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Effects Of Characteristics, Competence, Creativity On Motivation And Success Of Sewing SMEs

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Abstract

The present study examined the success of sewing SMEs concerning the required characteristics, competence, creativity and motivation. The purpose of the present study was to determine the effects of characteristics, competence and creativity on motivation through the success of SMEs. It used the Smart PLS software. Results showed that characteristics, competence, motivation and creativity affected motivation. Furthermore, characteristics and motivation affected the success of SMEs. Furthermore, competence and creativity did not affect the success of SMEs.

Keywords: Characteristics, competence, creativity, motivation, the success of sewing SMEs

1. Introduction

The Municipal of Surabaya through the Mayor has been starting to pay attention to the fate of the Small and Medium-sized Enterprises (SMEs) concerning their needs to run their business and to maintain their life. This is evidenced by the opening of the center for sewing SMEs on Bukit Barisan street Surabaya. Sewing SMEs can help reduce unemployment and provide employment opportunities.

An entrepreneur with entrepreneurial characteristics is expected to be responsible for running his or her business. Running a business smoothly following expectations is simple but it takes hard work, passion, discipline and creativity. According to Suryana and Bayu (in Aisha St. et. al., (2017)), "characteristics interpreted as temperament, character, traits psychology, morals or the character that distinguish one person from another, the characteristics of entrepreneurs what distinguishes an entrepreneur with a non-entrepreneurial".

Entrepreneurial competence of a person is also accompanied by having knowledge, skills and attitude in running entrepreneurship. According to Kiggundu (in Sarwoko et. al., (2013)), "the overall entrepreneur competencies are attributes of entrepreneurship which include attitudes, beliefs, knowledge, skills, abilities, personality and behavior which is directed to achieve success. Further stated that entrepreneurial competencies could offer unrealistic views about somebody know running a business". A person with a high entrepreneurial competence will have an opportunity to achieve success.

Creativity is of importance in the face of rapidly changing business competition, requiring new or different ideas and readiness to deal with it. According to Okpara (2007), creativity is also an attitude, the ability to accept change and newness, a willingness to play with ideas and possibilities, a flexibility of outlook, the habit of enjoying the good, while looking for ways to improve it. Thus, creativity is an idea that should be developed.

Motivation is a drive or initial capital to run a business to achieve success. According to Yunal and Indiyani (2013), entrepreneurial motivation is an internal driving force/drive that boosts the passion to create an activity/job by looking at the surrounding opportunities. An entrepreneurial motivation should be possessed by each individual since it constitutes a passion to run the business.

The success to run an SME requires entrepreneurship, hard work, confidence, willingness to move forward and clever communication. This is because the rapid business developments, especially concerning SMEs, requires all the businessmen to be aware of the future business developments to achieve success. According to Muchtar and Ramadini (in Le and Visantia (2013), a business can achieve a success when there is an increase in sales, production, profits, and also there is fast and satisfactory business growth and development. Furthermore, business success also requires hard work, high business commitment, skills and knowledge of the specific business field. Success is one's business target.

The present study looked at the Center for Sewing SMEs previously located on the roadside of Patua street which received the attention of the Surabaya Municipality by constructing a special building on Bukit Barisan street. The Center is dedicated to those SMEs in order not to carry out their activities on the roadside of Patua

street to prevent a traffic jam. However, there remains a lot of tailors performing their activities on Patua street since they have no place of business and Surabaya ID Card. Additionally, there is a decrease in income for those SMEs relocated to the Center relative to those on the roadside.

2. Literature Review

Characteristics of an entrepreneur's attitude and behavior in managing his or her business to obtain the desired profits. Additionally, this requires self-confidence, the capability to take advantage of opportunities, hard work, love for the profession, search for information on others' success and being honest, diligent and tenacious. According to Wijayanto (2013), an entrepreneur has the characters of having a desire to be responsible, being committed to tasks, being quick to look at future opportunities, always looking back on past achievements, being a thirst for money, having organizational skills, tolerance of ambition, and high flexibility. According to Bouazza *et al.* (in Abdulwahab and Rula (2015), "entrepreneur's characteristic: they are needed for achievement, self-confidence, initiatives (pro-activeness), independency (autonomy and independence responsibility), risk-taking propensity and experience". Each individual differs in their level of needs for success. An individual with a low level of needs for success will feel discouraged and become pessimistic. On the contrary, those with a high level of needs for success will enjoy the competition and be responsible for their job. Every person should have entrepreneurial characters to achieve success in business.

