

## The Characteristics of MSME Entrepreneurs in Surakarta, Indonesia

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### Abstract

This study seeks to characterize the profile of entrepreneurs and core business employees from Micro, Small, and Medium Enterprises (MSME) in Surakarta. The characteristics examined in this study are the need for achievement, locus of control, tolerance for ambiguity, creativity/innovation, self-confidence, propensity to risk, and a sense of self-sufficiency/freedom. This study also attempt to determine the distinguishing characteristics between entrepreneurs and core business employees. Forty core business employees and thirty-six entrepreneurs were selected using purposive sampling method and questionnaires as the research instruments. Data testing was performed using descriptive statistical analysis methods and independent sample t-test to examine the differences in the characters reflected in the sample studied. The test results indicate that there are significant differences between entrepreneur and core business employees in their character, including the need for achievement, ambiguity tolerance, creativity/innovation, propensity to risk, and a sense of self-sufficiency/freedom. However, there is no significant difference in the character of self-confidence and locus of control. In addition, descriptive statistical tests show that entrepreneurs have a higher mean score on all aspects of the characteristics than core business employees.

### Keywords

Entrepreneurial character; entrepreneurial profile; MSME.

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### Introduction

Micro, Small, and Medium Enterprises (MSME) become one of the biggest economic drivers in Indonesia. According to regulations and laws in Indonesia, Undang-undang nomer 20 tahun 2008 concerning Micro, Small and Medium

Enterprises, business entities are categorized as Micro, Small, and Medium Enterprises if they have a turnover between of Rp.50,000,000 to Rp.50,000,000,000. Central statistic agency (BPS) data show that the number of Micro, Small, and Medium Enterprises (MSME) entrepreneurs in Indonesia in 2016 was

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61,651,177 (99.99 percent), which consisted of 60,863,578 (98.71%) micro businesses, 731,047 (1.19%) small businesses, and 56,551 (0.09%) medium-sized businesses. While in 2017, the number increased to 62,922,617 (99.99 percent) with the details: 62,106,900 (98.70%) micro businesses, 757,090 (1.20%) small businesses, and 58,627 (0.09%) medium businesses. In other words, each business scale increased to 2.06%, which included micro businesses increased by 2.04%, small businesses by 3.56%, and medium businesses by 3.67 percent (Ministry of Cooperatives & SMEs, 2017).

Surakarta, as an education city and culinary tourism destination, has many businesses in the culinary field. In 2010, the number of MSMEs in Surakarta reached 6,075 businesses. Specifically, in terms of formal and non-formal businesses, there are 54,582 businesses in Surakarta. This number includes 6,075 formal businesses and 48,507 informal businesses (Ministry of Cooperatives & SMEs, 2010). Most micro and small businesses carry out their business around the city of Surakarta (also known as Solo) that is never sleeps, since there are always food stalls that are open for business and always flooded by customers all day and all night long.

This is what distinguishes Solo from other cities. In addition to the culinary sector, Solo, which is famous for a long time, is a batik business that was previously based in two regions (Kauman and Laweyan), now MSMEs in the fashion sector, especially batik, have begun to spread in various regions in the city of Solo. This is what distinguishes Solo from other cities. In addition to the culinary sector, Solo has been famous for a long time with the batik business. The business was once based in two regions (Kauman and Laweyan), and

now MSME in the fashion sector, especially batik, began to spread in various areas in Solo.

