



The Mediating Role of Entrepreneurial Resilience and Self-Efficacy in Enhancing SMEs Performance in Thailand

Pimpika Poolsawat^{1*} and Idsaratt Rinthaisong²

^{1*}Faculty of Management Sciences, Phuket Rajabhat University, Thailand

²Faculty of Management Sciences, Prince of Songkla University, Thailand

(Received: January 21, 2025; Revised: May 20, 2025; Accepted: May 22, 2025)

Abstract

The study examines the causal relationships between entrepreneurial traits and external environmental factors influencing the performance of small and medium-sized enterprises (SMEs). Quantitative data were collected using questionnaires administered to 512 SMEs, and hypotheses were analyzed employing structural equation modeling. The results demonstrate that entrepreneurial resilience, entrepreneurial self-efficacy, and entrepreneurial orientation have a direct positive impact on the performance of SMEs. Entrepreneurial resilience functions as a partial mediator between entrepreneurial orientation and external environmental factors, thereby influencing the performance of SMEs. Entrepreneurial self-efficacy serves as a full mediator between external environmental factors and SMEs performance. The study illustrates the significance of entrepreneurial resilience and entrepreneurial self-efficacy as key psychological mediating factors, integrating entrepreneurial orientation and contextual conditions to enhance SMEs' performance. The discoveries offer a strategic framework for enhancing SMEs performance through strengthening entrepreneurial traits and supportive external environmental conditions, emphasizing the importance of aligning internal capabilities with external opportunities to encourage growth in challenging circumstances.

Keywords: 1) entrepreneurial resilience 2) entrepreneurial self-efficacy 3) entrepreneurial orientation 4) external environmental factors 5) SMEs performance

^{1*} Lecturer, Department of Business Administration; E-mail: pimpika.p@pkru.ac.th (Corresponding Author)

² Assistant Professor, Department of Public Administration; E-mail: idsaratt.r@psu.ac.th

Introduction

A robust middle-income group is essential for the attainment of inclusiveness and poverty alleviation in the context of geopolitical tensions, the digital revolution, and sustainability initiatives. This group stimulates domestic consumption, encourages entrepreneurship, and enhances societal stability (World Trade Organization, 2024, p. 139). Simultaneously, the manufacturing sector facilitates structural change, enhances competitiveness, and generates employment in developing countries in the framework of trade globalization (Busse, Dary and Wüstenfeld, 2024, pp. 415-418). The critical role of small and medium-sized enterprises (SMEs) in global economic growth is underscored by their greater capacity to create employment compared to larger firms (Garcia-Martinez, et al., 2023, pp. 461-463). In addition, creativity encourages the development of new technology, the implementation of innovative business strategies, and the improvement of economic competitiveness, which contribute to societal and economic development (World Bank, 2024, pp. 85-105).

The performance conditions for SMEs are related to the business environment, client access, and business strategies, including competencies, financing, information, knowledge, networking, and technology (Naradda Gamage, et al., 2020, pp. 6-12). A balanced scorecard assessment including financial, customer, internal business, innovation, and learning perspectives reveals entrepreneurs' capacity to engage in business (Kumar, et al., 2024, pp. 2412-2430). In terms of entrepreneurial traits, proactive

personality, self-efficacy, and tolerance have been recognized as significant predictors of SME success (Eniola, 2020, pp. 12-14), while economic conditions, technological advancements, political stability, and sociocultural dynamics are external factors that greatly impact SMEs' support (Al-Tit, Omri and Euchi, 2019, pp. 1-10). Investigating SMEs' performance, which reflects their potential and capabilities, is crucial for enhancing product and service productivity (Fabrizio, et al., 2022, pp. 630-634). Despite environmental uncertainty, SMEs can survive, which is a fascinating topic to study to identify how entrepreneurial traits and external factors affect the performance of SMEs.

The research provides a theoretically grounded framework based on the resource-based view (Barney, 1991, pp. 99-117), social cognitive theory (Bandura, 1999, pp. 154-182), and contingency theory (Donaldson, 2001, pp. 20-27). The scholars conducted a dynamic study of entrepreneurial personality traits and external environmental conditions to investigate their interacting impacts on performance outcome (Liguori, et al., 2024, p. 1-12). The approach identifies entrepreneurial self-efficacy, entrepreneurial resilience, and entrepreneurial orientations as critical entrepreneurial traits, when integrated with external circumstances, greatly boost the performance of SMEs. The literature review proposes that the resilience and self-efficacy of entrepreneurs are intangible resources that can directly enhance business potential. Entrepreneurial resilience enables entrepreneurs to recover from setbacks, maintain motivation, and imple-



ment adaptive strategies, whereas self-efficacy fosters confidence in decision-making and goal achievement. Nevertheless, previous research frequently regarded the resilience and self-efficacy of entrepreneurs as indicators of entrepreneurial intentions and business success (Hartmann, et al., 2022, pp. 1052–1056; Miao, Qian and Ma, 2017, pp. 87-101).

Researchers identified a gap in the literature regarding the limited exploration of variables associated with entrepreneurial resilience, a key trait influencing SMEs' performance. Additionally, entrepreneurial resilience has been investigated as a mediating variable that influenced entrepreneurial orientation and external environmental factors to improve the performance of SMEs. Limited research exists on the role of entrepreneurial self-efficacy as a mediating variable in how external environmental factors can enhance SMEs' performance. Consequently, the research examines intrinsic personality traits that drive entrepreneurs to realize business potential and external environmental factors that support SMEs' performance. Specifically, the study focused on entrepreneurial resilience and self-efficacy as critical psychological resources functioning as mediators between entrepreneurial traits and external environmental conditions, which in turn affect the performance of SMEs.

Recognizing the significance of systematic cultivation of these psychological capabilities among SMEs led to the study proposing a research framework that integrates internal strengths with contextual support to foster SMEs' performance. The insights derived from

empirical data analysis could serve as a foundation for strengthening the operational capability of SMEs and facilitating operations in a dynamic environment, promoting productivity, and encouraging economic development.

Literature Review

Theoretical

Internal and external factors influencing SMEs' performance were investigated using resource-based view theory, social cognitive theory, and contingency theory to supplement previous research. The resource-based view (RBV) theory, proposed by Barney (1991, pp. 99-117), illustrates the connection between internal business factors and business performance. According to RBV, valuable resources such as skills, distinctive attributes, and knowledge can create competitive advantages and enhance a business's operational efficiency (Kero and Bogale, 2023, pp. 3141-3145). RBV offers a valuable framework for assessing the potential of a business when contemplating the impact of formal structures and innovation strategies on the performance of SMEs. Furthermore, RBV helps small businesses leverage their entrepreneurial orientation, which is crucial for enhancing overall business performance (Yaskun, et al., 2024, pp. 15-17). This research investigates the function of resilience as an intrinsic resource in enhancing the performance of SMEs, employing the theoretical framework of a resource-based perspective.