Competence is of importance and should be possessed by every entrepreneur since success is in sight with it. According to UU N0. 13/2003 on employment article 1 (10), one's competence is the workability of each individual that includes the aspects of knowledge, skills and work attitude following the established standards. According to Man (in Sarwoko *et al.* (2013)), entrepreneurial competence consists of strategy competency, commitment, conceptual competence, opportunity competency, relationship competency, organizing competency, and learning competency. Each individual has different competencies. One's entrepreneurial competence is reflected by hard work, passion, innovativeness, desire to learn, curiosity and willingness to learn with people with entrepreneurship experience.

Creativity is the ability to make something new and different from others. Suryana (in Hadiyati E., (2011) argues that creativity is thinking something new. Creativity is the ability to develop new ideas and to discover new ways of solving problems in the face of opportunities. According to Suryana (2006: 42), creativity includes being curious, optimistic, flexible, finding solutions from problems and being original. According to Harris (in Okpara F.O., (2007), "creativity is marked by the ability to create, bring into existence, to invest into a new form, to produce through imaginative skill, to make to bring into existence something new. Creativity is not the ability to create out of nothing (only God can do that), but the ability to generate new ideas by combining, changing, or replying to existing ideas. Some creative ideas are astonishing and brilliant, while others are just simple. Good practical ideas that no one seems to have thought of yet".

Motivation is a driving factor for a person to take action. According to Sunyoto (in Gemina D. *et al.*, (2016)), motivation is a stimulus of desire, one's driving force to work. An entrepreneur must have motivation for the smooth running of his or her business. According to Fahmi (in Gemina *et al.*, (2016)), motivation is a systematic relationship between a response or a set of responses and states of encouragement consisting of: motives, hopes, incentives, profits, freedoms, personal dreams, and independence. An entrepreneurial motivation is of importance since will lead an individual to be enthusiastic and creative.

The success of an SME is the success of a person to run his or her business toward a better condition. According to Kasmir (in Le and E. Visantia, (2013)), business success can be indicated by the following five points: total sales increase; increased yield; profit increase; growth of the business; fast and satisfying business development. According to Suryana (2011: 66), to succeed an entrepreneur should have a clear business idea or vision. Furthermore, there should be the will and the courage to face the risks of both time and money. Business success also requires a goal and keeping up with the development of technology to determine whether the present business success is better than the previous situation.

3. Conceptual Framework

The conceptual framework of the present study is shown in Figure 1 below:

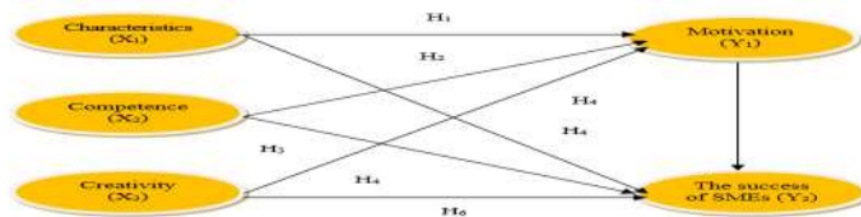


Figure 1. Conceptual Framework

4. Hypotheses

- H₁: Characteristics affect the motivation of sewing SMEs on Bukit Barisan street Surabaya.
 H₂: Competence affects the motivation of sewing SMEs on Bukit Barisan street Surabaya.
 H₃: Creativity affects the motivation of sewing SMEs on Bukit Barisan street Surabaya.
 H₄: Characteristics affect the success of sewing SMEs on Bukit Barisan street Surabaya.
 H₅: Competence affects the success of sewing SMEs on Bukit Barisan street Surabaya.
 H₆: Creativity affects the success of sewing SMEs on Bukit Barisan street Surabaya.
 H₇: Motivation affects the success of sewing SMEs on Bukit Barisan street Surabaya.

