

# The business longevity of SMEs based on entrepreneurial orientation and government policies in facing disruption challenges

Abdul Azis Bagis, Akram Sukma, Santi Nururly

Faculty of Economics and Business, Mataram University, Mataram, Indonesia

\*Correspondents e-mail: [azis.bagis@unram.ac.id](mailto:azis.bagis@unram.ac.id)

---

## Article Info

### Article history:

Received : 2023-06-24

Accepted : 2023-08-28

Published: 2023-09-01

### JEL Classification Code:

H25, L21, L26, M38, O38

### Author's email:

[gb3.akram@unram.ac.id](mailto:gb3.akram@unram.ac.id)

[snururly@unram.ac.id](mailto:snururly@unram.ac.id)

DOI: [10.20885/jsb.vol27.iss2.art5](https://doi.org/10.20885/jsb.vol27.iss2.art5)

## Abstract

**Purpose** — This paper aims to examine the role of entrepreneurial orientation for SMEs in building business continuity in eastern Indonesia and highlight strengthening government support for the sustainability of post-covid SME entities.

**Design/methodology/approach** — A random sampling approach was used to select the respondents, with closed questions used for a sample of 400 SME owner-managers in eastern Indonesia using the structural equation modelling technique (PLS-SEM).

**Findings** — The results show that the ability of SME owner-managers to build business longevity is determined more by their strong entrepreneurial orientation than by government support. In the context of this study, the government's support policy for SMEs in eastern Indonesia is ineffective.

**Limitations/research implications** — This research selects the characteristics of the living company by Geus, which positions business entities as living beings, as an indicator of business longevity.

**Practical implications** - Based on research results, the sustainability of SMEs in eastern Indonesia can be built based on the owner-managers entrepreneurial orientation. Meanwhile, government support still needs to be maximized.

**Originality/value** — The contribution of three determinants of government support to SMEs is analyzed to determine the acceleration of the survival of SMEs after Covid.

**Keywords:** Business longevity, entrepreneurial orientation, government policies, disruption challenges.

---

## Introduction

In the research literature on entrepreneurship, management, and organizations, business survival and resilience are linked to business longevity, success, and performance discussions. For this paper, business longevity is used synonymously with business survival.

Meanwhile, studies on the survival and resilience of SME entities are still very diverse and require a more in-depth analysis (Saad et al., 2021). SMEs face the impact of the disruption era and a challenge in today's global business (Thrassou, Uzunboylu, et al., 2020). Many SMEs players feel successful because they can obtain short-term profits but need help maintaining business longevity (Reijonen & Komppula, 2007). Thus, building a long-term-oriented success model for SME actors is very necessary. Many business experts have tried to formulate criteria for the future success of SME entities, using various critical success factors (Simpson et al., 2012) and exploring appropriate

strategies for the success of SME entities (Bamiatzi & Kirchmaier, 2014). There is a significant relationship between innovation, innovation ability, competitive advantage, and SMEs performance (Wongsansukcharoen & Thaweepaiboonwong, 2023). Entrepreneurial activity plays a different role depending on the economic stage of the country (Almodóvar-González et al., 2020). The dimension of entrepreneurial orientation in this research variable refers to the ability innovation, risk-taking and proactive SMEs (Widiastuti, Khajar, & Ghoniyah, 2022).

The challenges of SMEs in developing countries, such as Indonesia, as "high risk borrowers" have not been resolved (Mutamimah, 2021). The human resource training factor substantially affects innovation changes in large companies and SMEs (Yen et al., 2019). SME actors can utilise information technology to build social networks to acquire resources and socialisation in learning, compliance, and building trust (Tsai et al., 2021). To face a volatile business environment, for example during Covid pandemic, proactive behaviour is essential for innovation initiatives in SME (Huang et al., 2023). Perceptions of environmental dynamism reinforce proactive and innovation behavior of SME members (Huang et al., 2023). Organizational Studies longevity is relative a young topic of interest in business, economics, social sciences (Arias Pineda, 2022), including in the context of SME.

SME actors in developing countries also need to understand the challenges they face in the current turbulent era. The survey shows that lack of financing, market challenges, and regulatory issues are considered factors that negatively affect small business performance in Canada (Gill, 2012). However, various factors that can strengthen and hinder the longevity of SMEs entities need to be studied in-depth and on an ongoing basis. Likewise, the role of the government in supporting and encouraging the development of SME in developing countries is indispensable for achieving development goals and overcoming unemployment challenges (Khan et al., 2021). The infrastructure developed by the government is the foundation of regional socio-economic development of the country as a whole (Lesik et al., 2021). Resilience studies vary widely in their definition and measurement. They are inconclusive about the factors that affect the resilience of SMEs in highly vulnerable environments in the context of SMEs in developing countries (saad, Hagelaar, van der Velde, & Omta, 2021). The results show that non-behavioural aspects are more likely have an impact on SMEs owners' investment decisions (Raharja et al., 2022). Entrepreneur's academic qualification factors most determine the success of SMEs. Business location support, legal framework, attractive regulations and availability of trained employees are the factors for the success of SMEs in Kuwait (Mutairi et al., 2017). The findings showed that the factor of SMEs survival policy is strongly influenced by interactive policies (LIPs), the rule of law policies (RLPs), and international tension-releasing policies (IPs) (Zonouzi et al., 2021). Many challenges SME are also suffering from the impact of Covid-19 due to shifts in demand and restructuring of global supply chains, forcing businesses to make difficult choices in terms of staff management (Percy, 2021). The challenges faced by SMEs in Indonesia rarely are able to survive after being affected by Covid-19. The Covid19 pandemic affected total income; as many as 53.76% of SMEs experienced a decrease in income, even death, compared to before the Covid19 pandemic. Company health is achieved if the company can generate the highest profit while gaining legitimacy (Park & Yoon, 2022). Business longevity incentivises small business owners to be more proactive in evaluating health and adopting a systems approach before signs of trouble occur through annual health checklists and eligibility evaluations (Rolleri et al., 2016). The fact is that many companies die young, around their first year of life, and even die suddenly after looking healthy. Thus, the health built through profit achievement cannot guarantee business continuity. SME business longevity can be made with the entrepreneurial orientation of business actors (Formisano, et al., 2018).

For this reason, research is needed that discusses the contribution of SME entrepreneurial orientation supported by government policies in building post-Covid longevity. The power of EO in this study is assumed to be in the productive behaviour of SME business actors ready to be used to create business continuity and the novelty of this research. This research contributes to re-identifying the characteristics of companies that can last a long time, which are built through the attitudes and behaviour of owner-managers, and examining government support to accelerate the recovery of SME entities after Covid.

## Literature Review and Hypotheses

### Business Longevity

The longevity of the business reflects the ability of company members to survive various challenges and will play a major role in facilitating the ability of the global economy to recover from the negative effects of the current global COVID-19 pandemic (Crossley, 2021). Benefits should be the initial goal of establishing a good company, as evidenced by solid and ethical shared aspirations. Building survival SMEs and various community development processes must be considered, starting with defining membership, creating shared values, developing their abilities, assessing and actualizing their potential, and managing internal and external relationships (Bamiatzi & Kirchmaier, 2014). Business actors must prioritize the value of people, not assets (Heslin & VandeWalle, 2011). The company is a living being that can survive and thrive for centuries if it wants to focus on specific aspects and has character in its operations (Moore & Manning, 2020). The living company speaks for aspiring leaders and people trying to adapt to a turbulent business environment, and those who hold on to the firm habits will survive (Geus, 1998). An indispensable guide where commitment to values, people, learning, and innovation defines corporate life. Essentially encourages business people to establish synergistic relationships with stakeholders, which can influence the company's continuity (R. K. & Raya, 2019). Build good relationships without competing with the risk of losing or winning. Building strategic partnerships or alliances provides more opportunities for success and avoids the risks of competing in today's turbulent era (Mendy, 2021). Adapting and strategically renewing organizations thus becomes a fundamental capability to survive globalization and competitiveness (Civelek & Fialova, 2023).

Experience shows that organizations fall because executive approaches and practices rely more on economic reasoning and language (Zutshi et al., 2021). Many SMEs die because their owner-managers only focus on producing goods and services and neglect that business entities are human communities that need survival. A balance is required to measure the success of SMEs to survive for a long time. One is the balanced scorecard, which also produces different pointers from a monetary and non-monetary viewpoint (Kaplan & Norton, 1992). Assessment of the achievement of SMEs based on the acquisition of financial benefits alone is still considered inaccurate. For this reason, financial benefits must be linked to success in other fields (Simpson et al., 2012). Building a sustainable business ecosystem can function as a competitive and controllable resource to secure a competitive advantage (Joo & Shin, 2018) and ideally be introduced to SMEs. Companies considered fruitful in the real sense are ideal opportunities for companies to focus more on the potential of business actors in creating business continuity (Rolleri et al., 2016). Profit is a logical consequence that goes along with efforts to maintain business continuity for a long time (Barrick et al., 2015). Assuming that SMEs are more mature in facing business challenges, the main character needs to be built to become a living company with a long life. The four characteristics include being sensitive to the environment, cohesive with a strong identity, being tolerant by avoiding too much centralised control and conservatism in financing (A. de Geus, 1997). SMEs in developing countries are more likely to produce market-driven goods than to create innovative products (Gunjati & Adake, 2020). It is time for SMEs to be long-term oriented through entrepreneurial orientation is a major strategy for small and medium enterprises (Li, Wang, & Du, 2020). There are views on company size, ownership roles, growth strategies and answering business success from business failure. Thus, there is no integrative view of business longevity in business and management history (Riviezzo et al., 2015). The authors choose the role of the owner-manager of SMEs in viewing the company as a living business entity.

