

# Study of Entrepreneur Performance in Small and Medium-Sized Enterprises

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This study aims to describe the influence of work culture and integrity on the performance of employers by making decisions as mediation. The population is Indonesian micro, small and medium entrepreneurs with a sample taken by 200 entrepreneurs. Data were analysed using Structural Equation Models (SEM). The results showed a positive and significant fact of work culture and the integration of decision making. They are associated positively and significantly with work culture and integration of employers' performance. The findings of this study suggest the importance of cultural influences on entrepreneurs through more significant decision making, compared to supporting employers through decision making. Future research hopes to further examine the mediating variables of decision making by taking into account other variables in other industrial sectors.

**Keywords:** *Work culture, integrity, decision making, entrepreneur performance*

## Introduction

The biggest challenge of the Indonesian people as the subject of development in the future is the era of free trade and the establishment of the ASEAN Economic Community in 2015. Indonesia, that has natural resources and cultural diversity recognised by the world, has the opportunity to become a big country. However, Indonesia currently still has weaknesses in various fields including (1) the number of new entrepreneurs is 0.85% of the population; (2) unemployment is still 8.32 million or 7.14% of the workforce; (3) dropping out of high school and vocational school and graduating does not continue every year to reach 1.4 million children; (4) becoming the 4th largest importer country in the world; and (5) Indonesia's Human Development Index (HDI) ranks 108 out of 169 countries (Ditjen PAUDNI, 2011).

In the process of Indonesia's economic recovery, the MSMEs sector has a very strategic and vital role in various aspects. First, the number of industries is large and can be found in every economic sector. Based on data from the 2012 Central Statistics Agency, the number of MSMEs was 41.36 million units or 99.9% of the total business units. Second, the great potential in employment. Each investment unit in the MSMEs sector can create more employment opportunities when compared to the same investment in large businesses. The MSMEs sector absorbs 76.55 million workers or 99.5% of the total workforce employed. Third, the contribution of MSMEs in the formation of GDP is quite significant at 55.3% of total GDP. Micro, Small, and Medium Enterprises (MSMEs) are business people engaged in various business fields, which touch the interests of the community. The population of small and medium enterprises reaches 42.5 million units or 99.9 per cent of all business people in the country. A significant contribution to employment was up to 99.6 per cent. Meanwhile, the contribution to Gross Domestic Product (GDP) was 56.7 per cent (Badan Pusat Statistik/BPS, 2013).

Indonesian SMEs are often associated with domestic economic and social problems such as high levels of poverty, significant unemployment, unequal distribution of income, uneven development processes between urban and rural areas, and urbanisation issues. The development of SMEs makes a significant positive contribution to efforts to tackle these problems. MSMEs entrepreneurs get a fresh breath to continue developing their business products, as one of the agreements of the cooperative/SMEs ministers meeting of APEC members, at the 20th Asia-Pacific MSMEs ministerial-level meeting on September 2-7, 2013 in Nusa Dua, Badung Bali. Countries that are members of APEC agree to encourage MSMEs to increase export-import flows to and from countries, which means that as a consequence of economic integration. There are already significant opportunities to penetrate the market, both for SMEs including from Indonesia to other countries or vice versa from other countries to Indonesia.

For Indonesia, the importance of increasing the capacity of MSMEs through facilitation, especially in anticipating the current global economic turmoil, has become a priority and makes it one of the proposed topics on the APEC agenda. Indonesia has also formulated concrete steps to increase the capacity of MSMEs actors, at the 2013 APEC Summit meeting, which essentially led to the facilitation of MSMEs actors to increase their capacity to face global competition. Through the APEC, Indonesia is also exploring cooperation in developing MSMEs in various fields with several APEC member countries, including China Taipei, the United States, Malaysia, Singapore, South Korea, and Japan. Strengthening MSMEs as a cushion in ensuring regional economic growth is a breakthrough step initiated by Indonesia because MSMEs are proven to be the most resistant to be able to withstand global economic shocks.