5. Methods

The present study was quantitative research aimed at measuring the effects of influence characters, competence and creativity on business success as mediated by the of sewing SMEs in Surabaya. The population was 4 the entrepreneurs in the Center for Sewing SMEs on Bukit Barisan street consisting of 54 sewings SMEs. Samples were taken by using the saturated sampling technique. According to Arikunto (2003: 36), it would be better to take all of the subjects when the number if less than 100 and, in case a large number of subjects, 10 to 15% or 20% to 25% can be taken.

5.1. Data Collection Technique

Data were collected by distributing questionnaires the tailors on Bukit Barisan street by using the Likert-type scale to obtain primary data. According to Indrianto and Supomo (2002: 44), there are five scoring point: 1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree; and 5 = strongly agree.

5.2. Data Analysis Technique

The present study was explanatory research. Data were analyzed using the Partial Least Square (PLS) software. In the PLS model, the relationships among latent variables are called the inner model, whereas the reflexive or formative model of measurement is called the outer model.

6. Results

The present study was conducted by distributing questionnaires to the entrepreneurs of sewing SMEs. Respondents were characterized by gender, age, education as follows:

Table 1. Description of respondents' gender, age, education and length of employment

Gender	Number	Percentage (%)
Female	2	03.70
Male	52	96.30
Age	Number	Percentage (%)
20–30 yr	20	37.03
31–40 yr	15	27.78
41–50 yr	14	25.93
>51 yr	5	09.26
Education	Number	Percentage (%)
Elementary School	10	18.52
Junior High School	24	44.44
General/Secondary Secondary School	20	37.04
Undergraduate	-	-
length of employment	Number	Percentage (%)
<10 yr	24	44.44
10–5 yr	20	37.04
<25 yr	10	18.52

Source: Primary data processed.

Table 1 shows that the tailors were dominantly male since they are the backbone of the family. In striking contrast, there were only 2 female tailors. In terms of age, most (20) of the tailors were 20–30 years of age, or within the range of productive ages.

Furthermore, Table 1 shows that the tailors were dominantly junior high school graduates. Concerning the length of employment, most of the tailors had more than 10 years in the profession.

6.1. Data Analysis

The Partial Least Squares (PLS) software was used to analyze data in the present study. According to Ghozali (2011: 18-19), there are two models in the PLS analysis, the outer model and the inner model. In this section, the two models are described as follows:

6.2. Outer Model Evaluation

In the outer model, construct validity can be determined by convergent validity and discriminant validity. Construct reliability can be determined by Cronbach's alpha or composite reliability.

6.3. Construct Validity Test

Construct validity is the degree to which a test measures what it claims, or purports, to be measuring. Construct validity test can be performed by:

6.3.1. Convergent Validity

Convergent validity is both an indicator and variable in one variable. The indicator should have a high correlation. Convergent validity is tested using the loading factor, AVE and commonality values. An indicator is considered to meet the convergent validity if it has a loading factor value of > 0.5 , AVE value of >0.5 and commonality value of >0.5 . The loading factor, AVE and commonality values of the study are as follows:

Table 2. Results of validity test of questionnaire items

Variables	Indicators	Loading Factor	AVE	Commonality
Characteristics	X _{1,1}	0.800	0.634	0.634
	X _{1,2}	0.843		
	X _{1,3}	0.651		
	X _{1,4}	0.842		
	X _{1,5}	0.829		
Competence	X _{2,1}	0.807	0.621	0.621
	X _{2,2}	0.824		
	X _{2,3}	0.787		
	X _{2,4}	0.720		
	X _{2,5}	0.736		
	X _{2,6}	0.795		
	X _{2,7}	0.841		
Creativity	X _{3,1}	0.868	0.674	0.674
	X _{3,2}	0.772		
	X _{3,3}	0.738		
	X _{3,4}	0.831		
	X _{3,5}	0.886		
Motivation	Y _{1,1}	0.835	0.627	0.627
	Y _{1,2}	0.807		
	Y _{1,3}	0.788		
	Y _{1,4}	0.859		
	Y _{1,5}	0.760		
	Y _{1,6}	0.746		
	Y _{1,7}	0.741		
Success of SMEs	Y _{2,1}	0.823	0.612	0.612
	Y _{2,2}	0.793		
	Y _{2,3}	0.705		
	Y _{2,4}	0.672		
	Y _{2,5}	0.897		

Source: Primary data processed.

