

**THE EFFECT OF ATTITUDE, SUBJECTIVE NORMS, AND TRUST
ON BUSINESS GROWTH IN SME IN TANGERANG SELATAN**

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Abstract:

According to the Organization for Economic Cooperation and Development (OECD), small and medium enterprises (SMEs) account for more than 95% of generating huge new jobs. There are many factors that need to be considered so that SMEs can continue to run well. One of the factors that need to be considered by entrepreneurs is the growth and development of the business they will undertake. The purpose of this study was to investigate the effect of attitudes, subjective norms and self-confidence of entrepreneurs on the growth of business results. The sample to be taken for this research is SMEs located in South Tangerang. By convenience sampling, as many as 90 SMEs. The technique of collecting data is by distributing questionnaires to the owners of SMEs who are the research sample. In testing empirically the research model uses a partial least squares (PLS) path modeling approach. The results of the study show subjective beliefs and norms have no effect on the growth of operating results. Attitude has an influence on the growth of business results.

Keywords: *Attitude, Subjective Norm, Self-Confidence, Growth*

1. Introduction

Small and medium enterprises (SMEs) play an important role in the economic growth of a country. Improving the economy, is a very large job creator. Despite having many advantages, SMEs also have weaknesses that must be considered in order to run smoothly and increase business growth. The biggest weakness is the lack of budget or capital owned to run the business. The conditions of competitors are very many, both from fellow SMEs and from big businesses. To maintain sustainable business growth, many things must be considered, including subjective norms, self-confidence and a good attitude in running a business. Littunen and Niitykangas, 2010.

Some studies also explain Growth also depends on the attitude of the company that wants to move forward Cruz, et al.(2015(Leitner and Guldenberg, 2010), where internal and external attitudes affect business growth. Other research has also identified several organizational characteristics, which may influence the prevalence of ambitious entrepreneurs. Internationalization tends to be positively associated with growth aspirations and actual growth (Mieke et al., 2016; Verheul and Van Mil, 2011). Wright and Stigliani (2013) find that innovative behavior, particularly the launch of new products and services, hinders growth opportunities.

In short, several previous studies also state that the company's behavior is determined by the intentions of the entrepreneur, which is determined by three independent variables: attitudes, self-confidence and subjective norms. Background factors, whether they are personal, social or informational, influence intentions and behavior indirectly, by influencing the three antecedents that have an impact on the growth of business results Hermans et al. (2015). This study adopts previous research on different business scales and different research times on the growth of SMEs in South Tangerang, which aims to determine the effect of attitudes, subjective norms, and self-confidence on the growth of SMEs in South Tangerang. Through this research, it is hoped that it can provide information to SMEs to make decisions by taking into account various factors such as trust, subjective norms and attitudes towards the business growth expectations they run.

Theoretical review

Attitude and Business Growth

Attitude is a tendency to respond to things that are liked or disliked in an event or object Lee, et.all (2011), Schwarz et al. (2009) consider that attitude as the most widely used construct to predict behavioral intentions. According to Wiklund et al. (2003) attitude towards business growth is the belief or behavior of entrepreneurs about the benefits and costs associated with business expansion. According to Fernández et al. (2006) Attitudes are related to social influence, namely the sense of obligation that is generated in the environment of people who are responsible for continuing to support actions Cruz, et al. (2015). Attitude towards business growth is an entrepreneur's belief or behavior about the benefits and costs associated with growth Wright and Stigliani (2013)

Based on the opinion above, the research hypothesis is

Hypothesis 1: There is an effect of attitude on business growth

Subjective Norms and Business Growth

Subjective norms related to growth concern the extent to which other people consider the importance of growth, and affect the willingness of entrepreneurs to develop their business Verheul and Van Mil (2011). Subjective norm is defined as an individual's perception of social pressure to perform or not perform an attractive behavior. Venkatesh and Davis (2000.), Subjective norm refers to the normative beliefs of the social environment that make individuals perform certain behaviors. Verheul and Van Mil (2011) Subjective norms related to growth concern the extent to which others consider the importance of growth, and affect the willingness of entrepreneurs to develop a business.

