEs is high, but in reality, it is still impossible to make MSMEs in Indonesia a business group with high performance. The development of entrepreneurship accompanied by a dynamic entrepreneurial climate in a country is believed to be able to overcome various social problems through job creation (LAWAL et al., 2018). The biggest entrepreneurial actors in Indonesia are MSMEs. The MSME sector contributes to the Gross Domestic Product (GDP) by 61%, or worth IDR 9,580 trillion; in fact, the contribution of MSMEs to employment reaches 97% of the total workforce. The role of MSMEs in Bogor Regency is seen as very strategic in providing contributions in the economic and social fields. In the economic sector, MSMEs will contribute 28.45% to GRDP in 2021 (BPS, 2022). As for labor absorption in Bogor Regency, in 2021, MSMEs will be able to absorb 46,228 workers. Entrepreneurial skills can encourage oneself to do something to meet life's needs and advance one's business or create a new business with feelings of joy because it benefits oneself trying to fulfill one's life's needs (Hendrawan & Sirine, 2017).

The success or failure of entrepreneurs (MSMEs) is determined by the personality traits and values inherent in the entrepreneur himself (Kosash, 2021). According to (J Winardi, 2015), attitudes are a determinant of behavior because they relate to perception, personality, and motivation. This reflects that an entrepreneur's entrepreneurial attitude is a behavior or personality within oneself, whether formed directly or indirectly. Entrepreneurial success is closely related to entrepreneurial behavior itself. (Sibarani, 2020) (Masykuri, 2014) in his research shows that entrepreneurial behavior has a significant positive influence on business success, so business behavior will increase business success. It is revealed that entrepreneurial behavior is knowledge, mental attitude, skills, and an attitude of alertness, a combination of knowledge and mental attitude towards the future (Wijandi S & Sarma M, 2002).

As a fairly developed village in the Bogor Regency area, MSMEs in Nagrak Village are also quite developed, especially snack food MSMEs. Most of these businesses are still hereditary, traditional, and on a household scale. The number of business actors in Nagrak Village experienced fluctuations from 2018 to 2021. In 2019, business actors increased to 47 (21% from the previous year). Still, after that, it decreased until 2021; on average, the number of business actors decreased. This slowdown also indicates that the performance of MSMEs in Nagrak Village is not good enough. This can also be seen through the lack of improvement experienced by MSMEs while developing their businesses. Profit growth experienced a decline from 2018 to 2021. In 2018, the average operating profit was 3.2 million per month, decreasing in the following years until 2021, when it reached 1.8 million per month. Apart from that, several other obstacles that cause low performance of SMEs in Nagrak Village include unique entrepreneurial behavior. Entrepreneurial behavior is an attitude that can develop potential within oneself and in responding to every business opportunity related to uncertain economic development. There are unique traits and characteristics of MSME entrepreneurial behavior that large businesses do not have, such as the difficulty of developing, production based on orders, the absence of a suitable place to open a business, and limited capital, but this does not prevent this business from continuing to run. Other characteristics are weakness in planning, weakness in collaborating with other individuals, whether suppliers, financiers, or other entrepreneurs, and micro-entrepreneurs who have not been able to position themselves as quality and subsistence entrepreneurs (Riyanti, 2003). However, MSMEs can survive running their businesses for years even though significant business developments do not follow them.

Entrepreneurial behavior is demonstrated by the ability to think creatively and innovatively, which enables an entrepreneur to search for and create new ideas in entrepreneurship. Knowledge allows humans to develop skills that are useful for life. Entrepreneurial knowledge can shape a person's mindset, attitudes, and behavior to become an entrepreneur (entrepreneur), and it directs them to choose entrepreneurship as a career choice. (Sarwono, 2012) said that entrepreneurial knowledge includes knowledge about the business being run, how to run the business, management, operations, marketing, and so on. When someone decides to
start a new business, entrepreneurial knowledge is the main basis that must be studied first, so that the business can run well and grow according to the business owner's wishes. (Wijandi, 2004) defines "Entrepreneurial behavior as knowledge, mental attitude, and skills as well as vigilance integrated into knowledge and mental attitude towards the future". Entrepreneurship has a role in increasing labor capacity-building generators; an entrepreneurial spirit will encourage someone to take existing opportunities into something profitable (Pangestutri, 2017).

