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SUSTAINABLE DEVELOPMENT **GOALS 2030**
Challenges and Solutions

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SUSTAINABLE DEVELOPMENT GOALS 2030:
CHALLENGES AND ITS SOLUTIONS**

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Graduate School of University of Merdeka Malang, Indonesia

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Motivation Effect on UMKM Performance in Banjarmasin City: Overview of Locus of Control as a Contingency Factor

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Abstract

Globalization affects business and their proprietors, including Micro, Small and Medium Enterprises (MUMKM). This requires businessmen to be responsive, ready to change and adapt to the change itself as business competition is fierce. Should businessman does not make changes and fix their motivation and character in these conditions, it will have an impact on achieved business performance. Should businessman does not want to change, they would be run over by changes itself. In order for the business/company to survive, a businessman must have the carrying capacity of character/personality to face the business environment pressure. The self-carrying capacity is the most important aspect. It is the motivation of a UMKM actor to produce a good performance. In addition, this study also reviews the locus of control as a contingency factor that affects business performance. This study aims to analyze the influence of motivation on UMKM performance in Banjarmasin by reviewing locus of control as a contingency factor. This study used 100 businessmen possessing status as manager and or UMKM business owners in Banjarmasin City as samples. Data collection process utilized questionnaires method. Data were collected and processed using moderating regression analysis (MRA) and interaction regression between variables. Research results exhibited motivation and locus of control possessing a positive effect on business performance. However the locus of control as a contingency factor which does not prove to be moderating between the motivations of business performance.

Keyword: *motivation, locus of control, contingency, UMKM performance*

INTRODUCTION

The current technological revolution has changed all aspects of human life. In business realm, in particular, a technological revolution has led to remarkable changes in competition, marketing, and human resource management. As a result, business realm became more global and fierce in competition. The fierce nature of the competition becomes a serious problem for companies because business environment has undergone a change marked by increasing uncertainty conditions that make it difficult in many business activities. This uncertainty condition is known as contingency factor, which can affect company/business or Micro, Small and Medium Enterprises (UMKM) performance.

In order to achieve a good business performance, a maximum effort is required. One of the factors that encourage efforts in achieving good performance is the motivation that is born from within an entrepreneur or UMKM proprietors. The motivation of an entrepreneur or UMKM proprietor will have an impact on the business behavior it takes, which in turn will have an impact business performance result. Therefore, it is imperative that UMKM proprietor motivation in relation to business behavior undertaken to possess an impact on business objectives performance result.

In the current era of globalization phenomenon, should UMKM proprietors not supported by a strong or high motivation, it would affect performance achievements. Therefore motivation serves as a means of bridging a person's success, including UMKM proprietors. McClelland's research (1961, 1985); Mulyanto (2004); Brahmasari (2008); Sutanto and Eliyana (2014); Huda (2014) concluded that motivation affects businessman/entrepreneur performance successes. Green, et al. (1996) mentions the motivation and locus of control can determine the success of an entrepreneur managing business.

In an effort to achieve maximum business performance needed a leverage from both outside and inside in the form of self-character. The UMKM proprietor possesses limitations which require character leverage in accordance with recent competitive and changing business environment. One of the characters related to successful business performance, including on UMKM scale, is the locus of control. In this study, UMKM performance is reviewed based on the locus of control as a contingency factor, in addition to motivation as an independent variable.

REVIEW OF RELATED LITERATURE

The rapid growth of business units at the micro scale exhibits a huge entrepreneurial spirit. Bygrave's opinion (1996: 1) mentions that it is currently the period of entrepreneurship. The spirit of entrepreneurship must be based on a drive or motivation that arises from within a person. This entrepreneurial spirit or motivation

is evident through the growth of businessmen which is increasing through various fields or sectors of economic activity in the community.

Idrus (1999); Anomsari and Mahmud (2011) mentioned that a large number of people are working in informal sector (which include self-employed and self-employed assisted temporarily by family) in Indonesia are: 49.24% in trade and restaurant; 18.66% in the mining and quarrying sub sector; 4.36% in the building sub-sector (construction); 5.36% in the transport and communications sub-sector; And 18.52% in the public service sub-sector of total worker working in each subsector.

