

# JURNAL 9

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# THE INVESTIGATION OF ADAPTIVE BEHAVIOR AND LOCUS OF CONTROL ON WOMEN SME'S ENTREPRENEURSHIP IN THE MIDS OF PANDEMIC ERA : THE MEDIATING ROLE OF ENTREPRENEURSHIP ORIENTATION,

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**Purpose:** All business actors have been compelled to adjust to these changes by the dynamics of the business environment, as well as the advancement of technology and information. In addition, the COVID-19 pandemic epidemic has compelled business people to take a fresh look at how their organizations run. Identify the variables that affect the business performance of SME's Women business actors by examining the impact of adaptive behavior and locus of control on business performance through the use of entrepreneurial orientation as an intervening variable. **Research Design, Data, and Methodology:** Data collection in this study was carried out by distributing questionnaires to 94 Women Entrepreneurs in South Sulawesi as a respondent. Partial Least Square (PLS) analysis was used as data analysis. **Result:** This study indicates that adaptive behavior has not directly effect on SMES performance but it will be significant effect if mediated by entrepreneurship orientation, locus of control has a significant effect to SME's Performance both directly or indirectly by mediation of entrepreneurship orientation. Entrepreneurship orientation has a positive and significant effect on SME's Performance, **Conclusion:** SME's Performance will be influenced by various factors including the influence of individual factors such as adaptive behavior and locus of control. These two factors affect the entrepreneurial orientation and have consequences for improving performance

Keywords : Adaptive Behavior, Locus Of Control, Entrepreneurship, Performance

## 1. Introduction

Crisis brings threats to the existence and performance of a business (Hidayat, Latief, & Shandrabahasoa: Andiwidiawati, 2020), (Hidayat, Latief, Widiawati, Asbara, & Zaeni, 2021). The crisis on the one hand has an impact on high uncertainty, hampered production activities, difficulties due to reduced income and the inability to pay workers and layoffs, on the other hand the crisis brings social cohesion, a sense of togetherness, collaboration, and mutual support to become a strong catalyst to build resilience and adapt. with the pressures, risks and becoming stronger in the face of the unprecedented changes brought about by COVID-19 (Portuguez Castro & Gómez Zermeño, 2020)

The success of a business, especially MSMEs run by women entrepreneurs, is closely related to the ability to adapt and business performance as well as the rapid adjustment of business models to current conditions to better suit the needs of the community. (Wu, Tian, Luksyte, & Spitzmueller, 2017). This is in accordance with the theory of Business Adaptation (Schindehutte & Morris, 2001) which is defined as the actions of entrepreneurs (entrepreneurs) and their teams in processing input information from their environment and making quick and successful adjustments, and concludes that adaptation made by small and medium enterprises has a relationship with performance and the ability of businesses to receive, interpret and translate disruption from the external environment to internal norms that lead to survival or

success (Jones, 2013). Pada titik ini, untuk bertahan hidup, UMKM harus menghadapi krisis dengan inovasi dan mengembangkan solusi unik (Unger, Rauch, & Frese, 2011).

The Covid-19 pandemic has brought broad links, not only health issues, the pandemic has put the resilience of MSMEs to the test again, the ability to get through various financial crises since the last 20 years, the small and medium-sized business sector (SME) has always been one of the main pillars of the national economy. Since three decades ago, economists and decision-makers in many developing countries have begun to pay attention to the role and existence of small and medium-sized enterprises (Small and medium-sized enterprises), which were initially very neglected because they were perceived as only low-income activities and did not contribute to the economy (Marlinah, 2020)

MSMEs that are impacted by the gender crisis, More than half of all small firms and nearly a third of all medium-sized businesses are owned by women, which contributes to economic growth and employment creation on par with that of male-owned SMEs, Meanwhile, from sustainability, MSME businesses owned by women are more resilient in the current conditions, this ability comes from being careful in managing debt and being more successful in making market and sales strategies. The results of the UNDP Indonesia Country Economist survey stated that female entrepreneurs are more likely to prepare sales and marketing strategies (85.1 percent) compared to male entrepreneurs (79.7 percent).