As advances in the volume of APEC economic cooperation, especially in increasing the strengthening of MSMEs, places a strategic position considering that around 60 per cent of world GDP or approximately 40 trillion US dollars is contributed by APEC countries, with a total population representing 40 per cent of the world's population. From the trade sector, half (almost 50 per cent) of the world export-import market share is also contributed by the countries which are members of APEC. Statistics show that, in the period 1989-2011, the value of trade in the APEC region continued to increase to around 20 trillion US dollars with a reduction in tariffs that could be reduced by 5 per cent. APEC's economic cooperation has also succeeded in increasing employment by 10.8% in a decade (1999-2009) so that the poverty rate in the APEC region can be reduced and reduced by 35% during 1999-2009. With the strengthening of MSMEs, it is expected to be able to answer various issues related to maintaining economic growth amid the global financial crisis, overcoming the problem of employment and overcoming the problem of poverty reduction.

The APEC Forum held in Bali can be used as a momentum to explore and develop bilateral cooperation with APEC member countries. The development of cooperation and strengthening of MSMEs in the framework of mutual benefit and equality able to move the wheels of the regional economy, which will contribute positively in ensuring that the APEC ranks have higher resilience and become an engine of growth not only in the region but also in the world. Also, the APEC forum to be a vehicle for increasing mutual benefit cooperation for its members. Furthermore, the success story of the application of entrepreneurship growth programs in Indonesia can be used as "best practice" offered to other APEC member countries interested in exploring experiences. On the other hand, the success stories of partner countries in the development of MSMEs can also be utilised by Indonesia.

Based on data from the Ministry of Cooperatives and SMEs, there are around 57.9 million SMEs in Indonesia. In 2016, it was estimated that the number of MSMEs actors continues to grow. So far, MSMEs have contributed to PBD 58.92% and employment of 97.30% (Badan Pusat Statistik/BPS, 2015). If examined further, the development of the private sector, especially MSMEs, needs to be done considering that this sector has the potential to maintain economic stability, increase labour, increase GDP, develop the business world, and increase the state budget and regional budgets through taxation.

Several relevant studies that have been carried out regarding the performance of its relationship with work culture and integrity have been carried out by placing organisational integrity and commitment as mediating variables, including Mahanani et al. (2014), use employee commitment as mediation. Meanwhile, Sunyoto (2017) places integrity as a mediating variable. All hypothesis test results indicate that there is a positive and significant influence; this means that the proposed hypothesis is entirely accepted. So far, the researchers

have never put decision making as a mediating variable; it is realised that influential work culture and integrity if followed by rapid and appropriate decision making, will result in perfect performance improvement. Because of the urgency of decision making as a mediating variable, making this research relevant to do further as a novelty. This study aims to describe the influence of work culture and integrity on the performance of employers through decision making as mediation.

## **Literature Review**

### ***Work Culture***

Culture is an idea, tradition, expertise, and art given by humans at a particular time. Culture concerns moral, social, behavioural norms that are based on the beliefs, abilities, and priorities of members of the organisation. The word culture itself is a development of the Sanskrit language 'budhayah,' which is the plural form of 'buddhi' or reason, and compound words cultivation, which means the power of the mind. In other words, culture is the power of the mind in the form of copyright, intention, and taste (Webster, 1967). Culture is the development of a culture that is the result of copyright, intention, and taste (Widagdhoo, 2004). The notion of culture is put forward by many experts that culture is the whole human being from the behaviour and the results of the behaviour that is organised by the behaviour that must be obtained by learning and everything is arranged in people's lives. The work culture is a set of behaviour patterns that are inherent as a whole in every individual in an organisation. Building culture means increasing and maintaining the positive sides, as well as trying to familiarise (habituating process) specific patterns of behaviour to create a better form (Koentjaraningrat, 2004).

Work culture is a system of values, perceptions, behaviours, and beliefs held by each employee and group of employees about the meaning of work and its reflection in activities to achieve organisational and individual goals (Mangkuprawira, 2007). Work culture is essential to be developed because of its positive impact on achieving sustainable change in the workplace, including increasing productivity (performance) (Brown, 1992). Moeljono (2005) suggested that work culture is generally a philosophical statement; it can function as a binding demand on employees because it can be formally formulated in various company rules and regulations. Individuals or groups can not be separated from the culture that exists in the company. In general, they will be influenced by the diversity of available resources as a stimulus so that someone in the company has a specific behaviour when compared to the group of organisations or companies. Work culture is a set of assumptions or systems of beliefs, values, and norms developed in organisations that serve as guidelines for behaviour for members to overcome the problem of external adaptation and internal integration (Mangkunegara, 2005).

