The Role of Entrepreneur Motivation: The Mediation of Entrepreneur Orientation on Company Performance

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Research Aims: The main focus of this research is to determine the role of entrepreneurial motivation as a mediator in the relationship between entrepreneurial orientation and Company Performance.

Design/methodology/approach: This study uses an explanatory research approach with micro-enterprises run by beneficiary families of the Program Keluarga Harapan (KPM-PKH) in Malang City as research objects. Data collection for this research was carried out by distributing 300 questionnaires online, but only 261 questionnaires were returned and declared valid for testing research data. The data analysis was carried out using SEM-PLS.

Research Findings: This study's results indicate a relationship between entrepreneurial orientation, entrepreneurial motivation, and Company Performance. This study also found that entrepreneurial motivation perfectly mediates the relationship between entrepreneurial orientation and Company Performance. Entrepreneurial motivation plays an essential role in connecting to improve performance when business actors do not really have a good enough business orientation. The motivation of business actors will help business actors to remain enthusiastic to try again and again when business actors face failure in the process of increasing business sales.

Theoretical Contribution/Originality: The theoretical contribution of the research on "The Role of Entrepreneur Motivation: The Mediation of Entrepreneur Orientation on Company Performance" lies in its exploration of the complex relationships between entrepreneurial motivation, entrepreneurial orientation, and company performance. The study contributes to the existing body of knowledge by providing a comprehensive understanding of how entrepreneurial motivation influences company performance through the mediation of entrepreneurial orientation.

Keywords: Entrepreneur orientation; entrepreneur motivation; company performance; micro business; Program Keluarga Harapan (PKH).
Introduction

The study of knowledge management on Company Performance in the field of small business and entrepreneurial orientation has been investigated by experts (Adams et al., 2017; Hasan & Almubarak, 2016; Li & Sanusi, 2023; Suryana et al., 2016), but the results of these studies have contradictory results. Entrepreneurial orientation is the basis for entrepreneurs to make their businesses successful, perform well and run sustainably (Lumpkin and Dess, 1996; Abu Saifan, 2012; Zainol and Ayadurai, 2011; Mahmood and Hanafi, 2013; Arshad et al., 2014; Ojewumi and Fagbenro, 2019, Ibrahim and Mustapa Abu, 2020). The statement put forward by the researcher shows that the entrepreneurial orientation possessed by entrepreneurs is able to produce company performance in a volatile and uncertain environment as well as rapid changes in technological developments. Furthermore, Wiklund, 2005 and Hughes et al., 2007 also explained that entrepreneurial orientation influences the performance of small businesses. However, the research results explain that entrepreneurial orientation does not significantly affect company performance (Solikahan and Mohammad 2019). These results are also reinforced by research findings from Rezaei & Ortt (2018) which explain that the risk-taking dimension of entrepreneurial orientation has a negative relationship with company performance. Steffens et al., (2009) also explained that it is possible that there is no correlation between entrepreneurial orientation research and company performance because growth for small businesses is at the heart of the entrepreneurial theory. Therefore, there are inconsistencies in the results of research between entrepreneurial orientation and company performance, so deeper research is needed.

Understanding company performance is still a matter of debate in small business and entrepreneurship, Sexton and Smilor (1997) have gone a step further by placing growth as the basis of entrepreneurial theory (Steffens et al., 2009). Storey (2011) also argues that policymakers pay attention to the issue of small company growth. The business media and policymakers are also still observing issues regarding the growth of small companies (Nicholls-Nixon, 2005; Storey, 2011). Success in achieving company performance depends on its ability to gain profits through the availability of resources and the creation of new challenges ([3]; Miller, 2011; Lechner and Gudmundsson, 2014; Lumpkin et al., 2010; Rauch et al., 2009; Madrid-Guijarro et al., 2007). Basically, company performance is the success of a business carried out by entrepreneurs in order to generate sufficient profits to maintain business continuity. Business growth itself can be influenced by various factors, such as entrepreneurial motivation.

