

Empowering SME Entrepreneurs: Exploring E-Mind and Financial Self-Efficacy

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ABSTRACT

This study aims to analyze the readiness of SME entrepreneurs in Pangkal Pinang for digital entrepreneurship acceleration and global expansion, taking into consideration the perspectives of Entrepreneurial Mindset (E-Mind) and Financial Self-Efficacy. Data collection was conducted through surveys with in-depth interviews and questionnaires administered to SME entrepreneurs in Pangkal Pinang. Data analysis used a quantitative descriptive approach with IBM SPSS software. The research findings reveal that SME entrepreneurs in Pangkal Pinang possess a strong Entrepreneurial Mindset (E-Mind), as evidenced by their consistent initiative-taking and responsibility for their actions. They are also adept at recognizing and capitalizing on opportunities for business development. The study further highlights the favorable Financial Self-Efficacy among SME entrepreneurs in Pangkal Pinang, characterized by their confidence in financial management and belief in their ability to achieve financial goals in business management.

Keywords : **E-Mind; Financial Self-Efficacy; Digital Marketing; Financial Technology; Digital Leadership**

ABSTRAK

Penelitian ini bertujuan menganalisis kesiapan pelaku UMKM di Pangkal Pinang dalam mengakselerasi wirausaha digital dan ekspansi global, dengan mempertimbangkan perspektif Entrepreneurial Mindset (E-Mind) dan Financial Self-Efficacy. Pengumpulan data dilakukan melalui survei dengan metode wawancara mendalam dan kuesioner kepada pelaku UMKM di Pangkal Pinang. Analisis data menggunakan pendekatan deskriptif kuantitatif dengan bantuan perangkat lunak IBM SPSS. Hasil penelitian menunjukkan bahwa pelaku UMKM di Pangkal Pinang memiliki Entrepreneurial Mindset (E-Mind) yang kuat, ditandai dengan konsistennya mengambil inisiatif dan bertanggung jawab atas tindakan mereka. Mereka juga mampu mengenali serta memanfaatkan peluang untuk mengembangkan bisnis. Selain itu, Financial Self-Efficacy pelaku UMKM di Pangkal Pinang dinilai baik, karena mereka memiliki keyakinan dalam mengelola keuangan dan percaya pada kemampuan diri mereka untuk mencapai tujuan keuangan dalam mengelola bisnis.

Kata Kunci : **E-Mind; Kepercayaan Diri Keuangan; Pemasaran Digital; Teknologi Keuangan; Kepemimpinan Digital**

INTRODUCTION

Successful entrepreneurs have a more advanced mindset than people in general. The importance of an entrepreneurial mindset is described as enabling supporters of new ideas to create jobs with valuable new ideas, in addition to having resources developed to encourage entrepreneurial activity. Forming an entrepreneurial mindset is one way to maintain the competitiveness of economic organizations. An entrepreneurial mindset shows a way of thinking about business and opportunities to face uncertainty (Prastiwi, 2019). Orientation in entrepreneurship is creative and innovative abilities that are used as the basis, tips, and resources for seeking opportunities for success (Nizam, 2020).

One way for entrepreneurs to strengthen and maintain their businesses when experiencing a crisis is to start changing their mindset. Entrepreneurs must think about looking for breakthrough new business opportunities that are creative, and innovative and opportunities that lead to wealth creation and success (Neneh, 2012). The results of research by Lewenussa and Suaidy (2019) found that an entrepreneurial mindset has a positive and significant effect on entrepreneurial motivation and skills. This means that building an entrepreneurial mindset can be a good strategy for entrepreneurship. Furthermore (Dewi, 2018) explains that a positive mindset is the spirit of never giving up, the desire to learn something different, and the courage to take risks (Bahri, 2021).

According to Forbes and Kara (2010), financial self-efficacy is a person's belief or confidence in their ability to achieve their financial goals and is influenced by several factors including financial skills, personality, social and other factors (Rizkiawati, 2018). Shefrin (2000) defines behavioral finance as a study that studies how psychological phenomena influence

financial behavior (Asmin, 2021). Self-efficacy in financial management behavior is needed for MSME players to improve their ability to manage their business finances so they can compete competitively (Rosalinda, 2022). This opinion is also reinforced by Markman et al. in Kautsar et al. (2019) which state that Self-efficacy can be a determinant in the growth of new businesses (Wardani, 2022).