Carsrud and Brannback (2011) state that small businesses are actually the 'engine' of a country's economic activities. The concern for entrepreneurial research, especially on how to understand entrepreneurial behavior, and how to find potential entrepreneurs should be further developed. But in practice, research in the field of entrepreneurship is still very limited and there are only few researches addressing the issue that is carried out at the university level. At first, entrepreneurial research focused more on what personalities formed an entrepreneur, then with the emergence of many young entrepreneurs, the focus of research shifted to the interest in entrepreneurship as an effort to understand the entrepreneurial process (Carsrud and Brannback, 2011). The shift in research direction is based on the belief that understanding a person's desire to do something will be the best predictor of the person's activity in the future. Currently, the pattern of entrepreneurial intention basically refers to the theory of planned behavior (Ajzen, 1991); this theory states that a person's interest is influenced by the person's attitude to an object's activity and self-efficacy, i.e. the control of behavior that can be controlled by the person. Nitu-Antonie and Feder (2015) in their research suggested several factors that influenced entrepreneurial. Their model states that an individual psychological characteristics will have an impact on their behavioral characteristics, including attitudes and subjective norms, and eventually encourage the individual to consider their future careers. In line with this, the findings by Tjahjono et al. (2013) stated the importance of the impact of a person's personality in influencing the subjective norms that he has, which later with risk consideration, they will

get to the formation of an interest in doing something, including interest in entrepreneurship.

Study about entrepreneur characteristic in small medium enterprises have conduct by Abdulwahab and Al-Damen. (2015), in this study suggest that strong entrepreneur characteristic will increase business success. Another study also conduct by Bux and Honglin (2015) states that psicological entrepreneur characteristic is very important to entrepreneur intention. From the afore mentioned findings, this research examine the level of entrepreneurship between entrepreneur and employee SMES in Solo City, Indonesia. Characteristics of entrepreneurs that we examine include need for achievement, locus of control, ambiguity tolerance, self confidence, creativity/innovativeness, risk taking propensity, and self sufficiency/freedom. These characters have been widely used in entrepreneurial studies in previous research (Bezzina. 2010; Abdulwahab and Al-Damen. 2015; Nitu-Antonie and Feder. 2015; Akyol. 2016).

The majority of previous research has focused on entrepreneurs in developed countries and study in developing country with the creative economy based sector and culture is still limited. While this research was conducted in developing countries that have different and unique characteristics. In addition, Surakarta City which is the object of our research has unique characteristics, a business model that develops based on a creative industry based on culture and local wisdom and comes from a small and micro scale family business. Furthermore, the majority of previous research was dominated by the issue of student entrepreneurial intention (Bux and Honglin, 2015; Nitu-Antonie and Feder, 2015; Çolakoğlu and Gözükar, 2016; Herdjiono

et al. 2017) meanwhile this research focus with entrepreneur and employee personality characteristic.

## **Literature Review and Hipotesis Development**

### **Entrepreneurial attitude and characteristic**

Entrepreneurship is a complex phenomenon, which has led multiple disciplines such as management, economics and psychology area to investigate this concept and issue (Çolakoğlu and Gözükar, 2016). Attitude is a positive or negative belief to display a certain behavior. These beliefs are called behavioral beliefs. An individual will intend to display a certain behavior when he evaluates it positively. Such an attitude is determined by one's beliefs about the consequences of displaying a behavior that is considered based on the results of an evaluation of the consequences that he might face (Putra et al. 2015).

Previous research have provide many empirical evidence regarding the attributes of entrepreneurship in terms of behavioral and socio-psychological that emphasize on personality traits. The psychological aspect focusing on the entrepreneurial characteristics of entrepreneurs became a dominan study in this issue (Bahari et al. 2018). Several study about characteristics of entrepreneurs have conduct in different setting (Bezzina. 2010; Abdulwahab and Al-Damen. 2015; Nitu-Antonie and Feder. 2015).

Akyol (2016) stated that entrepreneurs act as essential parts of the economy in terms of their decisions and practices. Having suitable entrepreneurs characteristics will forming innovations and differences. While Wijaya (2008) states that entrepreneurial attitudes consist of two main aspects,

namely the individual's belief that displaying or not displaying certain behaviors will produce certain consequences or results, and aspects of individual knowledge about the object of attitude can also be in the form of individual opinions that have not certainly in accordance with reality; the more positive the individual's belief in the effect of an attitude, the more positive the individual's attitude to that attitude, and vice versa.