The data continues to grow through a various business field which was conducted due to community creativity. This exhibit growing entrepreneurship motivation in the society. But is high motivation exhibited by high growth rate is followed by good business performance? In order for the "birth" of new Micro, Small and Medium Enterprises (UMKM) does not end at merely micro business scale/ranking? However, it occurs in all other strata/rank of business, such as on the scale of small and medium enterprises, even large scale business. The fact that the increase of business growth from micro scale to small scale or from small scale to medium scale even from medium to large scale is relatively small. Table 1 exhibits UMKM growth in last six years. On average there are a million more "births" of new business units each year. Based on existing data in Banjarmasin City (Table 2), it exhibits the largest growth contribution from a micro business unit.

Table 1
Development and Growth of Small and Medium Micro Business
2010 - 2015

| No | Year | Total UMKM (Million) | Business Unit Growth (Million) | Percentage(%) |
|----|------|-------------------------|-----------------------------------|---------------|
| 1 | 2010 | 53,82 | 1,06 | 1,97 |
| 2 | 2011 | 55,20 | 1,38 | 2,50 |
| 3 | 2012 | 56,53 | 1,33 | 2,35 |
| 4 | 2013 | 57,89 | 1,36 | 2,35 |
| 5 | 2014 | 59,30 | 1,41 | 2,37 |
| 6 | 2015 | 60,70 | 1,40 | 2,31 |

Source: processed from BPS data, 2017.

In Banjarmasin City UMKM growth during the last two years (2015 and 2016) exhibits rapid birth of micro business units compared to other business units, as exhibited in Table 2 below:

Table 2
UMKM Development and Growth
Banjarmasin City 2015-2016

| No | Business | 2015 | 2016 | Business Unit Growth | Percentage (%) |
|-------|----------|--------|--------|----------------------|----------------|
| 1 | Medium | 1.642 | 1.694 | 52 | 3,17 |
| 2 | Small | 3.723 | 3.827 | 104 | 2,79 |
| 3 | Micro | 31.514 | 42.336 | 10.822 | 34,34 |
| Total | | 36.879 | 47.857 | 10.978 | 29,77 |

Source: processed from Bappeko, 2015/2016 and Dinkop & UMKM Banjarmasin, 2017..

The data exhibits Micro business growth possessing highest growth compared to Small and Medium Enterprises business unit. This also exhibits entrepreneurship motivation among the community has grown well, but the motivation in developing the business itself needs to be increased as there are still a number of obstacles. Based on this need, it is necessary to research the influence of motivation on UMKM performance. UMKM proprietors motivation become the basis of action or behavior in entrepreneurship. Every businessman would want a satisfactory result of business performance. Performance is the result of work that can be achieved by a person or group of people in an organization either quantitatively or qualitatively, in accordance with the authority and duties of each responsibility, in an effort to achieve the objectives of the organization concerned legally, not violating the law and in accordance with moral and ethics (Moeheriono, 2012: 95).

Whether a business develops or falls can be seen from its resulting performance. Rue and Byars (1997) states that performance is the level of result achievement or achievement level of organizational goals. The similar opinion expressed by Fahmi (2010: 2), stating that performance is the result obtained by an organization, whether the organization is profit or not profit oriented generated during a period of time. Wheelen and Hunger (1995: 286) states that performance is an achievement obtained by a company in a certain period reflects corporate health level as measured by

Return on Investment (ROI). Prakosa (2005: 47) states that a company's performance is a measure of company success that is measured every predetermined time period. This result could be regarded as the value of each activity that has been prepared and implemented to be able to identify whether the strategy is made and its implementation is appropriate or vice versa. Wiklund and Shepherd (2003) stated that a company's performance is the work achieved by UMKM managers/owners to develop the organization through five indicators related to the market position, sales growth, employment growth, customer loyalty and financial results.

UMKM businessmen performance can be seen from both quantitative and qualitative aspects (Moeheriono, 2012: 95; Bernardin and Russell, 2003; Jauck and Glueck, 1988) as well as through revenue growth indicators, sales volume growth, business growth and asset growth (Amstrong , 2004: 29; Sandjoyo, 2004: 122; Jeaning and Beaver, 1997). It can also be seen from indicators related to market position, sales growth, employment growth, customer loyalty and financial results (Wiklund and Shepherd, 2003; Wheelen and Hunger, 1995: 286), or can also measure through productivity indicators, profits and prices (Istanto, 2010: 135), or ROA and sales growth (Majeed, 2011: 195). Subagyo (2013: 68); Armstrong (2004); Rue and Byar (1977); Jeaning and Beaver (1997); Wheelen and Hunger (1995); Hadjimonialis (2000); Wilkund and Shepherd (2003); Sandjoyo (2004); Sangen (2005); Mentioned that business performance can be measured through sales growth, profit growth, asset growth, and labor grow indicators.