According to research (Manolova, Brush, Edelman, & Elam, 2020) women entrepreneurs frequently demonstrate their ability to thrive in the face of business problems, including the COVID-19 threat to their company. Compared to men's offensive approach, female entrepreneurs are more inclined to take a defensive stance and choose to curtail their operations and boost efficiency to survive in the face of adversities. (Etuknwa, Karamalla-Gaiballa, & Onoshakpor, 2020). In general, business men and women behave similarly. Like male entrepreneurs, women want to be their own bosses and want to be independent and autonomous as well as earn more money. Men frequently cite economic factors and commercial decisions as their reasons for starting a business, but women frequently cite family demands, lifestyle choices, and the integration of family and career needs. Barbara Noble, in her report on women entrepreneurs (1986), "For men, being a preneur entrepreneur is a business strategy. For women, it is a life strategy. (Buttner, 2013)

From the aspect of the role, MSME women face the task of childcare is an important priority to use the form of work and flexibility of home work that allows women to meet the needs of their children and husbands. Working from home allows women to have flexibility. (Cromie & Hayes, 1988) Women are constrained by a variety of responsibilities, including business, family, and domestic duties on the one hand, and business duties on the other. Lack of property ownership, a lack of prior business experience, limited mobility, and a larger reliance on husbands and families are a few things that prevent women-owned SMEs from developing and growing. (PRAKARSA, 2020)

According to IFC regulations (2016), enterprises run by women fall into the following groups on the category side of the business scale: Urban areas have 52.9 percent of microbusinesses, 50.6 percent of small businesses, and 34 percent of medium-sized businesses. The number of MSMEs overall and MSMEs run by women can be represented in the table as a pyramid, with the base of the pyramid being micro-enterprises, which have 52.106 MSMEs (0.09%), with female MSMEs making up 52.9% of that total. The second pyramid level is small businesses, which have 654.222 MSMEs (1.13%), with female MSMEs making up 50.6% of that total. The top of the pyramid is medium enterprises, which have 34% of female MSMEs. It can be assumed that women's MSMEs contributed IDR 443 trillion (\$36.5 billion) and women-owned medium-sized enterprises IDR 421 trillion (\$34.6 billion) to the Indonesian economy, respectively, if women's formal employment and company ownership maintain at their 2013–2015 levels. This is the same as 654.222 units/1.13 percent of the nation's GDP

(IFC, 2016). However, this contribution is quite little in comparison to the company's contribution, which is only 5.066 units/0.01%, which is far less than MSMEs (KemenKop UKM, 2017). In light of this, it is essential to support women-owned businesses in order for them to flourish, especially during times of adversity like this one. (PRAKARSA, 2020)

In addition, the relationship between innovation and gender has attracted increasing interest among researchers (Block, Colombo, Cumming, & Vismara, 2018);(Jennings & Brush, 2013); (Jennings & Brush, 2013). (Gupta, Turban, & Pareek, 2013)

Given the various problems and weaknesses faced by MSMEs today, especially women entrepreneurs, it is very important for MSMEs to have flexibility in all things for survival to respond to contemporary business changes that are rapidly changing and environmental turbulence. (Franco, Haase, & António, 2020) This is closely related to the ability to adapt and adapt the business model quickly to current conditions to better suit the needs of the community. (Wu et al., 2017).. (Jones, 2013)

## **2. Literature Review**

### **2.1. Teori of Planned Behavior**

The theory of planned behavior (TBP) was proposed by (Ajzen, 1991), through his article "From intentions to actions: A theory of planned behavior". Is the basic assumption of the TPB is that not all behaviors are brought under full individual control, so it is necessary to add the concept of perceived behavioral control. Doing or not doing a behavior is not only determined by subjective attitudes and norms, but also the individual's perception of the control he can do, a positive attitude towards the behavior, getting approval from other individuals who are closely related to the behavior and believe that the behavior can be done. done well which stems from his belief in the control (control beliefs) which consists of: Internal Control, within the subject – skills, abilities, information, and External Control, outside the subject – obstacles, opportunities.

### **2.2. Adaptive Behavior Concept**

The individual's ability to adapt or manage themselves to changes in their work is called adaptive work behavior (Allworth & Hesketh, 1999). (E.D Pulakos, Arad, Donovan, & Pamondon, 2000), compiled a taxonomy as a framework for describing adaptive work behavior. According to (E.D Pulakos et al., 2000) adaptive behavior has a taxonomy consisting of 8 (eight) dimensions, namely: (1) the ability to solve problems creatively; (2) the ability to cope with uncertain work situations; (3) the ability to learn new tasks, technologies, and procedures; (4) interpersonal adaptability; (5) cultural adaptability; (6) physical adaptability; (7) the ability to cope with work stress; (8) ability to cope with critical situations.