Work culture is derived from organisational culture. The organisational culture itself is a value system that contains the ideals of the organisation as an internal system and an external social system. It is reflected in the contents of the organisation's vision, mission, and goals. In other words, every organisation should have a specific cultural identity in its organisation. There is a work culture in companies known as corporate culture (Mangkuprawira, 2007). Dedik's (2016) states that organisational culture has a strategic role in encouraging and increasing the effectiveness of organisational performance, long-term and short-term. Organisational culture is a social glue that binds fellow members of the organisation together in a shared vision and goals. On the other side of the statement said by Syamsuri (2011), in general, good habits that are carried out sustainably will obtain a step that must be taken in deciding policy. Based on the opinions of some experts, it can be concluded that work culture is a set of assumptions or belief systems, values, and norms developed in organisations that serve as guidelines for behaviour for members to overcome the problems of external adaptation and internal integration.

In measuring work culture, generally uses indicators that can be categorised into three, namely: habits, rules, and values. The scope of the meaning of each work culture value, among others: discipline, openness, mutual respect, cooperation. In principle, the function of work culture aims to build confidence in human resources or instil specific values that underlie or influence the attitudes and behaviours that are consistent and committed to familiarising a way of working in their respective environments. With the existence of a strong belief and commitment to reflect specific values, for example, accustom quality work, according to standards, or according to customer (organisational) expectations, effective or productive and efficient (Ndraha, 2003).

**H1.** Work culture has a positive effect on decision making

**H3.** Work culture has a positive effect on the performance of employers

### ***Integrity***

It can be interpreted as a whole business based on quality, honesty, and consistency of one's character. The point is that what is in the heart is the same as what we think, say, and act. Integrity is acting consistently by organisational values and policies, as well as the professional code of ethics, even in circumstances that are difficult to do (Bertens, 1994). A person of integrity does not compromise when faced with difficulties. Still, it is possible that he must evaluate and improve his commitment to theoretical grounds so that he does not fight himself (Davion, 1994).

Othman (2014) explains that building integrity with personal integrity is not difficult because at least it is enough to take three essential steps. You must develop a positive self-concept,

which has positive views and feelings about yourself that will make a person an optimistic human being in solving problems. Then feel equal to others, think of praise as fairness, realise that we cannot please everyone, and can change ourselves. Also, the keys to living in integrity include having an honest character, a sincere heart, not being hypocritical, not saving mistakes or conflicts, being good at guarding the tongue, dare to admit mistakes and taking responsibility for commitments that have been made that impact the success of the business being carried out. On the other hand, Mulyadi (2014) said that integrity is an element of character that underlies professional recognition. Integrity is a quality that underlies public trust and is a benchmark for members in testing all decisions they make. Based on some experts' opinions, it can be concluded that integrity is a commitment to do everything according to the correct and ethical principles, by the values and norms in a consistent manner in every situation without seeing any opportunity or coercion to get out of principle.

Pringle (2001) in his book *Top 10 Qualities of A Great Leader* are: integrity comes from a selfless attitude; integrity is built based on discipline; integrity is a moral force that is proven to remain true amid temptation; integrity is the ability to be patient when life is not going smoothly; integrity is a test stand that requires predictable behaviour; integrity is a force that remains firm even though no one sees; integrity is keeping promises even when it hurts you; integrity remains true to commitment even when it is uncomfortable; integrity remains true to specific values even though it feels more popular to dump them; integrity of life with confidence rather than with what is liked; integrity is the foundation of life, if integrity is functional then life is good, and vice versa; integrity is formed through habit. Mulyadi shared indicators, including honest and transparent, brave, wise, responsible. In this study, using indicators that have been developed from Pringle (2001) and Mulyadi (2014).

