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Does Sustainable Entrepreneurship in Entrepreneurial Orientation Contribute to Entrepreneurial Success?

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Abstract

This study aims to explain the contribution of sustainable entrepreneurship in entrepreneurial orientation for entrepreneurial success. This research was conducted upon Small and Medium Enterprises (SMEs) of embroidery and weaving in West Sumatra Indonesia with a sample size of 235 SMEs. This is quantitative research using Structural Equation Modeling (SEM) analysis tool with Analysis Moment Structural (AMOS). This study collected data of SMEs owners using questionnaires. Data analysis revealed that entrepreneurial orientation in SMEs was not only innovative, risk-taking, proactive, competitive aggressiveness, and autonomous but also contributed to sustainable entrepreneurship. The role of sustainable entrepreneurship in SMEs was very dominant as compared to other dimensions in the entrepreneurial orientation. Therefore, this study contributed to the development of the entrepreneurial orientation theory by proposing sustainable entrepreneurship variable.

Keywords: *Entrepreneurial Orientation, Sustainable Entrepreneurship, Entrepreneurial Success, SMEs*

INTRODUCTION

The importance of entrepreneurial orientation for entrepreneurial success has been investigated in some previous studies (Stam & Elfring, 2008; and Antonic, 2007). The relationship between the two variables had once been proven for both new and growing businesses (Walter et al., 2006). There are many constructive dimensions of the entrepreneurial orientation, such as proactivity, innovativeness and risk-taking, whose theories have been developed through previous studies (Lumpkin & Dess, 2001). Previous problems in companies indicated that to make the entrepreneurial orientation means to change the setting of those dimensions in accordance with business needs. Autonomy and aggressive competition are also theories that build entrepreneurial orientation although one attribute is not always used altogether with the other in applying for an entrepreneurial orientation. Since proactivity and competitive aggressiveness are two different dimensions in application, proactivity is more appropriate for new companies whereas competitive aggressiveness is more suited for growing companies (Lumpkin & Dess, 2001).

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The implementation of entrepreneurial orientation in developed countries is different from developing countries. Although the combined application of entrepreneurial orientation and entrepreneurial success has been initially practiced in developed countries especially USA, such application has also been identified in other countries such as Sweden (Wicklund & Shepherd 2003, 2005), UK (Hughes & Morgan, 2007), and Thailand (Swierczek & Ha, 2003). The application of entrepreneurial orientation by region will set different attributes and this is strongly influenced by various factors, including the company's condition, the environment, and also the region's characteristics. Newly growing companies tend to apply orientation entrepreneurship which is proactive and innovative. This practice will be different for advanced companies in developed countries. They tend to use competitive aggressiveness because it enables the companies to adopt different strategies in the face of competition. Such dynamics will also influence the existence of entrepreneurial orientation (Kreiser, Marino, & Weaver, 2002).

Developing countries like Indonesia comprehend entrepreneurial orientation in different meanings. Indonesia just started entrepreneurship in the application of economic development (Valliere and Peterson, 2009). Many types of businesses, from micro to big ones, emerge to win the competition. The emergence of micro and small businesses is also influenced by Indonesia's vast territorial conditions with diverse cultures and customs. The application of entrepreneurial orientation is strongly influenced by those conditions and the growth of entrepreneur is strongly influenced by various characteristics (Primadona, 2016).

The application of entrepreneurial orientation has also changed. Previous research have defined that entrepreneurial orientation can be seen in five aspects but they do not necessarily apply to embroidery and weaving SMEs in Indonesia. SMEs grow and develop based on the characteristic of the region and they are hereditary businesses (Primadona, 2016). Although several aspects of entrepreneurial orientation are seen as binding in their application in SMEs such as in producing competitive advantage in the business field, they are not the same in their application (Wales, 2015). As in embroidery and weaving SMEs, entrepreneurial orientation is still not considered fully. Innovation concept in SMEs is still small and has not been implemented even half way (Primadona, 2016). Although entrepreneurial orientation in acting tends to lead to individual entrepreneurs (Rezaei and Ortt, 2018; Lumpkin & Dess, 1996), the application of entrepreneurial orientation in the success of entrepreneurship needs reviewing particularly in developing countries like Indonesia considering the different roles and goals in companies between developed and developing countries.