### Entrepreneurial Orientation and SMEs Business Longevity

Entrepreneurial orientation is defined in several ways, reflects actual entrepreneurial behaviour (Stambaugh et al., 2017), and is generally found to be positively related to firm performance (Rezaei & Ortt, 2018). Entrepreneurial orientation is of critical significance as well and is usually tested to have an affirmative effect on organizational performance and SMEs (Dvorsky et al., 2021). Many researchers highlight the importance of entrepreneurial orientation as a company's strategic posture

in micro business (Xiao et al., 2022). The study's results prove that the company's proactive behaviour contributes positively to implementing SMEs during the economic crisis. At the same time, an innovative orientation is more effective in influencing the performance of SMEs in a volatile environment if actors avoid too risky projects (Anantadjaya et al., 2011). These studies indicate the relevance of internal and external firm aspects in the relationship between entrepreneurial orientation and SMEs performance, focusing on business longevity. Hence, the results of these studies can be compared or combined with increasing the body of knowledge on the relationship between entrepreneurial orientation and firm performance. The success of building long-lived SMEs in the global market generally rests on the potential and competence of the company members (Ensari & Karabay, 2014). Thus, the competencies of entrepreneurs make a business more successful and may lead to its sustainable competitive advantage (Tehseen, 2015). Entrepreneurial orientation can be measured at the company level, but this study chose an owner-manager that more closely reflects individuals' entrepreneurial orientation in SMEs in Indonesia. Proactivity anticipates future problems, needs, or changes (Lumpkin & Dess, 1996). Proactively shows action to anticipate future needs before actually facing the challenge. Proactive refers to the readiness to develop ideas through research and trend analysis to seize opportunities (Astrini et al., 2020). They move faster than their competitors, so they have a competitive advantage. Early entry into new markets that make improvements based on the initial efforts of first movers (Al-mamary et al., 2020). Entrepreneurial orientation has been shown to explain business longevity in family firms (Giner & Ruiz, 2022) and business SMEs who are creative, innovative and willing to take risks.

Although proactiveness, innovativeness and risk-taking may differ, they are based on the belief that an entrepreneurial company should score on these three dimensions (Rubin & Callaghan, 2019). This issue is important because (Lumpkin and Dess 1996) suggest that not all dimensions of entrepreneurial orientation can affect business performance directly and positively under different circumstances. Thus, it is necessary to assess the relative impact of each EO dimension separately. Furthermore, we show how proactiveness influences the business longevity of SMEs. This approach helps firms understand why owner-manager of SMEs who rely on entrepreneurial orientation can build the business longevity of SMEs. Hence, the initial hypothesis can be made as follows:

H<sub>1</sub>: It is strongly suspected that proactiveness can promote SMEs' business longevity.

Innovation is a company's tendency to support the creation of new ideas, experiment with new ways of doing things, update technological methods and advance existing products or services (Al-mamary et al., 2020). Innovation indicates the company's support for new ideas, creative processes, experimentation and novelty, all of which can result in a new product, service, or technological process. The EO dimension of innovativeness is about pursuing and supporting novelty, creative processes and developing new ideas through experimentation (Adam & Alarifi, 2021). Innovation allows the firm to avail of new opportunities, fulfil consumers' needs through new products and services, and be the first mover in the industry (Manzano-García & Ayala-Calvo, 2020). The study's results indicate the role of innovation capital in encouraging sustainable entrepreneurship (Nasser, 2021). Innovation needs to be associated with market appreciation because the work or service ultimately aims at consumers. (Joo & Shin, 2018). So the hypothesis can be built:

H<sub>2</sub>: It is strongly suspected that innovativeness can promote SMEs' business longevity.

While risk-taking originally referred to individual risk, it was widely applied to companies (Astrini et al., 2020). Risk-taking, the third dimension, is often used to describe the uncertainty that follows from entrepreneurial behaviour in investing. The focus is on taking measured, not speculative, risks (Dvorsky et al., 2021) and demonstrating courage in taking business risks, especially in uncertainty. Risk-taking is the tendency to engage in bold rather than prudent actions (Xiao et al., 2022). Risk-taking is one characteristic of a strategic attitude that can bring company value (Branco et al., 2021). In general, SMEs are much more dynamic in the risk decision-making

process, which is fast and flexible in responding to market opportunities and changes that often arise in the global environment than large companies (Thrassou, Vrontis, et al., 2020). Consequently, the hypothesis can be built as follows:

H<sub>3</sub>: It is strongly suspected that risk-taking can promote SMEs' business longevity.

### **Government's Support Policy**

There is no doubt about the role and support of the government for the survival of business entities. The strengthening of government support policies is optimized to improve the sustainability of social SMEs in Korea (You & You, 2020). Empirical studies show the effectiveness and impact of government actions on SME operations under conditions of anti-crisis uncertainty during the pandemic and in the case of other exogenous risks threatening SMEs in Russia (Razumovskaia et al., 2020). The impact of government support has a more pronounced effect on entrepreneurial orientation in the business sector and among MBA students in China (Xiao et al., 2022). Government policies in providing financial support by lowering the credit guarantee threshold and providing loan subsidies have proven ineffective in reducing the economic difficulties of SMEs (Chen et al., 2020). The Indonesian government's policies to strengthen SMEs include social support; restructuring; tax incentives and credit relaxation, working capital support, stimulus, and cooperation with government-owned enterprises as off-takers for SME products, especially during the covid period (Hidayati & Rachman, 2021). Government policies in the form of social support for SMEs can be provided as physical or practical assistance such as transportation, job assistance and sharing of resources and information on community resources and emotional and physiological assistance. Financial literacy in this study, directly or indirectly, through financial inclusion can improve the performance of SMEs businesses (Irman, 2022). SMEs' perceptions of financial risk in positive indicators of financial performance and perceptions of financial risk as part of the company's daily life are proven to have the most significant impact on future business (Dvorsky et al., 2021). Social support is in line with the Indonesian Institute of Sciences (LIPI) proposal for government policies to develop a new approach using social entrepreneurship to empower SMEs (Maksum et al., 2020). Government policies can encourage graduates to gain productive work experience in the long term and impact entrepreneurship advancement (Zhao & Smallbone, 2019), including SMEs. Learning from the experiences of several countries in Europe, the results of public subsidies and grants of government support have been primarily positive company viability, but there are significant differences regarding the size and age of companies, regions, industries and intensity of support (Dvouletý et al., 2021). Social support, are positioned as a moderating variable to strengthen SMEs' business longevity. Furthermore, the following hypotheses can be built:

H<sub>4</sub>: Social support government policies can strengthen proactiveness to build SMEs' business longevity.

The actualization of entrepreneurial intentions of SME business actors is expected to be influential in forming a proactive, innovative and risk-taking orientation for company members (Khan et al., 2021). It is expected to be able to sustain its business. The success of entrepreneurs in maintaining a long life also needs to be supported by other parties who pay attention to the development of SMEs. In this case, the context of the study is the role of local governments in carrying out their obligations to participate in empowering SMEs in regions throughout Indonesia (Handayani et al., 2020). Through the state financial services authority (OJK), the Indonesian government has effectively extended the time limit and reduced loan interest for SMEs affected by the COVID-19 pandemic. This policy have a direct or indirect impact on the performance and capacity of debtors, including SMEs, which have the potential to disrupt banking performance and financial system stability and may affect economic growth (Saberri & Hamdan, 2018). The government can actively support SME innovation programs through credit relaxation and a national innovation system, as implemented in Taiwan. The national innovation system leads to technology policy, strategic alliances, technology transfers, joint ventures, mergers and acquisitions, and even talent acquisition (Liu, 2019). These hypotheses can be built:

H<sub>5</sub>: Government policy through credit relaxation can strengthen innovativeness to build SMEs' business longevity

The role of Small and Medium Enterprises is very strategic in improving the Indonesian economy. Therefore, the government is obliged to maintain its sustainability and development (Akhmad et al., 2018). Especially during the COVID-19 pandemic, many SMEs are affected by financial problems. It is proven that the significant influence of the behavioural aspect of financing decisions is to maintain the business longevity of SMEs in Indonesia (Raharja et al., 2022). After successfully launching the people's business credit program, the Indonesian government launched a national economic recovery program to overcome the crisis caused by the COVID-19 pandemic, with total financing support for SMEs. Working capital management efficiency helps SMEs run smoothly and includes managing accounts payable. It also requires the maintenance of the SME's short-term assets and liabilities to run day-to-day operations. The results show that short-term credit constraints are as important as long-term ones in SME investment decisions (Nicolas, 2022). Conversely, the ability to innovate and competitiveness can reduce financial risk because it can improve the financial performance of SME businesses (Civelek & Fialova, 2023). Therefore the government needs to provide financing support to stimulate the courage of SMEs to take investment risks. The following hypotheses can be built:

H<sub>6</sub>: Working capital, supporting government policies, can strengthen risk-taking to build SMEs' business longevity.

## Research Methods

### Research Design and Data Collection Methods

This study applied quantitative analysis to explain how entrepreneurial orientation and government policies affect SME business longevity. This study framework researches SMEs in eastern Indonesia by considering cultural alignments and regional values. Data collection was carried out by distributing questionnaires with a Likert scale made by researchers to 600 small businesses in West Nusa Tenggara. The validity and reliability of the questionnaire were confirmed. Respondents were owner-managers of SMEs, selected from a list obtained from the web portal of relevant entities which have been in operation for ten years or more. With a self-administered questionnaire, data collection was completed on a five-point Likert scale.

