



CERTIFICATE OF APPRECIATION

Award to

Ida Ketut Kusumawijaya

as

PRESENTER

at The International Conference On management Information System
In Conjunction With
The 3rd International Conference On Recent Innovation 2019

on September 5th - 6th, 2019
in Ramada Bali Sunset Road (Bali Island, Indonesia)

Dr. Drs. Nyoman Sura Adi Tanaya, M.Si

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The Antecedent of Entrepreneurial Orientation: An Entrepreneurial Commitment View

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keywords: commitment, affective, calculative, normative, entrepreneurial orientation

Abstract: This study purpose to predicts entrepreneurial commitment as an antecedent of entrepreneurial orientation of SME employees in Bali. This research was conducted on SME employees in Bali with a total of 165 respondents with 90,91% response rate and total 150 questionnaire returned. Respondents were selected by purposive sampling method, where each research instrument uses a 5 Likert scale measurement. The initial evaluation is carried out by estimating the evaluation of the measurement model that is validity and reliability of each reflective construct. The evaluation of structural models for testing research models using the WarpPLS 4.0 program. The significance of the parameters is determined by resampling bootstrapping and using 500 sub-samples of equal size to that of the original sample. The results of this study provide a view that entrepreneurial commitment as an antecedent capable to influence entrepreneurial orientation of SME employees in Bali, be proven of each entrepreneurial commitment dimensions. Entrepreneurial orientation can be predicted by affective commitment of SME employees in Bali significantly. Calculative commitment can influence entrepreneurial orientation of SME employees in Bali not significantly. Entrepreneurial orientation predicted by normative commitment of SME employees in Bali significantly.

1. INTRODUCTION

Commitment comes from the Latin word *committere* which means combining, uniting, trusting and working, which is something that causes a person to be able to continue working in a company and this is done with sincerity and pleasure (Meyer & Allen, 1990). Commitment is a picture or form that is often identified with pledges or ties to a certain action (Meyer & Allen, 1991). Commitment factors are very important because having high commitment tends to have a professional attitude and uphold agreed values (Datta, Peck, Koparan, & Nieuwenhuizen, 2018).

High credibility that is able to produce a commitment and only with high commitment a company is able to produce good business (Gundlach, Achrol, & Mentzer, 1995; Karam, 2017). In connection with this to achieve business success, it is very necessary to commit an entrepreneur to support the achievement of the goals of a business organization (Mark Simon, Stachel, & Covin, 2011; Chen, 2018). The success of a business organization is determined by an entrepreneur who has talent, vision, characteristics and values in achieving the goals of trust and commitment (Frank, Kessler, & Fink, 2010). To support the success of the company embodied trust, responsibility and confidence and a clear commitment from entrepreneurs so that business goals can be achieved.

Commitment is the ability and willingness to harmonize personal behavior with organizational needs, priorities and goals (Datta et al., 2018). This includes ways to develop goals or meet organizational needs which essentially prioritize the organization's mission rather than personal interests. According to (Meyer & Allen, 1990) commitment can also mean the individual's strong acceptance of organizational goals and values, and individuals strive and work and have a strong desire to remain in the organization. Commitment is an attitude that reflects loyalty to the organization and is an ongoing process where members of the organization express their concern for the organization, as well as ongoing progress (Markovitch et al., 2014).

Commitment can also mean the acceptance of strong entrepreneurs and individuals towards the goals and values of business organizations (Raj, Rajshekhar Javalgi & Todd, 2011), and all individuals strive and work and have a strong desire to stay in the business organization (Ramadhan, 2017). The commitment that is held is highly dependent on how each entrepreneur takes advantage of that commitment in the business and builds value from the business (Chen, 2018). This is important so that the commitment that is already owned is not in vain and is able to create competitive advantage for the business. Commitment comes from within every entrepreneur, so that every entrepreneur realizes what is inside them and what can be achieved from this

commitment (Cong, Dempsey, & Xie, 2017). Commitments can maintain and even enhanced, this will make entrepreneurs able to work optimally in maintaining commitment as a key indicator of creating an entrepreneurial orientation. Commitment of entrepreneurs is able to deliver entrepreneurs to their best performance through organizational goals (Simon, Stachel, & Covin, 2011). This commitment is related to the behavior of the entrepreneur to the organization or the business he does (Rahayu, 2018). Regarding the behavior of entrepreneurs, commitment always talks about three things: affective, calculative and normative (Datta et al., 2018).