### Entrepreneurial Intention

Entrepreneurial intention is the desire, interest, and willingness to work hard or have a strong will to be independent or try to fulfill their needs without feeling afraid of the risks that will occur, and a strong will to learn from failure. Wijaya (2014) states the interest of entrepreneurship as a willingness to work hard and diligently to achieve business progress, a willingness to bear various kinds of risks associated with doing business, willing to take new paths and ways, a willingness to live frugally, a willingness to learn from things experienced. Previous research found both entrepreneur and employee need to have entrepreneurship characteristic (Ismail et al, 2015; Ziyae, 2016)

Wilson et al. (2007) states the measurement of entrepreneurial interest in wanting to start an independent business, both from 'interested enough' to 'very interested'. In general, 'intention' can be interpreted as a relatively settled tendency for someone to feel attracted to a particular field and feel happy to be involved in various activities related to that field; thus individuals who are interested in becoming entrepreneurs generally feel attracted and tend to be happy with the entrepreneurial profession.

### Need for Achievement

There are two main theories for understanding motivation, namely drive theory and incentive theory. While in drive theory the motivation arises because of insistence (e.g. hunger or others), the incentive theory emphasizes the final results to be achieved that motivate someone to do something, which is called motivation for achievement; motivation for achievement can be universally applicable (Carsrud *et al.*, 1989; Collins *et al.*, 2004). In practice, it is not always motivated entrepreneurs who will always be able to start their business immediately; they may be ready, but are constrained. It also can be occurred that all economic factors is ready, but there are social constraints from the environment, or the unpreparedness of human resources and technical skills for business operations, or other factors.

Abdulwahab and Al-Damen. (2015) defines need for achievement as a psychological trait that drives the entrepreneur to achieve high standards that lead him toward success. Further, their study stated Need for Achievement is the one character of bisnis owner and manager level employee. This character significantly influence to small business performance. Achievement motivation affects the entrepreneurial spirit of Malaysian entrepreneurs (Ismail et al, 2015) increase the readiness of youth and startup success (Olugbola, 2017). Another finding by Bezzina, (2010) revealed that entrepreneurs or employers have greater motivation than core business employees. Based on those various literature, we offer hypothesis 1:

*H1. There is a difference in character between entrepreneurs and core business employees in the need for achievement*

### Internal Locus of Control

An important psychological characteristic of an entrepreneur is having an internal locus of control, that is, the personal characteristics of a person who depends on inner strength, therefore is self-determining and has a strong desire to be independent and autonomous. An individual who has an internal locus of control will see the world as something that can be predicted and individual behavior also plays a role in it. In contrary, individuals who have an external locus of control will view the world as something that cannot be predicted. As a result, they will depend more on the environment or other people. Most entrepreneurs with locus of control are individuals who have high initiative, like to work hard, trying to overcome the problem by finding the core problem effectively.

Chan et al. (2015) show a positive relationship between the high locus of control and entrepreneurial intentions. Other findings show that the locus of control is more strongly demonstrated by entrepreneurs (Muller and Thomas, 2000; Bezzina, 2010; Habaragoda, 2013; Bahari et al. 2018). However, other studies show different results where there is no difference between entrepreneurs and managers (Begley, 1995). Based on the various literature above, we propose hypothesis 2:

*H2. There is a difference in character between entrepreneurs and core business employees at the locus of control level*

### Ambiguity Tolerance

A person's tolerance level for uncertainty or ambiguity in the future affects the enthusiasm of entrepreneurship (Ismail et al, 2015). This character is one of the most important characteristics that must be possessed by entrepreneurs. Uncertainty or

ambiguity is a necessity and this must also be faced by employees. Research by Katsaros et al (2014) found that managers need to have a high tolerance for ambiguity to obtain maximum performance. Individuals with a high tolerance for ambiguity see uncertainty as a challenge and are more capable to accept and deal with it. However, another study by Bezzina, (2010) revealed that there were no significant differences in the characteristics of ambiguity tolerance between employers (entrepreneurs) and employees. Based on those gap, hypotheses 3 is suggested as below:

*H3. There is a difference in character between entrepreneurs and core businesses employees in the level of ambiguity tolerance*