Stefanovic et al., (2011), motivation influences entrepreneur behavior toward company performance and success in Serbia. Benzing et al., (2009), entrepreneurial motivation influences the performance of small businesses in Turkey. Walker and Brown (2004); Li & Sanusi (2023); dan Yandi et al. (2023) argued that entrepreneurial motivation is an important part of success for the growth of small businesses. Swierczek and Ha (2003), there is a significant relationship between entrepreneurial
motivation and the performance of small businesses in Vietnam. Robichaud et al., (2001) suggest that there is a correlation between entrepreneurial motivation factors and company performance variables. This indirectly explains that entrepreneurial motivation is owned by small business actors and has an influence on company performance.

This research was conducted by KPM (Beneficiary Families) who received ProKus assistance (Social Entrepreneurship Program) for active PKH (Family Hope Program) participants who have businesses with the aim of increasing their business income in order to improve their welfare and reducing dependence on government assistance. Business actors in this program have different characteristics from other micro and small businesses because the establishment of this business is only an addition to support the family economy. Based on these conditions, this study seeks to reveal the entrepreneurial orientation of KPM-PKH who have businesses and their motivations for running these businesses, and the resulting company performance.

Many countries have developed entrepreneurship programs to develop new and small businesses and to overcome social problems such as poverty, low levels of education, unemployment, etc. in order to build independence, economic growth, and development (Uchenna et al., 2019, Ibrahim and Mustapha, 2020). The government has a role in developing, supporting entrepreneurship, and solving social problems in society (Uchenna et al., 2019, Okangi, 2019). Academics and government argue that entrepreneurship is very important for the development and welfare of society (Kelley et al, 2011). Entrepreneurship creates market opportunities, and increases competitiveness which contributes to business health to increase business success (Kantur, 2016). The entrepreneurship program carried out by the Ministry of Social Affairs through ProKus (Social Entrepreneurship Program) has a role in building independence, business development, and business success for KPM-PKH participant businesses.

**Literature Review and Hypothesis Development**

Entrepreneurship is known as a new approach in updating company performance, entrepreneurship as the spearhead for realizing sustainable and highly competitive company growth (Fitriyadi et al., 2021). Today’s increasingly intense global competition, increasing interdependence, rapid technological development, unstable environment, and many other factors have highlighted the need for organizations to become more entrepreneurial in order to survive and prosper (Dess et al., 1999; Lisboa, Skarmeas , & Saridakis, 2016; Zahra & Covin, 1995). Many observers believe that the survival and success of an organization requires continuous organizational renewal, innovation, and risk-taking, which in turn requires the conceptualization and pursuit of new opportunities (Miller, 1983).

Performance is considered as the ability of organizational functions to achieve goals by utilizing available resources efficiently and effectively (Westover, 2008; Ringo et al., 2023). Laitinen (2002) defines performance as the ability of an object...
Entrepreneurship has long been seen as an engine that drives innovation and promotes economic development (Hasan, 2021). In today’s increasingly intense global competition, increasing interdependence, rapid technological development, unstable environment, and many other factors have highlighted the need for organizations to become more entrepreneurial in order to survive and prosper (Dess, Lumpkin, & McGee, 1999; Lisboa, Skarmeas, & Saridakis, 2016; Zahra & Covin, 1995; Aloulou, 2023; Arabeche et al., 2022). Many observers believe that the survival and success of an organization requires continuous organizational renewal, innovation, and risk-taking, which in turn requires the conceptualization and pursuit of new opportunities (Miller, 1983).

The concept of Entrepreneur Orientation, which is the process managers use to determine how new businesses are run, originates from the strategy literature (Lumpkin and Dess, 1996). Mintzberg (1973), put forward three types of strategy making: entrepreneurial, planning, and adaptive. Miller seems to offer the earliest operationalization of the EO concept. Miller clarified the constructs of Entrepreneurial Orientation when he defined the entrepreneurial firm as one that engages in product marketing innovation, undertakes somewhat risky ventures, and is the first to produce innovation proactively, beating competitors by the punch (Miller, 1983).

From a marketing perspective, Morris defines Entrepreneur Orientation as the tendency of a company's top management to take calculated risks, be innovative, and be demonstrably proactive. Webster views Entrepreneur Orientation as a marketing orientation that is inherently more proactive. Morris and Paul (1987) view marketing as a means to achieve corporate entrepreneurship. Slater and Narver and Slater (1990) view entrepreneurial orientation as a complement to a marketing orientation, whereby a firm requires both to achieve maximum effectiveness.