Commitment of an entrepreneur with other individuals to create business competitiveness he leads is a form of entrepreneurial orientation (Wetzels et al., 1998; Datta et al., 2018). Entrepreneurial orientation is closely related to the activities of individuals in seeking business opportunities by increasing the value of risks that will occur through various innovations (Filser, Eggers, Kraus, & Málovics, 2014). Entrepreneurial orientation deals with three things, namely increasing value, risk and innovation that is certainly done by entrepreneurs (Dess & Lumpkin, 2005). Entrepreneurial orientation is able to identify market opportunities and explore through the resources they have. So that not infrequently entrepreneurial orientation can increase business growth (Frank et al., 2010; Gupta & Gupta, 2015).

Entrepreneurial orientation can improve the performance of business organizations (Lumpkin, 1996; Liu, Hou, Yang, & Ding, 2011). Because entrepreneurial orientation is a pattern of thinking, saying and behaving individuals to win competition by creating competitive advantages (Tang, Tang, Marino, Zhang, & Li, 2008) and sustainable superior performance (Frank et al., 2010). Entrepreneurial orientation is an important contributor to the process of building superior and unique business organization resources (Miller, 1983; Wiklund & Shepherd, 2003; Gupta & Gupta, 2015). Business organizations that have an entrepreneurial orientation tend to have higher success rates (Wu, 2009; Frank et al., 2010).

Increasingly complex and high intensity of business competition occurs also in SME competition in Bali. SME competition in Bali occurs in the creative industry to support tourism. To be able to survive in the competition, SMEs in Bali also need employee commitment as a determinant to realize competitive advantage (Astuti & Kusumawijaya, 2012). But the reality shows that many SMEs in Bali have not been able to increase competitive advantage because employee commitment does not represent entrepreneurial orientation in the form of thinking frameworks and entrepreneurial behavior patterns. Though the entrepreneurial framework for SME employees in

Bali will create the power of entrepreneurial vision and business orientation in controlling business performance. Therefore, researchers are interested in predicting entrepreneurial commitment as an antecedent of entrepreneurial orientation of SME employees in Bali. Researchers identified entrepreneurial orientation as predictive of affective commitment among SME employees in Bali, identified predictions of calculative commitment to entrepreneurial orientation among SME employees in Bali, identified entrepreneurial orientation as predictive of normative commitment among SME employees in Bali.

2. CONCEPTUAL REVIEW AND HYPOTHESES

2.1 Conceptual Review of affective commitment and entrepreneurial orientation

Affective commitment is an emotional approach of individuals in involvement with business organizations, so that individuals will feel connected with business organizations (Meyer & Allen, 1990; Datta et al., 2018). Affective components are related to emotional, identification and involvement of entrepreneurs in business organizations (Meyer & Allen, 1991; Mark Simon et al., 2011). An entrepreneur based on a strong affective commitment will focus on managing a business organization because of his own desires, based on the level of identification with business organizations to achieve goals (Brodack & Sinell, 2017). Affective commitment is essentially a statement of one's thoughts in relation to other parties (Wetzels et al., 1998; Datta et al., 2018). Often affective commitment is related to the desire to be emotionally tied to a business organization, identification and involvement based on the same values (Farukh, Chong, Mansori, & Ravan Ramzani, 2017; Cong et al., 2017). Affective commitment indicators are individuals with high affective commitment who have close emotional closeness to the organization, this means that the individual will have the motivation and desire to contribute meaningfully to the organization compared to individuals with lower affective commitment.

Based on some affective commitment studies have a very close relationship with how often a member is absent or absent from the organization. Affective commitment individuals will work harder and show better work results than those with lower commitment. Individuals with high affective commitment will be more supportive of business organization policies than lower ones. So it is very important business orientation that is owned by

entrepreneurs (entrepreneurial orientation) in running a business through affective commitment (Zehir, Muceldili, & Zehir, 2012; Karam, 2017; Datta et al., 2018). Entrepreneurial orientation appears in activities that focus on business, which have not changed all of their business activities for a long time (Gupta & Gupta, 2015). Because affective commitment is a focus on the business they are engaged in, as well as focusing on the strategies they are carrying out (Mark Simon et al., 2011). With the ultimate goal in business performance and business sustainability (Rahayu, 2018). Based on the statement above, the hypothesis of this research is: H1. Affective commitment can affect entrepreneurial orientation.