### Self Confidence

Self-confidence is one of the characteristics needed by entrepreneurs. Abdulwahab and Al-Damen. (2015) in their research stated one of the characteristics and demographic factors influencing entrepreneurial inclination is self-confidence. The character of confidence in entrepreneurs or entrepreneurial activities has been a concern in prior studies (Newton dan Shreeve, 2002; Baum dan Locke, 2004; Canuzakov et al. 2017). This character is quite consistent to other characters, namely the propensity to risk. Baum and Locke (2004) in their study mentioned that someone who has a high level of confidence will more likely to choose an entrepreneurial career. However, interesting findings is reported by Bezzina, (2010) which states that there is no significant difference between entrepreneur and employees in the character of self-confidence. On these basis, we propose hypothese 4:

*H4. There is a difference in character between entrepreneurs and core business employees at the level of confidence*

### **Creativity/Innovation**

Creativity is one of the important attributes possessed by entrepreneurs (Newton and Shreeve, 2002; Habaragoda, 2013; Canuzakov et al. 2017; Olugbola, 2017). Creativity allows a person to act and carry out new ways or techniques that are different from existing techniques or methods. Previous research by Bux and Honglin (2015) and Canuzakov et al. (2017) found that innovation character became an important character and effect to entrepreneur intention.

Other findings found that creativity is also needed by employees and is part of corporate entrepreneurship that can improve company performance in the long run (Ziyae, 2016). An interesting finding was proposed by Park (2017) they found that innovativeness is not one of the significant entrepreneurial characteristics of start-up workers in South Korea. This variable is generally needed in the business whether by entrepreneur or employee, hence the variable is interesting to be investigated further. Based on the findings, hypotheses 5 is proposed as follows:

*H5. There is a difference in character between entrepreneurs and core business employees at the level of creativity/innovation*

### **Risk Taking Propensity**

Basically, the attitude or tendency to face risk is a descriptive label to form the assumed utility function of one's choices (Weber et al., 2002). It takes understanding and consideration for someone to take a risk and calculate the resulting impact. Major

findings suggest that risk taking is the main characteristic of entrepreneur (Bezzina, 2010; Bux and Honglin, 2015; Ismail et al. 2015; Herdjiono et al. 2017). But the importance of this characteristic also found in employee. A research from Brandstätter (2011) explain that a person's tendency to take risks as an entrepreneur is greater than if that person works as a manager. A similar finding by Ziyae (2016) also describes that this character is important for employees in order to improve the performance.

Relatively, Ismail et al. (2015) suggest that the inclination to take risks is one of the strong characteristics possessed by entrepreneurs. Entrepreneurs are accustomed to facing uncertain situations and are required to take decisions that have certain risks. Based on these remarks, hypotheses 6 is generated as:

*H6. There is a difference in character between entrepreneurs and core business employees at the level of risk taking propensity*