Bandura's (1977, pp. 191–212) theory of behavioral change states that individuals are motivated to perform desired behaviors based on the evaluation of personal competence

and perceived capacity to exhibit potential. According to social cognitive theory (Bandura, 1999, pp. 154–182), observable behaviors are shaped by individual personalities, which are inherently complex and often challenging to analyze in depth and require systematic observation. Significant personality traits, including self-confidence, a propensity for risk-taking, creativity, and optimism, are acknowledged as essential components that facilitate success in the business. Personality, as a psychological construct, plays a significant role in shaping behavior and outcomes (Leonelli, Masciarelli and Fontana, 2022, pp. 4-19). The research aims to examine the influence of certain personality traits on the success of SMEs, offering insights into the correlation between psychological traits and business outcomes.

In addition, this research employs Donaldson's (2001, pp. 20-27) contingency theory to examine environmental conditions that are external factors affecting SMEs' performance as well as challenges and opportunities. Research on the external environment can affect the performance of SMEs (Mahmud, Soetanto and Jack, 2021, pp. 3-4).

SMEs' Performance: Balanced Scorecard

Kaplan and Norton's (1992, pp. 71-79) balanced scorecard for determining business performance potential demonstrates entrepreneurs' effectiveness in developing competencies according to business objectives. Business activity indicators reflect various dimensions, including competence, innovation, customer satisfaction, employee engagement, competitiveness, business cash flow, productivity, and profitability growth rates (Kaplan, 2009, pp.

1262-1265). In order to conduct an exhaustive evaluation of SMEs, it is necessary to incorporate both financial and non-financial criteria (Heinicke, 2018, pp. 457-460). According to Kumar, et al. (2024, pp. 2397-2401), SMEs could improve from using the balanced scorecard as a tool to assess their performance potential.

The indicators of SMEs' performance from four perspectives, including the financial perspective, indicate that a firm can create profits, maintain financial stability, and reduce production costs efficiently and effectively, thereby demonstrating a successful financial structure (Malagueño, Lopez-Valeiras and Gomez-Conde, 2018, pp. 221-226). Customer perspectives are essential for businesses to accurately reflect product quality (Oyewo, Moses and Erin, 2022, pp. 558-562). Entrepreneurs should be capable of producing goods and services that create value for consumer satisfaction through businesses that improve productivity and efficiency. The internal business process perspective illustrates that effective business management processes, reliable relationships with raw material suppliers, and economies of scale in manufacturing through reduced time and raw material costs lead to more profitable businesses (Kefe, 2019, pp. 43-47). The perspectives of innovation and learning indicate the significance of production innovation, human resource management, and the efficient flow of information to ensure that product development aligns with business growth and profitability (Dudic, et al., 2020, pp. 1-18). The balanced scorecard framework underscores the importance of evaluating firm potential and performance, with SMEs' perfor-



mance serving as a vital indicator for assessing entrepreneurial competencies across different business classifications (Tawse and Tabesh, 2023, pp. 123-130).

Entrepreneurial Self-Efficacy on SMEs'

Performance

Bandura (2012, pp. 11-13) developed the concept of self-efficacy, which served as the foundation for the concept of entrepreneurial self-efficacy. Individuals with high entrepreneurial self-efficacy are more likely to achieve successful outcomes compared to those with low entrepreneurial self-efficacy (Hmieleski and Baron, 2008, pp. 57-62; Hmieleski and Corbett, 2008, pp. 482-487). Recognizing a successful entrepreneur's self-efficacy could inspire and motivate more effort toward achieving business goals. A meta-analysis can explain entrepreneurial self-efficacy and successful business operations in SMEs (Miao, Qian and Ma, 2017, pp. 96-98). Newman, et al. (2019, pp. 403-412) synthesized literature and concluded that prospective entrepreneurs utilize strategies to manage business operations, make decisions, and market products effectively. Entrepreneurial self-efficacy indicates confidence in the capacity to inspire and allocate resources in operational processes, encouraging confidence in the strategic implementation of business activities (Priyaadarshini and Jena, 2024, pp. 984-990). In uncertain situations, individuals who have a high degree of entrepreneurial self-efficacy would be capable of searching out business opportunities. A business's potential for expansion is a crucial driver of economic growth. The examination of entrepreneurial self-efficacy as a key factor

influencing SMEs' performance illustrates the significance of specialized knowledge and skills in marketing, management, and financial control. Accordingly, the following hypothesis was proposed:

Hypothesis 1: Entrepreneurial self-efficacy has a positive impact on SMEs' performance.

Entrepreneurial Resilience on SMEs'

Performance

Entrepreneurial resilience is a characteristic of flexible and adaptable individuals who can handle difficulties and establish a positive potential business (Korber and McNaughton, 2017, pp. 1129-1131; Linnenluecke, 2017, pp. 9-14). Consequently, entrepreneurs must exhibit resilience to support their indifference to failure and their ability to sustain their businesses under challenging circumstances (Branicki, Sullivan-Taylor and Livschitz, 2018, pp. 1244-1251). A key characteristic of successful entrepreneurs is their ability to persevere through challenges while actively looking for innovative solutions, which helps them achieve the best possible results along the way (Hartmann, et al., 2022, pp. 1041-1044). Entrepreneurial resilience is an intrinsic psychological factor characterized by an optimistic and hopeful emotional state that reflects an entrepreneur's personality and supports adaptation to challenging decision-making and stressful operations (Conz and Magnani, 2020, pp. 400-402). Entrepreneurs should possess the ability to learn from failures and leverage those experiences to improve business operations. High levels of resilience greatly improve a firm's chances of survival and growth (Alber-

ti, Ferrario and Pizzurno, 2018, pp. 166-178; Herbane, 2019, pp. 477-480). Additionally, the following hypothesis was proposed:

Hypothesis 2: Entrepreneurial resilience has a positive influence on SMEs' performance.

Entrepreneurial Orientation on SMEs' Performance

Entrepreneurial orientation encourages entrepreneurs to make business decisions and improve SMEs' performance. An entrepreneurial personality emphasizes that characteristics like risk-taking, proactivity, and creativity significantly influence the strategic planning process and overall business strategy, which are crucial for the successful execution of business operations (Wiklund and Shepherd, 2005, pp. 74-79). Furthermore, Rauch and Frese (2007, pp. 353-360) identified entrepreneurial orientation as a critical determinant of an entrepreneur's capacity to manage performance proficiently. It emphasizes the importance of nurturing new ideas, driving product innovation, leading technological advancements, and engaging in research and development to create new strategies (Duru, Ehidihamhen and Chijioke, 2018, pp. 3-6). Entrepreneurial personalities can predict a business's performance by demonstrating their ability to spot market trends, innovate, attract customers, manage resources, and affect employment rates (Wales, et al., 2019, pp. 96-99). Entrepreneurial orientation is linked to both financial and non-financial success, as demonstrated by metrics such as customer satisfaction, employee engagement, and customer retention rates. SMEs must always perform in unpredictable environments, according to a

study on entrepreneurial orientation. Individuals with high levels of entrepreneurial orientation demonstrate innovation, risk-taking, and proactivity, which are key drivers of high performance and have the potential to ensure business success (Basco, Hernández-Perlines and Rodríguez-García, 2020, pp. 409-411). Consequently, the following hypothesis is proposed:

Hypothesis 3: Entrepreneurial orientation has a positive influence on SMEs' performance.