LITERATURE REVIEW

Orientation of Entrepreneurship

To increase the number of entrepreneurs, dimensions of the entrepreneurial orientation should be considered so that objectives can be achieved quickly. Not all dimensions of entrepreneurial orientation contribute equally and significantly in its establishment. Entrepreneurial orientation is a multi-dimensional structure (Covin, Green, and Slevin, 2006) and can be evaluated from different viewpoints (Chang et al., 2013). Miller (1983) also suggested the main framework of entrepreneurship dimensional orientation in which specific dimensions to describe the entrepreneurial orientation were proposed. He also defined the entrepreneurial orientation as a view in entrepreneurship involved in the market with innovative products, including taking a bit

of a risk, leading in innovation, and putting competitors in a tight spot (Morris et al., 2007).

Miller's (1983) perspective viewed innovation as a reflection of companies' tendency towards new ideas and creative processes, which result in new products, services, or technological process. Risk-taking dimension was defined as a trend companies take on resource allocation and projects that have a possibility of success or failure. Risk taking can also be a way to quickly pursue opportunities, provide resources, and increase courage. Being a leader in the market is the main objective to benefit from market leaders who have the prospect of future demand (Lumpkin and Dess, 1996).

Lumpkin and Dess (2001) stated that the application of the entrepreneurial orientation indicator is not equal in all levels of business. Therefore, aggressive competitiveness and autonomy also become factors in the entrepreneurial orientation. Competitive aggressiveness refers to the tendency of companies to engage with a maximum face of competitors to improve the market situation. Companies that compete aggressively will be able to take a chance with the power to achieve profitability and can better maintain a competitive advantage over the long term, as long as their target is to overtake the rivals and not to hit them (Lumpkin and Dess, 2001). Autonomy refers to the independent activity of a person or a team to create ideas and implement them. Autonomy gives ambition to individual organizations to identify opportunities and to fight until they are offered to the market (Lumpkin et al., 2009).

In order to be able to build an entrepreneurial orientation variable as a whole, the entrepreneurial orientation contribution to the success of entrepreneurs and business organizations as well as other indicators have to be considered. Entrepreneurial orientation refers to the shape the company's strategy, namely the tendency to act entrepreneurially as expressed (Covin, Green, and Slevin, 2006; Covin, 2015; Lumpkin and Des, 1996; Miller, 1983). More profoundly, Covin and Slevin (1989) and Miller (1983) revealed that the entrepreneurial orientation is characterized by an emphasis on innovation, risk-taking, and capability of being proactive. If this can be done, the company is in the concept of entrepreneurial orientation.

For some time, innovations in terms of the development of new products, services, and processes are often regarded as a key component of the entrepreneurial orientation (Kreiser et al. 2002). Entrepreneurial orientation has become one of the most frequently studied concepts in entrepreneurial discourse marked by numerous studies that investigate the impact on the company's performance and validity testing in different contexts (Baker and Sinkula, 2009; Huges and Morgan, 2007; Kreiser et al., 2002; Moreno and Casillas, 2008). Miller (1983), Lumpkin & Dess (1996), Covin & Slevin (1989), and Wicklund (1999) have properly explained proactive actions in entrepreneurial orientation, innovation, and risk-taking. Nonetheless, other dimensions that build entrepreneurial orientation variables can also be expressed differently in different cases.

This study intends to reveal the entrepreneurial orientation that refers to the five dimensions described by Miller (1983), and Lumpkin and Dess (1996) and to improve Lumpkin and Dess (2001)'s theory of risk-taking, innovation, proactive, autonomy, and aggressive competitiveness. The authors of this article also add a dimension of sustainability on embroidery and weaving crafts embroidery SMEs (small and medium enterprises) as the novel entrepreneurial orientation variable.

Sustainability is a process in which employers take advantage of opportunities with innovative ways to gain economic advantages, community justice, environmental quality, and preservation of culture on an equal footing (Nowdury, 2012). Two main components require further explanation in this definition. First of all, the sustainability domain includes commitments to continuously preserve the economic, social, environmental, and cultural qualities of the employers. The four domains should be emphasized altogether. Second of all, employers are those who are innovative enough to make changes in their business, process, or product sustainability. Employers can act as the trigger to maintain entrepreneurial orientation and sustainability (Koe and Majid, 2014).

Sustainable entrepreneurship is still considered as a new aspect for business actors (Sjogren et al., 2012). Many studies have also found that there are fewer numbers of SMEs (small and medium enterprises) that consider this aspect as compared with major organizations. Therefore, an early stage of development of sustainable entrepreneurship studies in SMEs must put into consideration the psychological factors that trigger the decision to take this process. Of the existing literature, various studies have used terms such as trends, motivations, and intentions to see a sustainable entrepreneurial orientation (Phan, Wong, and Wang, 2002; Wang and Wong, 2004).