2. LITERATURE REVIEW

Entrepreneurship

Entrepreneurship can be defined as a person's ability to divert existing resources by changing low productivity into high productivity and providing profits (Drucker & Macariello, 2014). (Thomas W. Zimmerer, 2005) defines entrepreneurship as the application of creativity and innovation to solve problems and efforts to take advantage of existing opportunities; according to (Sya'roni & Sudirham, 2012), entrepreneurship is the process of creating something else by using time and activities accompanied by capital and risk and receiving rewards and satisfaction as well as personal freedom. (Robbins & Coulter, 2002) Entrepreneurship is the process whereby an individual or a group uses organized efforts and means to pursue opportunities to create value and grow by fulfilling wants and needs through innovation and uniqueness, no matter what resources are currently controlled. While (Barringer & Ireland, 2010) states that entrepreneurship is the courage to take business risks and then be able to carry out new business development. However, entrepreneurs themselves are different from inventors. An inventor is creating something new that has not existed before, while an entrepreneur is collecting and integrating all the resources needed, for example people, money, raw materials, business models, strategies and risks to turn an invention into a business that has the potential to be developed. Another view says that entrepreneurship is seen as a new combination of introducing new products, new production methods, opening new markets, using new supplies or new organizations (Schumpeter, 1965) So that an entrepreneur is basically an individual who has the character, traits and character to create opportunities by thinking and acting creatively and innovatively. Entrepreneurship, as stated in the attachment to the Decree of the Minister of Cooperatives and Small Business Development Number 961/KEP/M/XI/1995, is that:

1. Entrepreneurs are people who have entrepreneurial enthusiasm, attitudes, behavior, and abilities.
2. Entrepreneurship is a person's spirit, attitude, behavior, and ability to handle businesses or activities that lead to efforts to search for, create and apply new ways of working, technology and products by increasing efficiency to provide better services and obtain greater profits.

Based on the definitions above, entrepreneurship refers to people who carry out their own business or activities with all the abilities they have. Meanwhile, entrepreneurship refers to an entrepreneur's mental attitude when carrying out his business or activities. In that case, entrepreneurship brings resources in the form of labor, materials, and other assets in a combination that adds greater value and is attached to people who bring change, innovation, and new rules (Eddy Suryanto, 2009). According to (Suharyono, 2017), an entrepreneur has at least 12 (twelve) characteristics: achievement motive, always perspective, high creativity, high innovative behavior, commitment to work, work ethic and responsibility, independent or not dependent on other people. Dare to face risks, always look for opportunities, and have a leadership spirit, managerial abilities, and personal abilities.

Entrepreneurial behavior is one of the determining factors for the success of SME businesses. It has been proven that entrepreneurial behavior influences business success, including increasing profits, increasing the number and loyalty of customers, increasing sales volume, increasing product quality and quantity, product diversification, marketing expansion, and capability competition (Puspitasari, 2013) (Dirlanudin, 2020)

Entrepreneurial behavior

Entrepreneurial behavior is the activity or activities of an entrepreneur whose main characteristics are self-confidence, task and results-oriented, courage to take risks, leadership, originality, and future orientation. (McClelland, 1987) defines entrepreneurial/entrepreneurial behavior as moderate risk-taking, knowledge of the results of decisions, knowing what will
Entrepreneurial behavior is individual behavior in responding to opportunities through identifying or exploiting opportunities in establishing new businesses or business expansion (Bird & Schjoedt, 2017). Based on the opinions above, it can be concluded that Entrepreneurial Behavior is the attitude of an entrepreneur in carrying out all his business activities, which is supported by the attitudes that an entrepreneur must have. These include self-confidence, task and results-oriented, risk-taking, leadership, originality, and future orientation.