External Environmental Factors on SMEs' Performance

An entrepreneur's business operations could be greatly impacted by the external environment, which includes economic factors, politics, culture, legal frameworks, and technology (Hunger and Wheelen, 2010, pp. 43-45; Riyadi and Munizu, 2022, pp. 145-146). External environmental factors could offer firms opportunities and enhance the performance of SMEs (Amin, et al., 2024, pp. 14-15). The political environment shapes SMEs' growth and stability through regulations and supportive policies such as training, financial assistance, and subsidies. The integration of resources, such as business incubator programs and market research organizations, can provide significant benefits to businesses by supporting growth and innovation (Sohail, Belitski and Christiansen, 2023, pp. 1-2). The economic environment is critical to business performance, as customer purchasing power, influenced by economic situations, directly affects firm survival and development (Singh, Sarangal and Singh, 2022, pp. 94-97). The socio-cultural environment, encompassing



social customs, lifestyles, beliefs, and values, influences business operations by shaping the ability to reach customers and revealing both opportunities and challenges. Business success depends on technology, which improves manufacturing processes and enables new product creation and quality. Adapting to a dynamic environment is essential for SMEs' performance, and recognizing external factors plays a fundamental role in achieving this objective. Accordingly, the following hypothesis was proposed:

Hypothesis 4: The external environmental factors have a positive influence on SMEs' performance.

The Mediating Role of Entrepreneurial Resilience and Self-Efficacy

According to Newman, et al. (2019, pp. 404-405), entrepreneurial self-efficacy is caused by personal traits and external environmental factors, including social and cultural business support agencies. Entrepreneurial self-efficacy is strongly correlated with the external environment, particularly with government policies that promote business opportunities and boost entrepreneurial success (Abdelwahed, et al., 2023, pp. 777-783). Effective management of financial controls in marketing can empower businesses to navigate challenging situations successfully. Furthermore, Kazumi and Kawai (2017, pp. 347-350) found that female entrepreneurs who received support from both local and national governments experienced a positive impact on their entrepreneurial self-efficacy, which further encouraged entrepreneurial activities. The government sector enhances entrepreneurial potential by

exerting direct, positive, and indirect influences on the mediating variables of entrepreneurial knowledge and skill perception (Mohd Noor, Mohamad Fuzi and El Ashfahany, 2023, pp. 173-182). In addition, the following hypothesis was proposed:

Hypothesis 5: The external environment indirectly affects SMEs' performance through entrepreneurial self-efficacy as a mediating variable.

A review of the relevant literature revealed a relationship between entrepreneurial orientation characteristics and entrepreneurial potential, with entrepreneurial resilience identified as a mediating variable shaping the relationship. According to the findings of research conducted by Garrido-Moreno, Martín-Rojas and García-Morales (2024, pp. 4-7), resilience constitutes a critical dynamic capability for navigating a changing business landscape, maintaining competitiveness, and acting as a mediating factor essential for achieving successful business performance. In addition, the study revealed that the external environment as well as public sector regulations and economies can encourage entrepreneurial resilience (Iacobucci and Perugini, 2021, pp. 691-694). Based on the relevant literature review, the researcher was interested in the relationship between entrepreneurial personality traits and external environmental elements, as well as how entrepreneurial resilience drives business operations. Furthermore, the following hypothesis was proposed:

Hypothesis 6: Entrepreneurial orientation indirectly affects SMEs' performance through entrepreneurial resilience as a medi-

ating variable.

Hypothesis 7: The external environmental factors indirectly affect SMEs' performance through entrepreneurial resilience as a mediating variable.

This study presents an integrated paradigm that integrates the resource-based view, social cognitive theory, and contingency theory. Researchers investigating causal relationships influencing SMEs' performance emphasize the significance of entrepreneurial self-efficacy, entrepreneurial resilience, entrepreneurial orientation, and external environmental factors. The review emphasizes the role of personality traits and external environmental factors in shaping business op-

portunities and addressing challenges, with the expectation that the study's findings will contribute to the sustainable growth of SMEs. This study highlights entrepreneurial resilience and self-efficacy as critical psychological resources that act as strategic mediators between entrepreneurial orientation, external conditions, and SMEs' performance, with the goal of filling theoretical gaps and addressing the context of SMEs that rely on internal potential to overcome external obstacles in order to successfully achieve their business objectives. Figure 1 shows a conceptual framework that offers a structured method for analyzing the overall impact of these factors on the performance of SMEs.

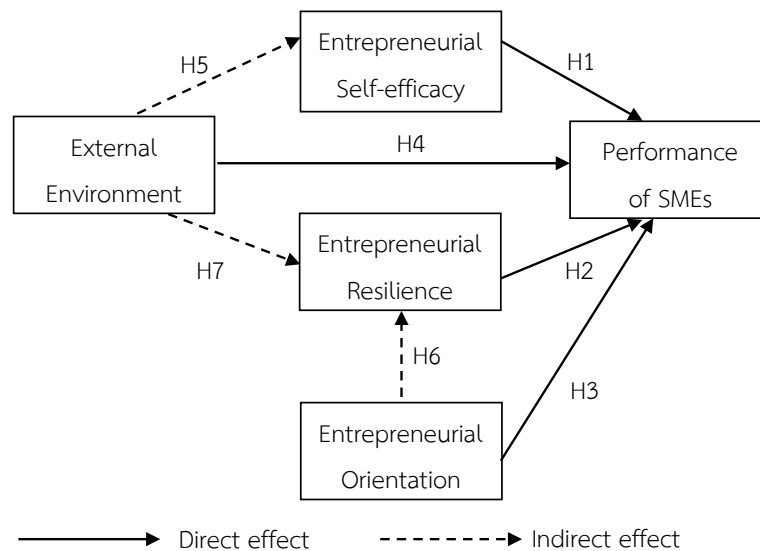


Figure 1 Conceptual Framework

Methods

Sample and Data Collection

This study employed quantitative methods to analyze data from SME entrepreneurs in Phuket, Thailand. The required sample size for structural equation model (SEM) analysis was initially set at over 200 (Byrne,

2010, p. 305) but recalculated using Westland's (2010, pp. 477-478) and Cohen's (1988, p. 25) approach, which accounts for effect size, latent variables, significance level, and statistical power. Based on the findings of Holtom, et al. (2022, p. 1579), the minimum sample size was set at 403, but the aim was raised to 593-600



in order to accommodate an average response rate of 68 percent. A total of 512 completed questionnaires were collected using stratified random sampling with cluster sampling to ensure representative SMEs coverage across Phuket's geographic areas, representing 85.33% of the target population, which was deemed sufficient for SEM analysis. Despite limitations, the large sample size and varied industry sectors were deemed to have improved validity and reduced bias in sampling.