To view sustainability indicators, Koe and Majid (2014) revealed four indicators in the entrepreneurial orientation, namely attitude, social norms, perceived desire, and feasibility perception. Ajzen (1991) described attitude as the extent to which a person has a favorable evaluation or unfavorable or behavioral assessment concerned. Social norms such as opinions, views, or influence from such social groups as family, friends, or colleagues, can affect the person's attitude and intentions. Indeed, social norms recorded positive and significant impact on entrepreneurial intentions (Moriano et al, 2012). Moreover, perceived desire is the extent to which a person feels attracted to entrepreneurial activity (Shapero and Sokol, 1982). Positive and significant influence of feasibility perception on the individual entrepreneurial intention has been demonstrated by Segal et al. (2005). It is believed that the perception of feasibility plays a role in determining sustainable entrepreneurial tendencies. Shuleska (2017) also indicated the impact of desire and feasibility on the creation of new businesses and entrepreneurs.

Entrepreneurial success

Entrepreneurial success cannot only be defined from a limited number of entrepreneurial scopes. In addition to personality factors, many parties also viewed the success of entrepreneurs from the magnitude perspective which includes human capital and financial resources. Unlike personal initiatives, human resources are regarded as a passive approach where people only react to the environment in accordance to what they have at hand. The human capital theory is related to knowledge and capacity. These include levels of education, industrial experiences, and managerial experiences. Our literature review indicates that human capital contributes to small businesses and affects the growth of business (Engelen et al., 2014).

Besides the competence and personality traits, human capital employers and individuals also contribute in the success of entrepreneurs (Dyke, Fischer, and Reuber, 1992). Employers with high level of education, industrial, and managerial, and business experiences have a greater chance of success than those without any college education, minimum industrial experience, and a little bit of managerial experience or none at all. In addition to the human resources, financial capital factor is also one of the entrepreneurial

success factors. Managing financial capital is considered to be one of the tools of entrepreneurial success (Prahalad & Hamel, 1990).

In the recent decade, having sufficient knowledge, required level of education, and proper training are the indicators of successful entrepreneurs (Huber, 1991). The employer's decision as to what knowledge should be maintained and enhanced in the company becomes one key of the entrepreneurial successes (Gupta, 2015). If employers are not able to increase knowledge and implement technological advances, there will be performance degradation and a decline in the ability of the company. Therefore, knowledge is essentially owned by businessmen (Pehrsson, 2004) because the company's success in dealing with the competition arose from the sustainable development and reconfiguration of certain company assets such as knowledge (Teece et al., 1997).

Knowledge has been proven to become a major source of competitive advantage for entrepreneurial success (Young, 1997). Entrepreneurial knowledge has been investigated as a determinant of the company's innovation capability (Mamun et al., 2019). The Business Intelligence (cited in Huber, 1991) reported that successful knowledge management program can produce up to ten times, indicating that the knowledge may have a positive effect on the entrepreneurial success. Some research suggests that entrepreneurs' education and knowledge are the key factors for the success in the new venture (Boso et al., 2003). Research over the last thirty years had repeatedly shown that the pattern of a disproportionate amount of the innovation (including patents, discoveries, and inventions) comes from small and medium enterprises (SMEs) (Campbell, 2012). Although research on assessing the policy of knowledge began to grow for SMEs (Audretsch, 2000), previous studies typically rely on qualitative methods and a small enough sample (Zhou 2010; Ruggles, 1998). There is relatively little empirical evidence to provide a general understanding about the characteristics of the problem of the importance of assessing knowledge in SMEs. Nonetheless, this is the main focus of this study.

The importance of knowledge in entrepreneurial success is viewed in this research and measured through entrepreneurship knowledge, skills possessed, and the amount of training received (Zhou, 2010: Ruggles, 1998). Accordingly, this research investigated the success of entrepreneur based on the financial performance, operational performance, and satisfaction (Laurent & Saroto, 2014).

Entrepreneurial Orientation and Entrepreneurial Success

Most studies that looked at the relationship between entrepreneurial orientation and business success began in the United States. Studies on entrepreneurial orientation had been conducted in some places such as Sweden (Wicklund and Shepherd, 2005; Stam and Elfring 2008), UK (Hughes and Morgan, 2007), and Turkey (Kaya, 2006). Entrepreneurial researchers have attempted to explain entrepreneurial success by investigating the relationship between these two constructs, namely entrepreneurial orientation and entrepreneurial success.