Based on the opinion above, the research hypothesis is

Hypothesis 2: There is an effect of subjective norms on business growth

Self Confidence And Business Growth

The concept of self-confidence relates to an individual's belief in being able to perform tasks in various organizational settings Mieke (2016). It can be said that self-confidence is a person's belief in his ability to do something. Wright and Stigliani (2013) argue that self-confidence is important in building and enhancing business development. Gilbert et al., (2006), in order to build business growth, it is important to have self-confidence.

Based on the opinion above, the research hypothesis is
Hypothesis 3: There is an effect of self-confidence on business growth

2. Research Method

The population to be studied is SMEs that offer various types of products in the South Tangerang area. The sampling technique to be used is a convenience sampling technique. This technique was chosen because in this study it is not known with certainty the number of SMEs, the sampling was chosen based on the ease of meeting respondents during data collection, and respondents as SMEs were willing to fill out the questionnaires distributed. The number of samples studied were 90 respondents. Data collection techniques using a questionnaire on SMEs. In this study, the variables studied included: attitude, measured using 3 indicators, namely: Collaboration, Collegiality and Participation in Social Community. The subjective norm variable uses 3 indicators: . Family, friends, partners To measure the confidence variable there are 6 indicators, namely: Seeing market potential, looking for new markets, looking for ways to develop existing products/services. designing new products/services , create products / services to meet consumer needs. offer products/services to the market at the right time.To measure the growth variable of 4 items, namely Revenue/Income will increase from before, there is market growth, Gross profit growth per year, net profit per year continues to grow. Analysis technique using SEM using Smart PLS software which consists of two analyzes, namely the outer model and the inner model.

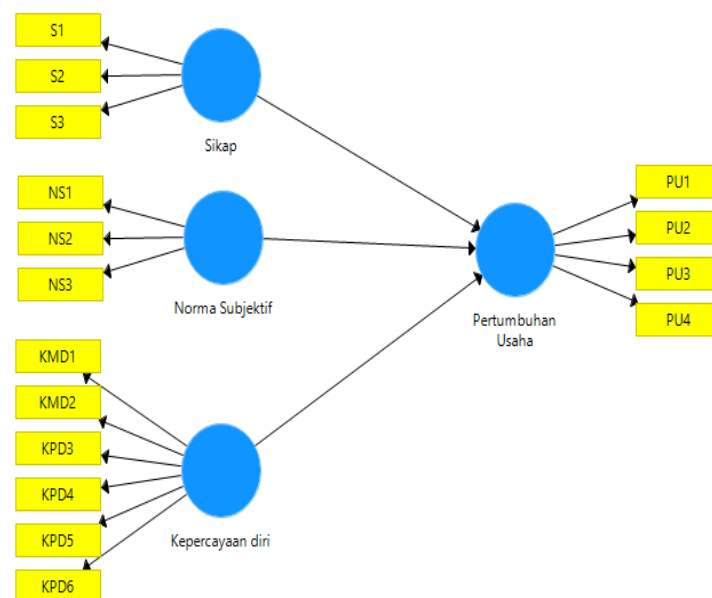


Figure 1. PLS Model Specifications

3. Results and Discussion

3.1. Results

Respondent Profile

Based on the characteristics of the respondents, the majority of the gender of SMEs are women (54%) with an age range of more than 40 years (50%) and the highest level of education is high school and below as much as 50%. For a maximum of 5-7 years of business (50%)

Outer Model

Based on the analysis of the results of the measurement model (*Outer Model Analysis*) it was found that all the indicators used to measure the research variables were valid and reliable so that they could represent the research variables and were trustworthy and reliable.

a. Convergent Validity

Table 1. Results of AVE Value

Variables / Dimensions	Average Variance Extracted
Confidence	0.636
Subjective Norms	0.666
Business Growth	0.676
Attitude	0.710