Measures

Questionnaires often function as instruments for data gathering in quantitative research. Liu, Ratnatunga, and Yao (2014, pp. 216-217) developed a 10-item questionnaire to assess the performance of SMEs, using a seven-point Likert scale. Covin and Slevin (1989, p. 88) created a 9-item entrepreneurial orientation questionnaire on a 7-point Likert scale. Chauhan and Kaushal (2015, pp. 58-59) developed a 17-item questionnaire to evaluate the external business environment, using a 7-point Likert scale. Chen, Greene, and Crick (1998, p. 305) used a 14-item questionnaire using a 5-point Likert scale to assess entrepreneurial self-efficacy. The entrepreneurial resilience questionnaire, a 23-item instrument developed by Manzano-García and Calvo (2013, p. 249), employs a 5-point Likert scale. A pilot study involving 30 SMEs was conducted to evaluate the clarity and reliability of the questionnaire. The pertinent dimensions have Cronbach's alphas between 0.673 and 0.897, indicating an appropriate degree of reliability (Nunnally and Bernstein, 1994, p. 297).

Statistical Analysis

The data analysis employed SEM using Amos software. A two-step approach was performed: the first step examined the quality of the measurement model using confirmatory factor analysis (CFA), and the second step analyzed the structural equation model to test the research hypothesis (Hair, et al., 2019, p. 703). However, we tested common method variance (CMV) by a common latent variable (Podsakoff, et al., 2003, p. 879). CMV is a systematic error variance that distorts observed correlations, causing deviations from true population values (Doty and Glick, 1998, p. 381). The model's fit was evaluated using various statistical indices and criteria. Our objective was to establish a threshold of less than 5.0 by examining the ratio of the chi-square statistic (χ^2) to the degrees of freedom (df). The comparative fit index (CFI > 0.90), the standardized root mean squared residual (SRMR < 0.08), and the root mean square error of approximation (RMSEA < 0.08) were also considered (Hooper, Coughlan and Mullen, 2008, pp. 53-55).

Results

The sample consisted of 512 participants, mostly female (74.414%). The participants had an average age of 39 years, and the majority reported an education level below a bachelor's degree (68.359%). Furthermore, a significant proportion of the participants were single owners of their business establishments (92.382%). Regarding economic activity, 65.234% of the participants were involved in wholesale or retail activities.

Testing the Common Method Bias

The common latent variable technique was employed to assess common

method bias. The principle of this test is that the weight of the common factors squared for each path (Kline, 2005, p. 202) before standardization must not exceed 0.50 or 50 percent (Fuller, et al., 2016, p. 3197), and the relationship with other variables must be very low or zero before standardization (Chin, Thatcher and Wright, 2012, p. 1009). The investigation revealed that the average weight of common factors ranged from 0.167 to 0.560, and its squared value ranged from 0.0279 to 0.3136, implying that the shared variance ranged from 2.79 percent to 31.36 percent, and thus there was no systematic error variance or common method bias for this study (Podsakoff, et al., 2003, p. 879).

Testing the Measurement Model

Confirmatory factor analysis was conducted to evaluate the alignment between the measurement model of each variable and the empirical data, as summarized in Table 1. The criteria for model acceptance required indicator factor loadings greater than 0.50, a consistency index of $\chi^2/df < 5$, RMSEA < 0.08 , CFI > 0.90 , and SRMR < 0.08 . According to the findings, $\chi^2 = 390.460$, $df = 107$, $\chi^2/df = 3.649$, RMSEA = 0.072, CFI = 0.928, and SRMR = 0.045,

confirming the model's congruence with the empirical data. Additionally, the average variance extracted (AVE) should be 0.5 or higher, as suggested by Fornell and Larcker (1981, p. 46). The analysis showed that AVEs for latent variables ranged from 0.460 to 0.694, with some below the 0.5 threshold. According to Lam (2012, p. 1332), if the AVE is less than 0.5, but the CR is greater than the acceptable level of 0.6.

Testing the Structure Model

The structural model analysis was conducted to evaluate the research hypothesis, with the statistical significance of regression coefficients serving as measures of hypothesis support. Furthermore, table 2 shows the correlation results, indicating that all latent variables were associated in a certain direction, and the correlation coefficients of the latent variables varied from 0.188 to 0.619. The study's results are acceptable based on the discriminant validity of the latent variables. Potential CMV, which could affect data precision, was addressed by ensuring the AVE values exceeded the R^2 values, following the Fornell–Larcker criterion (Hair, Ringle and Sarstedt, 2011, p. 145).

Table 1 Confirmatory Factor Analysis

Latent variables	Observation variables	Factor Loading	S.E.	C.R.	R ²	CR	AVE
Performance SMEs (PEF)	Financial	0.640	0.032	12.983	0.409	0.797	0.460
	Customer	0.793	0.017	6.812	0.630		
	Internal business	0.702	0.037	9.155	0.493		
	Innovation and Learning	0.554	0.019	14.384	0.307		



Latent variables	Observation variables	Factor Loading	S.E.	C.R.	R ²	CR	AVE
Entrepreneurial Self-efficacy (ESF)	Marketing	0.587	0.006	14.461	0.345	0.743	0.465
	Management	0.853	0.004	7.394	0.728		
	Financial control	0.568	0.015	14.612	0.322		
Entrepreneurial Resilience (ERF)	Hardiness	0.784	0.003	11.133	0.615	0.749	0.553
	Resourcefulness	0.755	0.005	11.994	0.570		
	Optimism	0.689	0.005	13.300	0.475		
Entrepreneurial Orientation (EOF)	Risk taking	0.642	0.015	12.964	0.412	0.747	0.500
	Proactiveness	0.827	0.012	7.201	0.684		
	Innovativeness	0.636	0.016	13.071	0.404		
External Environment (EEF)	Political	0.917	0.022	8.699	0.841	0.797	0.694
	Economic	0.857	0.028	12.176	0.735		
	Socio cultural	0.882	0.016	10.961	0.777		
	Technological	0.651	0.025	14.710	0.424		

Table 2 Descriptive Statistics, Correlations (N = 512) and Fornell–Larcker Criteria

	Mean	S.D.	PEF	ESF	ERF	EOF	EEF
PEF	5.538	0.530	0.678				
ESF	4.116	0.340	0.279***	0.682			
ERF	4.123	0.288	0.419***	0.619***	0.744		
EOF	5.518	0.457	0.300***	0.332***	0.411***	0.707	
EEF	5.443	0.872	0.188***	0.489***	0.467***	0.511***	0.833

An analysis of the SEM using empirical data showed that the model adequately fit the data ($\chi^2 = 440.303$, $df = 105$, $\chi^2/df = 4.193$, $RMSEA = 0.079$, $CFI = 0.915$, and $SRMR = 0.042$). Table 3 presents the standardized regression weights for the direct path coefficients

related to hypotheses H1, H2, H3, and H4. Table 4 illustrates the specific indirect effects for hypotheses H5, H6, and H7. The SEM mediated associations were reliably estimated using 5,000 bootstrapped samples and a 95% bias-corrected confidence interval.