**Table 1.** Profile and demographics of SMEs

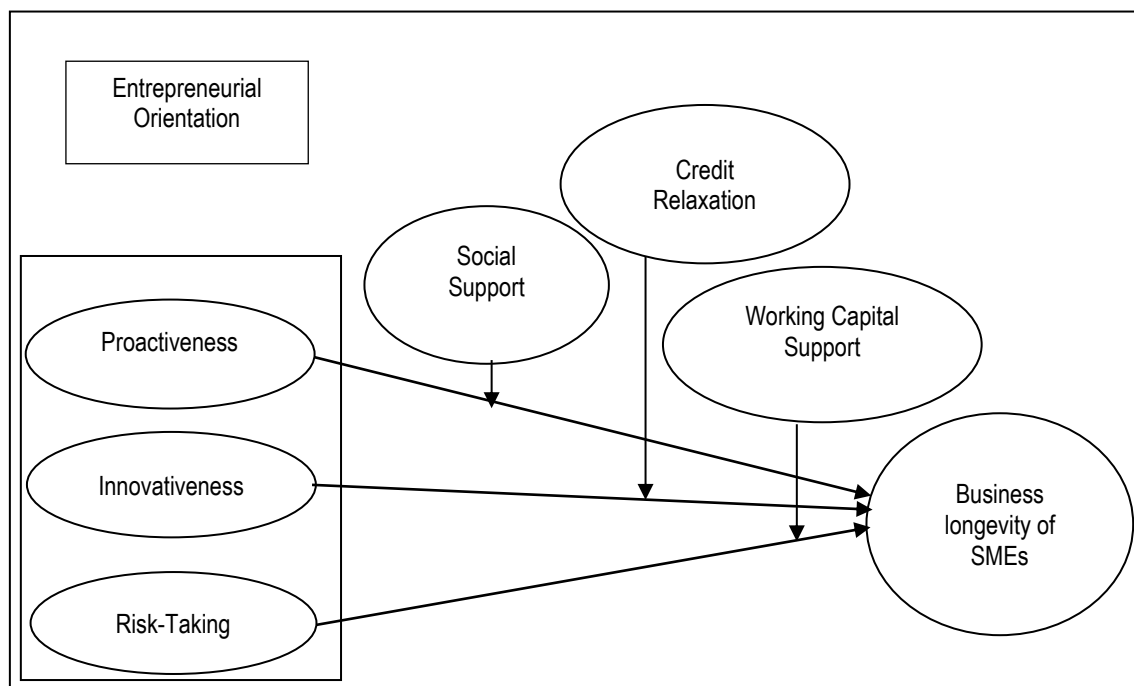
No.	Characteristics	frequency	percentage
1	Gender		
	Female	153	38.25.00
	Male	247	61.27.00
2	Education		
	High School	93	23.25
	Diploma	141	35.25.00
	Bachelor	166	41.50.00
3	Year Business Start		
	2009 - until now	124	31.00.00
	2010 - until now	129	32.25.00
	2011 - until now	147	36.75
4	Type of Business		
	Trading	166	41.50.00
	Services	124	31.00.00
	Manufacture	110	27.50.00

Structural Equation Modeling (SEM) engineering software tested the analysis and hypotheses. The engineering software Structural Equation Modeling (SEM) tests the study and hypotheses using a random sampling technique, which is easy to handle and less expensive (Wong,

2016). A total of four-hundred-and-twenty-six respondents answered 600 questionnaires distributed. After collecting data, the respondents did not complete 26 questionnaires correctly, and the researchers found many missing data. Four hundred respondents gave a constructive response rate of 67%, consisting of owner-managers, 23.25 percent high school education, 35.25 percent diploma, and 41.50 percent undergraduate. A response rate of 30% is sufficient for an adequate survey given to the debate (Sekaran & Bougie, 2016). Therefore, 400 questionnaires are enough for analysis. A total of four-hundred-and-twenty-six respondents answered 600 questionnaires distributed. Therefore, 400 questionnaires are enough for analysis. Below are business owner-manager profiles over ten years old and taken from SMEs in eastern Indonesia.

### Measurement and Analysis

The entrepreneurial orientation and business longevity questionnaires used standardized questionnaires, while government policies were slightly adjusted for the Indonesian context. Used in this study was adapted from a contemporary research model, and a pilot study was conducted to observe its reliability and validity. This instrument is considered suitable for measuring the owner-manager at the individual level of the unit of analysis. The choices given in the questionnaire for this study were strongly disagreed, disagree, neutral, agree, and strongly agree. A Scale for capturing entrepreneurial orientation construct (Taatila & Down, 2012) of owner-manager with a Cronbach alpha reliability coefficient of more than 0.6 and measuring government policies in an Indonesia context, with eight items with a Cronbach alpha coefficient of reliability of more than 0.6 except variable of working capital support and business longevity with four items have been adapted from the living company with Cronbach's alpha coefficient of reliability 0.89. Based on the relational variables of entrepreneurial orientation and government policies on the business longevity of SMEs, the research model can be described as follows:



**Figure 1.** Research Model

Source: own and parallel elaboration (You & You, 2020), (Khan et al., 2021), and (Hassan et al., 2022). A variant-based structural equation modelling (SEM) type known as SEM-PLS was used for data analysis. Reliability tests, discriminant validity, and convergence validity are part of the external model test. The PLS estimation approach uses the algorithm method and the bootstrap method. The results are outer loading values, cross-loading of each indicator, AVE values, composite reliability, Cronbach's alpha, path coefficient, and R2.

## Results and Discussion

### The Outer and Inner Assessment Model

The outer model testing consisted of validity convergent and discriminant and reliability. Convergent validity is the agreement between measurements of the same construct assessed using different methods (Guo et al., 2008). The results of the convergent validity test are carried out in two steps, the first step checks the validity of the overall construct using the AVE and communality values, and the second step is to test the validity of the formative indicators based on the outer loading value. The AVE and communality values are >0.5; then, the construct is declared to have met the requirements of convergent validity. A rule of thumb and average variance extracted of at least 0.50 is highly recommended. All indicators are declared valid with outer loading values of more than 0.7 (Garson, 2016), as shown in Table 2.

**Table 2.** The AVE and Communality values of Latent Variables

Latent Variables	AVE	Communality	Criteria
Proactiveness (PR)	0,388	0,388	Unqualified
Innovativeness (IN)	0,501	0,501	Qualified
Risk-taking (RT)	0,410	0,410	Unqualified
Business longevity (BL)	0,663	0,663	Qualified
Social Support (SS)	0,591	0,591	Qualified
Credit Relaxation (TR)	0,587	0,587	Qualified
Capital Support (CS)	0,658	0,658	Qualified

**Table 3.** Outer Loading of Latent Variables

Latent Variables	Indicators	Outer Loading	Criteria
Proactiveness (PR)	PR1	0,566	Drop
	PR2	0,687	Valid
	PR3	0,700	Valid
	PR4	0,574	Drop
	PR5	0,475	Drop
	PR6	0,703	Valid
Innovativeness (IN)	IN1	0,653	Valid
	IN2	0,702	Valid
	IN3	0,734	Valid
	IN4	0,745	Valid
	IN5	0,701	Valid
Risk-taking (RT)	RT1	0,643	Valid
	RT2	0,555	Drop
	RT3	0,696	Valid
	RT4	0,751	Valid
	RT5	0,531	Drop
	RT6	0,503	Drop
Business Longevity (BL)	BL1	0,812	Valid
	BL2	0,869	Valid
	BL3	0,785	Valid
	BL4	0,789	Valid
Social Support (SS)	SS1	0,567	Drop
	SS2	0,757	Valid
	SS3	0,938	Valid
Tax Relaxation (TR)	TR1	0,706	Valid
	TR2	0,767	Valid
	TR3	0,819	Valid
Capital Support (CS)	CS1	0,728	Valid
	CS2	0,860	Valid
	CS3	0,841	Valid



Discriminant validity shows in table 4 how well a test measures the concept it was designed to measure with the correlation of the latent variables matrix.

**Table 4.** Correlation of latent variables matrix

	BL	CS	IN	PR	RT	SS	TR
BL	0.814*						
CS	0.352	0.811*					
IN	0.321	0.206	0.708*				
PR	0.540	0.238	0.222	0.623*			
RT	0.627	0.181	0.240	0.355	0.640*		
SS	0.224	0.348	0.060	0.183	0.102	0.769*	
TR	0.318	0.358	0.150	0.266	0.122	0.464	0.766*

Note: the numbers in the column marked with an asterisk (\*) indicate the root value of AVE, the latent variables.

The proactiveness latent variable does not meet discriminant validity requirements because it has a lower AVE root value than one of the correlation values between latent variables. Meanwhile, other variables are stated to meet the needs of discriminant validity, with the root AVE value greater than all correlation values between latent variables in Table 4.