Recently, Lee (2009) conducted a meta-analysis of the relationship between entrepreneurial orientation and business success. They studied 51 articles and showed a significant positive relationship between entrepreneurial orientation and business success. Of 51 articles being studied, only four studies were reported to have insignificant results. Swierczek and Ha (2003) found a positive partial relationship, where Walter et al. (2006) identified that entrepreneurial orientation is directly related with business success. Moreover, several studies have found that entrepreneurial orientation enables

small startup companies which were less than ten-year-old to perform better (Lussier, 1995) and it also improves the success of the company (Lumpkin and Dess 2001; Wicklund and Shepherd, 2005; Zahra, Gedajlovic, Neubaum, & Shulman, 2009). Meanwhile, several other studies on entrepreneurial orientation continued to find a significant effect on business success (Gubitta, 2011; Lumpkin and Dess, 1996; Zahra and Davidson, 2006). Some researchers also discovered that every dimension of entrepreneurial orientation affects the success of different businesses (Kreiser, Marino, and Weaver, 2002; Lumpkin and Dess 1996, 2001).

Research conducted by (Kraus et al, 2010) examined the relationship between psychological constructs of entrepreneurial orientation and the business success of 248 Southern African business owners. These researchers introduced entrepreneurial orientation to the business owners and showed the importance of entrepreneurs to business performance through regression hierarchical analysis which revealed a significant relationship between the components of entrepreneurial orientation. Other researchers (Zulkifli and Rosli, 2013) proved the positive relationship between entrepreneurial orientation and entrepreneurial success. This research was conducted on Malay SMEs (small and medium enterprises) in Malaysia where two variables being studied indicated a significant influence.

Hypothesis: entrepreneurial orientation has a positive influence on entrepreneurial success

METHOD

Research Samples

There were 235 out of 600 SMEs that became the samples in this study. This is in line with SEM terms where samples using SEM should not be minor because SEM depends on the tests that are sensitive to the sample size and magnitude differences of covariance matrices (Krejcie and Morgan, 1970). The numbers of samples in this study are shown in Table 1.

Table 1. Research Samples

No.	Regency/city	Population	Percentage	Samples
1.	Regency of Padang Pariaman	33	6	14
2.	Regency of Agam	85	14	33
3	Regency of Tanah Datar	48	8	18
4.	Sawahlunto City	52	9	21
5.	Padang City	42	7	16
6.	Payakumbuh City	58	10	24
7.	Pariaman City	80	13	31
8.	Bukittinggi City	202	33	78
Total		600	100	235

Source: Department of Cooperation, Industries, and Trades of West Sumatera 2022 (processed)

Location of the Research

Research was conducted on embroidery and weaving SMEs in 8 Districts / Cities of West Sumatra. They are Padang Pariaman regency, Agam regency, Tanah Datar regency, Sawahlunto city, Padang city, Payakumbuh city, Bukittinggi city, and Pariaman City. The total number of SME population was 600 (Koperindag of West Sumatra

Province, 2022). There were two reasons for taking the eight areas as the research samples. Firstly, these areas are the ones that were characterized with embroidery / applique crafts and weaving industries (Koperindag of West Sumatra province, 2022). Secondly, these are the areas whose business majority was still cultivating this type of business (Primadona 2016).

Data Analysis Method

Data were analyzed using the Structural Equation Models (SEM) with AMOS software to test the hypothesis (Ruggles et al., 1998). At first, Measurement Model and Structure Model were evaluated. There are three types of tests performed in evaluating the measurement models: Test of Individual Item Reliability, Internal Consistency Test, and the Test of Discriminant Validity. These tests were performed to look at the value of the differences between variables. After evaluating measurement models, structural models were also observed by looking at the value and significance of the path of coefficient R2.

Operationalization of Research Variables

By adopting Lumpkin and Dess (2005)'s formulation, there were 14 variables of entrepreneurial orientation measured in this study. Among them, three question items measured autonomy; four items were associated with innovation; two items were related to risk-taking (Covin and Slevin, 1989); three items (Covin and Wales, 2012) were associated with proactivity; and finally, two items measured competitive aggressiveness (Lumpkin and Dess, 2001). In addition, this study also includes another variable for sustainability indicators (Koe and Majid, 2014). For entrepreneurial success, there are four measured variables. They are financial performance (seven question items), operational performance (three items), satisfaction (six question items), and knowledge (15 question items). A sustainability indicator in the construct of entrepreneurial orientation and a knowledge indicator in the construct of entrepreneurial success was also tested in this study.