Researchers make studies of Entrepreneur Orientation based on several dimensions, which mainly include innovation, risk-taking, and proactivity (Covin & Slevin, 1986; Dess & Lumpkin, 2005; G Tom Lumpkin & Dess, 1996; Al-Shami et al., 2022; Gomes et al., 2022). Entrepreneur Orientation refers to the organizational processes, methods, styles, practices, and decision-making activities used by entrepreneurs that lead to new entries. (Covin & Slevin, 1991; Dess & Lumpkin, 2005;
G Thomas Lumpkin & Dess, 2001; Stevenson & Jarillo, 2007; Wiklund & Shepherd, 2005) Therefore, organizations with EO can be defined as entrepreneurial organizations (Covin & Slevin, 1990). The influence of culture within an organization emerges through key managers tending to see themselves and be perceived by others, as champions of the culture they represent (Bloodgood, Sapienza, & Almeida, 1996).

The role played by key executives is clearer from the assertion that organizations are a reflection of the values and beliefs of strong actors (Hambrick & Mason, 1984). These key organizational leaders view organizational practices through the lens of their cultural orientation (Schein, 1996). More specifically, they tend to have faith, motivation, and an all-out commitment to organizational practice considering it compatible with the values underlying their national culture (Amabile, Conti, Coon, Lazenby, & Herron, 1996).

Conversely, any discrepancy between the values inherent in organizational culture and practices will undermine the belief of organizational leaders in these organizational practices. In essence, the cultural orientation of key decision-makers can increase or decrease the impact of organizational practices on organizational performance (Ralston, Holt, & Terpstra, 1995). This opposition is theoretically supported by the cultural-practice fit paradigm (Newman & Nollen, 1996; Schoonhoven, 1981) which holds that certain cultural profiles conform to certain organizational practices. That is, the performance effects of certain management practices depend on the mutual alignment between practice and culture (Roth, 1995).

Considering the review of the literature, it is argued that a high degree of innovation, proactivity and risk-taking will enhance firm performance. Furthermore, it is said that motivation acts as a contextual moderator that conditions the extent to which entrepreneurial orientation influences firm performance. In particular, it is expected that the performance-enhancing effect of EO will be stronger for firms with high individualistic cultural values. Therefore, the following hypothesis is proposed:

H1: Entrepreneurial orientation has a significant effect on company performance.
H2: Entrepreneurial orientation has a significant effect on entrepreneurial motivation.
H3: Entrepreneurial motivation has a significant effect on company performance.
H4: Entrepreneurial motivation mediates the relationship between entrepreneurial orientation and company performance.

Method

The main objective of this study was to determine the role of entrepreneurial motivation in the relationship between entrepreneurial orientation and company performance. This research is quantitative research with an explanatory approach. The population used in this research is micro-enterprises that are run by beneficiary families of the Family Hope Program (KPM-PKH) in Malang City as many as 300 micro-enterprises. The research data used in this study is primary data taken through online questionnaires. The data scale used is a Likert scale with 1 (strongly disagree) to 5 (strongly agree). Of the 300 research questionnaires distributed, 261
questionnaires were declared valid and met the research testing criteria. The analysis of this research was carried out using SEM-PLS through three stages, namely the analysis of the outer model, the inner model, and the testing of the hypothesis. Outer model analysis was carried out to test the validity and reliability of the study. Validity testing is done by looking at the value of outer loading and AVE.

**Result and Discussion**

The description of the research sample is shown through the distribution of research respondents (see table 1). Most research respondents were women as much as 96.55% or 252 respondents. The results of this study illustrate that the sample of this study is dominated by female entrepreneurs. These conditions explain that women can also contribute greatly to building a business. One of the factors that influence women to enter the business world is because of the demands to meet their daily needs. Even though some women entrepreneurs have other regular incomes, they open a business for women as additional income. In addition, women entrepreneurs think that starting a business is a flexible job and there is no demand for achievement from a leader. The next description of the distribution of respondents is based on recent education.