Numerous research have found a high correlation between adaptable behavior and worker performance or productivity. Then, including if companies want to improve their performance, they must develop adaptive behavior from their employees (Franke & Park, 2006);(Jaramillo, Ladik, Marshall, & Mulki, 2007). While the definition of adaptive behavior, is a behavioral skill that is shown in response to environmental demands" ( McGrew & Bruininks, 1989).

According to David Purpel (1989), responsive conduct that is creative or "adaptive" is what leads to effective behavior, which is necessary for human existence. The ability to accurately assess environmental changes is essential for adaptive behavior. The level of accuracy is a function of personal development, which can be determined by education or experience. The freedom to intuitively understand the environment, that is, the stimuli or learning experiences that are a function of response to change to adapt to the environment, is made possible by effective education.

The ability to adapt to a situation depends on one's ingenuity. In order to live, one must learn to regulate their environment, assess their perceptions, and extract the information they need. If a person is uneasy, they cannot be expected to start adapting. In order to have a rational and realistic perception of one's capacity for self-evaluation, one must be able to alter one's beliefs in the face of new information.

The development of the company is characterized by a changing and dynamic environment where the need for adaptive workers is becoming increasingly important. For example, employees must frequently adapt to new ways of doing their jobs, as technology changes and automation continues to change the nature of work tasks .(Elaine D. Pulakos, Hanson, Arad, & Moye, 2015)

A person's capacity for autonomous functioning, personal responsibility, and proficiency in completing activities in accordance with their age and the expectations of their community are all examples of adaptive behavior. In addition to being able to keep an eye on his own actions and accepting all risks and responsibilities for a choice: expressed in choice of conduct and decision-making. Based on this argument, Hypothesis 1 (H1) of this study suspects that Adaptive Behavior has a positive and significant effect on business performance in women entrepreneurs of IWAPI SMEs in South Sulawesi and Hypothesis 2 (H2) this study suspects that Adaptive Behavior has a positive and significant impact on entrepreneurial orientation.

### **2.3. Locus Of Control Concept**

Rotter (1954), a social learning theorist, was the first to propose the idea of locus of control (control center). One of the personality traits is locus of control, which is the idea that one has power over one's own destiny.

One of the four core self-evaluation dimensions, or one's fundamental evaluation of oneself, along with neuroticism, self-efficacy, and self-esteem, is locus of control. Hakim, Locke, and Durham (1997) conducted the first study on the idea of core self-evaluation, and it has since been demonstrated that it can predict a variety of workplace outcomes, including job satisfaction and performance.

Internal locus of control and external locus of control are the two dimensions of the stable variable known as locus of control. For the two aspects of internal locus of control and external locus of control, the 5 (five) indicators were created. (Bezjac & Lee, 1990) as follows: (1) Believe that you can control your life through hard work and your own efforts; (2) Believing that the success or failure of a job depends on one's own will; (3) Feeling that they have made greater efforts to control their environment; (4) Believe in being able to deal with stressful situations (5) Actually, there is no such thing as luck.(Sumantri & Gemina, 2015). Relationships with coworkers do not influence an individual's intrinsic variables, such as job aptitude, personality, successful work behaviors, and self-assurance. (Kreitner & Kinicki, 2010: (Alipour & Karimi, 2011), (Sumantri & Gemina, 2015). Individuals with external LOC tendencies are individuals who believe that performance is the result of events beyond their direct control. (Kreitner & Kinicki, 2010) and (Alipour & Karimi, 2011).

The degree to which people ascribe occurrences in their lives to factors outside of their control is known as locus of control. People are said to have an external locus of control when they feel they have little influence over their circumstances. A person will be categorized as external if they think that events in their lives are caused by forces outside of their control, such as fate, chance, luck, or destiny.

An individual with an internal locus of control thinks that himself or his actions are what caused the occurrences in his life. People who have an internal locus of control frequently believe that their actions, abilities, and skills affect the outcomes of their lives. People who believe that their lives are mostly influenced by factors outside of themselves, such as fate, destiny, luck, and other influential figures, are said to have an external locus of control.