Table 2 shows that all indicators of the characteristics of the variable, competence, creativity, motivation, and success of SMEs have a factor loading value of >0.5 . Furthermore, each variable has the AVE and commonality

value of >0.5 . These results mean that all indicators that measure the study variables fulfill the convergent validity; thus, they can be used for further analysis.

6.3.2. Discriminant Validity

Discriminant validity is the degree to which two conceptually similar concepts are distinct. An indicator is considered to fulfill the discriminant validity if the cross-loading value of the indicator for the variable is the largest in comparison to other variables. The cross-loading values of each indicator of the present study are as follows:

Table 3. Cross-Loading Values

Indicators	Characteristics (X ₁)	Competence (X ₂)	Creativity (X ₃)	Motivation (Y ₁)	Success of SMEs (Y ₂)
X _{1.1}	0.800	0.371	0.412	0.626	0.532
X _{1.2}	0.843	0.306	0.328	0.596	0.557
X _{1.3}	0.651	0.385	0.092	0.568	0.502
X _{1.4}	0.842	0.245	0.142	0.606	0.574
X _{1.5}	0.829	0.402	0.277	0.668	0.619
X _{2.1}	0.333	0.807	0.179	0.470	0.433
X _{2.2}	0.299	0.824	0.208	0.445	0.399
X _{2.3}	0.236	0.787	0.148	0.351	0.320
X _{2.4}	0.268	0.720	0.293	0.451	0.319
X _{2.5}	0.349	0.736	0.198	0.465	0.440
X _{2.6}	0.412	0.795	0.163	0.442	0.355
X _{2.7}	0.436	0.841	0.270	0.546	0.431
X _{3.1}	0.353	0.111	0.868	0.401	0.331
X _{3.2}	0.134	0.301	0.772	0.464	0.339
X _{3.3}	0.307	0.189	0.738	0.315	0.174
X _{3.4}	0.256	0.165	0.831	0.324	0.255
X _{3.5}	0.284	0.304	0.886	0.403	0.315
Y _{1.1}	0.554	0.531	0.393	0.835	0.661
Y _{1.2}	0.565	0.397	0.327	0.807	0.579
Y _{1.3}	0.628	0.398	0.448	0.788	0.545
Y _{1.4}	0.710	0.403	0.393	0.859	0.612
Y _{1.5}	0.646	0.365	0.317	0.760	0.532
Y _{1.6}	0.587	0.530	0.313	0.746	0.570
Y _{1.7}	0.584	0.574	0.426	0.741	0.717
Y _{2.1}	0.544	0.496	0.387	0.692	0.823
Y _{2.2}	0.458	0.478	0.405	0.692	0.793
Y _{2.3}	0.575	0.221	0.278	0.450	0.705
Y _{2.4}	0.540	0.218	-0.031	0.420	0.672
Y _{2.5}	0.649	0.449	0.279	0.678	0.897

Source: Primary data processed using the SmartPLS 2.0.

Table 3 shows that each indicator has the largest cross-loading value for the variable. Thus, all the indicators used in the present study have discriminant validity.

Discriminant validity can also be measured by comparing the AVE root value of each variable with the inter-variable correlations. If the AVE root value is greater than the correlations, the variable has good discriminant validity. The discriminant validity test using a comparison between AVE roots and correlations can be found in Table 4 below:

Table 4. AVE roots and inter-variable correlations

Variables	AVE	AVE roots	X ₁	X ₂	X ₃	Y ₁	Y ₂
Characteristics (X ₁)	0.634	0.796	1.000				
Competence (X ₂)	0.621	0.788	0.430	1.000			
Creativity (X ₃)	0.674	0.821	0.317	0.267	1.000		
Motivation (Y ₁)	0.627	0.792	0.772	0.582	0.475	1.000	

The success of SMEs (Y ₂)	0.612	0.782	0.702	0.495	0.356	0.766	1.000
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Source: Primary data processed using SmartPLS 2.0.