**H2.** Integrity has a positive effect on decision making

**H4.** Integrity has a positive effect on the performance of entrepreneurs

### ***Decision Making***

Luthans (2009) explains that decision making involves choosing from among alternatives. Colquitt (2011) explains decision making refers to the process of generating and choosing from a set of alternatives to solve all problems and further in the "rational decision-making model". It says: The rational decision-making model offers a step by step approach to making decision making: (1) to identify the important criteria; (2) generate a list of all available alternatives that might be potential solutions to the problem; (3) evaluate to those alternatives; (4) choose the solution that maximises value; and (5) implement appropriate solutions. Kreitner and Kinichi (2014) explain decisions making entails identifying and choosing alternative solutions that lead to a desirable state of affairs. Another opinion, as



stated by Shecrmerhorn et al. (2011), decision making means making choices, and these choices made at each step in the decision-making process just described. According to Robbins and Judge (2011), these decisions follow a six-step rational decision-making model: (1) define a problem, (2) identify the decision criteria, (3) allocate weights to the criteria, (4) develop the alternatives, (5) evaluate the alternatives, and 6) select the best alternatives.

According to Colquitt et al. (2011), decision making refers to the process of generating and choosing from a set of alternatives to solve a problem. Further said, the more knowledge and skills employees have, the more likely they will make accurate and steady decisions. Furthermore, according to Rose, as quoted in Teale et al. (2003), decision making is acts of choice between alternative courses of action designed to produce a specified result and one made on a review of relevant information guided by explicit criteria. According to Shull, as quoted in Teale et al. (2003), decision making or decision making is a conscious and human process, involving both individual and social phenomena, based on factual and value premises, which includes a choice of one behavioural activity from one or more alternatives with the intentional of moving towards some desired state of affairs.

Gabriel (2003) states that a decision is a choice or a judgment of what we need to do to achieve a specific objective. Decision-making, therefore, involves planning a course of action and setting controls to check if the plan is proceeding towards the objective. Every person who becomes the leader of the organisation has the duty and authority to make decisions to carry out activities to achieve organisational goals effectively and efficiently (Robbins & Seema, 2005). Based on the opinion of some experts, it can be concluded that decision making is a conscious and human process, which involves individual and social phenomena, based on a factual premise and value that includes a choice of behavioural activities from one or more alternatives to move towards several desirable conditions.

**H5.** Decision making has a positive effect on entrepreneur performance

### ***Entrepreneur Performance***

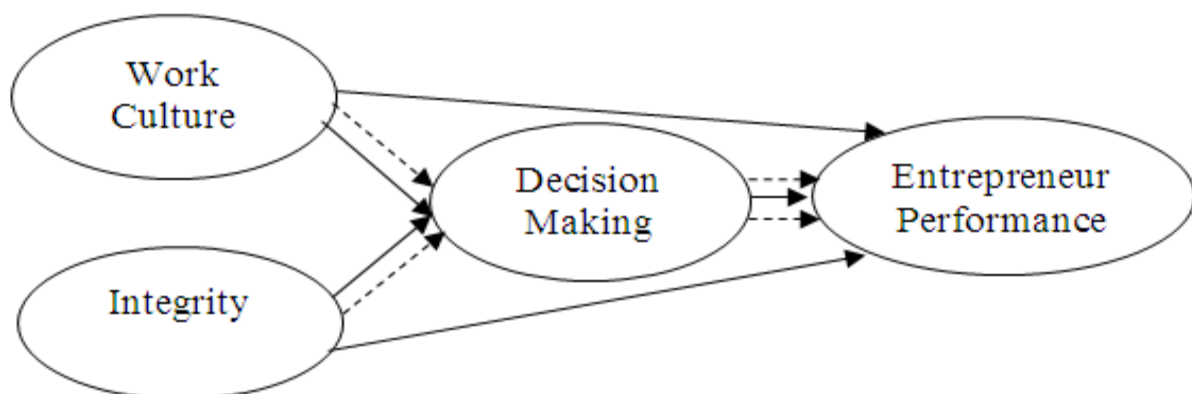
In many human resource management practices, the terminology that appears with the word performance is performance evaluation, also known as performance appraisal, performance rating, performance assessment, employee evaluation, rating, efficiency rating, service rating, basically a process used by companies to evaluate job performance. Armstrong (2006) argues that performance means both behaviour and result. Behaviours emanate from the performer and transform performance from abstraction to action. Not just the instrument for the result, behaviours are also outcomes in their own right the product of mental and physical effort applied to the task and can be judged apart from the result. Furthermore, Goldhammer et al. (2001) states that performance as records of outcomes produced in a specified period.