Motivation is derived from the word "motiv" which means encouragement, while the urge will be in the form of energy/energy which motion soul and body to perform an action. Motiv is also a driving force that causes people to behave, and instills certain purpose in their respective actions. As'ad (1998) argues that motives are defined as need, want or desire. Drivers or impulses in humans. Motives are directed at goals that may be realized or may not be realized. Gerungan (2000) states that the motive has an understanding that includes all the movers, reasons, impulses in man to perform a deed.

Riani (2005) concludes the motive or motivation to give strength, the drive to move oneself in certain behaviors and at the same time give direction to one's self to

respond or do activities toward goal achievement. Robbins and Judge (2013: 245) argue that motivation is the willingness to struggle or strive to a higher level toward achieving organizational goals provided that it does not ignore the ability to gain satisfaction in the fulfillment of personal needs.

According to Santrock (2007), motivation means is the process of giving spirit, direction, and persistence of behavior. Pinder (1998: 53) says that "a set of energetic forces that originate both within as well as beyond an individual's being, to initiate work-related behavior, and to determine its form, direction, intensity, and duration". Motivation is an impulse of the soul that makes a person moved to perform productive actions, both work-oriented money making and not. Schiffman and Leslie (1997: 49) states: "This motivation describes as the driving force generated by events that arise as a result of the results of a need that have not yet Fulfilled. The desire to meet everyone's needs will give birth to motivation.

McClelland (1961, 1985); Robbin (2003); Robbins and Judge (2013) mentions there are 3 (three) needs in which someone based their motivation respective actions, which are described as follows

1) *Need of achievement/n Ach*

There are three characteristics of people who possess high achievement needs according to McClelland: a) People possessing high achievement needs have a sense of responsibility in implementing a task or finding solution to a problem; b) People possessing high achievement needs tend to establish moderate difficulty levels and calculate the risks; c) People possessing high achievement motivation have a strong desire to get feedback or response to the execution of their duties.

2) *Need of Power/n Pow*

The need for power is the need to influence and control others and be accountable to it. People possessing a high need for power have the following characteristics: a) The desire to directly influence others; b) The desire to exercise control over others; b) There is an attempt to maintain the relationship of leaders and followers.

3) *Need of Affiliation/n Aff*

The need for affiliation is a desire to make friendly and warm relationships with others, similar to Maslow's social needs. People possessing high affiliation needs have the following characteristics: a) They have a strong desire to gain the blessing and peace of others; b) Tendency in adapting to others desires and norms in their respective environment; c) They have a genuine concern for the feelings of others.

In terms of the motivation with the birth or the emergence of a behavior or external response as a result of a strong drive from within that person, Campbell in Gibson (1996: 87) suggests that motivation relates to a) The direction of behavior; b) The power of response (i.e effort) after a person chooses, followed by certain actions; c) Endurance behavior or how long a person is continuously behaving in a certain way.

Wexley and Yukl (1995: 45) argued that motivation is something that raises work spirit or drives. Therefore a person's motivation strength determine resulting achievement. Regarding UMKM proprietors, a strong motivation will encourage a businessman to make a business breakthrough with high spirits to produce maximum business performance as expected..

McClelland's research (Robbins, 2003: 173) on entrepreneurs exhibits more meaningful evidence of achievement motivation than groups of other jobs. This means that entrepreneurs possessing higher N-ach than from other professions. The key characteristics of entrepreneurial roles according to McClelland include the ability to assume moderate or less risk as a result of skill and not by chance, a vigorous and / or creative exercise (= motivation) of personal responsibility, and knowledge of the outcome -decision; Which is considered a measure of results (Robbins, 2003: 218; Mulyanto, 2004: 93). McClelland's results on Robbins and Judge (2013) also state that in a less risky state, entrepreneurial performance will be more dependent on skills or achievements than other jobs. McClelland argues that the motivation of an entrepreneur does not merely want to achieve profit itself, but because the entrepreneur has a strong desire to excel. Through motivation of achievement, a motivation of power and motivation affiliated to a businessman, it will give effect to the overall business performance (Mulyanto, 2004: 92).