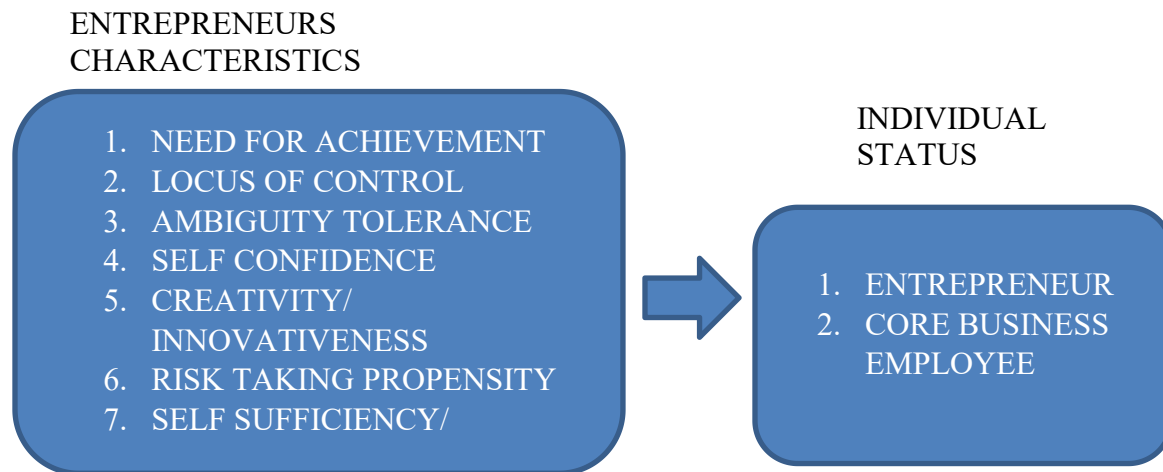
### **Self-sufficiency/Freedom**

Individuals with self-sufficiency are independent people who can make their own choices and who want to set their own boundaries. In this way, they want to make their own decisions and want to have the freedom to take action. Bezzina, (2010) suggested that there are significant differences between employers and employees in the character of self-confidence and that entrepreneurs have a stronger character. Similar results are also shown by the research of Newman et al (2017) that self-sufficiency and freedom become one of the main characteristics of entrepreneurs when running a business. In addition, other research conducted by Baum and Locke (2004) states that self-sufficiency is one of the entrepreneurial skills needed by

managers. On this basis, we submit hypotheses 7:

*H7. There is a difference in character between entrepreneurs and core business employees in the level of self-sufficiency / freedom.*

## Research Framework



**Figure 1. Research Framework**

## Research Method

The study was conducted on MSME entrepreneurs and employees in Surakarta, Indonesia. The sampling technique is done by non-probability sampling, specifically purposive sampling. Entrepreneurs and employees respondents in this study came from the culinary sector and the batik convection sector. 40 employee respondent consist of 12 employee from culinary sector and 28 employees from batik convection sector. We take 36 respondent from MSME entrepreneurs, which consist of 11 entrepreneur from culinary sector and 25 entrepreneur from batik convection sector. Both MSME sectors studied represent the characteristics of MSMEs in the city of Solo which are the economic activities or creative businesses based on culture and local wisdom.

Questionnaires were distributed directly to entrepreneurs and core business employees. Valid and reliable questionnaires were obtained as many as 16 items, which were measured using a five point Likert scale, starting with "strongly disagree" represented by the value '1' to "strongly agree" represented by the value '5'. The variables studied include: the need for achievement, locus of control, ambiguity tolerance, self-confidence, creativity/ innovation, propensity for risk and sense of freedom.

Descriptive statistical tests (frequency, average, standard deviation, average standard error) were used for each of the seven characteristics obtained for employers and core business workers to obtain the entrepreneurial profile of each group. To test

the seven hypotheses proposed in this study, an independent sample t-test was used to determine which characteristics could truly differentiate between entrepreneurs and core business employees. Furthermore, with a significant p-value, the effect size  $r$  is calculated to find the experimental effect size. Effect sizes ranging from 0.1 to 0.23, 0.24 to 0.36 and 0.37 to 1, each consecutively represent small, medium, and large effect sizes (Cohen, 1988).

### Statistical Result and Discussion

Table 1 shows the test results on the research instrument. All items show Pearson correlation values or  $r$  value  $> r$  table ( $r$  table = 0.227, at 5% level) so that all items can be declared as valid. Furthermore, the test continued using the Cronbach  $\alpha$  coefficient indicator. The instrument test results above show that all variables have met the minimum limit of Cronbach  $\alpha \geq 0.5$  (Hair et al, 2014), thus all the items are reliable.