Although a person's job performance depends on some combination of abilities, motivation, and situational constraints, it can be measured only in terms of some outcomes.

Meanwhile, George (2005) defines performance is an evaluation of the results of a person's behaviour. It involves determining how well or poorly a person has accomplished a task or done a job. Bernardin and Russel (2003) provide an understanding of performance is defined as the record of outcomes produced on a specified job function or activity during the period ". Based on the definitions of the experts above, it can be concluded that performance is a concrete work result or work achievement in a certain period seen by the responsibilities of the tasks given and related to organisational goals.

Bacal (2012) said that performance is the work that is concrete, observable, and measurable. If we know three types of goals, namely organisational goals, unit goals, and employee goals, then we also know three types of performance, namely organisational performance, unit performance, and employee performance. In this study, the measured performance is the performance of the entrepreneur; for that, the indicators used by mandated by the Ministry of Cooperatives and SMEs include: Increasing the number of workers coming from cooperatives and MSMEs and increasing the number, scale and capacity of cooperative businesses and MSMEs. It has increased community income from SMEs. The realisation of cooperative governance organisation performance is professional, credible, and accountable. The realisation of entrepreneurship from SMEs that are strong and independent. Increased MSMEs in contributing to the regional and national economy. Increasing cooperatives and MSMEs in improving people's welfare. The organisational capacity of the Ministry of Cooperatives and SMEs.

**Figure 1.** The Conceptual Framework







## **Research Method**

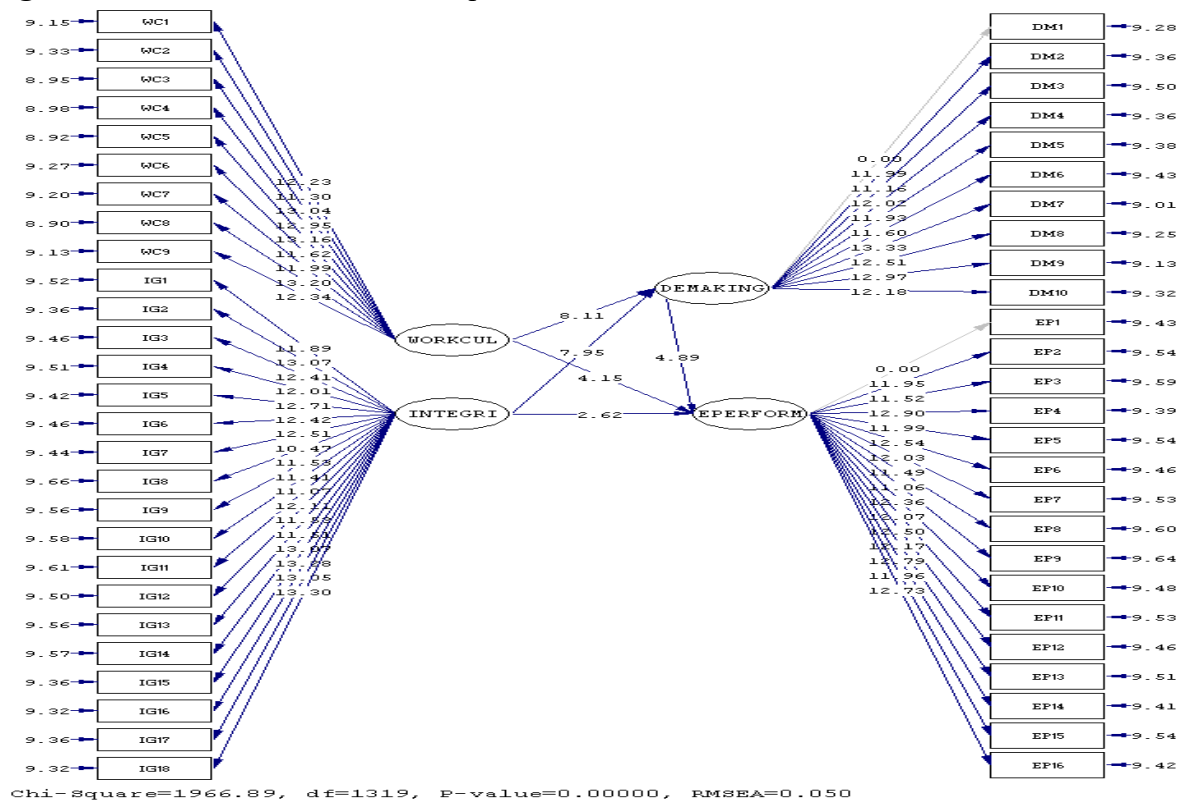
By the focus of the study, this research population is all groups of entrepreneurs who are members of the Indonesian small and medium entrepreneurs association. Based on various studies that have been conducted on various estimation methods, one of the conclusions is that the minimum sample size needed to reduce bias in all types of SEM estimates is 200 (Loehlin, 1998)—in this study, using a sample of 200 respondents based on a returned questionnaire by considering the conditions and situations that exist.