Differences in the tendency of internal and external locus of control relate to the form of control over the environment. (Begley & Boyd, 1987), (Ozkazanc-Pan, 2018), found that internal loci were not only more on activities, but they also tend to have entrepreneurial qualities (Adeyemi-bello, 2001). In contrast to people who are more externally focused, internally focused people are more active and always strive to dominate their lives. Therefore, in addition to putting out a greater effort, those who have an internal locus of control are self-assured enough to make the most of their strengths and skills in order to perform at their very best. Based on these arguments, Hypothesis 3 (H3) of this study suspects that Locus of Control has a positive and significant effect on business performance and Hypothesis 4 (H4) of this study suspects that Locus of Control has a positive and significant effect on entrepreneurial orientation.

#### **2.4. Entrepreneurship Orientation**

Over the years, other terms have been used to refer to the basic "Entrepreneur Oriented" phenomenon, including entrepreneurial mode. (Mintzberg, 1973), entrepreneurial-style (Khandwalla, 1976), entrepreneurial posture (Covin & Slevin, 1989). Is EO a dispositional or behavioral construct? is a common query from people seeking to comprehend the fundamentals of EO (i.e., does EO exist as a dispositional or behavioral phenomenon). There are numerous illustrations of dispositional versus behavioral conceptualizations of EO. For example, Voss, (Voss, Voss, & Moorman, 2005) define EO as "a firm-level disposition to engage in behavior [reflecting risk-taking, innovation, proactiveness, autonomy, and competitive aggressiveness that leads to change in organizations or markets." By contrast, (Pearce, Fritz, & Davis, 2010) conceptualize EO as "a set of distinct but related behaviors that possess the qualities of innovative, proactive, competitive aggressiveness, risk taking, and autonomy." Different names have been given to what is fundamentally a "Entrepreneur Oriented" phenomenon over time; examples entrepreneurial modes. (Mintzberg, 1973), entrepreneurial-style (Khandwalla, 1976), entrepreneurial posture (Covin & Slevin, 1989). Is EO a dispositional or behavioral construct? is a common query from people seeking to comprehend the fundamentals of EO (i.e., does EO exist as a dispositional or behavioral phenomenon). There are numerous instances of dispositional versus behavioral conceptualizations of EO. For example, (Voss et al., 2005) define EO as "a firm-level disposition to engage in behavior [reflecting risk-taking, innovation, proactiveness, autonomy, and competitive aggressiveness that leads to change in organizations or markets." By contrast, (Pearce et al., 2010) conceptualize EO as "a set of distinct but related behaviors that possess the qualities of innovative, proactive, competitive aggressiveness, risk taking, and autonomy."

Attempting to comprehend and consistently discuss the creation of EO as a specific form of phenomenon, be it dispositional or behavioral, is unquestionably worthwhile. the decision between a dispositional and a behavioral understanding of EO. Two key observations must be taken into consideration when studying the phenomenon. The scientific community has widely come to the conclusion that EO is an enterprise-level phenomenon (more specifically, EO is a strategy), despite the fact that we are receptive to the argument that many various units or levels of study of real entrepreneurship might make.

Phenomenon at the business unit level (SBU) in which "units" might range from non-diversified SMEs to a single enterprise multibusiness company unit. The degree of EO can therefore differ significantly between SMEs or between multibusiness organizational units. This does not preclude people from showing a tendency for entrepreneurial thought and behavior, for instance. However, generalizing the EO idea to another level or unit of analysis may lessen its usefulness by leaving open questions concerning, for instance, the right construction indicators at a particular level.

It becomes very difficult to distinguish EO from other intangible enterprise-level entrepreneurial traits, such as entrepreneurial culture, when EO is conceptualized as a dispositional phenomenon (Blumentritt, Kickul, & Gundry, 2005); Fayolle, Basso, & Bouchard, 2010), climate entrepreneurship (Hornsby, Kuratko, & Zahra, 2002), (Michaelis, Stegmaier, & Sonntag, 2010), when characterized as a whole or collective phenomena, the entrepreneurial mindset, (Kor, McGrath, & MacMillan, 2001), the main entrepreneurship rationale (Covin, Green, & Slevin, 2006); Meyer & Heppard, 2000).