RESULTS AND DISCUSSION

Characteristic of Respondents

Table 2. Describes the characteristics of the respondent in this research.

Categories	Characteristic	Quantity	Percentage (%)
Gender	Man	47	20
	Woman	188	80
Age	17- 30 years old	14	5.9
	31- 45 years old	60	25.5
	46- 55 years old	97	41.2
	above 55 years	64	27.4
Education	SD (elementary school)	13	5.5
	SMP (Junior High School)	35	14.8
	SMA (Senior High School)	102	43.4
	University / College graduates	85	36.3
Period of business	Below 5 years	48	20.2
	5 – 10 years	65	28.1

	Above 10 years	122	51.7
Number of employees	Less than 5 persons	91	38.7
	5 – 10 persons	59	25.1
	More than 10 persons	85	36.2
Product Marketing	Local / West Sumatera	68	28.9
	Indonesia	10	4.2
	Foreign Country	3	1.2
	Local / West Sumatera, Indonesia, and Foreign Country	69	29.3
	Local and Indonesia	85	36.4
Income	Less than 10 million rupiahs	101	42.9
	10 -20 million rupiahs	50	21.1
	21-30 million rupiahs	31	13.1
	More than 31 million rupiahs	53	22.9

Source: Data Processing (2022)

Table 2 shows that 80 percent of SME owners were mostly women. The majority of the respondents were high school graduates. The dominant (41.2%) age class for cultivating the business was 46-55 years. Since these businesses were generally managed through generations, the dominant length of the existing business (51%) was found to be more than 10 years. These SMEs (38.7%) generally employed less than five workers. This may happen because most SME workers were outsourced children/teenagers doing home embroidery (people working on embroidery production at their own homes with salary based on the number of products they produced). The regional and national marketing for the product was 36.4% while their international outreach was 29.3%. In terms of earnings, 42.9% of SMEs acquired 10 million rupiahs and 22.9% could substantially earn 31 million rupiahs. This may happen because SMEs are not grouped based on the age of their foundation.

Data Analysis

Confirmatory measurements

This research describes the relationship between the indicators and the construct and between indicators. Table 3 shows the relationship between indicators constructs.

Table 3. Factor Loading. Regression Weights: (Group number 1 - Default model)

			Estimate
KW	<---	OK	.798
KB	<---	OK	.858
KA	<---	OK	.763
OT	<---	OK	.885
IN	<---	OK	.832
PR	<---	OK	.780
RSK	<---	OK	.723
KF	<---	KW	.854
KO	<---	KW	.859
KP	<---	KW	.921
PGT	<---	KW	.928

As indicated in table 3, there are six indicators that form the construct of the entrepreneurial orientation. The value of all six constructs was above 0.7, which means that all indicators can explain the existence of the construct. Business sustainability appears to be an important indicator for the entrepreneurial orientation construct which has a value that is strong enough to explain the existence of the construct. It can be concluded that business sustainability indicators are capable of contributing to the entrepreneurial orientation in embroidery and weaving SMEs in West Sumatra.

In the construct of entrepreneurial success, knowledge was the indicator that had contributed the highest value, i.e. 0.928. This means that SMEs' success can be described by the indicator of knowledge because its value was above 0.70. Also, this means that the indicator was very precise and had a substantial contribution in building the construct of entrepreneurial success. Thus, knowledge could become the indicator of the entrepreneur's success in SMEs of embroidery and weaving in West Sumatra.

Testing Model FIT

Besides confirmatory measurements, the model fit measurements were also performed to see if the model was by the criteria of good fit. In the model fit testing, measurable criteria were chi-square, CMIN / DF, GFI, RMSEA, AGFI, TLI, NFI, PNFI, and PGFI. This test was to see whether the data used met the research purpose. The test used three ratings, namely Absolute Fit Measures, Incremental Fit Measures, and Parsimonious Fit Measures.