### Instrumental Test

**Table 1. Validity and Reliability Test**

Items	Pearson correlation	Sign (2-tailed)	Cronbach $\alpha$
<i>Need for Achievement / Success</i>			
NA1	0,861	0,000	0,549
NA2	0,796	0,000	
<i>Self-Sufficiency/Freedom</i>			
SS1	0,862	0,000	0,571
SS2	0,809	0,000	
<i>Ambiguity Tolerance</i>			
AT1	0,881	0,000	0,626
AT2	0,822	0,000	
<i>Self-Confidence</i>			
SC1	0,900	0,000	0,791
SC2	0,918	0,000	
<i>Creativity/Innovativeness</i>			
CR1	0,756	0,000	0,593
CR2	0,820	0,000	
<i>Locus of Control</i>			
LC1	0,887	0,000	0,733
LC2	0,889	0,000	
<i>Risk-taking Propensity</i>			
RT1	0,629	0,000	0,670
RT2	0,775	0,000	
RT3	0,705	0,000	
RT4	0,723	0,000	

Source: Processed data (2019)



Table 2 shows descriptive statistics on the seven characteristics of entrepreneurs. Result indicate that 36 respondents of entrepreneurs have a higher average value than respondents of core business employees with a total sample of 40 respondents on all

the characteristics or variables studied. Interesting results can be seen in the characteristics of the locus of control where the mean values between the types of respondents have very small differences.

**Table 2. Descriptive Statistic**

Group Statistics					
Variabel/characteristic	Tippe	N	Mean	Std. Deviation	Std. Error Mean
Need for Achievement / Success	Employee	40	4,025	0,629	0,099
	Entrepreneur	36	4,583	0,439	0,073
Self-Sufficiency / Freedom	Employee	40	3,950	0,668	0,105
	Entrepreneur	36	4,388	0,562	0,094
Ambiguity Tolerance	Employee	40	3,800	0,677	0,107
	Entrepreneur	36	4,403	0,684	0,114
Self-Confidence	Employee	40	3,838	0,692	0,109
	Entrepreneur	36	4,042	0,750	0,125
Creativity / Innovativeness	Employee	40	3,975	0,452	0,071
	Entrepreneur	36	4,292	0,602	0,100
Locus of Control	Employee	40	3,775	0,960	0,152
	Entrepreneur	36	3,778	0,659	0,109
Risk-taking Propensity	Employee	40	4,119	0,477	0,075
	Entrepreneur	36	4,417	0,482	0,080

Source: Processed data (2019)