It is known that the AVE value of each variable has a value above 0.5 which has met the convergent validity criteria as measured by the AVE value. This shows that the variables in this study have met the criteria.

b. The results of the discriminant validity test are obtained as follows:

Table 2. Discriminant Validity

Variable	Confidence	Subjective Norms	Business Growth	Attitude
Confidence	0.797			
Subjective Norms	0.738	0.816		
Business Growth	0.741	0.575	0.822	
Attitude	0.731	0.554	0.982	0.843

Discriminant validity is seen from the *Heteroit-Monotrait Ratio* (HTMT) approach. A good HTMT value is 0.85 (Henseler et al., 2015), the threshold value is still acceptable if it is less than 0.90 (<0.90), if the HTMT exceeds 0.90 then the HTMT indicates a lack of discriminant validity. From the results of the discriminant validity analysis in the table it shows that the value of the *Heteroit-Monotrait Ratio* on each indicator variable has a value less than 0.90 (<0.90) so that all indicators of each variable can be accepted.

Composite Reliability

Table 3. Reliability

Variable	<i>Cronbach's Alpha</i>	<i>Composite Reliability</i>
Confidence	0.809	0.874
Subjective Norms	0.749	0.857
Business Growth	0.841	0.893
Attitude	0.795	0.880

From the results of the reliability analysis shows that the value of *Cronbach's Alpha* and *Composite Reliability* on each variable indicator has a value greater than 0.60 (> 0.60) so that all indicators of each variable have met the requirements and are declared reliable.

Inner Model

a. Coefficient of Determination Test (R²)

The Result of the Coefficient of Determination

The value of R-Square (R²) is used to determine the coefficient of determination and measure the level of variation of changes in the independent variable to the dependent variable. The R-Square value has 3 criteria, namely as follows: a value of 0.75 – 1 indicates (the influence is strong), a value of 0.5 – 0.74 indicates (the influence is moderate), then a value of 0.25 – 0, 49 indicates (the influence is weak).

Table 4. Coefficient of Determination *R-Square*

Variable	R-square
Business Growth	0.967

Based on the results of testing the coefficient of determination (R²) shown in the table, it can be explained that the R-square value for the Business Growth variable is 0.967, which means that 96.7% of the dependent variable Business Growth can be explained by the variables in this study, the remaining 3.3% is explained by other variables not examined in this study.

Inner Model Test

The results from bootstrapping is

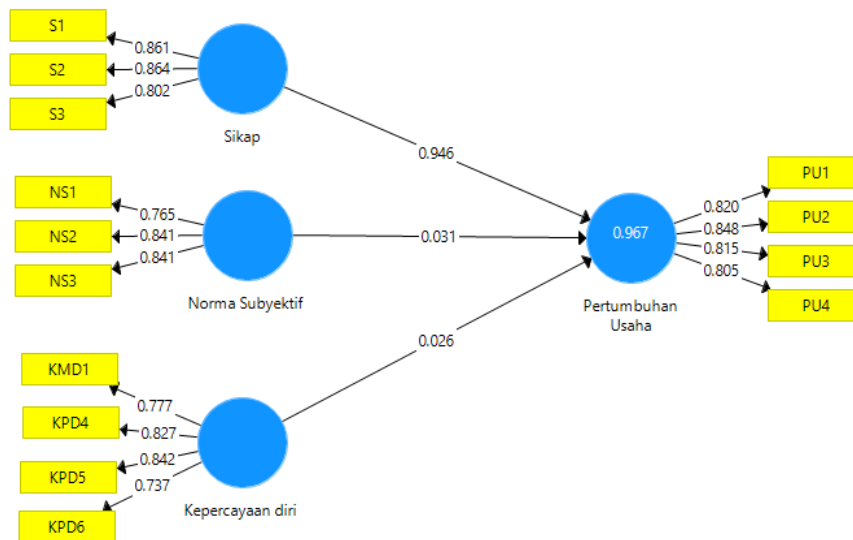


Figure 2. PLS Model Estimation Results (Bootstrapping)