<table>
<thead>
<tr>
<th>Personal Demography</th>
<th>Indicator</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>9</td>
<td>3.45</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>252</td>
<td>96.55</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>261</strong></td>
<td><strong>100.00</strong></td>
</tr>
<tr>
<td>Education Level</td>
<td>Elementary</td>
<td>70</td>
<td>26.82</td>
</tr>
<tr>
<td></td>
<td>Junior High School</td>
<td>63</td>
<td>24.14</td>
</tr>
<tr>
<td></td>
<td>Senior High School</td>
<td>124</td>
<td>47.51</td>
</tr>
<tr>
<td></td>
<td>Undergraduate</td>
<td>4</td>
<td>1.53</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>261</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

(Source: Primary Data, 2022)

The highest percentage of education level in the sample of this study was in the High School category at 47.51 percent or as many as 124 respondents. This figure shows that the majority of respondents only fulfilled the 12-year compulsory education program sponsored by the government. In addition, this is because most
respondents who own businesses tend to lack the motivation to continue higher education after graduating from high school. There is a stereotype in society that higher education is useless if you have your own business. Thoughts about the experience in running a business are needed more than education, especially formal education. Therefore, the government is competing to provide non-formal and informal education such as training, community empowerment, courses, workshops, seminars, mentoring, and several other government programs that aim to improve the quality of society, especially micro business actors. This condition is illustrated by the lowest percentage of education levels in the D3/D4/Bachelor category, with a percentage of 1.53 percent or as many as 4 respondents. Although in the category of respondents who have a formal-elementary education level, the respondents have also participated in various non-formal and informal education through various programs to improve the quality of human resources.

Model Evaluation

The results of the validity test (table 2) as shown by the outer loading value show that all research items have a value above 0.6, so they meet the validity testing standards and are declared valid. The results also explain that of the 30 research items that measure entrepreneurial orientation, entrepreneurial motivation, and company performance, there is one research item that has a value of less than 0.6, namely OW8, so the research item is eliminated and then re-tested. Chin (1998) and Muafi and Roostika (2014) also suggest removing research items that have a value less than 0.6, which is then tested for validity and reliability again.

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Item</th>
<th>Factor Loadings</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneur Orientation</td>
<td>OW1</td>
<td>0.796</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>OW2</td>
<td>0.880</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>OW3</td>
<td>0.931</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>OW4</td>
<td>0.916</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>OW5</td>
<td>0.622</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>OW6</td>
<td>0.854</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>OW7</td>
<td>0.890</td>
<td>Valid</td>
</tr>
<tr>
<td>Entrepreneur Motivation</td>
<td>MW1</td>
<td>0.943</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>MW2</td>
<td>0.922</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>MW3</td>
<td>0.915</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>MW4</td>
<td>0.875</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>MW5</td>
<td>0.918</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>MW6</td>
<td>0.893</td>
<td>Valid</td>
</tr>
<tr>
<td>Company Performance</td>
<td>KU1</td>
<td>0.924</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>KU2</td>
<td>0.954</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>KU3</td>
<td>0.944</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>KU4</td>
<td>0.876</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>KU5</td>
<td>0.840</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>KU6</td>
<td>0.779</td>
<td>Valid</td>
</tr>
</tbody>
</table>

(Source: Primary Data, 2022)
The results of the validity test through the outer loading value are strengthened by the results of the AVE (Average Variance Extracted) test (see table 3). The results of testing the AVE (Average Variance Extracted) value of the variables entrepreneurial orientation, entrepreneurial motivation, and company performance show that each variable's AVE value is above 0.5 so the variable is declared valid. The next outer model test is reliability testing. The results of the research reliability test explained that the composite reliability value for each latent variable was above 0.7 and the Cronbach alpha value for each variable was also above 0.6 (table 4). The test results also show that all indicators that measure entrepreneurial orientation variables, and motivation can be declared reliable.