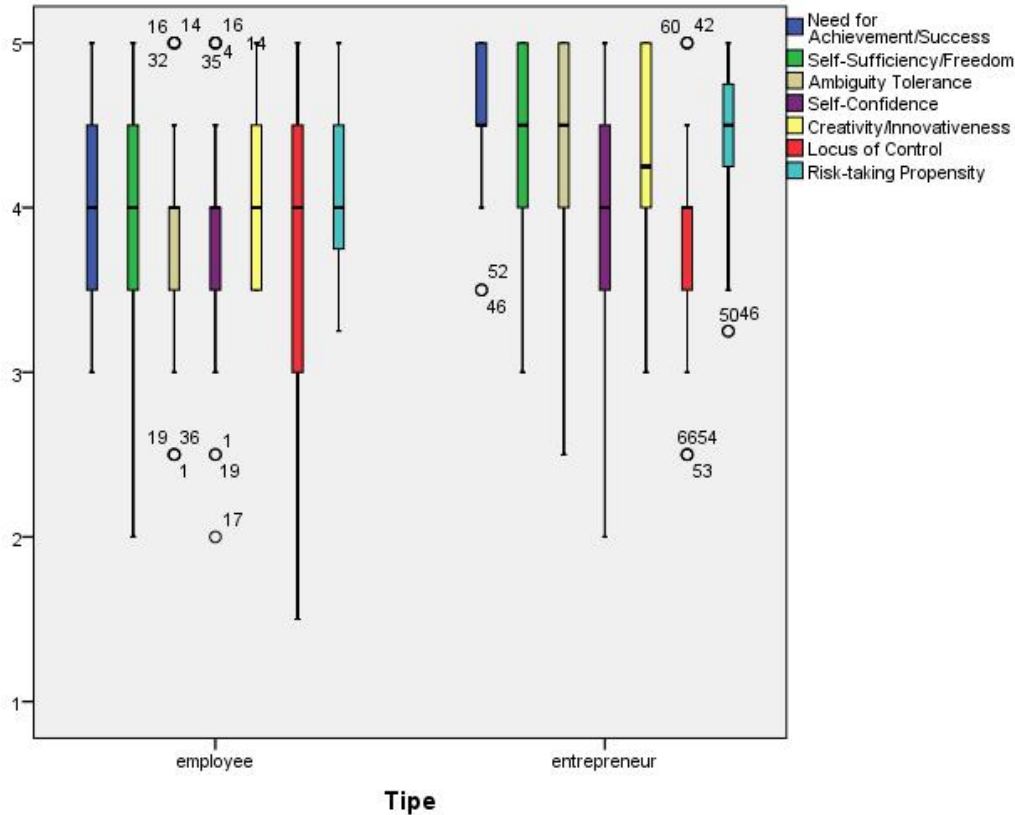


Figure 2. The Plots Chart

The box plots chart in figure 2 displays the overall distribution of sample responses on the seven characteristics or variables studied. This chart evidently illustrates that entrepreneurs have a higher score or higher average value than employee (in this case is indicated by the median) on all entrepreneur characteristics. The biggest distribution

difference occurs on the variable “Need for Achievement/Success”, “Self Sufficiency/Freedom”, and “Ambiguity Tolerance”. Meanwhile, the next interesting result is shown by the variable “Locus of Control” which has almost no significant difference between the two types of respondents studied.

Table 3. Independent Samples t-test and Effect Size r

Variable/character	Df	t-value	p-value	Effect size
H1. Need for Achievement/Success	74	-4,435	0,000***	0.458
H2. Locus of Control	74	-,0150	0,988	-
H3. Ambiguity Tolerance	74	-3,853	0,000***	0.408
H4. Self-Confidence	74	-1,234	0,221	-
H5. Creativity/Innovativeness	74	-2,609	0,011**	0,290
H6. Risk-taking Propensity	74	-2,706	0,008***	0,300
H7. Self-Sufficiency/Freedom	74	-3,081	0,003***	0.337

Source: Processed data (2019)

\*\*\* significant at 1%  
 \*\* significant at 5%

Table 3 shows the testing of Independent samples t-test that there are five characteristics or variables that have significant value, indicating that there is a difference between the characteristics of entrepreneurs and core business employees. The first character is “Need for Achievement / Success” (t value = -4.435;  $p < 0.01$ ) and the effect size  $r$  indicator shows a large-sized effect ( $r = 0.458$ ), so that it can be stated that Hypothesis 1 is supported. This finding confirms previous research by Ismail et al. (2015) that achievement motivation affects the entrepreneurial spirit. This result also state that entrepreneur have higher level of need for achievement than employee. This result is also supported by previous study by (Abdulwahab and Al-Damen, 2015; Olugbola, 2017; Bahari et al. 2018) who explain that need for achievement is one of improtant entrepreneur characteristic

The second characteristic is the “Ambiguity Tolerance” (t value = -3,853;  $p < 0.01$ ) and the effect size  $r$  indicator shows the large-sized effect ( $r = 0.408$ ). These findings prove that Hypothesis 3 is supported. This result show that there are differences level of character between entrepreneur and employee. Entrepreneur have higher ambiguity tolerance character level. This result confirm previuos research by Katsaros et al (2014) that managers have a high tolerance for ambiguity. Likewise, “Self-Sufficiency / Freedom” (t value = -3,081;  $p < 0.01$ ) and the effect size indicator  $r$  shows the effect of medium-size or medium-sized effect ( $r = 0.337$ ), so it can be stated that Hypothesis 7 is supported. This finding confirms previous research by Newman et al (2017) that self-reliance and freedom become one of the main characteristics of entrepreneurs when running a business. In addition, this result prove that entrepreneur have higher level of self-sufficiency than

employee and this result support by previous research by Baum and Locke (2004) that self-sufficiency is one of the entrepreneurial skills needed by managers.