Entrepreneurial behavior shows a person's action pattern and results from knowledge, attitudes, and skills. According to Yuliadini (2000), entrepreneurial behavior is economic and business activities characterized by entrepreneurial elements: innovation, leadership, capital accumulation, managerialism, and the courage to bear risks. Education, business experience, motivation, and business location influence entrepreneurial behavior. Lunandi (1981) states that a person's behavior is influenced by their attitudes, knowledge, skills, and, in certain cases, by available materials. Several previous researchers have researched entrepreneurial behavior. Hadian (2010) states that the knowledge of most traders is in the very high category, while attitudes and skills are in the high category, and skills are in the low category. This illustrates that knowledge, attitudes, and skills are the most influential behavioral elements. Behavior is an individual's response to a stimulus or action that can be observed and has a specific frequency, duration, and purpose, whether conscious or not. Entrepreneurial behavior is a person's characteristic formed due to daily habits and is influenced by internal and external factors. Behavior can be changed by oneself and/or by pressure or environmental influence. Rakhmat (2003) states that the characteristics that influence human behavior can be divided into three components, namely: the affective component, which is the emotional aspect of socio-psychological factors; the cognitive component, which is related to the intellectual aspect of humans, namely about what humans know, and the cognitive component which is related to habits and the will to act. This opinion is in line with the opinion expressed by (Dirlanudin, 2020) that human behavior essentially involves cognitive aspects (knowledge), affective aspects (attitudes), and psychomotor aspects (skills).

**Entrepreneurial knowledge**

Entrepreneurial knowledge is defined as a person's understanding of entrepreneurship with various positive, creative, and innovative characteristics in developing business opportunities that benefit themselves and society or consumers, according to Kunto wuckasono in (Trisnawati, 2014). Entrepreneurship knowledge can shape students' mindsets, attitudes, and behaviors to become true entrepreneurs, thereby directing them to choose entrepreneurship as a career choice (Lestari & Wijaya, 2012). Entrepreneurial knowledge is the science, art, behavior, traits, characteristics, and character of someone who creatively realizes innovative ideas in the real world. Think about something new (creativity) and act on something new (innovation) to create added value and compete to create individual and societal prosperity. Entrepreneurship is built sustainably institutionalized so that it will work effectively in the hands of other people.

**Entrepreneurial skills**

Entrepreneurial skills are needed in running a business because an entrepreneur is the heart of the business. The skills entrepreneurs possess will make their business grow and succeed. According to Hitrich et al. (2012), entrepreneurial skills are a person's skills in managing their business. Likewise, according to (Riyanti, 2003), entrepreneurial skills are the entrepreneur's ability to run his business. According to Smilor (1997) and Kilby (1971), entrepreneurial skills refer to certain activities or practical knowledge needed to build and run a company business to achieve success. Entrepreneurial ability is a function of entrepreneurial behavior that combines creativity, innovation, hard work, and the courage to face risks to obtain opportunities. Entrepreneurial ability is the core of entrepreneurship: creating something new and different through creative thinking and innovative action to create opportunities to face life's challenges.

**3. METHOD**

**Research variable**

The variables used in this research focus on MSME entrepreneurial behavior variables. Entrepreneurial behavior is reflected by three indicator variables, namely affective (attitude), attitude shown in running a business (disciplined, persistent...
and diligent in running a business, committing to doing business), cognitive (knowledge), namely the ability to manage a business and motor skills (skills). Skills possessed by individuals (entrepreneurs) in running a business (ability to take opportunities, face risks, creativity and innovation) (Dirlanudin, 2020) (Wijandi, 2004)

Population, Sample, and Sampling Technique

This study’s population was 27 MSME business actors in Nagrak Village, Sukaraja District, Bogor Regency. The sample in this research was determined using a non-probability sampling technique and a saturated sampling method. Saturated sampling is a sampling technique that uses all population members as samples; another term for saturated sampling is census. According to Sugiyono (2017), census sampling is used for descriptive research with a size of less than 100.

Data collection techniques in this research used:
1. Observation, that is, researchers carry out direct observations to find facts about MSMEs in Nagrak Village, Sukaraja District, Bogor Regency.
2. In-depth interviews are conducted to get an overview of problems that usually occur due to special reasons that questionnaires and other data cannot explain. In this research, researchers conducted direct interviews with MSME actors in Nagrak Village, Sukaraja District, Bogor Regency.
3. Distributing questionnaires with a set of questions or written statements to MSME actors in Nagrak Village, Sukaraja District, Bogor Regency

Analysis Method

This research uses a quantitative descriptive approach; it is hoped that this approach will give an overview of the entrepreneurial behavior of MSMEs. The data collection technique used in this research is a questionnaire. With data collection techniques through questionnaires, data as a source of information needed from respondents is obtained through statements related to the research, which are answered or filled in directly by the respondents.