<table>
<thead>
<tr>
<th>Tabel 3 AVE (Average Variance Extracted)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Variabel</td>
<td>Average Variance Extracted (AVE)</td>
</tr>
<tr>
<td>Entrepreneur Orientation</td>
<td>0.717</td>
</tr>
<tr>
<td>Entrepreneur Motivation</td>
<td>0.831</td>
</tr>
<tr>
<td>Firm Performance</td>
<td>0.789</td>
</tr>
</tbody>
</table>

(Sumber: Data Primer, 2022)

<table>
<thead>
<tr>
<th>Tabel 4 Reability Result</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Variabel</td>
<td>Cronbach's Alpha</td>
</tr>
<tr>
<td>Entrepreneur Orientation</td>
<td>0.932</td>
</tr>
<tr>
<td>Entrepreneur Motivation</td>
<td>0.959</td>
</tr>
<tr>
<td>Firm Performance</td>
<td>0.953</td>
</tr>
</tbody>
</table>

(Source: Primary Data, 2022)

The results of testing the coefficient of determination show that the contribution of the entrepreneurial orientation variable to the entrepreneurial motivation variable is 0.785 (see table 5), or 78.5%, and the remaining 21.5% is a contribution from variables not included in this study. The coefficient value of the company performance variable is 0.131 percent. This value explains that the contribution of entrepreneurial motivation and entrepreneurial orientation to company performance is 13.1 percent, while the remaining 86.9 percent comes from other variables outside the variables of this study.

<table>
<thead>
<tr>
<th>Tabel 5 Coefficient Determination and Predictive Relevance (Q2)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>R Square</td>
<td></td>
</tr>
<tr>
<td>Entrepreneur Motivation (Z)</td>
<td>0.785</td>
</tr>
<tr>
<td>Company Performance (Y)</td>
<td>0.131</td>
</tr>
<tr>
<td>$Q^2 = 1 - [(1 - R_1^2) (1 - R_2^2)]$</td>
<td></td>
</tr>
<tr>
<td>$Q^2 = 1 - [(1 - 0.785) (1 - 0.131)] = 0.819$</td>
<td></td>
</tr>
</tbody>
</table>

(Source: Primary Data, 2022)

Note:

$Q^2$ (Q-Square predictive relevance)

$R_1^2$ (R-Square dari Entrepreneur Motivation)

$R_2^2$ (R-Square dari Company Performance)

The results of the Q-Square predictive relevance (Q2) calculation are 0.819. The results of these calculations show that the value of Q-Square predictive relevance (Q2) is above 0, so it can be concluded that Q-Square predictive relevance (Q2) in this...
study has good capability. In addition to the results of the Q-Square predictive relevance (Q2) calculation which shows the research model is relevant, the overall research model is also stated to be good. These results can be seen from the calculation below which shows that the value of the Goodness of Fit Model (GoF) is 0.597. These results explain that overall the model is said to be good and strong because it has a value above 0.36.

\[
GOF = \sqrt{\frac{\text{Communality} \times R^2}{\text{Communality}}} = \sqrt{0.779 \times 0.458} = \sqrt{0.357} = 0.597
\]

**Hypothesis Testing**

After the research model passes the outer and inner model tests, the next test is the results testing. The results of this test are examined based on the bootstrap results through SEM-PLS testing. However, the results show no statistically significant impact of entrepreneur orientation on company performance (H1 is rejected due to \( \beta = 0.131, p = 0.0262 \)). In contrast, entrepreneur motivation significantly impacts due to company performance (H3: \( \beta = 0.241, p < 0.030 \)), confirming H3. Additionally, entrepreneur orientation has a significant impact on entrepreneur motivation (H2: \( \beta = 0.886, p < 0.000 \)), confirming H2. In examining the mediating role of entrepreneur motivation between entrepreneur orientation and company performance (H4: \( \beta = 0.213, p\text{-value} = 0.027 \)) (Table 6), H4 is affirmed.

<table>
<thead>
<tr>
<th>Hipotesis</th>
<th>Construk</th>
<th>Path Coefficient</th>
<th>SE</th>
<th>P- Value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Entrepreneur Orientation ( \rightarrow ) Company Performance</td>
<td>0.131</td>
<td>0.116</td>
<td>0.262</td>
<td>Not Accepted</td>
</tr>
<tr>
<td>H2</td>
<td>Entrepreneur Orientation ( \rightarrow ) Entrepreneur Motivation</td>
<td>0.886</td>
<td>0.022</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3</td>
<td>Entrepreneur Motivation ( \rightarrow ) Company Performance</td>
<td>0.241</td>
<td>0.111</td>
<td>0.030</td>
<td>Accepted</td>
</tr>
<tr>
<td>H4</td>
<td>Entrepreneur Motivation ( \rightarrow ) Company Performance</td>
<td>0.213</td>
<td>0.096</td>
<td>0.027</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