An innovation or improvement requires a passionate and active entrepreneur. Entrepreneurs can work for a long time, for example, 70 hours to 80 hours per week. It is not the length of time that matters, but because the entrepreneurial spirit that endures working for such a long time, therefore individuals possessing high N-ach, are not interested in the recognition of others or society for its success, but an entrepreneur requires a method to measure achievements.

The results of McClelland's (1985) study concluded that achievement satisfaction derives from taking initiatives to act to achieve success, rather than from a general recognition of personal achievement. People possessing high N-ach are less affected by money, but more interested in achievement. Based on this fact, the standard for measuring success for the entrepreneur is clear, such as profit, market share or sales growth rate.

In order to achieve a good business performance, there are various decisive personality characteristics, Riani's research (2014) mentions achievement motivation. According to McClelland in Tamizharasi and Panchanatham (2010), the high need (motivation) for achievement is a personal characteristic of an entrepreneur. Through possessing high motivation for achievement, an entrepreneur will always have the desire to excel and will work better than others to achieve success (McClelland, 1985).

In addition to motivation, one's character also affects the resulting performance. Especially on an independent businessman in determining actions, therefore character affects the results of decisions made then ultimately also possess impact to overall business performance. One of the characteristics that serve as a review in supporting UMKM performance business is the locus of control. Locus of control implies how an individual capable of mastering their own destiny. It is the belief that an individual can or can not control events that affect them. The concept of locus of control was developed by Julian B. Rotter in 1954 and has since become an important aspect of research on personality.

Kreitner and Kinicki (2000); Dumitriu at al. (2014) also stated locus of control as one of the variables of personality (personality) which is defined as an individual's belief to control their own destiny. The locus of control illustrates how far one looks

at the relationship between actions undertaken (action) with the result or outcome. It means locus of control is associated with work attitude and self-image. Rotter (1966: 489) divides the locus of control into 2 (two) namely Internal Locus of Control and External Locus of Control. Internal control refers to the extent to which a person expects results depends on the behavior itself or personal characteristics. On the other hand, external control is the extent to which a person expects that a result is based on chance, luck, or fate, is under the control of others or unpredictable.

High internal individuals locus of control tend to possess better self-control, exhibit more political behavior, and more likely to try to influence others than individuals with an external locus of control. Internally oriented locus of control managers exhibit greater confidence in their ability to influence the environment, are better able to cope with stressful situations, rely more on an open and supportive way of influencing, emphasizing more risky and innovative corporate strategies and Resulting in higher group and enterprise performance than oriented managers.

According to Subagyo (2013); Lee and Tsang (2001) stated that other factors are only supporting factors. But individual factors (characteristics) of businessmen plays the most important role in determining business success. Taormina and Lao (2007); Turker at al. (2012) states that success (a business) is determined by individual characteristics. Therefore a businessman must possess supporting personal characteristics, one of which is the Locus of Control. Kreitner and Kinicki (2000), and Riani (2014) stated that locus of control is one variable of personality. The results of Lee and Tsang (2001); Sumantri et al. (2013); Subagyo (2013: 184) mentions the character of entrepreneurial dominant influence on UMKM performance.

Bello's research result (2001) states one of the important variables that become locus of control output is business performance or organizational performance. Based on this fact, contingency approach on locus of control is used as a factor that moderates a relationship in this study. The contingency factor chosen is the locus of control owned by UMKM. A condition that causes an uncertainty is known as a contingency factor. Brownell (1982) examines several studies and found the influence of conditional factors as a variable that moderates the relationship between independent variables and dependent variables. Conditional factors can be grouped

into four variables, namely: culture, organizational, interpersonal, and individual. Environment outside the organization or business contains many uncertainties. Therefore, this study reviews the influence of motivation on business performance with locus of control as a contingency factor.