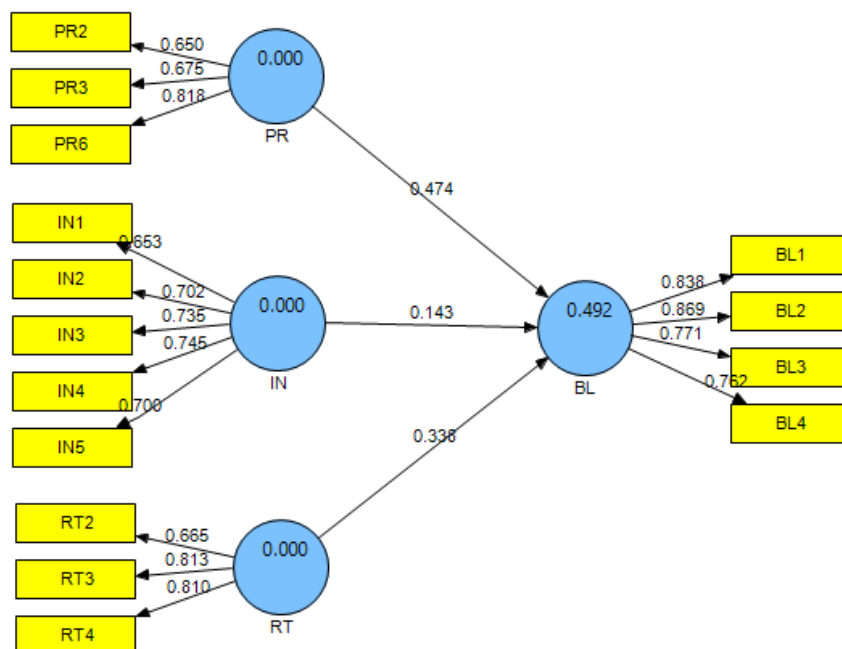
**Table 5.** The Composite Reliability

Latent Variables	Composite Reliability	Cronbach's Alpha	Description
Proactiveness (PR)	0.887	0.834	Qualified
Innovativeness (IN)	0.852	0.746	Qualified
Risk Taking (RT)	0.834	0.752	Qualified
Business Longevity (BL)	0.789	0.726	Qualified
Social Support (SS)	0.774	0.639	Qualified
Tax Relaxation (TR)	0.807	0.718	Qualified
Capital Support (CS)	0.809	0.648	Qualified

### The Inner Assessment Model and Coefficient Path Analysis

The according output of the resampling algorithm method directly affects PR, IN2, and RT on Y = 0.474X<sub>1</sub> + 0.143X<sub>2</sub> + 0.338X<sub>3</sub>, with a coefficient of determination, R<sup>2</sup> = 0.492

Meanwhile, the influence of PR, IN2, RT on Y was moderated by SS, TR, and CS.



**Figure 2.** The output of the resampling algorithm method

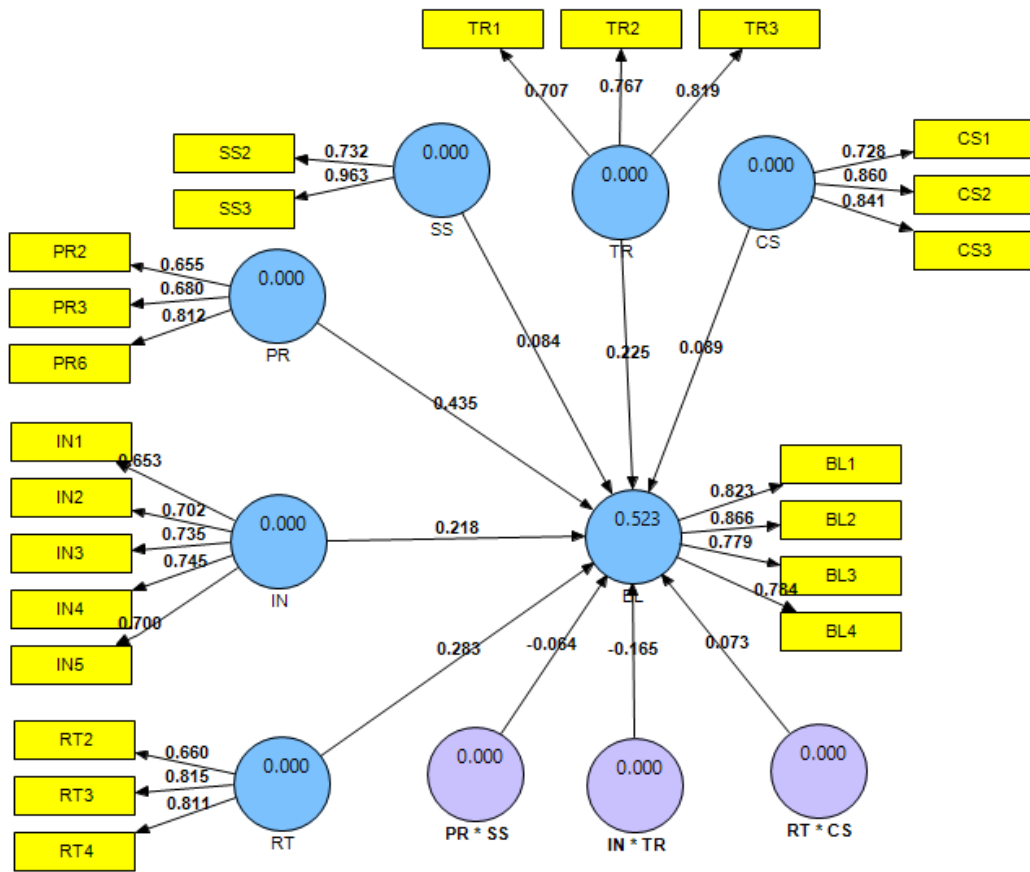


Figure 3. The output of the resampling algorithm method moderation effect

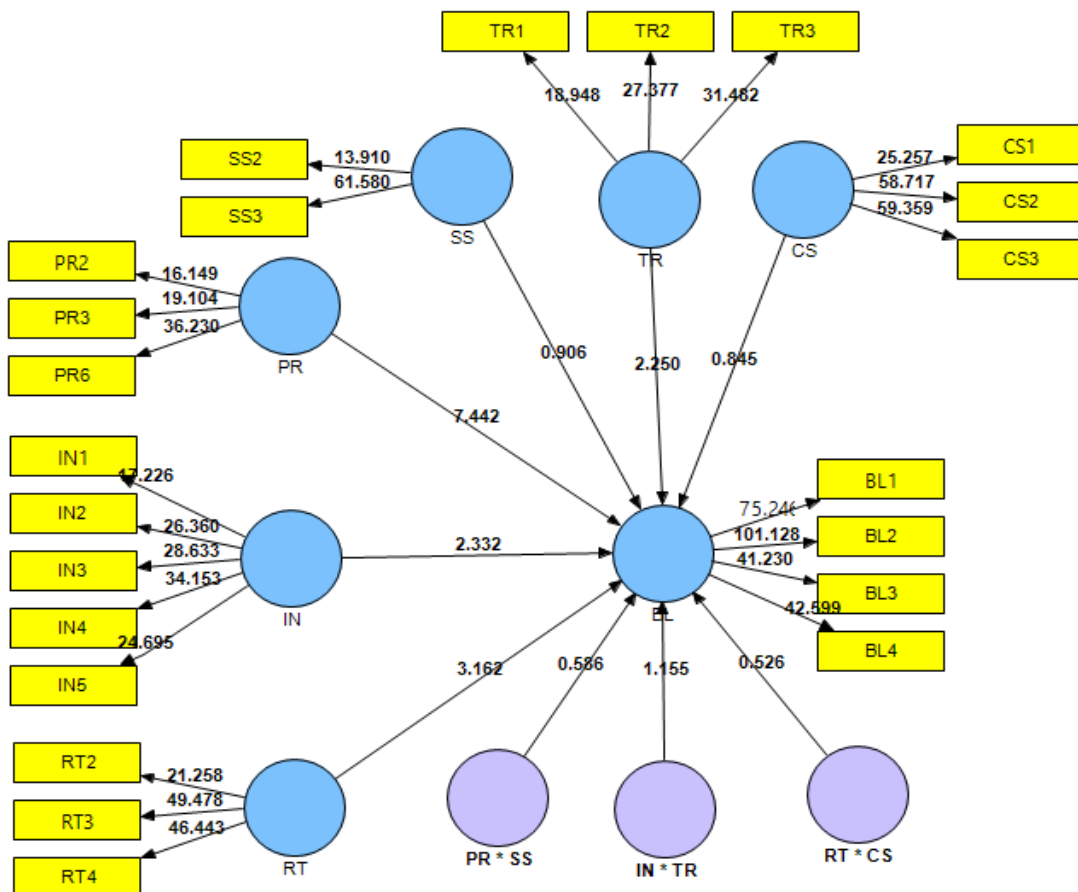


Figure 4. The bootstrapping resampling method of smartPLS (BL, SS, TR, CS, PR, IN, and RT).