This research is cross-sectional, which is a type of research that collects information only once in a specific time to the sample (Malhotra, 2007). To collect data, we distribute questionnaires to MSME entrepreneurs, based on instruments that have been prepared. We use the Likert Scale with 1 "Strongly disagree" and 5 "Strongly agree". Data analysis uses Structural Equation Model (SEM) to assess hypotheses because it can estimate various relationships and interconnected relationships when explaining measurement errors in the estimation process (Hair et al., 2006).

## **Result and Discussion**

Based on the existing GOF (Goodness-Of-Fit) criteria, where the p-value limit  $> 0.05$  and  $RMSEA < 0.08$ , the GOF has been fulfilled; concluded the model was fit with the data, because the  $RMSEA \text{ data} = 0.050 < 0.08$  even though  $p\text{-value} = 0.00000 < 0.05$ .

**Figure 2.** The Results of Structure Equation Model



**Sobel Test Results on Mediating Effects between Variables**

**Table 1:** Sobel Test Results in the Effect of Work Culture on Entrepreneurs' Performance through Decision Making

Input:	Test Statistic:	<i>p</i> -value:
$t_a$ : 8.11	Sobel test:	4.18766319
$t_b$ : 4.89	Arolan test:	4.16450991
	Goodman test:	4.21120698
	Reset all	Calculate

**Table 2:** Sobel Test Results in the Effect of Integrity on Entrepreneurs' Performance through Decision Making

Input:	Test Statistic:	<i>p</i> -value:
$t_a$ : 7.95	Sobel test:	4.16514873
$t_b$ : 4.89	Arolan test:	4.14144646
	Goodman test:	4.18926269
	Reset all	Calculate

**H1.** Work culture has a positive effect on decision making

The t-value of work culture variable =  $8.11 > 1.96$  so  $H_0$  is rejected, which means this variable has a positive and significant effect on the decision making variable. The more conducive to work culture, the more appropriate in decision making, and vice versa.

Hypothesis test results indicate that work culture has a positive and significant effect on decision making. This is in line with the statement said by Syamsuri (2011), good habits that are carried out sustainably will obtain a step that must be taken in deciding policy. In achieving educational goals and improving performance needs to be done continuously by paying attention to organisational culture. The urgency of organisational culture is not only in educational institutions but also in business organisations. This research is supported by research findings which conclude that organisational culture has a high influence in organisational decision making (Anco, 2017).

Micro, small and medium entrepreneurs, reflected in running their businesses show that success in running a good work culture can inspire the entire environment. This success can be followed by the community who have proven the fact that the success shown can be easily and without the need for coercion of prospective business actors to start carrying out the smallest activity. This habit can be transmitted to other communities so that decision making can be done more accurately.

## **H2. Integrity has a positive effect on decision making**

The t-value of integrity variable =  $7.95 > 1.96$ , so  $H_0$  is rejected, which means that this variable has a positive and significant effect on the decision making variable. The higher the integrity, the better the decision making, and vice versa.