Based on the estimation results of the PLS model using the bootstrapping technique above, the T value of the entire path has exceeded 1.96. The complete significance test results can be seen in the following table:

Table 5. Result of Direct Effect Significance Test

	<i>Original Sample (O)</i>	<i>Sample Mean (M)</i>	<i>Standard Deviation (STDEV)</i>	<i>t-statistics</i>	<i>p-values</i>
Confidence -> Business Growth	0.026	0.023	0.043	0.605	0.546
Subjective Norm -> Business Growth	0.031	0.032	0.035	0.885	0.377
Attitude -> Business Growth	0.946	0.948	0.025	37,793	0.000

Based on the results of testing the hypothesis above, the following test results are obtained:

- 1) In the path that shows the effect of *self-confidence* on *business growth*, the p value obtained is 0.546 with a T statistic of 0.605 and a positive path coefficient of 0.026.

Because the path p value > 0.05 , T statistic < 1.96 , it can be concluded that self-confidence has no significant effect on business growth. This shows that it does not support hypothesis 1 which says "There is an effect of confidence on business growth," not accepted.

- 2) In the path that shows the influence of *subjective norms* on *business growth*, the p value obtained is 0.377 with a T statistic of 37.793 and the path coefficient is positive at 0.031. Because the path p value > 0.05 , T statistic < 1.96 , it can be concluded that subjective norms have no significant effect on *business growth*. This shows that it does not support hypothesis 2 which says "There is an influence of subjective norms on business growth," not accepted.
- 3) In the path that shows the effect of *attitude* on *business growth*, the p value obtained is 0.000 with a T statistic of 0.885 and a positive path coefficient of 0.946. Because the path p value < 0.05 , T statistic > 1.96 , it can be concluded that attitude has a significant effect on *business growth*. This shows that it supports hypothesis 3 which says "There is an attitude effect on business growth," accepted.

3.2. Discussion

The results of the analysis in this study indicate that there is no the effect of confidence on business growth This is because the value of *p-values* is greater than 0.05. in this study does not support previous findings that say the higher the entrepreneur's confidence in running a business, the better the entrepreneur's expectations of the income that will be received. Wright and Stigliani (2013) argue that if the entrepreneur does not have sufficient confidence to cope with certain tasks, then he cannot develop In other words, the company's growth will be slow. For that the importance of self-confidence in increasing business growth. The trust of entrepreneurs to be able to manage business growth is very important (Gilbert et al., 2006). Likewise for the influence of *subjective norms* on *business growth* shows the path p value value > 0.05 , which means that *subjective norms* have *no* significant effect on *business growth*. This study does not support the research hypothesis and the results of previous studies are not in line. Where in previous research said that, the better the subjective norm with respect to business growth, the better the entrepreneur will be on the income he will receive. According to Verheul and Van Mil (2011) Subjective norms related to growth concern the extent to which other people consider the importance of growth, and affect the willingness of entrepreneurs to develop a business. In the hypothesis of the influence of *attitude* on *business growth*, the p value obtained is 0.000, the path p value < 0.05 which means that *attitude* has a significant effect on *business growth*. This shows that it supports the hypothesis and previous research. In previous studies, it was also argued that The better the entrepreneur's attitude towards business growth, the better the entrepreneur's expectations. Attitude towards business growth is an entrepreneur's belief or behavior about the benefits and costs associated with growth Wright and Stigliani (2013)

4. Conclusion

Based on the analysis result, it can be concluded that.

- 1) *Confidence* has no significant effect on business growth. This shows that self-confidence is not something that can influence an entrepreneur to increase business growth.
- 2) *Subjective norms* has no significant effect on business growth. This shows that subjective norms are not something that can influence an entrepreneur to increase his business growth.
- 3) *Attitude* has a significant effect on business growth. This shows that The better the attitude of the entrepreneur, the better the business growth of the entrepreneur will be

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