## The Size Effect Test

**Table 6.** The effect size of exogenous latent variables.

Overall R <sup>2</sup>	Exclude Variable	R <sup>2</sup> Exclude	F <sup>2</sup>	Category
0.492	Proactiveness (PR)	0.309	0.37	Strong
	Innovativeness (IN)	0.481	0.02	Weak
	Risk Taking (RT)	0.378	0.23	Moderate

## Summary of Hypothesis Test Results

**Table 7.** The Hypothesis Test without Moderating

Hypothesis	t <sub>stat</sub>	Consequence	Decision
1. PR → BL	14,594	t <sub>stat</sub> > 1,96	Accepted
2. IN → BL	3,883	t <sub>stat</sub> > 1,96	Accepted
3. RT → BL	9,148	t <sub>stat</sub> > 1,96	Accepted
4. PR*SS → BL	0,586	t <sub>stat</sub> < 1,96	Rejected
5. IN*TR → BL	1,155	t <sub>stat</sub> < 1,96	Rejected
6. RT*CS → BL	0,526	t <sub>stat</sub> < 1,96	Rejected

The effect size proactiveness toward business longevity is categorised as 'strong'. Meanwhile, innovativeness is 'weak', and risk-taking has a moderate effect size. Testing the hypothesis with the t-test through the bootstrap resampling method will show the value of the t-statistic and is carried out to test the significance of the path coefficient on exogenous latent variables on endogenous latent variables individually, or to test the effect of latent exogenous variables on endogenous latent variables (Howard, 2013). For t-stat < 1.96, the hypothesis is rejected, and for t-stat > 1.96, the view is accepted. The Structural Equation Modeling shown in Figure 4 explains the results of the calculated t values between indicators and variables with other variables.

Business Longevity can be defined as a company's continued existence even after its founder's death and beyond its career span. Research on what can drive SMEs longevity that enables companies to survive longer in uncertain business environment challenges, such as COVID-19, is relatively limited. There were found four main factors that can support business continuity and company longevity for more than 300 years in Japan, including harmony: between customers and products, between owners and employees, between management and business credos, and between change and risk management (Yamaoka & Oe, 2021). These four factors are very much in line with the findings of the living company.

A company's resilience in dealing with disaster events such as earthquakes, forest fires, and the COVID-19 pandemic is primarily determined by the characteristics of managers (families) in Italy (Salvato et al., 2020), which generally characterises SMEs in Indonesia. Even though the sample used in the living company research includes multinational companies, substantially, the characteristics formulated are universal. Researchers' experience of 40 years in empowering SMEs actors proves the strength of these four characteristics can extend the SMEs entity, especially in Indonesia. Geus suggested four attributes related to organizations which include organizations; 1) They were cohesive and had a relevant sense of identity from among suppliers and employees; 2) They were environment sensitive despite whether their fortunes were as a result of knowledge or other natural resources; 3) Businesses that have survived for durations are experiments accommodative, tolerance, eccentricities and outliers which expanded their knowledge of capabilities as a company; 4) Conservative financing was capital not utilized in risky projects, but money is used to grant the company financial flexibility. These four characteristics reflect the productive attitudes and behaviour of business actors in viewing, maintaining relationships, implementing and being prudent in managing loans. Accordingly it is only natural that business longevity can be built through a strong entrepreneurial orientation, as has been proven in the entrepreneurship ability of SMEs owner-managers in eastern Indonesia, with a coefficient of determination, R<sup>2</sup> = 0.492

## Conclusion and Future Direction

According to the findings, hypotheses one, two, and three proved convincing. With high proactiveness, business actors can understand new business opportunities and encourage them to adjust their business to suit the tastes and expectations of consumers. Innovativeness shows the owner-manager's ability to create business products and customer satisfaction in building business longevity in Indonesia through the strength of partnerships or synergies with other parties. The causal relationship between risk-taking and business longevity shows the ability and courage to make effective business decisions. Proactiveness has the most decisive influence on Indonesian business students' environment. So entrepreneurial orientation, including proactiveness, innovativeness and risk-taking, is proven effective in building the business longevity of SMEs. An entrepreneurial orientation with character begins with the strength of entrepreneurial intention, built through an attitude towards behaviour, subjective norms and perceived behavioural control (Bagis, 2022).

The aim of the government's policy is basically to provide support for the business longevity of SMEs (Zonouzi et al., 2021). The IMF report concluded that direct government support could significantly reduce the failure rate of SME businesses, but at a significant fiscal cost and financial support policies are ineffective in reducing cash constraints or encouraging small businesses (innovation), possibly due to difficulties in accessing loans and misallocating credit (Kalemlı-Ozcan et al., 2020). However, in the Indonesian context, this policy is regrettably ineffective. The ability of owners-managers of SMEs to build business continuity is determined more by the solid entrepreneurial orientation they carry out, not government support. Various policies and social support, tax relaxation, and working capital support faced with the Covid pandemic, have not provided many benefits to SME in Indonesia. The government has done its best, but the business actors experience it and provide an assessment according to their perceptions. Based on the study's results, the hypothesis showing the acceleration of government policies in hypotheses three, four, and five has yet to prove its role.

Research on business resilience has increased rapidly, despite the fragmented literature on the definitions, measures, and variables that influence the concept (saad et al., 2021). We also pay attention to the resilience of SMEs in the form of business longevity in a very vulnerable environment because the survival of SMEs will determine economic progress. This study examines the associative relationship between entrepreneurial orientation and the business longevity of SMEs in eastern Indonesia. The study involves various government policies, which have been felt by the owner-managers so far and to guarantee survival successful enterprises (SMEs) need strong government support (Anwar, 2020). The main argument of the researcher is that the ideal measure of success is not just getting a profit but the continuity of the company's operating life, where profit is one consequence of the ability to survive amidst the challenges of the contemporary business world. Our findings support Geus' main theoretical argument, namely the living company. This factual finding also confirms the role and importance of entrepreneurial orientation in developing business entities in today's turbulent environment (Mufudza, 2019).

Based on the findings of this study, these recommendations are given: Facing the challenges of today's increasingly volatile business environment, business longevity with operating age indicators above the average SMEs in a country needs to be a measure of success. This has proven to be built by the strength of an entrepreneurial orientation which reflects the power of the character of the business owner-manager. Government policy support can strengthen the role of owner-manager entrepreneurial orientation in building the sustainability of SME businesses by empowering character building to become proactive, innovative and courageous to take risks. Social, tax and capital support must be felt directly by business actors in the business world.

## Acknowledgements

The authors would like to thank the lecturers of Mataram University for supporting this research by contributing ideas in this article writing process.

## References

- Adam, N. A., & Alarifi, G. (2021). Innovation practices for survival of small and medium enterprises (SMEs) in the COVID-19 times: the role of external support. *Journal of Innovation and Entrepreneurship*, 10(1). <https://doi.org/10.1186/s13731-021-00156-6>
- Akhmad, K. A., Karsidi, R., Rahayu, E. S., & Wijaya, M. (2018). The Role of Government Policy in SME's Facilitating Institutions in Indonesia : a Case Study on Business. *Asian Journal for Poverty Studies*, 4(1), 12–15.
- Al-Mamary, Y. H. S., Abdulrab, M., Alwaheeb, M. A., & Alshammari, N. G. M. (2020). Factors impacting entrepreneurial intentions among university students in Saudi Arabia: testing an integrated model of TPB and EO. *Education + Training*, 62(7/8), 779–803. <https://doi.org/10.1108/ET-04-2020-0096>
- Almodóvar-González, M., Fernández-Portillo, A., & Díaz-Casero, J. C. (2020). Entrepreneurial activity and economic growth. A multi-country analysis. *European Research on Management and Business Economics*, 26(1), 9–17. <https://doi.org/10.1016/j.iedeen.2019.12.004>
- Anantadjaya, S. P., Finardi, B. A., & Nawangwulan, I. M. (2011). The Viability of Small/Micro Businesses in Indonesia: Implications of the Entrepreneurial Mindset Development Model? *Journal of Global Entrepreneurship*, 1(1), 26–43. <http://papers.ssrn.com/abstract=1692219>
- Anwar, M., Tajeddini, K., & Ullah, R. (2020). Entrepreneurial finance and new venture success - the moderating role of government support. *Business Strategy & Development*, 3(4), 408–421. <https://doi.org/https://doi.org/10.1002/bsd2.105>
- Arias Pineda, A. A. (2022). Estado del arte de la longevidad organizacional: una revisión sistemática de literatura. *Cuadernos de Administración*, 38(73), e4011031. <https://doi.org/10.25100/cdea.v38i73.11031>
- Astrini, N. J., Rakhmawati, T., Sumaedi, S., Bakti, I. G. M. Y., Yarmen, M., & Damayanti, S. (2020). Innovativeness, Proactiveness, and Risk-taking: Corporate Entrepreneurship of Indonesian SMEs. *IOP Conference Series: Materials Science and Engineering*, 722, 012037. <https://doi.org/10.1088/1757-899X/722/1/012037>
- Bagis, A. A. (2022). Building students' entrepreneurial orientation through entrepreneurial intention and workplace spirituality. *Heliyon*, 8(11), e11310. <https://doi.org/10.1016/j.heliyon.2022.e11310>
- Bamiatzi, V. C., & Kirchmaier, T. (2012). Strategies for superior performance under adverse conditions: A focus on small and medium-sized high-growth firms. *International Small Business Journal*, 32(3), 259–284. <https://doi.org/10.1177/0266242612459534>
- Barrick, M. R., Thurgood, G. R., Smith, T. A., & Courtright, S. H. (2015). Collective organizational engagement: Linking motivational antecedents, strategic implementation, and firm performance. *Academy of Management Journal*, 58(1), 111–135. <https://doi.org/10.5465/amj.2013.0227>
- Branco, L., Ferreira, J., & Jayantilal, S. (2021). Conceptual foundations of entrepreneurial strategy: A systematic literature review. *Entrepreneurial Business and Economics Review*, 9(3), 103–118. <https://doi.org/10.15678/EBER.2021.090307>
- Chen, J., Cheng, Z., Gong, R. K., & Li, J. (2022). Riding out the COVID-19 storm: How government policies affect SMEs in China. *China Economic Review*, 75, 101831. <https://doi.org/10.1016/j.chieco.2022.101831>
- Civelek, M., Krajčík, V., & Fialova, V. (2023). The impacts of innovative and competitive abilities of SMEs on their different financial risk concerns: System approach. *Oeconomia Copernicana*, 14(1), 327–354. <https://doi.org/10.24136/oc.2023.009>