Table 4 shows that all the inter-variable correlation values are smaller than the AVE root values. Thus, each variable of the study has good discriminant validity.

6.3.3. Reliability Test

A variable is considered to have composite reliability if it has a composite reliability value of >0.7. The composite reliability value of each variable can be found in Table 5:

Table 5. Composite reliability values

Variables	Composite Reliability
Characteristics (X ₁)	0.896
Competence (X ₂)	0.920
Creativity (X ₃)	0.911
Motivation (Y ₁)	0.922
The success of SMEs (Y ₂)	0.886

Source: Primary data processed with SmartPLS 2.0.

Table 5 shows that the variables characteristics, competence, creativity, motivation and success of SMEs have composite reliability values of >0.7. Thus, each variable of the study is reliable. The chart of the outer model in the PLS (Partial Least Square) tested is as follows:

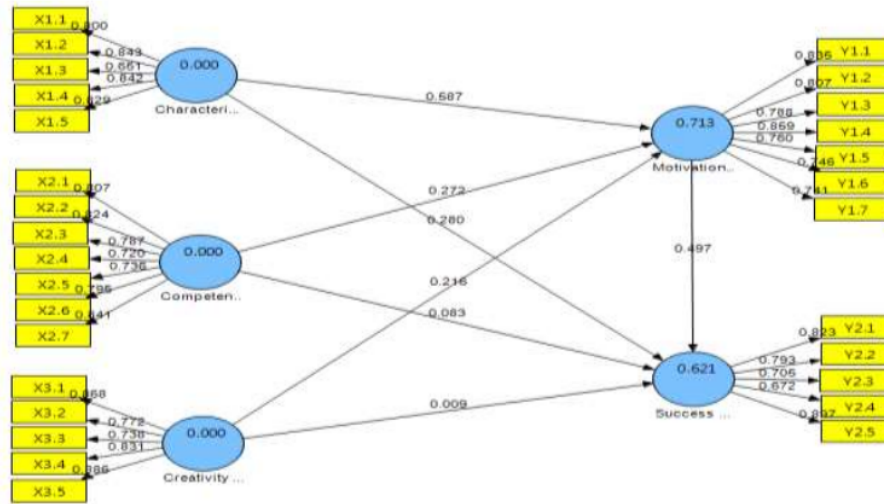


Figure 2. Research Result Inner Model

6.3.4. Inner Model Evaluation

An inner model is also referred to as an inner relation structural model and substantive theory that describes the relationships between latent variables based on substantive theory. The goodness-of-fit of an inner model (structural model) can be tested by looking at the R² for each endogenous latent variable. Results of the inner model evaluation described using the R-squared, Q-squared and results of the hypothesis tests are as follows:

a. R-squared

The R-squared values can be used to determine whether or not a particular independent latent variable has substantive effects on the latent dependent variables. The goodness-of-fit of the inner model of the R-squared for each endogenous variable can be tested using the PLS. The R-squared values for endogenous variables are as follows:

Table 6. R-squared values of endogenous variables

Endogen Variables	R-squared
Motivation (Y ₁)	0.713
The success of SMEs (Y ₂)	0.621

Source: Primary data processed using SmartPLS 2.0 for Windows.

Table 6 shows that the R-squared value for motivation is 0.713, meaning that 71.3% of the effects on motivation are accounted for by the variables characteristics, competence and creativity. The remaining 28.7% of effects are explained by other variables not included in the study model. The higher the R-squared values the greater is the ability of the independent variables to account for the dependent variables and thereby the better is the structural equation. R-squared value for the Success of SMEs is 0.621, meaning that 62.1% of the effects on the Success of SMEs are accounted for by the variables characteristics, competence, creativity, and motivation, while the remaining 37.9 % are accounted for by other variables not included in the study model.

b. The goodness of Fit (Q-square)