2.2 Conceptual Review of calculative commitment and entrepreneurial orientation

Calculative commitment is a commitment that arises from one's cognitive evaluation as a result of calculating profit and loss, losing wins, less, benefits or sacrifices (Meyer & Allen, 1990; Nieminen & Hytti, 2016). Calculative commitment will control entrepreneurs to stay in business run by business calculations (Wetzels et al., 1998; Cong et al., 2017). Calculative commitment will make an entrepreneur evaluate a business organization in bringing harm or profit to him (Datta et al., 2018). Calculative commitment as a commitment to losses or benefits associated with a managed business organization, based on costs or losses when leaving a business organization (Brodack & Sinell, 2017). So calculative commitment is a desire that is owned by individuals to survive in business organizations and individuals feel in need with business organizations. This commitment is based on an individual's perception of the loss he will face if he leaves the organization. Therefore individuals with strong calculative commitment will improve the performance of business organizations (Jonathan Levie & Hart, 2011; Markovitch et al., 2014). With calculative commitment the entrepreneur has to strengthen entrepreneurial orientation in controlling performance to realize business competitiveness (Gupta & Gupta, 2015; Karam, 2017). Based on the statement above, the hypothesis of this research is: H2. Calculative commitment can affect entrepreneurial orientation.

2.3 Conceptual Review of normative commitment and entrepreneurial orientation

Normative commitment is a feeling obligatory from an individual to survive in an organization and is one part of the commitment of a business organization in which an individual persists in a business organization because he feels an obligation

(Meyer & Allen, 1991; Brodack & Sinell, 2017). Normative commitment appears from the view of entrepreneurs who think all businesses will achieve success if done in a focus (Mark Simon et al., 2011). However, normative commitment of an entrepreneur tends to be a continuous commitment, which is to keep trying on the same effort, never try another business before the business is getting better results. This is due to normative commitment capable of realizing business success (Nieminen & Hytti, 2016; Rahayu, 2018). Basically normative commitment is a manifestation of the feeling of an obligatory entrepreneur to internalize norms in business organizations and be able to strengthen the business orientation of an entrepreneur (entrepreneurial orientation) (Karam, 2017).

Entrepreneurial orientation depends on how far the normalization of norms is consistent with the objectives of the business organization (Mostafa, Wheeler, & Jones, 2006; Breugst, Domurath, Patzelt, & Klaukien, 2011). Because the normative commitment component will create a feeling of obligation which should be done for the benefits and contributions given by the business organization (Soininen, Puumalainen, Sjogren, & Syrja, 2013; Karam, 2017). Entrepreneurs with strong normative commitment will continue to be oriented towards the sustainability of business organizations and develop as a result of the experience of entrepreneurial socialization, depending on the extent of their perceived obligations (Gupta & Gupta, 2015; Cong et al., 2017). Normative commitment creates a feeling of the obligation of entrepreneurs to strengthen entrepreneurial orientation in maintaining the performance of business organizations (Simon et al., 2011; Karam, 2017). Based on the statement above, the hypothesis of this research is:

H3. Normative commitment can influence entrepreneurial orientation.

Based on the study of concepts and hypotheses above, the following picture presented the framework of research that will be implemented:

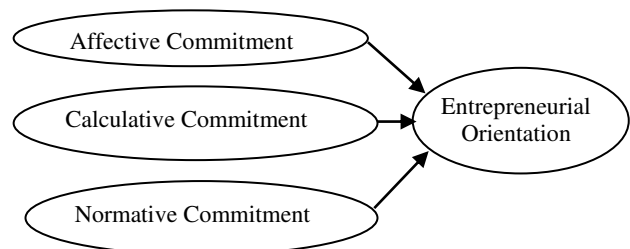


Figure 1: Research Framework

3. RESEARCH METHOD

3.1 Research Design

This research was conducted on SME employees in Bali with a total of 165 respondents. The questionnaire returned as many as 150 with a response rate of 90.91%. Respondents were selected by purposive sampling method, namely SME employees in Bali. Data collection techniques used questionnaires with research instruments based on entrepreneurial orientation with exogenous variables, namely: affective commitment, calculative commitment and normative commitment (Datta et al., 2018). Each research instrument uses a 5 Likert scale measurement.