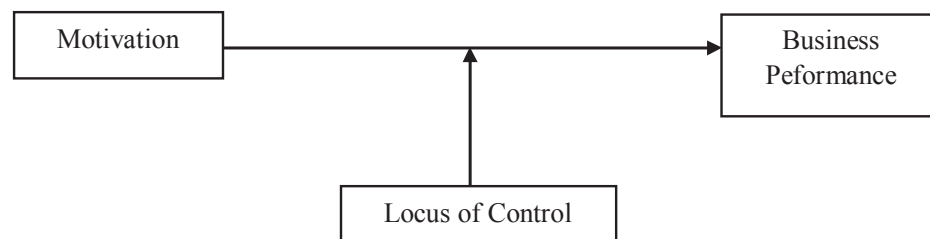
Accordingly, Riani's research (2014: 12) states that the need for achievement and internal locus of control of entrepreneurs/businessmen is essential to achieve competitive advantage for UMKM. Ferdinand (2005) states that sustainable competitive advantage is the company's strategy to achieve its ultimate goal, which is high-yielding performance. That is, sustainable competitive advantage is not the ultimate goal, but as a means to achieve the ultimate goal of the company, which is to improve business performance. Green, et al. (1996) also mentions that individual characteristics such as motivation and locus of control can determine the success of an entrepreneur in managing how the business is run.

This research model exhibits the influence between motivation and locus of control as contingency factor to business performance. That with high motivation and good locus of control level will affect business performance. Motivation (McClelland, 1961, 1985); Green, et al. (1996); Sumantri, et al. (2013) and locus of control (Kreitner and Kinicki, 2000); Riani, 2014) is a characteristic factor or personality that exists within a person and influences the subsequent actions which impacts or influence undertaken performance. Should the internal locus of control is dominant in a businessman, it indicates aforementioned businessman in possessing good understanding and take advantage of everything in a complex decision-making. With a high internal locus of control, it is possible for a businessman to increase motivation through creative strategy-making and incorporating risk. Thus, the motivation will work very well if the businessman has a high internal locus of control which ultimately affect business performance.

Locus of control is identified as a reinforcing factor in the relationship between motivation and business performance. Businessman motivation in running a business or entrepreneurship is linked to a source of control because at the time of emerging entrepreneurial interests or taking business risks permitting businessmen in influencing business performance goals achievement, and that is what creates an

internal locus of control. Homell and Avolio (1993) found the internal locus of control significantly and positively affects performance, it is possible that one way a businessman improves business performance is by emphasizing creative strategies and incorporating risk. Bownell (1982, 1983) explains that managers with internal orientation work better than with external orientation.

Based on the theoretical framework and previous research findings that examine the effect of motivation on business performance with a review of the locus of control as a contingency factor, the conceptual framework of the three variables can be explained in Figure 1 below:



**Figure 1. Research Framework Concept
Motivation Effect on Business Performance: Overview of Locus of Control as
a Contingency Factor**

RESEARCH HYPOTHESIS

Based on the conceptual framework, the hypothesis proposed in this research are:

H1: Motivation has a significant effect on business performance.

H2: Locus of control is a contingency factor between business performance motivation.

RESEARCH METHOD

1. Sample and Population

The population of this study amounted to 47,857 units. Given existing large number of population, respondents were determined based on samples requirement, namely the UMKM proprietor that have been operating for at least 2 (two) years, the company stands alone and is not a branch or franchise, and is the owner or manager. Therefore the research used Purposive sampling technique. According to Cooper and Schindler (2008), one of the types of purposive

sampling is judgment sampling is to choose the sample members (respondents) who meet determined criteria.

The subject of this research is the manager and / or owner of the company / unit of UMKM, because the manager or owner of the business unit is the most responsible and understand the ins and outs of the overall business management, both concerning human resources and resources Other power, including capital, production, and marketing issues. In order to determine the size or quantity of samples the researcher used the following Slovin Formulas (Sanusi, 2014: 101) follows:

$$n = \frac{N}{1+N\alpha^2}$$

N = total Population
n = total Sample
 α = inaccuracy tolerance (in percentage)
With an tolerable error rate of 5%.

2. Research Variable Parameter

The data measurement tool used is the questionnaire. Each respondent is given a number of questions or statements to answer in accordance with the alternative choice of answers already provided in five categories; Strongly Agree (SS) score 5, Agree (S) score 4, Neutral (N) score 3, Disagree (TS) score 2, and Strongly Disagree (STS) score 1.

3. Data Analysis Technique

To analyze the data in this study used descriptive analysis intended to determine the motivation, business performance, and locus of control and determine the tendency of respondents' assessment of the variables studied. To obtain a description of the above variables, a frequency distribution analysis tool is used by utilizing SPSS facility in Moderated Regression Analysis (MRA). MRA is used to determine the influence between motivation and locus of control on business performance. Based on the approach adopted, the regression equation (Sunjoyo, et al., 2013) is:

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_1 \cdot X_2 + e$$

HYPOTHESIS EXAMINATION RESULT ANALYSIS

1. Hypothesis 1 Examination

Hypothesis 1 reads: Motivation significantly influence the Performance of Micro, Small and Medium Enterprises in Banjarmasin City.