Table 4. Absolute Fit Measures value

Goodness of Fit Index	***Acceptable Level***	**Value**	**Annotation**
Chi Squares (X^2)	p-value > 0,05	0,000	*Poor fit*
CMIN/DF	1 < CMIN/DF < 5	3,858	*Good Fit*
GFI *(Goodness-of-Fit)*	GFI > 0,90	0,895	*Good Fit*
RMSEA *(Root Mean Square Error of Approximation)*	RMSEA < 1 PCLOSE > 0,05	0,111 0,315	*Good Fit*

Source: the results of data processing (2022)

Table 4 indicated that the chi-square value was very sensitive to the sample size. Thus, there is a tendency for the chi-square value would always be significant in a large sample size. Therefore, if the chi-square value is significant, it is advisable to ignore it and see the goodness of other fit criteria. Based on the above results, the value of the CMIN / DF model is 3.858 and it therefore follows the degree of a good fit of the study. The value of a good GFI is ≤ 0.80 and GFI ≤ 0.90 (Wijanto, 2008). The value of GFR was 0.895 which is above 0.8. Thus, the degree of suitability of the research was a good match. The result of data processing shows that the value of RMSEA was 0.079. Accordingly, it can be said that the match rate of the research was a good fit.

Table 5. Incremental Fit Measures value

Goodness of Fit Index	*Acceptable*	Value	Annotation
AGFI *(Adjusted Goodness-of-Fit)*	AGFI > 0,90	0,830	*Marginal Fit*
TLI *(Tucker-Lewis Index)*	TLI > 0,90	0,937	*Good Fit*
NFI *(Normed Fit Index)*	NFI > 0,90	0,937	*Good Fit*

Source: the result of data processing (2022)

Table 5 described that the AFGI value was in the marginal fit. Meanwhile, TLI and NFI values were above 0.90 and located in a good fit.

Table 6. Parsimonious Fit Measures value

Goodness of Fit Index	*Acceptable Level*	Value	Annotation
PNFI	0,60 - 0,90	0,708	*Good Fit*
PGFI	Prospect is to get 1	0,553	*Good Fit*

Source: result of data processing (2022)

Data that resulted from the processing goodness of fit showed that there are models that match perfectly and are suitable with the major criteria of goodness of fit. Therefore, the research can be continued using the existing data.

Analysis of Construct Relation toward Construct

This research has two kinds of constructs, namely entrepreneurial orientation and entrepreneurial success. Research analysis in this stage showed the relation between the two constructs as shown in table 7.

Table 7. Result of Composite Reliability

Variables	*Cronbach's Alpha*	*Construct Reliability*
entrepreneurship orientation	0,86	0,70
entrepreneurial success	0,79	0,84

Source: result of data processing (2022)

On the test of composite reliability, the minimum value required was 0.7 (Hair and Sarsdted, 2014). According to Table 7, it can be seen that every variable contained values bigger than 0.7. This means that every variable in the research was reliable or related to each other. A detailed explanation of the result of the relation between the variable and the construct is shown in Figure 1:

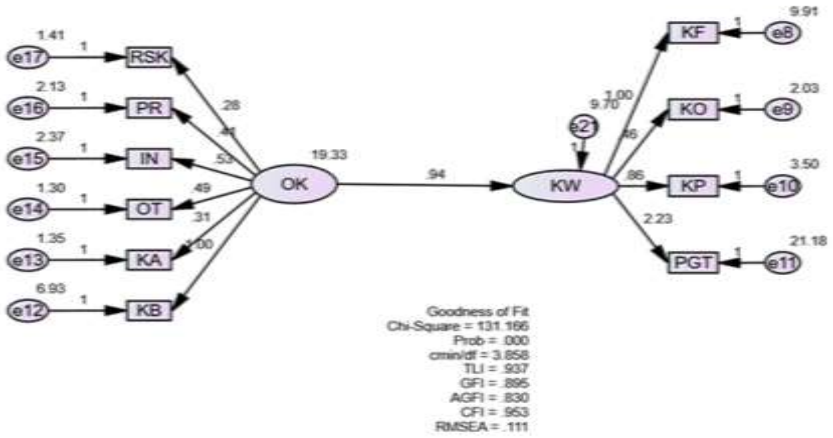

Figure 1. Result of SEM processing

Hypothesis Test

After processing the confirmatory analysis and goodness of fit, the processing of structural models to see the relationships between variables followed. Tests to see the relationship between dependent and independent variables can be viewed from the t-value and p-value of the variables. Hypothesis Tests can be done:

H0: entrepreneurial orientation does not affect entrepreneurial success.

Ha: entrepreneurial orientation influences entrepreneurial success.

Based on the analysis, this relationship has a value of c.r. amounted to 12.666 and the p-value of 0.000. Since the value of c.r was ≥ ± 1.96 and p-value ≤ 0.05, hypothesis 0 was rejected and a hypothesis was accepted. Accordingly, entrepreneurial orientation was proven to affect entrepreneurial success. The coefficient of entrepreneurial orientation's influence on entrepreneurial success was equal to 0.938. The coefficient on this relationship was positive so that the effect of the entrepreneurial orientation on the success of entrepreneurship was conclusively in the same direction. In other words, the better the entrepreneurial orientation is, the higher the chance of entrepreneurial success will be. On the contrary, the worse the entrepreneurial orientation is, the lower the chance of entrepreneurial success will be.