Table 3 Results of Direct Effects on SMEs Performance

Hypotheses	Estimate	S.E.	C.R.	Result
H1: ESF - > PEF	0.191*	0.109	2.413	Supported
H2: ERF - > PEF	0.382***	0.128	4.923	Supported
H3: EOF - > PEF	0.177*	0.084	2.226	Supported
H4: EEF - > PEF	0.061	0.052	0.575	Not Supported

Table 4 Results of Specific Indirect Effects Mediators for SMEs Performance

Hypotheses	Effect	LLCI	UCLI	Result
H5: EEF - > ESF - > PEF	0.065*	0.006	0.133	Supported
H6: EOF - > ERF - > PEF	0.081**	0.019	0.183	Supported
H7: EEF - > ERF - > PEF	0.091***	0.041	0.167	Supported

The SEM indicates that entrepreneurial self-efficacy has a direct and statistically significant influence on SMEs' performance ($b = 0.191$, $p < 0.05$), while entrepreneurial resilience exactly demonstrates a direct and statistically significant impact on SMEs' performance ($b = 0.382$, $p < 0.001$). The research revealed that the effect of entrepreneurial orientation has a direct ($b = 0.177$, $p < 0.05$) and indirect influence on the performance of SMEs through the mediating factors of entrepreneurial resilience ($b = 0.081$, $p < 0.01$, 95% confidence interval = 0.019-0.183). The external environment indirectly impacts the SMEs' performance and is a full mediator of both entrepreneurial self-efficacy ($b = 0.065$, $p < 0.05$, 95% confidence interval = 0.006-0.133) and entrepreneurial resilience ($b = 0.091$, $p < 0.001$, 95% confidence interval = 0.041-0.167).

Discussion

The investigation confirms the effectiveness of resource-based view theory, social cognitive theory, and contingency theory in analyzing internal and external factors affecting SMEs' performance. Research emphasizes both internal and external entrepreneurial factors that enhance business potential, such as customer satisfaction, retention, and profit growth (Yahaya and Nadarajah, 2023, pp. 11–18). This study affirms the findings of

establishing entrepreneurial self-efficacy as a predictor of business potential (Newman, et al., 2019, pp. 411–412). A powerful recognition of entrepreneurial self-efficacy significantly improves various aspects of business operations, including marketing strategies, customer engagement, and building strong client relationships, all of which contribute to sales growth (Caliendo, et al., 2023, pp. 1042–1043). Successful entrepreneurs also require expertise in human resource management, leadership, and vision communication to align organizational objectives (Klongthong, et al., 2020, pp. 458–460). Financial management skills and the capacity to assess expenditures and revenues provide cash flow and long-term sustainability for SMEs.

Based on this study's findings, entrepreneurial resilience was a key factor in ensuring that entrepreneurs preserve their tolerance and resolve in the face of challenges. Robust problem-solving abilities enable entrepreneurs to tackle obstacles efficiently, concentrating on recognizing concerns and executing practical solutions to maintain business achievement (Herbane, 2019, pp. 489-490). Similar to the study by Conz and Magnani (2020, pp. 408-409), which described entrepreneurs' resilience as having a consistently positive outlook on business, this perspective encourages entrepreneurs to have the potential to overcome



obstacles. It also confirms the findings that entrepreneurial resilience is an internal factor of the individual, which shows that entrepreneurs can adapt while facing difficult decision-making situations and business operation stress (Branicki, Sullivan-Taylor and Livschitz, 2018, pp. 1257-1259). Reflecting a positive emotional state and an optimistic outlook will help the business survive and succeed (Alberti, Ferrario and Pizzurno, 2018, pp. 182-184).

Entrepreneurial orientation is reflected in proactive personalities, enabling entrepreneurs to distinguish their firms by emphasizing unique competitive advantages and attracting new clients (Prasannath, et al., 2024, pp. 1553–1558). Furthermore, research has shown that proactive entrepreneurial conduct may really boost resilience, which in turn influences entrepreneurs' strength and flexibility (Salisu, et al., 2020, pp. 296–299). Adopting a proactive approach allows firms to remain competitive and reach clients effectively without undue concern over competitors. In order to increase client base and fuel growth of businesses, innovative entrepreneurs draw on their creative faculties to develop innovative business concepts.

The findings of this research demonstrate that the external environment has an insignificant effect on the performance of SMEs. The results of this study contrast with the research conducted by Singh, Sarangal, and Singh (2022, pp. 100-103). It indicates the necessity of supporting the external environment for SMEs, including existing public policies that encourage them in local areas, government-funded subsidies, and financial incentives that can

generate substantial interest. Policies that enhance consumer purchasing power affect business operations, while urban socialization can generate market opportunities for enterprises. Additionally, businesses require investing more in innovative technologies. The research indicates that the government facilitates company promotion utilizing the establishment of business networks, the formulation of support policies, and the pursuit of growth potential, thereby collaborating on a competitive advantage (Riyadi and Munizu, 2022, pp. 151–154).

This study reveals that the external environment significantly influences SMEs' performance through the full mediation of entrepreneurial resilience. A supportive external environment is critical in improving entrepreneurs' flexibility and problem-solving abilities, thereby enhancing the performance of SMEs (Iacobucci and Perugini, 2021, pp. 711-712). When the external environment is conducive, entrepreneurs' ability to effectively navigate challenges is enhanced, promoting adaptability and the ability to find solutions. An advantageous external environment is crucial for cultivating company possibilities, as it allows entrepreneurs to rebound from challenges and enhances both business potential and survival probability (Franco, Haase and António, 2021, pp. 252–255).

In addition, this study reveals that the external environment, as demonstrated by entrepreneurial self-efficacy, acts as a mediating variable. Government policies are crucial for generating opportunities and improving the competitive advantage of SMEs (Khan, et al., 2020, pp. 1504–1506). Strategic governmental

assistance, including economic initiatives, tax regulations, and advisory services, with conducive political circumstances, fosters entrepreneurial achievement (Murimbika and Urban, 2023, pp. 4–10). Entrepreneurial possibilities and enhancement of skills are fundamental to a business owner's success, and these policies are seen as important drivers of these aspects. The integration of technology facilitates real-time business promotion and customer engagement, which in turn enhances entrepreneurial self-efficacy and the performance of SMEs.