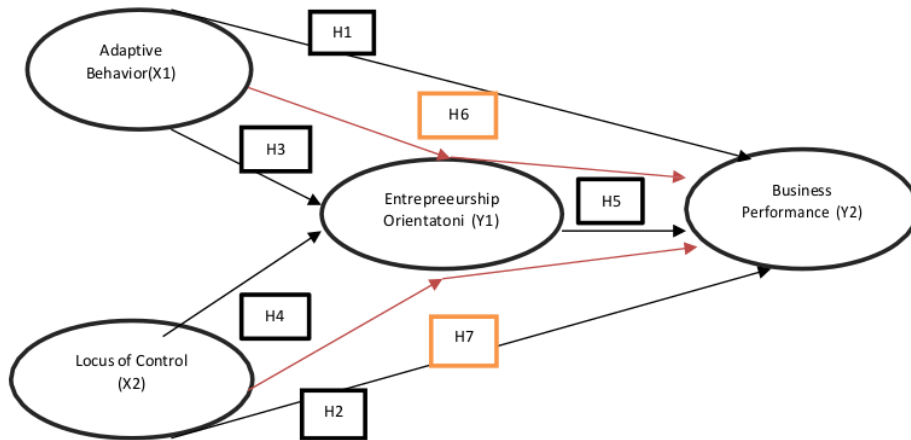
Another disadvantage of defining EO as a dispositional phenomenon (or linked to a typical and characteristic mental or emotional viewpoint or mood) is that ignores the fundamental ideas that have long been the foundation of our field. As (Gartner, 1988) asserts vehemently that we can identify entrepreneurs by their behavior, not their traits, Covin and Slevin (1991, p. 8) advance the belief that entrepreneurial enterprises' conduct is one of their defining characteristics (Covin & Lumpkin, 2011).

Three indicators of entrepreneurial attitude are taking risks, acting pro-actively, and always being innovative. These processes, practices, and decision-making lead to new inputs. (Lumpkin and Dess, 1996). The ability of a company to respond to environmental changes depends on its entrepreneurial orientation (EO). (Atuahene-Gima and Ko, 2001). EO can provide a powerful incentive for quick strategic change and have a significant impact on how adaptable an organization is. EO has become a significant factor in management study throughout time, yet there is a significant research vacuum in that the effect of EO on adaptation has not been thoroughly investigated. (Li, Yuan, Yi Liu & Antai, 2018)

The crisis that occurred during the Covid-19 pandemic has also become one of the "natural selections" of the intentions and persistence of an MSME driver in maintaining their business so that it can continue to be sustainable. So that what is tested on an MSME mover is the intention (intention) in running a business, as well as the entrepreneurial orientation that is in the person concerned. Both require: a proactive, creative, and innovative attitude in an effort to survive and be sustainable in business/business. Based on these arguments, Hypothesis 5 (H5) of this study is: Entrepreneurial orientation has a positive and significant effect on business performance

Mediating Role of Entrepreneur Orientation for innovative behavior and locus of Control on business performance.

Innovative behavior possessed by an entrepreneur will be closely related to his orientation to make his business successful in the future by creating an innovative touch on the products produced and the systems used, thus the innovations created which are always associated with entrepreneurial instincts will greatly affect the success of the business. carried out, as well as the role of the locus of control, self-mastery, both influenced by internal and external factors, will affect the entrepreneurial orientation so that adjustments to the dynamically changing environment with effective self-control skills will affect the success of business management. From these arguments, the hypothesis of indirect influence in this study Hypothesis 6 (H6) suspects that innovative behavior has a positive and significant effect on business performance through entrepreneurial orientation, and Hypothesis 7 (H7): Locus of Control has a positive and significant effect on business performance through entrepreneurial orientation



**Figure 1: Conceptual Framework**

### **3. Research Design and Methodology**

#### **3.1. Research Design**

This study uses a quantitative approach with the main data is data from the distribution of questionnaires to the respondents. the independent variables of this research are knowledge management and talent management while dependent variable is the performance of SMEs with innovation variable as the intervening variable. The distributed questionnaires were compiled based on the indicators of each variable by taking into account the main references used in this study. The complete structure of the questionnaire used in this study is as presented in table 1 as follows:



Table 1. Research Questionnaire Structure Guide

| Variable                     | Item Questionnaire                                      | Major References |
|------------------------------|---------------------------------------------------------|------------------|
| Adaptive Behavior            | Problem solving ability                                 |                  |
|                              | Ability to cope with uncertain situations               |                  |
|                              | Ability to learn new technological tasks and procedures |                  |
|                              | Interpersonal adaptability                              |                  |
|                              | Cultural adaptability                                   |                  |
| Locus Of Control             | Achievement of results                                  |                  |
|                              | Personal ability                                        |                  |
|                              | Self-control ability                                    |                  |
|                              | A failed situation                                      |                  |
|                              | Dependence on environment                               |                  |
|                              | Success is fate                                         |                  |
| Entrepreneurship Orientation | Risk Understanding                                      |                  |
|                              | Innovation Ability                                      |                  |
|                              | Proactive                                               |                  |
|                              | Collaboration                                           |                  |
| SME's Performance            | Profit increase                                         |                  |
|                              | Product quality                                         |                  |
|                              | Sales Volume                                            |                  |
|                              | Order completion accuracy                               |                  |
|                              | Realization of sales targets                            |                  |

### 3.2. Samples

The sample in this study is women who running the business on small and medium business which already have professional management in South Sulawesi Province which were selected purposively through the following considerations (1) The company owned by Women Entrepreneur (2) The company has has been managed professionally and employing the majority of female workers (3) The company employs a minimum of 5 employees (4) The company has been operating for a minimum of 5 years (4) Company assets are included in the small and medium business category. Based on these special criteria, it can be determined as many as 94 company owners who have the expected criteria.

The description respondent demography is shown in table 2 as follow:

Table 2 : Respondent Demography

| Attributes                              | Item             | F  | %     |
|-----------------------------------------|------------------|----|-------|
| Gender                                  | Men              | 0  | 0%    |
|                                         | Women            | 94 | 100%  |
| Age (years)                             | 25-30 year       | 13 | 14%   |
|                                         | 31-40 year       | 74 | 79%   |
|                                         | >41 year         | 7  | 7%    |
| Operational experience                  | 5- 10 Years      | 58 | 62%   |
|                                         | 11 – 15 Years    | 29 | 31%   |
|                                         | 16 – 20 Years    | 7  | 7%    |
|                                         | >21 Years        | 0  | 0%    |
| Income / Per-month (in million rupiahs) | < 100 million    | 67 | 71,3% |
|                                         | 100 –250 million | 21 | 22.3% |
|                                         | . >500 million   | 6  | 6.4 % |

Demographically, the sample of this study was all womans who running the Business in SME's in South Sulawesi as many as 94 people 100%, respondents by age were dominated by respondents aged 31-40 years as many as 74 people or by 79%, most of the respondents had operated their business within a period of 5 to 10 years, as many as 58 people or 62%, from the income side of the respondents most of the respondents earn up to 100 million rupiahs per month

### 3.2. Measurement

The first measurement carried out in this study was to confirm the quality of the research data through validity and reliability tests. The CFA (Confirmatory Factor Analysis) validity test and Cronbach Alpha reliability testing method are both employed in this study. The three primary uses of CFA in psychometric assessment research are evaluation of concept validity, comparison of response patterns, and comparison of competing models. (Alavi, Visentin, Thapa, Hunt, Watson, Cleary, 2020). The main criteria in the reliability test are as follows: when the Alpha coefficient is less than 0.60 it indicates a low level of reliability. But when the Alpha coefficient is more than 0.60 or close to 1.00, it can be said to be high reliability. All data analysis was processed by smart partial least square (PLS) software through two calculation stages. The first is an algorithm analysis to measure the feasibility of sizes on dimensions such as; validity and reliability (AVE, Cronbach alpha, and Critical Ratio). The second part; Boostroaping analysis is used to determine the significance of the influences between the variables studied in this study so that the hypotheses used in this study can be answered

## 4. Result & Discussion

### 4.1. Statistics Test Results

Data analysis performed using PLS smart software generates initial data that is used in this study's follow-up research. As previously stated, excellent data is information that satisfies the necessary requirements, specifically that the loading factor criterion be met with a value of  $(\lambda) > 0.5$ .