The goodness of fit of a model can also be determined by the Q-square value (Solimun, 2010: 105). The goodness of fit of an inner model can be evaluated by using the Q-square value. The closer the model to 1, or Q-square value of >0, the better is the model, indicating that the variables used in the model may represent the actual conditions. On the contrary, a Q-squared value of <0 indicates that the model is poor since there should be other variables included in the model but not examined. In this case, other variables should be added to the model. The Q-square value is as follows:

$$Q\text{-square} = 1 - \{(1 - 0.713) \times (1 - 0.621)\} \\ = 0.892$$

The Q-square value of 0.892 means that 89.2% of the variations in the data can be explained by the study model, while the remaining 10.8% is explained by other factors outside the model. The Q-square value of the model is >0; thus, the model is good and can be used for further study.

c. Hypothesis Testing

Hypotheses of the study were tested using the t-statistics. A hypothesis is accepted if the t-statistic >1.96 (two-tailed). The coefficients of effect and t-statistic resulting from the inner model can be found in Table 7 below:

Table 7. Coefficients of effect (hypothesis testing results)

Hypotheses	Effects	Coefficient of effect (outer)	t-statistic (inner)	Remarks
H ₁	Characteristics (X ₁) → Motivation (Y ₁)	0.587	5.584	Accepted
H ₂	Competence (X ₂) → Motivation (Y ₁)	0.272	3.080	Accepted
H ₃	Creativity (X ₃) → Motivation (Y ₁)	0.216	2.269	Accepted
H ₄	Characteristics (X ₁) → Success of SMEs (Y ₂)	0.280	2.271	Accepted
H ₅	Competence (X ₂) → Success of SMEs (Y ₂)	0.083	1.055	Rejected
H ₆	Creativity (X ₃) → Success of SMEs (Y ₂)	0.009	0.115	Rejected
H ₇	Motivation (Y ₁) → Success of SMEs (Y ₂)	0.497	3.407	Accepted

Source: Primary data processed using SmartPLS 2.0 for Windows.

Table 7 shows that there are five paths with the coefficient of effect: effect of characteristics on motivation, the effect of competence on motivation, the effect of creativity on motivation, the effect of characteristics on success sewing of SMEs and effect of motivation on success sewing of SMEs. Furthermore, there are two paths with no coefficient of effect: effect of competence on success sewing and the effect of creativity on success sewing of SMEs. The chart of the PLS model tested is as follows:

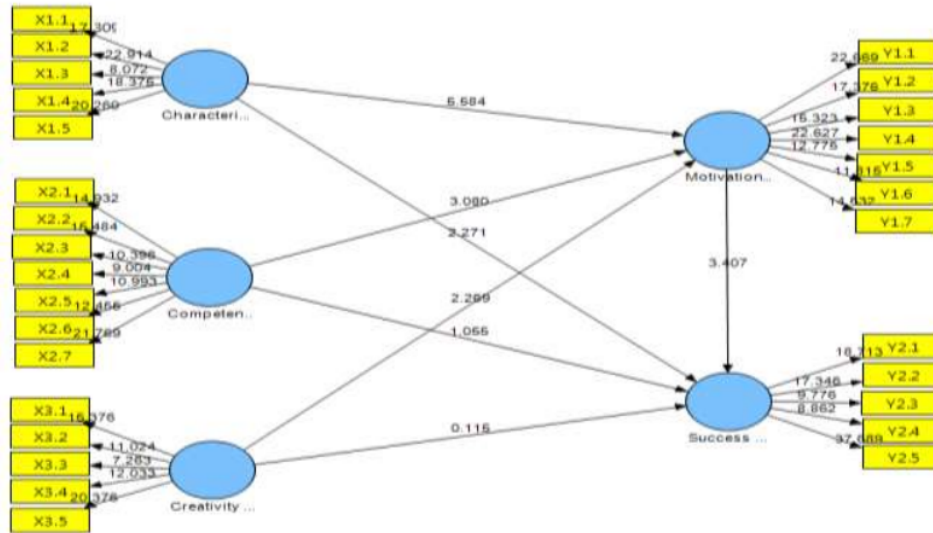


Figure 3. PLS Model

7. Discussion

7.1. Effects of Characteristics on Motivation

Results of hypothesis testing showed that hypothesis 1 is accepted, with a path coefficient of 0.587 and a t -statistic of $5.584 > 1.96$, meaning that entrepreneurial characteristics affect the motivation of the entrepreneurs of sewing SMEs. The positive direction indicates that the higher the characteristics of the entrepreneurs of sewing SMEs concerning in managing their business, accompanied by the entrepreneurial passion, the higher is the level of their motivation in the profession. The present study demonstrated that the entrepreneur of sewing SMEs had excellent characteristics since they were highly excited about running their profession. The entrepreneurs of sewing SMEs started their activities at 06.00 to 17.00. They had no holiday since many visitors, ranging from school children, housewives to office workers, who paid a visit on holidays. One with persistence to his or her profession is expected to have the confidence to expand his or her business and is not afraid of failures. Failure is caused by the inability to pursue the profession, requiring motivation in anticipation of failures. Abdulwahab and Damen (2015) concluded that the entrepreneurs' characteristics have a positive impact on the small business success of the medical instrument supplies organizations in Jordan. According to Alma B. (2004: 40), an entrepreneur has the characteristics of forward-looking and deep thinking to select from various alternative problem solving to elicit motivation and enthusiasm to run the business to be superior and surpass the standards.

7.2. Effects of Competence on Motivation

Results of hypothesis testing showed that hypothesis 2 is accepted, with a path coefficient of 0.272 and a t -statistic of $3.080 > 1.96$, meaning that competence affects motivation. The higher the competence the higher is the motivation. The competence of the entrepreneurs of sewing SMEs is capable of providing motivation or enthusiasm to run the business. Their competence should be developed sustainably through the provision of sewing training from experienced practitioners. The higher the competence the more the customers will come and be satisfied.

All the entrepreneurs of sewing SMEs have the sewing competence. They acquired the competence from generation to generation and obtained information on tailoring from their friends due to being driven by their desire to work and earn money. Being a tailor does not require high education, but it requires tailoring skills. Entrepreneurs of SMEs are people who are persistent in their profession due to the difficulty of finding other jobs.

The results of the present study support those of Sanchez J. (2012) that entrepreneurial competence plays an important role in enhancing firm performance and has a positive impact on entrepreneurial motivation. The present study also supports that of Mitrani (in Usmara (2002: 109)) who argued that competence represents the part

of the inner and inherent personality and predictable behavior in different circumstances and job tasks that motivate to perform activities.

7.3. Effects of Creativity on Motivation

Results of hypothesis testing showed that hypothesis 3 is accepted, with a path coefficient of 0.216 and a t -statistic of $2.269 > 1.96$. Creativity is the generation of new ideas capable of eliciting passion and hard-working to satisfy expectations. The entrepreneurs of sewing SMEs had excellent creativity as evidenced by the many customers coming, even queuing up, to use their services. They were not all creative, especially for the beginners, but they had also a lot of customers, even though it was lower than those of the senior tailors. The senior tailors always had proper solutions or alternatives to customers' needs, but beginners had relatively limited skills to do so. It requires patience and creativity to satisfy the customers' wishes. The tailors should continue to motivate themselves to move forward and succeed. The results of the present study are consistent with those of Amabile T. M. (2007) who defines that entrepreneurial creativity requires a combination of intrinsic motivation and certain kind of extrinsic motivation. According to Riani (2008: 45), creativity can be realized, but it requires intrinsic motivation and extrinsic motivation.

7.4. Effects of Characteristics on the Success of SMEs

Results of hypothesis testing showed that hypothesis 4 is accepted, with a path coefficient of 0.280 and a t -statistic of $2.271 > 1.96$. It means that characteristics affect the success of sewing SMEs. The positive direction indicates that the higher the characteristics of sewing SMEs concerning managing their business, the higher is their level of motivation in the profession. The entrepreneurs of sewing SMEs were persistent with their profession as characterized by their entrepreneurial confidence and commitment to the profession. This was evidenced by the possession of more than one stand since the business has been running for generations. The results of the present study are consistent with those of Abdulwahab M.H. and Al-Damen (2015) that the entrepreneur's characteristics have a positive impact on small business success. Nimalathasan (2008) argues the existence of a positive relationship between the characteristics of the owner/manager with business performance. According to Kistanto (2009: 7), an entrepreneur has the characteristic of hard-working to achieve a successful business.