The instrument is measured using a Likert scale with an interval of 1 to 5. The Likert scale is a scale that can be used to measure a person’s attitudes, opinions, and perceptions about a particular object or phenomenon. Each choice of respondent’s answer is given a score (Sugiyono, 2017); for Strongly Agree (SA) for strongly agree the score is 5; for Agree (A) for strongly agree, the score is 4; for Neutral, the score is 3; for Disagree the score is two and for strongly disagree the score is 1. Calculate the score using the formula describing the percentage of distribution of questionnaires. To determine the length of the interval scale, use the following formula: 

$$ I = \frac{H_S - L_S}{V} $$

For the length of the class interval, Hs for the Highest Score, Ls for the Lowest Score, and V for the Volume of many criteria. Based on the value of each alternative answer, the interval class length is obtained as follows: 

$$ I = \frac{5-1}{5} = 0.8 $$

Based on the interval class calculations, a quantitative analysis was carried out, which shows the level of correspondence between the scores obtained. The results of calculating the length of the interval class obtained the assessment criteria are (1.00 – 1.80 Very low, 1.81 – 2.60 Low, 2.61 – 3.40 Currenly, 3.41 – 4.20 Height and 4.21 – 5.00 Very High (Sugiyono, 2017). Obtaining the average value by calculating the percentage using the formula according to (Burhan Bungin, 2006) is as follows:

$$ P = \frac{F_x}{N} \times 100\% $$
P for Spread percentage, Fx for Individual Frequency, N for Number of Events

4. RESULTS AND DISCUSSION

4.1 RESULTS

The results of the calculations and descriptive analysis of each sub-variable characteristic of entrepreneurial behavior then provide an overview and conclusions, which are the aim of this research

1. Description of MSME Entrepreneurial Behavior Characteristics with Entrepreneurial Knowledge Indicators

Based on the results analysis, The description of the results obtained is as follows:
TABLE 1 | Entrepreneurial Knowledge

<table>
<thead>
<tr>
<th>A.</th>
<th>Entrepreneurial Knowledge</th>
<th>Average Score</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Know and understand the efforts that will be carried out</td>
<td>3.67</td>
<td>Height</td>
</tr>
<tr>
<td>2</td>
<td>Able to see and analyze current business opportunities</td>
<td>3.67</td>
<td>Height</td>
</tr>
<tr>
<td>3</td>
<td>Provide problem solutions if problems occur in running the business</td>
<td>4.33</td>
<td>Very Height</td>
</tr>
<tr>
<td>4</td>
<td>Know the roles and responsibilities of being an entrepreneur</td>
<td>4.67</td>
<td>Very Height</td>
</tr>
<tr>
<td></td>
<td>Average</td>
<td>4.09</td>
<td>Height</td>
</tr>
</tbody>
</table>

Source: Processed data, 2023

Based on Table 1, the overall average value for the Entrepreneurial Knowledge variable is 4.09, which is in the High category.

2. Description of MSME Entrepreneurial Behavior Characteristics with Entrepreneurial Mental Attitude Indicators

Based on the results analysis, the description of the results obtained is as follows:

TABLE 2 | Entrepreneurial Attitude

<table>
<thead>
<tr>
<th>B.</th>
<th>Entrepreneurial Mental Attitude</th>
<th>Average Score</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I am a confident person</td>
<td>4.67</td>
<td>Very high</td>
</tr>
<tr>
<td>2</td>
<td>I always try to do everything to the maximum in order to get maximum results</td>
<td>4.33</td>
<td>Very high</td>
</tr>
<tr>
<td>3</td>
<td>I am a person who likes challenges and dares to face all possible risks</td>
<td>4.33</td>
<td>Very high</td>
</tr>
<tr>
<td>4</td>
<td>I can influence others to do what I want</td>
<td>3.67</td>
<td>Height</td>
</tr>
<tr>
<td>5</td>
<td>I am a flexible person and can easily adapt to various situations</td>
<td>4.33</td>
<td>Very high</td>
</tr>
<tr>
<td>6</td>
<td>I have long thoughts for the future</td>
<td>4.33</td>
<td>Very high</td>
</tr>
<tr>
<td></td>
<td>Average</td>
<td>4.28</td>
<td>Very high</td>
</tr>
</tbody>
</table>

Source: Processed data, 2023

The data processing results in Table 2 show that the overall average for the entrepreneurial mental attitude variable obtained an average value of 4.28, included in Very High.