Conclusion

The study on the causal relationship between entrepreneurial traits and the external environment factors affecting SMEs' performance reveals that both internal personality and external factors play a crucial role in driving entrepreneurs' potential in business operations, which reflects business success. It was found that entrepreneurs with resilience-oriented personalities significantly enhance SMEs' potential. The development of entrepreneurs should therefore focus on the resilience personality to ensure that entrepreneurs are strong, patient, and undeterred in solving problems to overcome obstacles in business operations in all situations. Entrepreneurs may be better prepared psychologically to overcome obstacles with the help of resilience coaching, adaptive leadership training, and stress management workshops which components of resilience training programs.

This includes acknowledging the impact of entrepreneurial self-efficacy on the

performance of SMEs, which serve as the driving forces for successful entrepreneurs. The confidence in using marketing abilities facilitates the identification of target client segments, customer requirements, and the analysis of competitive business situations. Entrepreneurs must possess business management competencies. Effective human resource management will help the business achieve its set goals. Financial knowledge and capabilities enable continuous and sustainable business management through financial analysis, cash flow administration, and maintaining business capital. The recommendations should focus on designing targeted interventions, such as structured training programs, mentoring projects, and experiential learning modules that enhance the work capabilities of both failed and successful entrepreneurs, to boost their confidence in decision-making, leadership, and problem-solving in areas such as marketing, finance, and human resource management.

Furthermore, entrepreneurial orientations that suggest a preference for proactive, risk-taking, and innovative approaches have been identified, which have a positive effect on the performance of SMEs, thereby increasing their likelihood of success in the business competition. For instance, they can achieve those goals by enhancing the quality of their products and services, implementing promotions, designing new products, and exploring new sales channels. Creative entrepreneurs enhance work efficiency, leading to business development that better meets customer needs, such as modernizing production equip-



ment and developing new product designs. This cultivates a competitive advantage in their business surroundings.

The external environment significantly influences the development of entrepreneurs' personalities, aiding their resilience and perseverance in overcoming obstacles and setbacks, therefore empowering them to persist and continue their endeavors. The external environment amplifies the internal factors, helping entrepreneurs develop self-efficacy of their company management skills. Consistent with these internal attributes, external support mechanisms are crucial for sustaining SME performance in dynamic and competitive markets. Moreover, authorities must emphasize the establishment of supportive external ecosystems, including access to technology, financial education, and mentoring networks, to promote the sustainable development of SMEs in turbulent situations.

The researchers suggested utilizing the study to boost entrepreneurship. Personality and environment are important in supporting SMEs' performance, such as in the first personality assessment for entrepreneurs and in developing self-efficacy and resilience tests. The assessment results may categorize firms and guide development activities using their degrees. Seminars, corporate mentoring, and training should be personalized to each group of entrepreneurs. Practical education should focus on management, innovation, and strategic decision-making. Surveys or online platforms should be built to gather external context data, allowing entrepreneurs to reflect on government policies, technology, and the

economy that affect their firms. Using personality tests and contextual settings to methodically determine SME assistance direction, linking data to policy creation, and encouraging government and educational institutions to support SMEs' growth.

Limitations and Future Research

Based on a context-appropriate model, this study finds that the external environment was not supportive of the performance of SMEs. External factors significantly affect the performance of SMEs by mediating the influence of key entrepreneurial traits, including entrepreneurial self-efficacy and resilience, which are fundamental psychological characteristics of entrepreneurs. Future research attempts should concentrate on business ecosystems to examine the dynamics of resource sharing among affiliates, the support the processes provide within networks, and their implications for entrepreneurial effectiveness. This study lacked control for demographics, including business size, firm age, and industry type, which would have influenced SMEs' performance outcomes. Future studies should encompass these characteristics to enhance internal validity and improve the generalizability of findings.

Bibliography

- Abdelwahed, N. A. A., Soomro, B. A., Shah, N. and Saraih, U. N. (2023). Effect of institutional support and entrepreneurial knowledge on women's entrepreneurial self-efficacy and venture performance in a developing country. **International Journal of Innovation Science**, 15(5), 776-798.
- Alberti, F. G., Ferrario, S. and Pizzurno, E. (2018). Resilience: Resources and strategies of SMEs in a new theoretical framework. **International Journal of Learning and Intellectual Capital**, 15(2), 165-188.
- Al-Tit, A., Omri, A. and Euch, J. (2019). Critical success factors of small and medium-sized enterprises in Saudi Arabia: Insights from sustainability perspective. **Administrative Sciences**, 9(2), 1-12.
- Amin, A., Bhuiyan, M. R. I., Hossain, R., Molla, C., Poli, T. A. and Milon, M. N. U. (2024). The adoption of Industry 4.0 technologies by using the technology organizational environment framework: The mediating role to manufacturing performance in a developing country. **Business Strategy & Development**, 7(2), 1-17.
- Bandura, A. (1977). Self-efficacy: Toward a unifying theory of behavioral change. **Psychological Review**, 84(2), 191-215.
- Bandura, A. (1999). A social cognitive theory of personality. In L. Pervin and O. John (Ed.), **Handbook of personality** (2nd ed., pp. 154-196). New York: Guilford Publications.
- Bandura, A. (2012). On the functional properties of perceived self-efficacy revisited. **Journal of Management**, 38(1), 9-44.
- Barney, J. (1991). Firm resources and sustained competitive advantage. **Journal of Management**, 17(1), 99-120.
- Basco, R., Hernández-Perlines, F. and Rodríguez-García, M. (2020). The effect of entrepreneurial orientation on firm performance: A multigroup analysis comparing China, Mexico, and Spain. **Journal of Business Research**, 113, 409-421.
- Branicki, L. J., Sullivan-Taylor, B. and Livschitz, S. R. (2018). How entrepreneurial resilience generates resilient SMEs. **International Journal of Entrepreneurial Behavior & Research**, 24(7), 1244-1263.
- Busse, M., Dary, S. K. and Wüstenfeld, J. (2024). Trade liberalisation and manufacturing employment in developing countries. **Structural Change and Economic Dynamics**, 70, 410-421.
- Byrne, B. M. (2010). **Structural equation modeling with AMOS: Basic concepts, applications, and programming** (2nd ed.). New York: Routledge.
- Caliendo, M., Kritikos, A. S., Rodriguez, D. and Stier, C. (2023). Self-efficacy and entrepreneurial performance of start-ups. **Small Business Economics**, 61, 1027-1051.