- Crossley, R. M., Elmagrhi, M. H., & Ntim, C. G. (2021). Sustainability and legitimacy theory: The case of sustainable social and environmental practices of small and medium-sized enterprises. *Business Strategy and the Environment*, 30(8), 3740–3762. <https://doi.org/https://doi.org/10.1002/bse.2837>
- Dvorsky, J., Belas, J., Gavurova, B., & Brabenec, T. (2021). Business risk management in the context of small and medium-sized enterprises. *Economic Research-Ekonomska Istrazivanja*, 34(1), 1690–1708. <https://doi.org/10.1080/1331677X.2020.1844588>
- Dvouletý, O., Srhoj, S., & Pantea, S. (2021). Public SME grants and firm performance in European Union: A systematic review of empirical evidence. *Small Business Economics*, 57, 243–263. <https://doi.org/10.1007/s11187-019-00306-x>
- Ensari, M. Ş., & Karabay, M. E. (2014). What Helps to Make SMEs Successful in Global Markets? *Procedia - Social and Behavioral Sciences*, 150, 192–201. <https://doi.org/10.1016/j.sbspro.2014.09.030>
- Formisano, V., Quattrociochi, B., Fedele, M., & Calabrese, M. (2018). From viability to sustainability: The contribution of the Viable Systems Approach (VSA). *Sustainability (Switzerland)*, 10(3), 1–17. <https://doi.org/10.3390/su10030725>
- Garson, G. D. (2016). *Partial Least Squares: Regression and Structural Equation Models*. Statistical Associates Publishers.
- Geus, A. de. (1997). *The Living Company*. Harvard Business Review. <https://hbr.org/1997/03/the-living-company>
- Geus, A. P. de. (1998). The living company: A recipe for success in the new economy. *The Washington Quarterly*, 21(1), 197–205. <https://doi.org/10.1080/01636609809550303>
- Gill, A., & Biger, N. (2012). Factors that affect small business performance in Canada. *International Journal of Entrepreneurial Venturing*, 4(2), 181–193. <https://doi.org/10.1504/IJEV.2012.046520>
- Giner, B., & Ruiz, A. (2022). Family entrepreneurial orientation as a driver of longevity in family firms: a historic analysis of the ennobled Trenor family and Trenor y Cía. *Business History*, 64(2), 327–358. <https://doi.org/10.1080/00076791.2020.1801645>
- Gunjati, S. B., & Adake, C. V. (2020). Innovation in Indian SMEs and their current viability: A review. *Materials Today: Proceedings*, 28, Part 4, 2325–2330. <https://doi.org/10.1016/j.matpr.2020.04.604>
- Guo, B., Aveyard, P., Fielding, A., & Sutton, S. (2008). Testing the convergent and discriminant validity of the Decisional Balance Scale of the Transtheoretical Model using the Multi-Trait Multi-Method approach. *Psychology of Addictive Behaviors*, 22(2), 288–294. <https://doi.org/10.1037/0893-164X.22.2.288>
- Handayani, N., Dewi, S. N. F., Sutikno, & Satriawan, E. (2020). *The Mechanism of Micro, Small, and Medium Enterprise 's Data Integration in Indonesia for Targeting Social Assistance and Empowerment Programs* (Issue September). [https://www.tnp2k.go.id/download/53353371.PB\\_The\\_Mechanism\\_of\\_Micro\\_Small\\_and\\_Medium\\_Enterprises.pdf](https://www.tnp2k.go.id/download/53353371.PB_The_Mechanism_of_Micro_Small_and_Medium_Enterprises.pdf)
- Hassan, M. S., Al Halbusi, H., Razali, A., Ariffin, R. N. R., & Williams, K. A. (2022). The Swedish gamble: trust in the government and self-efficacy in the battle to combat COVID-19. *Current Psychology*, 42, 17935–17950 <https://doi.org/10.1007/s12144-022-02947-w>
- Heslin, P. A., & VandeWalle, D. (2011). Performance appraisal procedural justice: The role of a manager's implicit person theory. *Journal of Management*, 37(6), 1694–1718. <https://doi.org/10.1177/0149206309342895>
- Hidayati, R., & Rachman, N. M. (2021). Indonesian Government Policy And Smes Business Strategy During The Covid-19 Pandemic. *Niagawan*, 10(1), 1–9.

- Howard, A. L. (2013). Handbook of Structural Equation Modeling. *Structural Equation Modeling: A Multidisciplinary Journal*, 20(2), 354–360. <https://doi.org/10.1080/10705511.2013.769397>
- Huang, Y.-F., Lin, H.-C., & Lee, H.-M. (2023). Innovation in manufacturing SMEs during the COVID-19 pandemic: How does environmental dynamism reinforce employee proactive behavior? *Technological Forecasting and Social Change*, 187, 122247. <https://doi.org/10.1016/j.techfore.2022.122247>
- Irman, M., Budiayanto, & Suwitho. (2022). Financial Inclusion as Mediator in the Relationship of Social Capital and Financial Literacy Towards Business Performance. *Jurnal Pendidikan Bisnis Dan Manajemen*, 8(1), 25–38. <http://journal2.um.ac.id/index.php/jpbm/article/view/27052>
- Joo, J., & Shin, M. M. (2018). Asia Pacific Management Review Building sustainable business ecosystems through customer participation : A lesson from South Korean cases. *Asia Pacific Management Review*, 23(1), 1–11. <https://doi.org/10.1016/j.apmr.2017.01.001>
- Kalemli-Ozcan, S., Gourinchas, P.-O., Penciakova, V., & Sander, N. (2020). COVID-19 and SME Failures. In *IMF Working Papers* (No. 2020; 207, Vol. 2020, Issue 207). <https://doi.org/10.5089/9781513557748.001>
- Kaplan, R. S., & Norton, D. P. (1992). The balanced scorecard: Measures That drive performance. *Harvard Business Review*, 70–79. [https://ds.amu.edu.et/xmlui/bitstream/handle/123456789/9040/%5BHarvard Business Review - January-February 1992%5D - Kaplan %26.pdf?sequence=1&isAllowed=y](https://ds.amu.edu.et/xmlui/bitstream/handle/123456789/9040/%5BHarvard%20Business%20Review%20-%20January-February%201992%5D%20-%20Kaplan%20.pdf?sequence=1&isAllowed=y)
- Khan, M. A., Zubair, S. S., Rathore, K., Ijaz, M., Khalil, S., & Khalil, M. (2021). Impact of Entrepreneurial Orientation Dimensions on Performance of Small Enterprises: Do Entrepreneurial Competencies Matter? *Cogent Business & Management*, 8(1), 1943241. <https://doi.org/10.1080/23311975.2021.1943241>
- Lesik, I., Lesik, M., Tishechkina, K., & Ushkarenko, I. (2021). *Analytical Evaluation Of The Prospects For Sustainable Development Of Environmentally Oriented*. 22(2), 318–329.
- Li, K., Wang, X., & Du, T. C. (2022). Entrepreneurial orientation, online credibility, and online performance: Evidence from SMEs in a B2B electronic market in China. *Journal of Small Business Management*, 60(1), 93–118. <https://doi.org/10.1080/00472778.2019.1695495>
- Liu, T. (2019). Asia Pacific Management Review The philosophical views of national innovation system : The LED industry in Taiwan. *Asia Pacific Management Review*, 24(4), 291–297. <https://doi.org/10.1016/j.apmr.2018.10.003>
- Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the Entrepreneurial Orientation Construct and Linking It To Performance. *Academy of Management Review*, 21(1), 135–172. <https://doi.org/10.5465/amr.1996.9602161568>
- Maksum, I. R., Rahayu, A. Y. S., & Kusumawardhani, D. (2020). A Social Enterprise Approach to Empowering Micro, Small and Medium Enterprises (SMEs) in Indonesia. *Journal of Open Innovation: Technology, Market, and Complexity*, 6(3), 50. <https://doi.org/10.3390/joitmc6030050>
- Manzano-García, G., & Ayala-Calvo, J. C. (2020). Entrepreneurial orientation: Its relationship with the entrepreneur's subjective success in SMEs. *Sustainability (Switzerland)*, 12(11), 1–17. <https://doi.org/10.3390/su12114547>
- Mendy, J. (2021). Performance management problem of four small and medium-sized enterprises (SMEs): towards a performance resolution. *Journal of Small Business and Enterprise Development*, 28(5), 690–710. <https://doi.org/10.1108/JSBED-06-2019-0201>
- Moore, S. B., & Manring, S. L. (2020). Strategy development in small and medium sized enterprises for sustainability and increased value creation. *Journal of Cleaner Production*, 17(2), 276–282.