The result of the data analysis displayed in Table 8 showed the relationship between the variables and relationship indicator of orientation entrepreneurship (OK) with Entrepreneurial Success (KW). *** Figure P is equal to 0.000, which means that the null hypothesis was rejected. The objective was to prove a real relationship (significant) between OK with KW or whether KW was not related to OK for the value of 0000 was under 0.005. The result of the processing table also outlines the relationship between constructs with construct and between construct and indicator for all indicators. Based on Table 8, all P values are worth *** which means that the value of P was equal to 0000. Thus, it can be concluded that constructs were interconnected and indicators had a significant relationship with constructs.

Table 8 Relationship between Constructs and Indicators
Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P
KW	<---	OK	.938	.074	12.666	***
KB	<---	OK	1.000			
KA	<---	OK	.313	.022	14.094	***
OT	<---	OK	.494	.027	18.084	***
IN	<---	OK	.525	.032	16.212	***
PR	<---	OK	.414	.028	14.565	***
RSK	<---	OK	.282	.022	12.987	***
KF	<---	KW	1.000			
KO	<---	KW	.462	.027	17.301	***
KP	<---	KW	.858	.043	19.762	***
PGT	<---	KW	2.226	.111	20.055	***

Source: result of data processing (2022)

Business sustainability is one of the indicators that were put into the entrepreneurial orientation in this study. The data processing showed that business sustainability indicators had contributed enormously to the business sustainability variables and were declared perfect. There are five indicators of entrepreneurial orientation. They are innovation, risk-taking, proactive, competitive aggressiveness, and autonomy (Miller, 1983; Lumpkin & Dess, 1996, 2001).

In this research, the business sustainability indicator was incorporated as a variable of entrepreneurial orientation. It was suggested that these indicators contributed to the entrepreneurial orientation. As no previous study incorporated sustainability as a variable of entrepreneurial orientation, this current research proved that business sustainability provided a greater contribution in shaping the entrepreneurial orientation variable. Data analysis from this research indicated that business sustainability contributed towards the entrepreneurial orientation variable with a value of 1.00. Comparisons with other indicators resulted in a value of 0.50 for innovation, 0.27 for risk-taking, 0.40 for proactive, 0.45 for autonomy, and 0.28 for competitive aggressiveness.

Business sustainability indicators were proposed to have contributed in developing entrepreneurial orientation variables in the case of embroidery and weaving SMEs because these SMEs have existed over the years as the business carried on for generations. If viewed from the history of existence, these businesses had been generally handed over and run by the second generation, the third generation or beyond. This hereditary business pattern was confirmed by our respondents. Therefore, in terms of SMEs' age, as much as 52% of respondents answered that their companies had been established for more than 15 years. Besides, small business owners also considered that SMEs held a concern for regional and social identity that needed preserving. Such moral obligation to keep these cultural identities also becomes one of the reasons for these entrepreneurs to run their inherited businesses.

There are two types of West Sumatra SMEs in this research, namely embroidery and weaving. The existence of both types of enterprise in West Sumatra was always associated with the region's cultural identity. Furthermore, the resulting product even

becomes the hallmark of the region, for example weaving craft of Pandai Sikek and of Silungkang. Even though both areas are already famous for their similar weaving products, they also have differences in product design and raw materials. The product's name is also made identical to the name of the region which makes it famous in the national and international levels. Likewise, each embroidery SME was also characterized and identically named with their region of origin. For example, there is ribbon embroidery which usually originated from Payakumbuh City.

Another reason for business sustainability to be very dominant in the SMEs was due to their selected cadres to conduct business. For example, Sawahlunto and particularly Silungkang cities are the central producers of Silungkang weavings. Some residents live thereby becoming the weavers. The reason for taking this line of work was also because the area is not feasible for other typical rural businesses such as farming. The region's topography is limited for arable activities due to its situation on the river bank and the hillside. This becomes a major reason for the local people to establish non-farming types of business as their main occupation which they seriously sustain.

A similar situation also happened in Pandai Sikek, which was also very well known for its weaving products. Local school-aged children have been taught to weave and they are so dedicated that they even spend most of their holidays for weaving activities. This condition proves that business sustainability remains the greatest variable of entrepreneurial orientation in this type of business. Besides, the fact that the weaving industry has been able to provide economic life for the present and future for the surrounding community explains why business sustainability had a big contribution to weaving SMEs in this region.