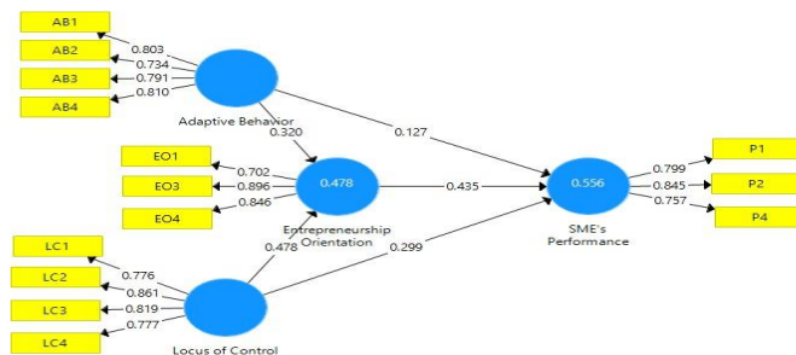


Figure 2: PLS Analysis (Algorithm Analysis Output)

The results of the algorithm analysis demonstrate that all values of loading factors created are above 0.5, demonstrating the high caliber of the data that satisfies the requirements for further research in this study. Figure 2 above displays the outcome of the algorithm analysis.

The next analysis is one to ascertain the degree of good fit of the model, specifically by understanding the Validity value of the AVE value and the value to ascertain the reliability of the data. The criteria for good data are the fulfillment of the validity criteria with validity standard value is above 0.7 while the AVE value is above 0.5 then reliability for both composite reliability and Cronbach alpha with standard values above 0.6. Table 4 displays the excellent of fit model for the study data as follows:

**Table 4. The Good of Fit Model**

| Variable                     | Items | Validity | AVE   | Composite Reliability | Cronbach Alfa |
|------------------------------|-------|----------|-------|-----------------------|---------------|
| Adaptive Behavior            | AB1   | 0,803    | 0,616 | 0,865                 | 0,801         |
|                              | AB2   | 0,734    |       |                       |               |
|                              | AB3   | 0,791    |       |                       |               |
|                              | AB4   | 0,810    |       |                       |               |
| Locus of Control             | LC1   | 0,776    | 0,655 | 0,883                 | 0,827         |
|                              | LC2   | 0,861    |       |                       |               |
|                              | LC3   | 0,819    |       |                       |               |
|                              | LC4   | 0,777    |       |                       |               |
| Entrepreneurship Orientation | EO1   | 0,702    | 0,670 | 0,858                 | 0,750         |
|                              | EO3   | 0,896    |       |                       |               |
|                              | EO4   | 0,846    |       |                       |               |
| SME's Performance            | P1    | 0,799    | 0,642 | 0,843                 | 0,725         |
|                              | P2    | 0,846    |       |                       |               |
|                              | P3    | 0,757    |       |                       |               |

#### 4.2. Hypothesis Result

The results of hypothesis testing for each of the latent variable relationships presented in table 5 shows that adaptive behavior has no positive and significant effect on SME's performance (sig. p- value  $0,153 > 0,05$  which means hypothesis H1=Rejected). Locus of control has positive and significant effect on SME's performance (sig. p-value  $0,001 < 0,05$  means hypothesis H2=Accepted). Adaptive Behavior has a significant effect on entrepreneurship orientation (p-value  $0,001 < 0,05$ , means hypothesis H3=accepted).

Locus of control has a positive and significant effect on entrepreneurship orientation (sig. P-value  $0,000 < 0,05$  which means hypothesis H4=Accepted). Entrepreneurship orientation has positive and significant effect on SME's performance (sig.p-value  $0,000 < 0,05$  means hypothesis H5=Accepted).

The PLS output for indirect effect indicated that the effect of adaptive behavior on SME's Performance through entrepreneurship orientation has positif and significant effect (sig.p-value  $0,000 < 0,005$  means that hypothesis H6 = Accepted). The same result for the effect of locus of control on SME's Performance through entrepreneurship orientation also has positive and significant effect (sig.p-value  $0,004 < 0,005$  means that hypothesis H7 = Accepted)