(Source: Primary Data, 2022)

**Discussion**

**Entrepreneur Orientation and Company Performance**

The results of hypothesis testing explain that Entrepreneurial Orientation has no significant effect on Company performance (\( \rho = 0.262 > 0.05; \beta = 0.131 \)), so H1 is rejected (see table 6). This shows that an entrepreneurial orientation that is not in accordance with the ability to innovate and make the right strategy in entrepreneurship will not improve company performance. The results of this study
Entrepreneurial orientation are in line with research conducted by Solikahan and Ali (2019) which shows that entrepreneurial orientation has no effect on company performance. The results of this study indicate a lack of knowledge of KPM-PKH Business Actors in Malang City related to entrepreneurial orientation in decision-making. Entrepreneurial orientation such as making product innovations, attractive packaging designs as well as promotion and marketing that are right on target are important to do.

Entrepreneurial orientation directs one's behavior, attitudes, knowledge, and skills toward entrepreneurship (Arabeche et al., 2022; Gomes et al., 2022; Ringo et al., 2023). The varying differences between entrepreneurs and non-entrepreneurs lie in the entrepreneurial orientation phase they go through. Entrepreneurial orientation is reflected in the intentions and perceptions of entrepreneurs (Majumder and Mahapatra, 2021). Entrepreneurial orientation demonstrates the ability of innovation related to perception to create a unique business orientation. The results of the study stated that there was no effect of Entrepreneurial Orientation on Company performance due to the company's declining ability to market its products. Therefore, companies can take more innovative, proactive, and courageous steps to take risks that tend to improve company performance.

**Entrepreneur Orientation and Entrepreneur Motivation**

The test results show that Entrepreneurial Orientation has a significant effect on Entrepreneurial Motivation ($\rho = 0.000 > 0.05; \beta = 0.886$) (see table 6), so H2 is accepted. A high entrepreneurial orientation is closely related to the main driver of profit so that an entrepreneur has the motivation to take advantage of opportunities. This shows that the entrepreneurial instinct motivates and gives rise to the search for the need for achievement (Adams et al., 2017; Yandi et al., 2023). It includes the traits, behaviors, and attitudes required in the strategy-making process of starting, continuing, and bringing a business to a real position. Lee & Stearns (2012) in Wulandari, et al (2017) explained that entrepreneurial motivation includes entrepreneurial opportunities, independence, and income, as well as entrepreneurial challenges. Furthermore, the authors found that entrepreneurial orientation influences entrepreneurial motivation. An entrepreneurial orientation based on behavior, attitudes, knowledge, and skills will increase entrepreneurial motivation based on perseverance, business innovation, proactivity, and competitive attitude so that it will encourage an entrepreneur to seek and achieve targets.

The concept of Entrepreneurial Orientation, which is a process used by managers in determining how new businesses are run, comes from the strategy literature (Lumpkin and Dess, 1996) stating that companies that have a strong entrepreneurial orientation, will be more willing to take risks and Don't just stick to past strategies. The key dimensions of the entrepreneurial orientation include the will to be independent (autonomy), the desire to innovate (innovativeness), the tendency to be aggressive towards competitors (competitive aggressiveness), and being proactive to market opportunities (proactiveness) (Ringo et al., 2023).

**Entrepreneur Motivation and Company Performance**

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Entrepreneurial motivation describes how human reason influences entrepreneurial characteristics. The results of this study found that entrepreneurial motivation has a significant effect on company performance ($\rho = 0.030 > 0.05; \beta = 0.241$), so H3 is accepted (table 6). The findings of this study explain that good entrepreneurial motivation will have an impact on increasing company performance. The facts show that Entrepreneurial Motivation is able to improve and make a good contribution to Company performance. This means that company performance based on the achievement of goals in the form of increased profits and the number of sales internally is influenced by perceptions of entrepreneurial motivation in terms of taking risks and meeting the need for achievement, tolerance for ambiguity, locus of control, self-efficacy, and goal setting. Shane, Locke, and Collins (2003) in Sofian, et al (2011) identified several human motivational factors that influence the entrepreneurial process, namely due to the fulfillment of needs.