Furthermore, the “Risk-taking Propensity” character (t value = -2.706;  $p < 0.01$ ) and the effect size  $r$  indicator show the medium-size effect ( $r = 0.300$ ), thus Hypothesis 6 is supported. This result statistically indicates that there are differences between entrepreneur and employee, and that entrepreneur have more risk taking character level. Our finding supports many previous findings that highlighted risk taking as the main characteristic of entrepreneur (Bezzina. 2010; Ismail et al. 2015; Herdjiono et al. 2017). Creativity / Innovativeness variable (t value = -2.609;  $p < 0.05$ ) and the effect size indicator  $r$  shows the effect of medium-size or medium-sized effect ( $r = 0.290$ ), hence it support Hypothesis 5. This result show that entrepreneur have more creativity character than employee. This finding also confirm prior study that conducted in China by Bux and Honglin (2015) and research by Canuzakov et al. (2017) in Kyrgistan that innovation character became an important entrepreneur character and effect to entrepreneur intention.

However, the other two variables, “Self-Confidence” (t value = -1.234) and “Locus of Control” (t value = -0.015) statistically show no difference in value between entrepreneurs and core business employees, so hypotheses 2 and 4 are not supported. This finding confirms Begley (1995) that there is no difference between entrepreneurs and managers and research by Bezzina, (2010) that there is no difference beetween employee and entrepreneur in self confidence. However, this result does not support the majority of previous findings (Muller and Thomas, 2000; Habaragoda, 2013; Bahari et al. 2018). Our findings show

that entrepreneur and employee have same level of self confidence and locus of control characteristic. It can be happen because MSME's employee in creative sector have same level of confidence about their work. Employee expertise and craftsmanship give them great self confidence and locus of control.

## Conclusion

### Findings and Implication

Theoretically, this research contributes to the issue of entrepreneurship, especially entrepreneur personality characteristics. From this study, there are five personality characteristics or variables that can distinguish between entrepreneurs or employers and core business employees. These characteristics include Need for Achievement / Success, Ambiguity Tolerance, Risk-taking Propensity, and Self-Sufficiency / Freedom. Our findings also show that there is no significant differences in locus of control and self confidence characteristic. This is very interesting because it is contrast with the majority of previous findings on the similar field. This study confirms several prior research in different countries and environments. This study also adds to the body of knowledge by providing statistical evidences in regard to characterize and encompassing entrepreneurs' characteristics of entrepreneurs and employees from Micro, Small, and Medium Enterprises in a developing country, Indonesia.

In practice, our research shows that employee have a potentation to improve their entrepreneur character. Employee have the same level as entrepreneur in locus of control and self-confidence character. It is not imposible that in the future other employee character could also have a same level as entrepreneur. Statistical result shows

a wide level of difference regarding the character in Need for Achievement and Ambiguity Tolerance character. Manager can focus to improve this two character for the better employee performance.

Our findings indicates that entrepreneurs have a greater desire to be independent, earn achievements, be able to survive in uncertainty, and control their own direction. Furthermore, the Need for Achievement / Success and Ambiguity Tolerance is the most contributing character in qualifying between entrepreneur and employees, where the higher value is obtained by employers compared to employee. Descriptive statistical test results also exhibit that entrepreneurs have higher average values than employee on all characteristics or variables studied. This shows that the employee still have a low entrepreneurial character. While in fact, the character of entrepreneurship is also needed by employee in order to improve the performance and develop the business.

### Limitation and Future Research

This study succeeded in portraying the condition and character of MSME entrepreneurs in Surakarta including the 7 variables studied. The research used 76 samples of respondents, which is relatively small, so it is difficult for generalizing the examined phenomenon to different research setting. The number of respondents also becomes a limitation in the use of factor analysis. The results establish that there are differences in character between entrepreneurs and core business employees. This research uses questionnaire for the testing instrument. Future research can be enriched by using data from interviews and discussions to better portray the phenomenon. In addition, the next research can use a greater amount of data and a more

diverse sample background so that generalizations can be build and more comprehensive analyzes can be used.

### Notes on Contributors

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