**Table 5. Hypothesis Result**

|                                                | Sample Mean | Std.Deviation | T Statistic | P.Value |
|------------------------------------------------|-------------|---------------|-------------|---------|
| Adaptive Behavior SME's Performance            | 0,127       | 0,088         | 1,433       | 0,153   |
| Locus of Control SME's Performance             | 0,299       | 0,093         | 3,227       | 0,001   |
| Adaptive Behavior Entrepreneurship Orientation | 0,320       | 0,094         | 3,404       | 0,001   |

|                                                                          |       |       |       |       |
|--------------------------------------------------------------------------|-------|-------|-------|-------|
| Locus of Control Entrepreneurship Orientation                            | 0,478 | 0,097 | 4,938 | 0,000 |
| Entrepreneurship Orientation SMEs Performance                            | 0,435 | 0,103 | 4,229 | 0,000 |
| Adaptive Behavior SME's Performance through Entrepreneurship Orientation | 0,139 | 0,050 | 2,771 | 0,000 |
| Locus of Control SME's Performance through Entrepreneurship Orientation  | 0,208 | 0,072 | 2,887 | 0,004 |

## 5. Discussion

Adaptive behavior is needed by everyone in this era of massive change, of course, adaptive behavior is related to adaptation in all areas of life, thus adaptive behavior is now more general. The results of this study show that adaptive behavior does not directly affect business performance. This implies what kind of adaptive behavior can affect business performance, meaning that not all adaptive behavior can be related to business activities because to improve business performance, adaptive behavior is required behavior that is directed to focus on efforts to improve the company's performance itself. This argument is appropriate and in line with the results of this study which shows that adaptive behavior will affect SME's performance if mediated by entrepreneurship orientation.

Locus of control is self-control in doing or not doing something, this refers to the individual's perception of the main causes of events in his life so that a person has a perception that what happens is related to other factors that influence it. A person's decision to become an entrepreneur is very likely to be influenced by his locus of control. a woman in making life choices is certainly done with careful and detailed considerations including involving her feelings and thoughts (Locus of Control) this will be one of the driving forces in achieving goals as expected. Every entrepreneur in the context of self-control is certainly related to the efforts made as an entrepreneur, especially for a woman entrepreneur who in certain cases is strongly influenced by her feelings and instincts to run company with their hearts and feelings (Ali, Khan, & Asrar-Ul-Haq, 2019) thus women entrepreneurs in self-control will affect the performance of the businesses they manage, this result is in line with the results of this study which shows that locus of control has a direct effect on the performance of women entrepreneurs. Locus of control also influences indirectly through entrepreneurship orientation on business performance, this shows that locus of control which is then influenced by entrepreneurial views related to someone to do or not do something related to the business they are doing will affect their performance or the result of his efforts.

We can see the participation of women in the economic sector here, namely with the courage of women to grow their potential by opening a business or entrepreneurship according to their expertise, craft and experience to earn a living and increase social status in society while increasing income. have flexibility in adapting to a constantly changing environment and also have control over themselves which is directed at the entrepreneurial activities they engage in so that these two factors have proven to have an effect on the success of the business they are involved in.

### 5.1. Practical Implication

This research has practical implications for women entrepreneurs to better understand if business performance can be influenced by several factors, including adaptive behavior to change, flexibility in adapting to change is one of the keys to success for business actors to

manage their business. Such flexibility includes the ability to utilize technology which is now massively used by both consumers and competitors. The results of this research will be a reference for the need for adaptive behavior for business actors. This research can also be a reference about the importance of entrepreneurial orientation for business actors to achieve business performance.

## 5.2. Theoretical Implication

Theoretically, the results of this research will strengthen discussions about entrepreneurial education issues, especially the importance of the entrepreneurial mindset. Through the results of this study, it is hoped that it can provide impetus for further researchers to analyze further about other factors that can influence SME's performance to increase literacy about entrepreneurship which is very important in the economic order in an effort to improve the welfare of the wider community.

## 6. Conclusion

From the results and discussion of this study, it shows that adaptive behavior does not directly affect SME's owned by women entrepreneurs but adaptive behavior will have a positive and significant effect on performance if moderated by entrepreneurial orientation, while locus of control directly affects SME's performance owned by women entrepreneurs. business woman. The results of this study also indicate that locus of control has an effect on performance through entrepreneurship orientation as an intervening variable. Thus, it can be concluded that SME's performance will be influenced by its ability to adapt to a constantly changing environment and the locus of control owned by female SME's business actors. these two factors (Adaptive behavior and locus of control) will be better if followed by the principles of entrepreneurial orientation which will make these three factors comprehensively able to improve SME's performance managed by women entrepreneurs

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