- Chauhan, V. and Kaushal, S. (2015). Environmental scanning for organisational effectiveness: A study of select MSMEs of Jammu and Kashmir, India. **Journal of Entrepreneurship and Management**, 4(3), 55-63.
- Chen, C. C., Greene, P. G. and Crick, A. (1998). Does entrepreneurial self-efficacy distinguish entrepreneurs from managers?. **Journal of Business Venturing**, 13(4), 295-316.
- Chin, W. W., Thatcher, J. B. and Wright, R. T. (2012). Assessing common method bias: Problems with the ULMC technique. **MIS quarterly**, 36(3), 1003-1019.
- Cohen, J. (1988). **Statistical power analysis for the behavioral sciences** (2nd ed.). New York: Routledge.
- Conz, E. and Magnani, G. (2020). A dynamic perspective on the resilience of firms: A systematic literature review and a framework for future research. **European Management Journal**, 38(3), 400-412.
- Covin, J. G. and Slevin, D. P. (1989). Strategic management of small firms in hostile and benign environments. **Strategic Management Journal**, 10(1), 75-87.
- Donaldson, L. (2001). **The contingency theory of organizations**. United States: Sage Publications, Inc.
- Doty, D. H. and Glick, W. H. (1998). Common methods bias: Does common methods variance really bias results?. **Organizational Research Methods**, 1(4), 374-406.
- Dudic, Z., Dudic, B., Gregus, M., Novackova, D. and Djakovic, I. (2020). The innovativeness and usage of the balanced scorecard model in SMEs. **Sustainability**, 12(8), 1-22.
- Duru, I. U., Ehidihamhen, P. O. and Chijioke, A. N. J. (2018). Role of entrepreneurial orientation in the performance of small and medium enterprises: Evidence from Federal Capital Territory, Abuja, Nigeria. **Asian Journal of Economics, Business and Accounting**, 6(1), 1-21.
- Eniola, A. A. (2020). Entrepreneurial self-efficacy and orientation for SME development. **Small Enterprise Research**, 27(2), 125-145.
- Fabrizio, C. M., Kaczam, F., de Moura, G. L., da Silva, L. S. C. V., da Silva, W. V. and da Veiga, C. P. (2022). Competitive advantage and dynamic capability in small and medium-sized enterprises: A systematic literature review and future research directions. **Review of Managerial Science**, 16(3), 617-648.
- Fornell, C. and Larcker, D. F. (1981). Structural equation models with unobservable variables and measurement error: Algebra and statistics. **Journal of Marketing Research**, 18(3), 382-388.
- Franco, M., Haase, H. and António, D. (2021). Influence of failure factors on entrepreneurial resilience in Angolan micro, small and medium-sized enterprises. **International Journal of Organizational Analysis**, 29(1), 240-259.

- Fuller, C. M., Simmering, M. J., Atinc, G., Atinc, Y. and Babin, B. J. (2016). Common methods variance detection in business research. **Journal of Business Research**, 69(8), 3192-3198.
- Naradda Gamage, S. K., Ekanayake, E. M. S., Abeyrathne, G. A., Prasanna, K. N. J., Prasanna, R. P. I. R., Jayasundara, J. M. S. B. et al. (2020). A review of global challenges and survival strategies of small and medium enterprises (SMEs). **Economies**, 8(4), 1-24.
- Garcia-Martinez, L. J., Kraus, S., Breier, M. and Kallmuenzer, A. (2023). Untangling the relationship between small and medium-sized enterprises and growth: A review of extant literature. **International Entrepreneurship and Management Journal**, 19(2), 455-479.
- Garrido-Moreno, A., Martín-Rojas, R. and García-Morales, V. J. (2024). The key role of innovation and organizational resilience in improving business performance: A mixed-methods approach. **International Journal of Information Management**, 77, 102777.
- Hair, J. F., Ringle, C. M. and Sarstedt, M. (2011). PLS-SEM: Indeed a silver bullet. **Journal of Marketing Theory and Practice**, 19(2), 139–152.
- Hair, J. F., Black, W. C., Babin, B. J. and Anderson, R. (2019). **Multivariate data analysis** (8th ed.). Hampshire: Cengage Learning EMEA.
- Hartmann, S., Backmann, J., Newman, A., Brykman, K. M. and Pidduck, R. J. (2022). Psychological resilience of entrepreneurs: A review and agenda for future research. **Journal of Small Business Management**, 60(5), 1041-1079.
- Heinicke, A. (2018). Performance measurement systems in small and medium-sized enterprises and family firms: A systematic literature review. **Journal of Management Control**, 28(4), 457-502.
- Herbane, B. (2019). Rethinking organizational resilience and strategic renewal in SMEs. **Entrepreneurship & Regional Development**, 31(5-6), 476-495.
- Hmieleski, K. M. and Baron, R. A. (2008). When does entrepreneurial self-efficacy enhance versus reduce firm performance?. **Strategic Entrepreneurship Journal**, 2(1), 57-72.
- Hmieleski, K. M. and Corbett, A. C. (2008). The contrasting interaction effects of improvisational behavior with entrepreneurial self-efficacy on new venture performance and entrepreneur work satisfaction. **Journal of Business Venturing**, 23(4), 482-496.
- Holtom, B., Baruch, Y., Aguinis, H. and A Ballinger, G. (2022). Survey response rates: Trends and a validity assessment framework. **Human Relations**, 75(8), 1560-1584.
- Hooper, D., Coughlan, J. and Mullen, M. (2008). Structural equation modelling: Guidelines for determining model fit. **Electronic Journal of Business Research Methods**, 6(1), 53–60.
- Hunger, J. D. and Wheelen, T. L. (2010). **Essentials of Strategic Management** (5th ed.). New Jersey: Prentice Hall.
- Iacobucci, D. and Perugini, F. (2021). Entrepreneurial ecosystems and economic resilience at local level. **Entrepreneurship & Regional Development**, 33(9-10), 689-716.