3. Description of MSME Entrepreneurial Behavior Characteristics with Entrepreneurial Mental Attitude Indicators

Based on the results analysis, the description of the results obtained is as follows:

TABLE 3 | Entrepreneurial Skills

<table>
<thead>
<tr>
<th>Entrepreneurial Skills</th>
<th>Average Score</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 I can develop business strategies that will be used in running a business</td>
<td>4.00</td>
<td>Height</td>
</tr>
</tbody>
</table>
Table 3 shows that the overall average for the Entrepreneurial Skills variable was 3.87, which is included in the High category.

### 4.2 DISCUSSION

The research results show that respondents have high entrepreneurial knowledge, which means that knowledge and understanding are good criteria in getting an idea of the business that will be run and can see and analyze opportunities that are currently occurring to make it easier for the perpetrator to start their business. The results of this research are supported by previous research, which shows that good entrepreneurial knowledge will improve entrepreneurial performance (Rahman & Fe, 2016) and support business success (Moelrine & Syarif, 2023). Business actors can determine and run the business they choose so that it can run smoothly and successfully; apart from that, they can provide solutions to problems that hinder the smooth running of their business, as well as know their roles and responsibilities as entrepreneurs. Entrepreneurial knowledge needs to be understood, and it is necessary to develop wise behavior when planning a business to avoid difficulties in managing finances (Napitupulu et al., 2021).

Good entrepreneurial mental attitude. From the results of the descriptive analysis, all business actors in Nagrak Village, Sukaraja District, Bogor Regency have a very good mental attitude in running their business because business actors have a confident attitude, always try to do their maximum, dare to face challenges and risks, business actors can also influence their employees. To do the right thing and advance the business, business actors can also adapt to changes in various situations and have long-term thinking for the future. This illustrates that business actors have good entrepreneurial abilities, characterized by the ability to develop business strategies needed to run a business, can lead, manage, and coordinate the business activities they carry out, and are easy to interact and communicate with other people who will make it easier to carry out. A business because it will relate to other people who have special skills that are appropriate to the business to be run. The results of this research are supported by previous research, which shows that a good mental attitude will foster entrepreneurial success (Aries et al., 2023) (Nurfitriya, 2018)

Entrepreneurial skills are vital for business progress, so business actors must continue to be equipped with various skills that support business development, especially MSMEs at the start-up level. Business actors in Nagrak Village, Sukaraja subdistrict, have high business skills; this shows that entrepreneurial success will grow if entrepreneurial skills continue to be developed research. (Iskandar & Safrianto, 2020) (Aji et al., 2018) (Irawan & Mulyadi, 2016).

### 5. CONCLUSION

Based on the results of the descriptive analysis, it is possible to conclude that business actors running their business, which can be seen from their entrepreneurial behavior, show good criteria. This can be seen from the respondents’ responses who have
good entrepreneurial knowledge in the high category, a very good mental attitude in entrepreneurship in the very high category, and skills. Entrepreneurship is good with high category. Things that need to be done are to increase entrepreneurial readiness more actively and increase entrepreneurial knowledge or knowledge about entrepreneurship and maintenance. The mental attitude and entrepreneurial skills that are possessed as entrepreneurial readiness to increase business success.

6. LIMITATION AND IMPLICATION

This research is important to carry out as additional material for improving the performance and success of MSMEs and as input to the government in formulating policies. The descriptive research results show that entrepreneurial knowledge, mental attitude, and skills are good criteria for encouraging entrepreneurial performance and supporting business success. This research has limitations, including only descriptive analysis; further research is expected to conduct quantitative analysis, namely looking for the relationship and influence between entrepreneurial knowledge, entrepreneurial mental attitude, and entrepreneurial skills on entrepreneurial performance and entrepreneurial success.

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Conflict of Interest Statement: The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.