7.5. Effects of Competence on Success of SMEs

Results of hypothesis testing showed that hypothesis 5 is rejected, with a path coefficient of 0,083 and a t -statistic of $1.055 < 1.96$. The hypothesis is rejected since the entrepreneurs of sewing SMEs had a lack of competence due to a lack of knowledge and skills. They were persistent in the profession since they were forced to meet the needs of their family. Additionally, becoming a tailor required no education, but learning from friends and family or self-taught. The lack of competence prevented them from achieving success since they may lose many customers to other skilled tailors. The present study is consistent with that of Gemina *et al.* (2016) that business competence hurts business success since being an entrepreneur requires competence to create something new and different. On the contrary, a study by Christiana *et al.* (2014) showed that entrepreneurial competence has a significant effect on business development; the higher the entrepreneurial competence the higher is business development. According to Ahmad *et al.* (2010), entrepreneurial competence affects business success.

7.6. Effects of Creativity on Business Success

Results of hypothesis testing showed that hypothesis 6 is rejected, with a path coefficient of 0.009 and a t -statistic of $0.115 < 1.96$, meaning that the creativity of the entrepreneurs of sewing SMEs remained lacking due to a lack of knowledge and competence. The entrepreneurs of sewing SMEs had low levels of education, most of them being junior high school, and even primary school, graduates, forcing them to earn a living by becoming a tailor since the profession could be undertaken with ease without any coercion or pressure and required no education, preventing them from achieving success. Besides, being a tailor generates a small income of IDR 10,000 per order, relatively not enough for life. The results of the present study are consistent with those of Setiawan N. (2015) that creativity has a relatively negative effect on business success. On the contrary, creativity had a relatively large effect on business in the shoe small industrial center of Cibaduyut. Tu C. and S. Yang (2013) argue that the concept of entrepreneurial creativity means that entrepreneurs base on their creativity to be successful in enterprises.

7.7. Effects of Motivation on Success of SMEs

Results of hypothesis testing showed that hypothesis 7 is accepted, with a path coefficient of 0.497 and a t -statistic of $3.407 > 1.96$, meaning that motivation affects business success. Motivation is a factor driving someone to achieve a successful business. According to Robbins (2006: 325), motivation is a willingness to achieve organizational goals to the greatest possible that is influenced by business competence to satisfy some individual needs. One with an entrepreneurial motivation and a sense of pleasure in running the business independent of the income earned would be persistent to live his or her profession. This is usually supported by hobbies to achieve

business success with sincerity and pleasure. According to Suryana (2009: 285), business success is the success of a business to achieve its goals.

The present study showed that the entrepreneurs of sewing SMEs had the passion to carry out their profession. This was for the sake of meeting their family daily needs as evidenced by the persistence in their profession and the opening of new stands due to the many customers coming. Results of the present study support those of Le M. and E. Visantia (2013) that motivation affects the business success of clothing store owners. According to Chamdan (2010), business motivation has a significant effect on business success. On the contrary, Rosmiati *et al.* (2015) argue that entrepreneurial motivation has a negative effect due to the lack of understanding concerning running a business caused by unwillingness to deal with challenges and take risks.

8. Conclusions

Results of the present study showed that the entrepreneurs of sewing SMEs should look and think forward or be optimistic to achieve their goals. Besides, they should have both intrinsic and extrinsic motivation. They should have the competence to run their business to gain and retain customers. Creativity is an ability to generate new ideas or patterns different from those of others, requiring participation in training or workshop on sewing skills. Entrepreneurial characteristics affect business success, as represented by an increase in income and customers. Competence is of importance to the entrepreneurs to run their profession as tailors. However, there remained a lot of tailors who had low levels of competence. In general, they have been undertaking their profession due to the difficulty of finding other jobs. Thus, they should develop their creativity and boost their motivation to run their business.

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