<https://doi.org/10.1016/j.jclepro.2008.06.004>

- Mufudza, T. (2019). Dynamic Strategy in a Turbulent Business Environment. In O. L. Emeagwali (Ed.), *Strategic Management: a Dynamic View* (pp. 11–19). IntechOpen. <https://doi.org/10.5772/intechopen.77102>
- Mutamimah, M. (2021). *Corporate Governance, Credit Risk, And Financial Literacy For Small Medium Enterprise In Indonesia*. 22(2), 406–413.
- Nasser, W. H. (2021). Innovation capital, sustainable entrepreneurial orientation, and the moderating role of entrepreneurial resilience. *Entrepreneurial Business and Economics Review*, 9(3), 73–85. <https://doi.org/10.15678/EBER.2021.090305>
- Nicolas, T. (2022). Short-term financial constraints and SMEs' investment decision: evidence from the working capital channel. *Small Business Economics*, 58(4), 1885–1914. <https://doi.org/10.1007/s11187-021-00488-3>
- Percy, C. (2021). *Strategic Staff Management in SMEs to Support Lifelong Learning: A Literature Review*. <https://www.voced.edu.au/content/ngv:90663>
- R. K., R., & Raya, D. R. P. (2019). Impact of Performance Appraisal on Organizational Citizenship Behaviour and Intention to Stay through Affective Commitment: A Literature Review. *International Journal of Scientific Research and Management*, 7(10), 1359–1365. <https://doi.org/10.18535/ijstrm/v7i10.em01>
- Raharja, B. S., Ridhwan, M., & Azis, A. (2022). The behavioural dimension of SME's owner on affecting the financial decisions. *Verslas: teorija ir praktika*, 23(1), 60–69.
- Razumovskaia, E., Yuzvovich, L., Kniazeva, E., Klimenko, M., & Shelyakin, V. (2020). The Effectiveness of Russian Government Policy to Support SMEs in the COVID-19 Pandemic. *Journal of Open Innovation: Technology, Market, and Complexity*, 6(4), 160. <https://doi.org/10.3390/joitmc6040160>
- Reijonen, H., & Komppula, R. (2007). Perception of success and its effect on small firm performance. *Journal of Small Business and Enterprise Development*, 14(4), 689–701. <https://doi.org/10.1108/14626000710832776>
- Rezaei, J., & Ortt, R. (2018). Entrepreneurial orientation and firm performance: the mediating role of functional performances. *Management Research Review*, 41(7), 878–900. <https://doi.org/10.1108/MRR-03-2017-0092>
- Riviezzo, A., Skippari, M., & Garofano, A. (2015). Who wants to live forever: exploring 30 years of research on business longevity. *Business History*, 57(7), 970–987. <https://doi.org/10.1080/00076791.2014.993617>
- Rolleri, M., Nadim, A., & Lussier, R. (2016). Improving small business viability through the strategic longevity and health maintenance evaluation. *Small Business Institute Journal*, 12(1), 10–20.
- Rubin, A., & Callaghan, C. W. (2019). Heliyon Entrepreneurial orientation, technological propensity and academic research productivity. *Heliyon*, 5(April), e02328. <https://doi.org/10.1016/j.heliyon.2019.e02328>
- saad, M. H., Hagelaar, G., van der Velde, G., & Omta, S. W. F. (2021). Conceptualization of SMEs' business resilience: A systematic literature review. *Cogent Business and Management*, 8(1). <https://doi.org/10.1080/23311975.2021.1938347>
- Saberi, M., & Hamdan, A. (2019). The moderating role of governmental support in the relationship between entrepreneurship and economic growth. *Journal of Entrepreneurship in Emerging Economies*, 11(2), 200–216. <https://doi.org/10.1108/JEEE-10-2017-0072>
- Salvato, C., Sargiacomo, M., Amore, M. D., & Minichilli, A. (2020). Natural disasters as a source



- of entrepreneurial opportunity: Family business resilience after an earthquake. *Strategic Entrepreneurship Journal*, 14(4), 594–615. <https://doi.org/10.1002/sej.1368>
- Sekaran, U., & Bougie, R. (2016). *Research Methods for Business: A Skill-Building Approach* (7th ed.). 3 John Wiley & Sons Ltd.
- Simpson, M., Padmore, J., & Newman, N. (2012). Towards a new model of success and performance in SMEs. *International Journal of Entrepreneurial Behaviour & Research*, 18(3), 264–285. <https://doi.org/10.1108/13552551211227675>
- Stambaugh, J. E., Martinez, J., Lumpkin, G. T., & Kataria, N. (2017). How well do EO measures and entrepreneurial behavior match? *International Entrepreneurship and Management Journal*, 13(3), 717–737. <https://doi.org/10.1007/s11365-016-0432-5>
- Taatila, V., & Down, S. (2012). Measuring entrepreneurial orientation of university students. *Education and Training*, 54(8), 744–760. <https://doi.org/10.1108/00400911211274864>
- Tehseen, S. (2015). *Entrepreneurial Competencies and SMEs Business Success: The Contingent Role of External Integration*. 6(1), 50–61. <https://doi.org/10.5901/mjss.2015.v6n1p50>
- Thrassou, A., Uzunboyly, N., Vrontis, D., & Christofi, M. (2020). Digitalization of SMEs: A Review of Opportunities and Challenges. In A. Thrassou, D. Vrontis, Y. Weber, S. M. R. Shams, & E. Tsoukatos (Eds.), *The Changing Role of SMEs in Global Business, Volume II: Contextual Evolution Across Markets, Disciplines and Sectors* (pp. 179–200). Springer International Publishing. [https://doi.org/10.1007/978-3-030-45835-5\\_9](https://doi.org/10.1007/978-3-030-45835-5_9)
- Tsai, M., Wang, J., & Chen, Y. (2021). Asia Pacific Management Review Effect of social identity on supply chain technology adoption of small businesses. *Asia Pacific Management Review*, 26(3), 129–136. <https://doi.org/10.1016/j.apmr.2020.12.001>
- Thrassou, A., Vrontis, D., Weber, Y., Shams, S. M. R., & Tsoukatos, E. (Eds.). (2020). *The Changing Role of SMEs in Global Business, Volume II: Contextual Evolution Across Markets, Disciplines and Sectors*. Palgrave Macmillan Cham.
- Widiastuti, A., Khajar, I., & Ghoniyah, N. (2022). Hikmah knowledge capture insolvency on MSME responsibility and financial performance. *Jurnal Siasat Bisnis*, 27(1), 31–48. <https://doi.org/10.20885/jsb.vol27.iss1.art3>
- Wong, K. K.-K. (2019). *Mastering Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS in 38 Hours*. iUniverse.
- Wongsansukcharoen, J., & Thaweepaiboonwong, J. (2023). Effect of innovations in human resource practices, innovation capabilities, and competitive advantage on small and medium enterprises' performance in Thailand. *European Research on Management and Business Economics*, 29(1), 100210. <https://doi.org/10.1016/j.iedeen.2022.100210>
- Xiao, Z., Chen, X., Dong, M. C., & Gao, S. (2022). Institutional support and firms' entrepreneurial orientation in emerging economies. *Long Range Planning*, 55(1). <https://doi.org/10.1016/j.lrp.2021.102106>
- Yamaoka, Y., & Oe, H. (2021). Business strategies of companies with a longevity of 300 years or longer in Japan: A concept model. *International Journal of Management Concepts and Philosophy*, 1(1), 1. <https://doi.org/10.1504/ijmcp.2021.10040235>
- Yen, T. T. B., Minh, L. B., & Huong, T. T. (2019). Analyzing the Barriers to Innovation Development in Emerging Economies: Vietnamese Small and Medium Enterprises (SMEs) as an Empirical Case. *Asian Economic and Financial Review*, 9(1), 64–77. <https://doi.org/10.18488/journal.aefr.2019.91.64.77>
- You, T., & You, Y. (2020). *The Effect of Entrepreneurship on the Sustainability of Social Small and Medium Enterprises (SMEs) - Between the Mediating Effects of Government Support Policy in Korea*. 11(2), 112–121. <https://doi.org/10.5430/rwe.v11n2p112>