1) Determination Coefficient

Table 3 Determination Coefficient

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .516 ^a | .266 | .259 | .42171 |

Based on Table 3 above, it is known that R value is 0,516. R square value (R^2) is 2.66. This exhibits that the motivation effect on UMKM performance amounted to 26.6%. The remaining 73.4% UMKM performance is influenced by other variables.

2) Regression Coefficient

**Table 4
Regression Coefficient**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|--------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .963 | .467 | | 2.059 | .042 |
| | X1 - MOTIVAS | .669 | .112 | .516 | 5.961 | .000 |

a. Dependent Variable: Y1 - KINERJA USAHA

Table 4 above exhibits a t value of 0.516 with a significance of 0.000. To test the hypothesis that "Motivation has a significant effect on UMKM Performance" following the rule of significance <0.05 then the hypothesis is accepted. The significant value in Table 4 above is $0.000 < 0.05$. Thus the hypothesis stating 'Motivation has a significant effect on UMKM performance' is proven/accepted. This is in line with the results of McClelland's research (1961, 1985, Mulyanto (2004), Turker at al. (2012), Sutanto and Eliyana (2014); Huda (2014).

2. Hypothesis II Examination :

Hypothesis 2 reads: Locus of Control is a contingency factor in Banjarmasin City UMKM Performance Motivation.

Testing the hypothesis is tested through Moderation Regression Analysis (MRA). This analysis used two regression analyses, regression analysis I and regression analysis II (Sunjoyo et al., 2013: 170). Regression analysis I used a simple regression analysis to determine R square value. The second regression analysis to know R square value. Furthermore, to determine the moderation variable is seen from value b on regression coefficient tables. If b value is positive then the variable is not a moderating variable. If b value is negative, then the variable is a moderating variable. The moderating variable can strengthen or weaken the influence of the independent variable to dependent variable. If the value of R regression analysis II is greater than the value of R regression I, then the moderating variable strengthens the relationship between independent and dependent variables. Vice versa.

The results of regression analysis of this study exhibited a positive b value of 0.869 (in Table 7). Thus the Locus of Control variable is not a moderation variable between Motivation and Performance of UMKM. The hypothesis that "Locus of Control to be a contingency factor between Motivation to UMKM Performance" is not proven. If b value is negative, then the Locus of Control variable becomes the moderating variable and reinforces the influence of the Motivation on UMKM performance because the R square value on regression analysis II (0.268) in Table 4 is higher than R square value on regression analysis I (0.266) in table 7.

Table 5 Coefficient of Determination (Result of Regression Analysis I)

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .516 ^a | .266 | .259 | .42171 |

Table 6 Coefficient of Determination (Regression Analysis Result II)

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .518 ^a | .268 | .253 | .42327 |

Table 7 Regression Coefficient (Regression Analysis Result II)

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|--------------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .869 | .502 | | 1.732 | .086 |
| | X1 - MOTIVASI | .643 | .124 | .495 | 5.203 | .000 |
| | X2 - LOCUS OF CONT | .054 | .102 | .050 | .528 | .599 |

Conclusion

- a. UMKM proprietors in Banjarmasin City have a strong motivation in running the business through the desire to always achieve or achieve success in business exhibited by their tenacity in performing their respective business objective, therefore their business performance as exhibited through sales growth continues to increase.
- b. UMKM proprietors in Banjarmasin City exhibit locus of control's internal character affecting business performance in positive and significant results. Nevertheless, the locus of control as a contingency factor is not a moderating variable between UMKM performance motivations in Banjarmasin City.

Suggestion

- a. Increasing UMKM proprietors personal and business capacity, through ongoing training with mentoring and networking to improve business performance.
- b. Further research related to build true entrepreneurship mentality on UMKM proprietors to enable them to upgrade their business scale.
- c. Expand the research area or increase the number of samples.

Limitations

This research is conducted only on the scope of UMKM Banjarmasin businessmen which is inappropriate to be generalized in other regions/cities due to different cultural and characteristics. Therefore further research is required. It is suggested to add variables from other contingency factors such as culture, organizational, interpersonal, and individual to determine the influence of conditional factors as a moderating variable on the relationship between independent variables and dependent variables.

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