Hypothesis test results indicate that integrity has a positive and significant effect on decision making. Integrity is associated with the character of a thoughtful person, a character that guarantees that what he does is always right, but that connection is not unconditional. A person with integrity should not be too calculating to ignore the bonds of personal affection, feelings of compassion, and moral emotions in general. Even if integrity is associated with the character of people who firmly hold their commitments, the possibility of commitment improvement cannot be ignored for people with integrity. A person of integrity does not compromise when faced with difficulties. Still, it is possible that he must evaluate and improve his commitment to theoretical grounds so that he does not fight himself (Davion 1994). The results of this study are supported by the findings of the conclusion that integrity has a positive and significant effect on decision making (Febriantin, 2011).

Micro, small and medium entrepreneurs who have declared themselves committed to running their businesses. They already have enough integrity as working capital in their business. Various problems in the course of his business do sometimes arise, for that the nature of responsibility and not giving up or frustration is the key to maintaining business and learning factually in the field. In this case, of course, the decision is a valuable and invaluable experience to be successful in running a business.

### **H3.** Work culture has a positive effect on the performance of employers

According to the result of SEM, the t-value of the work culture variable was  $= 4.15 > 1.96$ , so  $H_0$  is rejected. The results mean that this variable was a positive and significant effect on the entrepreneur's performance variable. The higher the work culture, the higher the performance of employers, and vice versa.

Hypothesis test results indicate that work culture has a positive and significant effect on employers' performance. The results of this study are in line with the theory which states that work culture is a habit that is carried out repeatedly by employees in an organisation, violation of this habit does not have strict sanctions. The morality of the organisational actors has agreed that the habit is a habit that must be obeyed in the context of the implementation of work to achieve goals (Nawawi, 2003). Our results are also supported by the statement of Dedik (2016) that organisational culture has a strategic role in encouraging and increasing the effectiveness of long-term and short-term organisational performance. Organisational culture is a social glue that binds fellow members of the organisation together in a shared vision and goals. The results of this study are supported by research findings that work culture has a positive effect on employee performance (Mahanani et al. 2014). Likewise, the results of research by Sari et al. (2016) concluded that there is a positive and significant influence between work culture and employee performance.

Micro, small and medium entrepreneurs who have lived a good work culture is a habit that is repeated by employees highly reflects the success of the business. This can be realised that every employee who supports the company to do things that become a positive mirror for the success of the company will indicate the success of the company's performance.

### **H4.** Integrity has a positive effect on the performance of entrepreneurs

The t-value of integrity variable  $= 2.62 > 1.96$ , so  $H_0$  is rejected, which means that this variable has a positive and significant effect on entrepreneur performance variables. The higher the integrity, the higher the entrepreneur's performance, and vice versa. Hypothesis test results indicate that integrity has a positive and significant effect on entrepreneur performance. The results of this study shows that the keys to living in integrity include

having honest character, a sincere heart, not being hypocritical, not saving mistakes or conflicts, being good at guarding the tongue, being brave to admit mistakes and being responsible for commitments that have made an impact on business success which is run (Othman, 2014). Integrity requires a member to be honest and forthright without having to sacrifice the secrets of recipients of services, services, and public trust should not be defeated by personal gain. The results of this study are supported by research findings by Sujiyanto (2017); Rani et al. (2018); Eviyany and Lapoliwa (2014), which show that integrity has a significant influence on improving employee performance.

Micro, small and medium entrepreneurs in their businesses have honest and transparent nature at every step of the activity. Its shortcomings in managing its business get a positive response, so it often gets coaching, including various training needed. All obligations which become its responsibility, such as credit, have not yet found significant problems; in other words, quite smoothly. All of these things indicate that various difficulties can be overcome in achieving success in developing their business; thus, business success can be conducive.

##### **H5. Decision making has a positive effect on entrepreneur performance**

The results of the SEM show that the t-value of the decision making variable = 4.89 > 1.96, so H<sub>0</sub> is rejected, which means that this variable has a positive and significant effect on the entrepreneur's performance variable. The higher the decision making, the higher the company's performance, and vice versa.