Indicators of knowledge in seeing the success of entrepreneurship in SME embroidery and weaving in West Sumatra became the novelty in this research. Knowledge is one indicator of entrepreneurial success in West Sumatran embroidery and weaving SMEs. Other studies measure entrepreneurial success from financial capacity and operational capabilities. An entrepreneur's personal ability is very decisive and plays a role greater than other aspects. The contribution of knowledge to entrepreneurial success is very great as it can be seen from the data analysis. The data on knowledge indicator results even exceeded the contributions of other indicators. Table 4.7 showed that the value of Es was 2.226 and CR 20 055 in comparison with other indicators. These values were extremely high or large. This study found that knowledge became one instrumental indicator in the success of self-employment businesses as compared to other indicators. Theoretically, the entrepreneurial success of self-employment business was only supported by three indicators, namely financial performance, operational performance, and satisfaction (Zhou, 2010). This research proved that the major contributor to entrepreneurial success was knowledge. The indicators of knowledge resulted in a score of 2.22. Financial performance indicators only had a value of 1.00; an indicator of operating performance contributed 0.46; and satisfaction indicators contributed merely 0.85.

The involvement of knowledge in the entrepreneurial success in SMEs was supported by entrepreneurs' understanding of the importance of having the conceptual ability to improve their business. Nowadays, businessmen generally only learn from the experience of their family and community but, in reality, knowledge has become very important aspect in managing businesses and strongly supports entrepreneurial success. There are some reasons for knowledge to become the largest contributor for entrepreneurial success. First of all, knowledge has been proven in this business to be a

major source of competitive advantage. Experiences in the family and the environment also form a body of knowledge and a skill that could only be measured by direct actions on the business. In these embroidery and weaving SMEs, this type of knowledge was gained by employers directly because of the hereditary nature of these businesses. Second of all, entrepreneurs must have great skills in managing SMEs (small and medium enterprise) because managerial capabilities in controlling the product quality and in marketing the product are truly essential. Thus, entrepreneurs must benefit from acquiring these capabilities if they intend to survive and succeed in their business.

In case of embroidery and weaving crafts, the result of the survey showed the lower degree of knowledge about the industries acquired by SMEs' workers. To increase their quality, employers can provide their workers with training and other upgrading programs. Such specific craftsmanship as an integral part of SMEs' human resources in this area was versatile in that embroidery or weaving skills had been handed down from time to time. This study's survey indicated that the craftsmen (workers) of the embroidery industry only act as the makers while the raw materials and models of embroidery have been determined by the businessmen and the intermediary parties. Consequently, elderly women, adult women, and children were just doing embroidery as a part-time job instead of a main job. They just serve as the maker or the worker, not as a designer. This role distribution had led the craftsmen toward the field of zero creativity in doing their work. The role of thinking and managing the business core was left to the businessman or the entrepreneurs.

The government has also contributed to improving the knowledge of entrepreneurs in addition to acquiring it from the experience of family and the environment. Some annual training has been provided by the government to accelerate business development and upgrade knowledge levels in designing products. Besides, the knowledge about technology in marketing the product has to be adopted as technology is now extremely influential in running business in the contemporary world. An entrepreneur must own such technological knowledge and skills to maintain their pace with the current business development. This proves the importance of knowledge in achieving entrepreneurial success.

CONCLUSION

This research proved that entrepreneurial orientation has a significant influence on the success of entrepreneurs as greatly supported by earlier studies. However, this research viewed that business sustainability indicators in the construct of entrepreneurial orientation on embroidery and weaving SMEs in West Sumatra contributed better than such other indicators as innovation, competitive aggressiveness, autonomy, risk-taking, and proactive. For the entrepreneurial construct of success, knowledge was one indicator that played a big contribution in SMEs. Therefore, knowledge is one key indicator to be gained by entrepreneurs to achieve entrepreneurial success. This research was also limited in terms of the data used which was gathered from only one source, i.e. questionnaire, and by collecting a relatively small number of samples. Further and future research can cover a bigger population, conduct a qualitative investigation, and use a variety of instruments to collect data from various sources through in interviews and focus group discussions (FDG) to be able to prove the relationship between the construct and indicators. It may also be necessary to hold field observation to identify the real situation in SMEs business practices and the unit analysis can also be expanded to include employees or consumers.

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