- Al-Mamary, Y. H. S., Abdulrab, M., Alwaheeb, M. A., & Alshammari, N. G. M. (2020). Factors impacting entrepreneurial intentions among university students in Saudi Arabia: testing an integrated model of TPB and EO. *Education + Training*, 62(7/8), 779–803. <https://doi.org/10.1108/ET-04-2020-0096>
- Almodóvar-González, M., Fernández-Portillo, A., & Díaz-Casero, J. C. (2020). Entrepreneurial activity and economic growth. A multi-country analysis. *European Research on Management and Business Economics*, 26(1), 9–17. <https://doi.org/10.1016/j.iiedeen.2019.12.004>
- Anantadjaya, S. P., Finardi, B. A., & Nawangwulan, I. M. (2011). The Viability of Small/Micro Businesses in Indonesia: Implications of the Entrepreneurial Mindset Development Model? *Journal of Global Entrepreneurship*, 1(1), 26–43. <http://papers.ssrn.com/abstract=1692219>
- Anwar, M., Tajeddini, K., & Ullah, R. (2020). Entrepreneurial finance and new venture success - the moderating role of government support. *Business Strategy & Development*, 3(4), 408–421. <https://doi.org/https://doi.org/10.1002/bsd2.105>
- Bamiatzi, V. C., & Kirchmaier, T. (2012). Strategies for superior performance under adverse conditions: A focus on small and medium-sized high-growth firms. *International Small Business Journal*, 32(3), 259–284. <https://doi.org/10.1177/0266242612459534>
- Chen, J., Cheng, Z., Gong, R. K., & Li, J. (2022). Riding out the COVID-19 storm: How government policies affect SMEs in China. *China Economic Review*, 75, 101831. <https://doi.org/10.1016/j.chieco.2022.101831>
- Civelek, M., Krajčík, V., & Fialova, V. (2023). The impacts of innovative and competitive abilities of SMEs on their different financial risk concerns: System approach. *Oeconomia Copernicana*, 14(1), 327–354. <https://doi.org/10.24136/oc.2023.009>
- Crossley, R. M., Elmagrhi, M. H., & Ntim, C. G. (2021). Sustainability and legitimacy theory: The case of sustainable social and environmental practices of small and medium-sized enterprises. *Business Strategy and the Environment*, 30(8), 3740–3762. <https://doi.org/https://doi.org/10.1002/bse.2837>
- Dvouletý, O., Srhoj, S., & Pantea, S. (2021). Public SME grants and firm performance in European Union: A systematic review of empirical evidence. *Small Business Economics*, 57, 243–263. <https://doi.org/10.1007/s11187-019-00306-x>
- Garson, G. D. (2016). *Partial Least Squares: Regression and Structural Equation Models*. Statistical Associates Publishers.
- Geus, A. de. (1997). *The Living Company*. Harvard Business Review. <https://hbr.org/1997/03/the-living-company>
- Geus, A. P. de. (1998). The living company: A recipe for success in the new economy. *The Washington Quarterly*, 21(1), 197–205. <https://doi.org/10.1080/01636609809550303>
- Gill, A., & Biger, N. (2012). Factors that affect small business performance in Canada. *International Journal of Entrepreneurial Venturing*, 4(2), 181–193. <https://doi.org/10.1504/IJEV.2012.046520>
- Guo, B., Aveyard, P., Fielding, A., & Sutton, S. (2008). Testing the convergent and discriminant validity of the Decisional Balance Scale of the Transtheoretical Model using the Multi-Trait Multi-Method approach. *Psychology of Addictive Behaviors*, 22(2), 288–294. <https://doi.org/10.1037/0893-164X.22.2.288>
- Handayani, N., Dewi, S. N. F., Sutikno, & Satriawan, E. (2020). *The Mechanism of Micro, Small, and Medium Enterprise 's Data Integration in Indonesia for Targeting Social Assistance and Empowerment Programs* (Issue September). [https://www.tnp2k.go.id/download/53353371.PB\\_The\\_Mechanism\\_of\\_Micro\\_Small\\_and\\_Medium\\_Enterprises.pdf](https://www.tnp2k.go.id/download/53353371.PB_The_Mechanism_of_Micro_Small_and_Medium_Enterprises.pdf)

- Howard, A. L. (2013). Handbook of Structural Equation Modeling. *Structural Equation Modeling: A Multidisciplinary Journal*, 20(2), 354–360. <https://doi.org/10.1080/10705511.2013.769397>
- Huang, Y.-F., Lin, H.-C., & Lee, H.-M. (2023). Innovation in manufacturing SMEs during the COVID-19 pandemic: How does environmental dynamism reinforce employee proactive behavior? *Technological Forecasting and Social Change*, 187, 122247. <https://doi.org/10.1016/j.techfore.2022.122247>
- Irman, M., Budiyo, & Suwito. (2022). Financial Inclusion as Mediator in the Relationship of Social Capital and Financial Literacy Towards Business Performance. *Jurnal Pendidikan Bisnis Dan Manajemen*, 8(1), 25–38. <http://journal2.um.ac.id/index.php/jpbm/article/view/27052>
- Kalemli-Ozcan, S., Gourinchas, P.-O., Penciakova, V., & Sander, N. (2020). COVID-19 and SME Failures. In *IMF Working Papers* (No. 2020; 207, Vol. 2020, Issue 207). <https://doi.org/10.5089/9781513557748.001>
- Kaplan, R. S., & Norton, D. P. (1992). The balanced scorecard: Measures That drive performance. *Harvard Business Review*, 70–79. [https://ds.amu.edu.et/xmlui/bitstream/handle/123456789/9040/%5BHarvard Business Review - January-February 1992%5D - Kaplan %26.pdf?sequence=1&isAllowed=y](https://ds.amu.edu.et/xmlui/bitstream/handle/123456789/9040/%5BHarvard%20Business%20Review%20-%20January-February%201992%5D-%20Kaplan%20.pdf?sequence=1&isAllowed=y)
- Li, K., Wang, X., & Du, T. C. (2022). Entrepreneurial orientation, online credibility, and online performance: Evidence from SMEs in a B2B electronic market in China. *Journal of Small Business Management*, 60(1), 93–118. <https://doi.org/10.1080/00472778.2019.1695495>
- Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the Entrepreneurial Orientation Construct and Linking It To Performance. *Academy of Management Review*, 21(1), 135–172. <https://doi.org/10.5465/amr.1996.9602161568>
- Maksum, I. R., Rahayu, A. Y. S., & Kusumawardhani, D. (2020). A Social Enterprise Approach to Empowering Micro, Small and Medium Enterprises (SMEs) in Indonesia. *Journal of Open Innovation: Technology, Market, and Complexity*, 6(3), 50. <https://doi.org/10.3390/joitmc6030050>
- Mufudza, T. (2019). Dynamic Strategy in a Turbulent Business Environment. In O. L. Emeagwali (Ed.), *Strategic Management: a Dynamic View* (pp. 11–19). IntechOpen. <https://doi.org/10.5772/intechopen.77102>
- Nicolas, T. (2022). Short-term financial constraints and SMEs' investment decision: evidence from the working capital channel. *Small Business Economics*, 58(4), 1885–1914. <https://doi.org/10.1007/s11187-021-00488-3>
- Percy, C. (2021). *Strategic Staff Management in SMEs to Support Lifelong Learning: A Literature Review*. <https://www.voced.edu.au/content/ngv:90663>
- Razumovskaia, E., Yuzvovich, L., Kniazeva, E., Klimenko, M., & Shelyakin, V. (2020). The Effectiveness of Russian Government Policy to Support SMEs in the COVID-19 Pandemic. *Journal of Open Innovation: Technology, Market, and Complexity*, 6(4), 160. <https://doi.org/10.3390/joitmc6040160>
- Reijonen, H., & Komppula, R. (2007). Perception of success and its effect on small firm performance. *Journal of Small Business and Enterprise Development*, 14(4), 689–701. <https://doi.org/10.1108/14626000710832776>
- Riviezzo, A., Skippari, M., & Garofano, A. (2015). Who wants to live forever: exploring 30 years of research on business longevity. *Business History*, 57(7), 970–987. <https://doi.org/10.1080/00076791.2014.993617>
- Saberi, M., & Hamdan, A. (2019). The moderating role of governmental support in the relationship between entrepreneurship and economic growth. *Journal of Entrepreneurship in Emerging*

- Economies*, 11(2), 200–216. <https://doi.org/10.1108/JEEE-10-2017-0072>
- Salvato, C., Sargiacomo, M., Amore, M. D., & Minichilli, A. (2020). Natural disasters as a source of entrepreneurial opportunity: Family business resilience after an earthquake. *Strategic Entrepreneurship Journal*, 14(4), 594–615. <https://doi.org/10.1002/sej.1368>
- Sekaran, U., & Bougie, R. (2016). *Research Methods for Business: A Skill-Building Approach* (7th ed.). 3 John Wiley & Sons Ltd.
- Thrassou, A., Uzunboylu, N., Vrontis, D., & Christofi, M. (2020). Digitalization of SMEs: A Review of Opportunities and Challenges. In A. Thrassou, D. Vrontis, Y. Weber, S. M. R. Shams, & E. Tsoukatos (Eds.), *The Changing Role of SMEs in Global Business, Volume II: Contextual Evolution Across Markets, Disciplines and Sectors* (pp. 179–200). Springer International Publishing. [https://doi.org/10.1007/978-3-030-45835-5\\_9](https://doi.org/10.1007/978-3-030-45835-5_9)
- Thrassou, A., Vrontis, D., Weber, Y., Shams, S. M. R., & Tsoukatos, E. (Eds.). (2020). *The Changing Role of SMEs in Global Business, Volume II: Contextual Evolution Across Markets, Disciplines and Sectors*. Palgrave Macmillan Cham.
- Wong, K. K.-K. (2019). *Mastering Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS in 38 Hours*. iUniverse.
- Wongsansukcharoen, J., & Thaweepaiboonwong, J. (2023). Effect of innovations in human resource practices, innovation capabilities, and competitive advantage on small and medium enterprises' performance in Thailand. *European Research on Management and Business Economics*, 29(1), 100210. <https://doi.org/10.1016/j.iedeen.2022.100210>
- Yen, T. T. B., Minh, L. B., & Huong, T. T. (2019). Analyzing the Barriers to Innovation Development in Emerging Economies: Vietnamese Small and Medium Enterprises (SMEs) as an Empirical Case. *Asian Economic and Financial Review*, 9(1), 64–77. <https://doi.org/10.18488/journal.aefr.2019.91.64.77>
- Zhao, D., & Smallbone, D. (2019). What affects nascent entrepreneurs' proactiveness. *Asia Pacific Management Review*, 24(4), 318–326. <https://doi.org/10.1016/j.apmr.2018.12.001>
- Zonouzi, M., Hoseyni, M., & Khoramshahi, M. (2021). Asia Pacific Management Review Political factors affecting the survival of SMEs case study: An empirical study in Tehran Grand Bazaar. *Asia Pacific Management Review*, 26(1), 47–56. <https://doi.org/10.1016/j.apmr.2020.07.002>
- Zutshi, A., Mendy, J., Sharma, G. D., Thomas, A., & Sarker, T. (2021). From Challenges to Creativity: Enhancing SMEs' Resilience in the Context of COVID-19. *Sustainability (Switzerland)*, 13(12), 6542. <https://doi.org/10.3390/su13126542>