- Kaplan, R. S. and Norton, D. P. (1992). The balanced scorecard: Measures that drive performance. **Harvard Business Review**, 70(1), 71-79.
- Kaplan, R. S. (2009). Conceptual foundations of the balanced scorecard. **Handbooks of Management Accounting Research**, 3, 1253-1269.
- Kazumi, T. and Kawai, N. (2017). Institutional support and women's entrepreneurial self-efficacy. **Asia Pacific Journal of Innovation and Entrepreneurship**, 11(3), 345-365.
- Kefe, I. (2019). The Determination of performance measures by using a balanced scorecard framework. **Foundations of Management**, 11(1), 43-56.
- Kero, C. A. and Bogale, A. T. (2023). A systematic review of resource-based view and dynamic capabilities of firms and future research avenues. **International Journal of Sustainable Development & Planning**, 18(10), 3137-3154.
- Khan, I., Ming, J., Ali, M. and Zhang, Z. (2020). Influence of government supports on small and medium enterprises development: Case study of Swat Valley. **Journal of Small Business Management**, 60(6), 1484-1515.
- Kline, R. B. (2005). **Principles and practice of structural equation modeling** (2nd ed.). New York: Guilford Press.
- Klongthong, W., Thavorn, J., Thanabodypath, W., Dhammathattariya, P. and Chandrachai, A. (2020). The influence of entrepreneurial self-efficacy and innovation on firm performance: Evidence from Thai startup firms. **Humanities and Social Sciences Letters**, 8(4), 450-463.
- Korber, S. and McNaughton, R. B. (2017). Resilience and entrepreneurship: A systematic literature review. **International Journal of Entrepreneurial Behavior & Research**, 24(7), 1129-1154.
- Kumar, S., Lim, W. M., Sureka, R., Jabbour, C. J. C. and Bamel, U. (2024). Balanced scorecard: Trends, developments, and future directions. **Review of Managerial Science**, 18, 2397-2439.
- Lam, L. W. (2012). Impact of competitiveness on salespeople's commitment and performance. **Journal of Business Research**, 65(9), 1328-1334.
- Leonelli, S., Masciarelli, F. and Fontana, F. (2022). The impact of personality traits and abilities on entrepreneurial orientation in SMEs. **Journal of Small Business & Entrepreneurship**, 34(3), 269-294.
- Liguori, E. W., Muldoon, J., Ogundana, O. M., Lee, Y. and Wilson, G. A. (2024). Charting the future of entrepreneurship: A roadmap for interdisciplinary research and societal impact. **Cogent Business & Management**, 11(1), 1-17.
- Linnenluecke, M. K. (2017). Resilience in business and management research: A review of influential publications and a research agenda. **International Journal of Management Reviews**, 19(1), 4-30.

- Liu, L., Ratnatunga, J. and Yao, L. (2014). Firm characteristics and balanced scorecard usage in Singaporean manufacturing firms. **International Journal of Accounting & Information Management**, 22(3), 209-222.
- Mahmud, M., Soetanto, D. and Jack, S. (2021). A contingency theory perspective of environmental management: Empirical evidence from entrepreneurial firms. **Journal of General Management**, 47(1), 3-17.
- Malagueño, R., Lopez-Valeiras, E. and Gomez-Conde, J. (2018). Balanced scorecard in SMEs: Effects on innovation and financial performance. **Small Business Economics**, 51, 221-244.
- Manzano-García, G. and Calvo, J. C. A. (2013). Psychometric properties of Connor-Davidson resilience scale in a spanish sample of entrepreneurs. **Psicothema**, 25(2), 245-251.
- Miao, C., Qian, S. and Ma, D. (2017). The relationship between entrepreneurial self-efficacy and firm performance: A meta-analysis of main and moderator effects. **Journal of Small Business Management**, 55(1), 87-107.
- Murimbika, M. and Urban, B. (2023). Institutional and self-efficacy effects on systemic entrepreneurship: Evidence from South Africa. **Journal of Small Business & Entrepreneurship**, 35(2), 284-305.
- Newman, A., Obschonka, M., Schwarz, S., Cohen, M. and Nielsen, I. (2019). Entrepreneurial self-efficacy: A systematic review of the literature on its theoretical foundations, measurement, antecedents, and outcomes, and an agenda for future research. **Journal of Vocational Behavior**, 110(1), 403-419.
- Mohd Noor, N. H., Mohamad Fuzi, A. and El Ashfahany, A. (2023). Institutional support and self-efficacy as catalysts for new venture performance: A study of iGen entrepreneurs. **Journal of Entrepreneurship and Public Policy**, 12(3/4), 173-196.
- Nunnally, J. and Bernstein, I. (1994). **Psychometric theory** (3rd ed.). New York: McGraw-Hill, INC.
- Oyewo, B., Moses, O. and Erin, O. (2022). Balanced scorecard usage and organizational effectiveness: Evidence from manufacturing sector. **Measuring Business Excellence**, 26(4), 558-582.
- Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y. and Podsakoff, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. **Journal of Applied Psychology**, 88(5), 879-903.
- Prasannath, V., Adhikari, R. P., Gronum, S. and Miles, M. P. (2024). Impact of government support policies on entrepreneurial orientation and SME performance. **International Entrepreneurship and Management Journal**, 20(3), 1533-1595.
- Priyaadarshini, R. G. and Jena, L. K. (2024). Does self and role efficacy navigate effectiveness among MSME managers? A process-based perspective. **Journal of Asia Business Studies**, 18(4), 984-1003.



- Rauch, A. and Frese, M. (2007). Let's put the person back into entrepreneurship research: A meta-analysis on the relationship between business owners' personality traits, business creation, and success. **European Journal of Work and Organizational Psychology**, 16(4), 353-385.
- Riyadi, S. and Munizu, M. (2022). The external environment dynamics analysis towards competitive advantage and company performance: the case of manufacture industry in Indonesia. **International Journal of Productivity and Quality Management**, 35(2), 143-156.
- Salisu, I., Hashim, N., Mashi, M. S. and Aliyu, H. G. (2020). Perseverance of effort and consistency of interest for entrepreneurial career success: Does resilience matter?. **Journal of Entrepreneurship in Emerging Economies**, 12(2), 279-304.
- Singh, R., Sarangal, R. K. and Singh, G. (2022). The impact of micro and macro environment on entrepreneurial success: Case of J&K MSMEs. **FIIB Business Review**, 11(1), 94-106.
- Sohail, K., Belitski, M. and Christiansen, L. C. (2023). Developing business incubation process frameworks: A systematic literature review. **Journal of Business Research**, 162, 1-14.
- Tawse, A. and Tabesh, P. (2023). Thirty years with the balanced scorecard: What we have learned. **Business Horizons**, 66(1), 123-132.
- Wales, W., Gupta, V. K., Marino, L. and Shirokova, G. (2019). Entrepreneurial orientation: International, global and cross-cultural research. **International Small Business Journal**, 37(2), 95-104.
- Westland, J. C. (2010). Lower bounds on sample size in structural equation modeling. **Electronic Commerce Research and Applications**, 9(6), 476-487.
- Wiklund, J. and Shepherd, D. (2005). Entrepreneurial orientation and small business performance: A configurational approach. **Journal of Business Venturing**, 20(1), 71-91.
- World Bank. (2024). **World development report 2024: The middle-income trap**. Washington, DC: World Bank.
- World Trade Organization. (2024). **Trade's role in reducing poverty and creating shared prosperity**. Retrieved November 12, 2024, from https://www.wto.org/english/res_e/booksp_e/wtr24_e/wtr24_e.pdf
- Yahaya, H. D. and Nadarajah, G. (2023). Determining key factors influencing SMEs' performance: A systematic literature review and experts' verification. **Cogent Business & Management**, 10(3), 1-23.
- Yaskun, M., Sudarmiatin, S., Hermawan, A. and Rahayu, W. P. (2023). The effect of market orientation, entrepreneurial orientation, innovation and competitive advantage on business performance of Indonesian MSMEs. **International Journal of Professional Business Review**, 8(4), 1-21.