Hypothesis test results indicate that decision making has a positive and significant effect on entrepreneur performance. Decision making, as a derivative of the learning function, has an impact on job performance. Colquitt et al. (2011) state, based on research, learning has a moderately positive effect on job performance. Thanks to learning, employees gain more knowledge and skills, and from here, they tend to have higher levels of task performance. Furthermore, the results mean that learning is significant because it has a significant impact on decision making. This result also gives information about the increase in expertise, which is obtained from additional knowledge and skills, makes employees able to make decisions more quickly, and can present alternatives for better action. In turn, this will also have an impact on better task performance. Every person who becomes the leader of the organisation has the duty and authority to make decisions to carry out activities to achieve organisational goals effectively and efficiently (Robbins & Seema, 2005). The results of this study are supported by research findings Tambunan (2011), which showed that there is a significant correlation between the decisions making of principals with teacher performance with a correlation coefficient of 0.427. Similarly, the results of other studies that there is a positive correlation of decision making with job performance (Febriantin, 2011).

Micro, small and medium entrepreneurs, have sufficient education and skills to develop themselves. A businessman who does have talent accompanied with adequate education and sufficient skills will support in carrying out his duties as an entrepreneur. This makes it possible to be able to make the right decisions that can automatically improve the performance of entrepreneurs themselves.

**H6.** Work culture has a positive effect on the performance of employers through the decision making

The influence of work culture on the performance of employers through decision making is significant because of the value of  $p = 0.00002818 < 0.05$  or because the value of the Sobel test =  $4.188 > 1.96$ .

The Sobel value results indicate that there is a significant influence of work culture on the performance of employers through decision making. The values that have been built and are deemed successful have to be supported by the right decision based on each condition owned by entrepreneurs. These forwards carry the consequence that each step of the decision always considers the deliberations of all employees who participate in building and developing businesses that cannot be forgotten.

Success in making this decision can exceed or be higher based on the work culture that has become an agreement and tradition in every step of the activity. The values applied are based on habits that have been embedded in each business group according to customary habits in each family culture. This result is what underlies the compatibility of values that can have a positive impact on business success.

**H7.** Integrity has a positive effect on the performance of entrepreneurs through the decision making

The effect of integrity on the performance of entrepreneurs through decision making is significant because of the value of  $p = 0.00003111 < 0.05$  or because the value of the Sobel test =  $4.165 > 1.96$ .

The Sobel test value results indicate that there is a significant influence of integrity on the performance of entrepreneurs through decision making. Courage is a mirror of integrity; having high self-confidence in facing various difficulties is a valuable lesson. A great sense of responsibility towards obligations is also a reflection of integrity; all obligations such as credit loans are adhered to properly; this proved to be a minimal arrears rate. This is a mirror of success in running a business, so the success of running a business is auspicious.



In making policy, it becomes a determinant of the success of a business as a formidable entrepreneur. High integrity reflects the success of a consistent business in achieving success. This is where the role of decision making is right carried out by micro, small, and medium entrepreneurs who have made the guidelines for the performance of entrepreneurs.

### **Conclusion and Future Research**

Based on the discussion of research results, several conclusions can be drawn as follows: (1) Work culture has a positive and significant effect on decision making; the more conducive the work culture is, the more appropriate it is in making decisions. (2) Integrity has a positive and significant effect on decision making; the higher the integrity, the better the decision making. (3) Work culture has a positive and significant effect on the performance of employers; the more conducive the work culture is, the higher the performance of employers. (4) Integrity has a positive and significant effect on entrepreneurs' performance; the higher the integrity, the higher the entrepreneur's performance. (5) Decision making has a positive and significant effect on the performance of entrepreneurs; the more precise the decision making, the higher the company's performance. (6) Work culture on the performance of employers through decision making has a significant effect; the more conducive the work culture is, the higher the entrepreneur's performance by making the right decisions. (7) Integrity on the performance of entrepreneurs through decision making has a significant effect; the higher the integrity, the higher the entrepreneur's performance through making the right decisions.

The findings of this study indicate that there is a significant influence of work culture on employers' performance through decision making that is greater than the effect of integrity on employers' performance through decision making. Future research hopes to further examine the mediating variable of decision making by taking into account other variables.

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