Mindset (way of thinking) is the basic step that leads us to the goals we want to achieve. Entrepreneurship (entrepreneur or entrepreneur) is changing the world through someone's idea with a strong belief in himself. The first step to becoming an entrepreneur or businessman is one way to achieve success (Wijoyo, 2021). An entrepreneurial mindset is the ability of business actors to act creatively and innovatively by turning opportunities into reality (Ramanti, 2022). An entrepreneurial mindset is not achieved with a business plan, but by developing personal attributes and behavior related to how to recognize opportunities and enthusiasm and commitment to making them happen (Gillin & Hazelton, 2020). Furthermore, (McGrath & MacMillan, 2000) stated that someone with an Entrepreneurial Mindset (EM) is oriented towards entrepreneurs who prefer to live with uncertainty rather than avoid it, see things more simply than other people who see them complexly, want to learn something that comes from risk-taking (Ilahiyyah, 2022). The entrepreneurial mindset is a growth-oriented perspective where individuals promote flexibility, creativity, continuous innovation, and renewal (Artha, 2019). An entrepreneurial mindset is a person's frame of mind who is entrepreneurially oriented, prefers to experience uncertainty rather than avoid it, sees things more simply than other people who see them complexly and wants to learn something that comes from taking risks (Arrezqi, 2022).

According to Brandon & Smith (2009), financial self-efficacy is a belief in one's ability to successfully manage one's finances and a person must have confidence in their

abilities. Meanwhile, according to Postmus et al. (2013), financial self-efficacy is a person's behavior that translates financial knowledge for decision-making (Dewi, 2020). According to Hira (2010) Lown (2011) states "A major factor influencing consumer behavior is the feeling of self-efficacy which is having the confidence in one's ability to deal with a situation without being overwhelmed". This indicates that self-confidence in one's financial abilities can influence how a person behaves financially (Herawati, 2018).

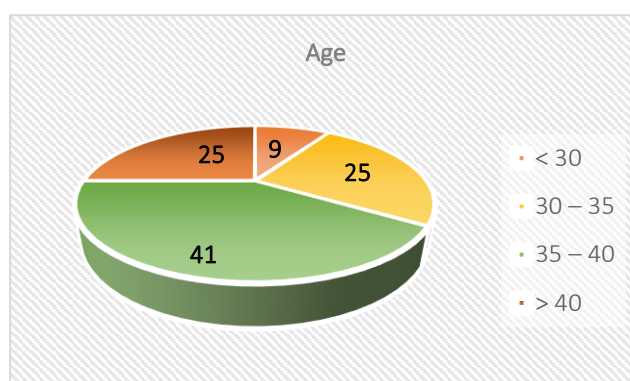
According to Lown (2011), there are six indicators of financial self-efficacy, namely the ability to plan financial expenditure, achieve financial targets by goals, make decisions if unexpected things happen, face financial challenges, and have confidence in managing finances (Sari, 2021). According to Herawati et al. (2018), financial self-efficacy can influence a person's financial management behavior (Pramedi, 2021).

RESEARCH METHOD

Quantitative analysis techniques with descriptive statistics were used in this research. According to Sugiyono (2019), descriptive statistics are statistics that are used to analyze data by describing or illustrating the data that has been collected as it is without the intention of making general conclusions or generalizations. The sample in this study was 100 MSME actors in Pangkalpinang City who were determined using a simple random sampling method. The frequency distribution table describes the data on each research variable which is intended to determine the degree of value obtained (score) for the research variable whether it falls into the very low, low, medium, or high categories with a minimum score range of 1 and a maximum score of 5.

RESULTS AND DISCUSSION

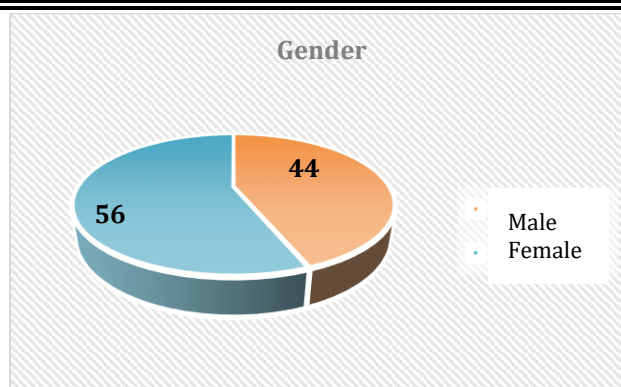
The objects of this research are MSME actors in Pangkalpinang City, Bangka Belitung Islands Province, totaling 100 respondents. Respondent characteristics were classified based on age, gender, and level of education. Based on age characteristics, respondents were divided into 4 (four) age ranges, namely <30 years, 30-35 years, 35-40 years and >40 years.