The results of this study are in line with research conducted by Wulandari, et al (2017) (Luan & Li, 2019; Yandi et al., 2023) which shows that entrepreneurial motivation influences company performance due to entrepreneurial opportunities, wanting to create independence and income, as well as entrepreneurial challenges. This research is also supported by research conducted by Wu Lijun (2014) which states that entrepreneurs who have higher levels of motivation and well-being have better company performance. Motivation is an impetus in meeting target achievements, namely relationships and abilities in this case regarding the ability to take initiative, and the ability to innovate in an effort to improve company performance in the form of sales and profits or profits.

**Entrepreneur Orientation, Entrepreneur Motivation, and Company Performance**

The results of the mediation test show that Entrepreneurial Motivation mediates the relationship between Entrepreneurial Orientation and Company performance ($\rho = 0.030 > 0.05; \beta = 0.241$), so H4 is accepted (see table 8). These findings explain that Entrepreneurial Orientation is able to improve Company performance, and through good Entrepreneurial Motivation, Company performance will increase. This means that the Entrepreneurial Orientation reflected in the risk-taking attitude of an entrepreneur will create entrepreneurial motivation which is reflected through the utilization of business opportunities and the courageous attitude to face challenges. Although Entrepreneurial Orientation does not directly affect Company performance, this research proves that Entrepreneurial Orientation can affect Company performance indirectly, namely through Entrepreneurial Motivation. This is because entrepreneurial orientation reflects the extent to which business growth is motivated by the identification and exploitation of untapped market opportunities.

Entrepreneurial orientation is a cognitive aspect of entrepreneurship that involves the process of making strategies in business. Have a proactive attitude towards existing situations, instinct to take risks, have passion and energy to compete aggressively. Entrepreneurial orientation is a determinant of business
success that has been studied by many researchers in different time frames (Hiranyamayi, 2021). Walker and Brown (2004), argued that entrepreneurial motivation is an important part of success for small business growth.

Conclusion

This study found several research results. First, Entrepreneurial Orientation has no significant effect on Company performance. This is possible due to the lack of knowledge of KPM-PKH Business Actors in Malang City related to entrepreneurial orientation in decision making. Lack of knowledge will reduce the ability of business actors to create innovations. Entrepreneurial orientation that is not in accordance with the ability to innovate and make the right strategy in entrepreneurship will not improve company performance. Second, a high entrepreneurial orientation is closely related to the main driver of profit so that an entrepreneur has the motivation to take advantage of opportunities, so that entrepreneurial orientation can have an influence on entrepreneurial motivation. This shows that the entrepreneurial instinct motivates and gives rise to the search for the need for achievement. Third, Entrepreneurial Motivation is able to improve and make a good contribution to Company performance. Company performance based on the achievement of objectives in the form of increasing profits and sales volume is internally influenced by perceptions of entrepreneurial motivation in terms of taking risks and meeting the need for achievement, tolerance for ambiguity, locus of control, self-efficacy, and goal setting. Fourth, entrepreneurial motivation has an important role in supporting the relationship between entrepreneurial orientation and company performance. This is possible because entrepreneurial motivation can describe how human motivation influences company performance with an entrepreneurial orientation. Entrepreneurial orientation reflected in an entrepreneur's risk-taking attitude will create entrepreneurial motivation which is reflected through the utilization of business opportunities and a courageous attitude to face challenges. Entrepreneurial orientation is a cognitive aspect of entrepreneurship that involves the process of making strategies in business. Have a proactive attitude towards existing situations, instinct to take risks, have passion and energy to compete aggressively.

The results of this study explain that there is harmony between the literature study and the conditions in the field regarding the relationship between entrepreneurial orientation, entrepreneurial motivation, and performance. The results of this study also explain that business actors tend to have a low level of entrepreneurial orientation. However, this research has some limitations. First, the results of this study cannot be generalized to other businesses, so this research is suggested to be conducted in different or more varied MSME communities. Second, research data collection was carried out without regard to the type of business and business size, so that further research is suggested to provide sample criteria in the research sampling process. Further research is also recommended to add other variables besides the variables in this study.
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