Source: Processed, 2022

Figure 1. Characteristics of Respondents by Age

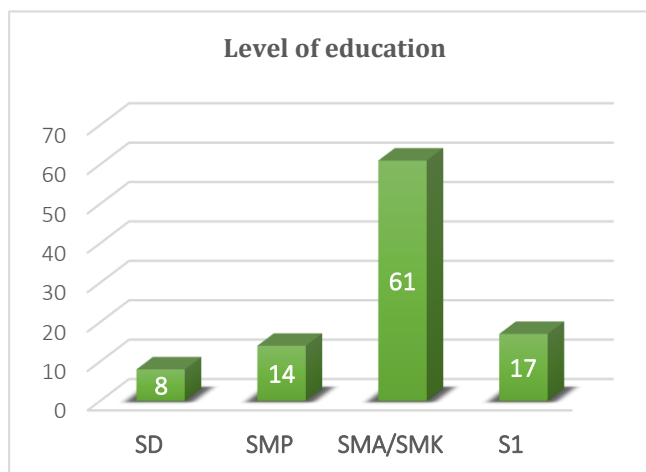
Figure 1. shows that in this study, there were 41 people, or 41% dominated by MSMEs with an age range of 35-40 years. Apart from age, another respondent characteristic is gender.



Source: Processed, 2022

Figure 2. Characteristics of Respondents by Gender

Figure 2. shows that in this study, 56 female MSMEs, or 56% were dominated by female MSME actors. Education level is the next characteristic of respondents besides age and gender.



Source: Processed, 2022

Figure 3. Characteristics of Respondents based on Education Level

Figure 3. shows that in this study, 61 people, or 61% dominated MSME actors with a high school/vocational school education.

This research aims to measure the perspective of MSME actors in Pangkalpinang City using 2 (two) variables, namely Entrepreneurial Mindset (E-Mind) and Financial Self-Efficacy. Each variable has an indicator which is reduced to a statement in the questionnaire.

In the Entrepreneurial Mindset (E-Mind) variable there are 5 (five) indicators, including: (1) Lifelong learning and openness to change; (2) Engagement in a complex and uncertain world; (3) Creative and innovative approaches to problem-solving; (4) Taking the initiative and personal responsibility for actions; and (5) Recognizing opportunities.

Table 1. Average Respondents' Answers to the Entrepreneurial Mindset (E-Mind) Variable

No	Statement Indicator	Average	Rating
1.	I always want to learn and am ready for the challenge of change	3,73	High
2.	I can always survive a complex and uncertain life	3,85	High
3.	I am always creative and innovative in solving problems	3,85	High
4.	I always take the initiative and take responsibility for my personal actions	3,86	High
5.	I always seize the opportunities that exist	3,86	High
Average Rating		3,83	High

Source: Processed, 2022

Based on Table 1., it can be seen that the average range of answers from MSME respondents in Pangkalpinang City to the Entrepreneurial Mindset (E-Mind) variable is in the high category at 3.83. The average value of the Entrepreneurial Mindset (E-Mind) variable is 3.83, meaning that it has passed the interval score for the high category, namely 3.41 – 4.20. This shows that the Entrepreneurial Mindset (E-Mind) of MSME actors in Pangkalpinang City is good.

In the Financial Self-Efficacy variable, there are 5 (five) indicators, including (1) Expenditure plan; (2) Challenges in achieving financial goals; (3) Debt collection; (4) Confidence in financial management; and (5) Saving money in the future.

Table 2. Average Respondents' Answers to the Financial Self-Efficacy Variable

No	Statement Indicator	Average	Rating
1.	I have a good spending plan	3,77	High
2.	I am confident in my ability to achieve financial goals	3,88	High
3.	I am willing to take the risk of taking out debt	3,66	High
4.	I have confidence in managing business finances	3,89	High
5.	I have savings in the future	3,85	High
Average Rating		3,81	High

Source: Processed, 2022

Table 2. shows the average range of answers of MSME respondents in Pangkalpinang City to the Financial Self-Efficacy variable which is in the high category at 3.81. The average value of the Financial Self-Efficacy variable is 3.81, meaning that it has passed the interval score for the high category, namely 3.41 – 4.20. This shows that the Financial Self-Efficacy of MSME actors in Pangkalpinang City is good.

CONCLUSION

Based on the results of data analysis in this research, it can be concluded that MSME actors in Pangkalpinang City have a good Entrepreneurial Mindset (E-Mind) by always seizing existing opportunities. Apart from that, the Financial Self-Efficacy of MSME players in Pangkalpinang is also good through indicators of self-confidence in financial management.

RECOMMENDATIONS

The Pangkalpinang City Government is expected to be able to formulate strategic programs to foster Entrepreneurial Mindset (E-Mind) and Financial self-efficacy among

MSMEs through facilitating entrepreneurship training regarding digital marketing, financial technology, and digital leadership. Future research is also expected to use other variables that can influence Entrepreneurial Mindset (E-Mind) and Financial self-efficacy such as innovation capacity, environment, and entrepreneurial motivation.

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