The initial evaluation is done by examining the outer model or measurement model, which is validity and construct reliability from affective commitment, calculative commitment and normative commitment and entrepreneurial orientation variables that are measured reflectively. Measurement of instrument model evaluation by looking at the criteria of convergent validity, discriminant validity, construct reliability that shows composite reliability and cronbach alpha. Overall, if the results of the measurement model of the reflective construct meet the requirements then it can be continued with an evaluation of the structural model for testing the research model. To estimate the structural model, namely measuring the variables affective commitment, calculative commitment and normative commitment as predictors of entrepreneurial orientation using the WarpPLS 4.0 program (Joseph F Hair, et al., 2017; Kock, 2011). The parameter significance is determined by resampling bootstrapping and using 500 sub-samples of equal size to that of the original sample (Miranda, Chamorro-Mera, & Rubio, 2017).

4. RESULTS

4.1 Evaluation Results by Goodness of Fit Research Model

The measurement result of goodness of fit research model was shown in the following table:

Table 1: Evaluation Results of Goodness of Fit Research Model

No	Evaluation	Value	P Value	Criterion	Description
1	APC	0.299	< 0.001	significant if p value < 0.05	significant
2	ARS	0.620	< 0.001	significant if p value < 0.05	significant
3	AVIP	1.982		there is no multicollinearity if the value < 5	Meet the criterion

Source: Primary Data Processed, 2019

The table above shows that the results of the evaluation of the goodness of fit model of this study show that the AVIF value of 1.982 is smaller than 5, meaning that there is no vertical and lateral multicollinearity in the research model. While the APC value is 0.299 with a value of $p < 0.001$ and ARS of 0.620 with a value of $p < 0.001$. Thus, the model in the study fulfills the criteria of goodness of fit and is significant.

4.2 Estimated Results Measurement Model

The estimation of the measurement model by examining convergent, predictive, discriminant validity from the research indicators, and composite reliability and alpha cronbach's for the reliability of the research variable indicators. From the results of data analysis using WarpPLS 4.0, a summary of the estimation results of the evaluation of the validity and reliability of the research model (outer model) is presented in the following table:

Table 2: Estimation Results of Measurement Instrument Evaluation Research

No	Outer Model Evaluation	Variable	Value	Criterion	Description
1	Convergent validity	Affective Commitment	0.589	AVE value > 0,50	Valid
		Calculative Commitment	0.587		Valid
		Normative Commitment	0.715		Valid
		Entrepreneurial Orientation	0.618		Valid
2	Predictive validity	Entrepreneurial Orientation	0.626	q-square value > 0	Valid
3	Discriminant validity	Affective Commitment	0.767	(√AVE) value of latent variable > latent variable correlation variable	Valid
		Calculative Commitment	0.766		Valid
		Normative Commitment	0.845		Valid
		Entrepreneurial Orientation	0.786		Valid
4	Composite reliability	Affective Commitment	0.811	composite reliability value > 0.70	Reliable
		Calculative Commitment	0.807		Reliable
		Normative Commitment	0.882		Reliable
		Entrepreneurial Orientation	0.907		Reliable
5	Alpha cronbach's	Affective Commitment	0.650	alpha cronbach's value > 0.70	Reliable
		Calculative Commitment	0.639		Reliable
		Normative Commitment	0.799		Reliable

		Entrepreneurial Orientation	0.876		Reliable
6	Full Coll. VIP	Affective Commitment	1.596	Full Collinearity VIP value < 3,3	Free from problems of vertical, lateral and common-bias collinearity problems
		Calculative Commitment	2.275		
		Normative Commitment	2.818		
		Entrepreneurial Orientation	2.550		

Source: Primary Data Processed, 2019

The criteria for the reliability of the research measurement instrument are indicated by the composite reliability value and the cronbach's alpha value of each measurement instrument in this research model having a value greater than 0.7. The composite reliability value for affective commitment is 0.811, calculative commitment is 0.807, normative commitment is 0.882, and entrepreneurial orientation is 0.907 greater than 0.7. Cronbach's alpha value for affective commitment is 0.650, calculative commitment is 0.639, normative commitment is 0.799, and entrepreneurial orientation is 0.876 greater than 0.7. So that the measurement instruments of this study are said to be reliable. For the results of full collinearity testing which includes vertical and lateral multicollinearity using the full collinearity VIP criteria smaller than 3.3. For affective commitment of 1.596, calculative commitment is 2.275, normative commitment is 2.818, and entrepreneurial orientation is 2.550, so it is free from problems of vertical colinearity, lateral and common method bias.

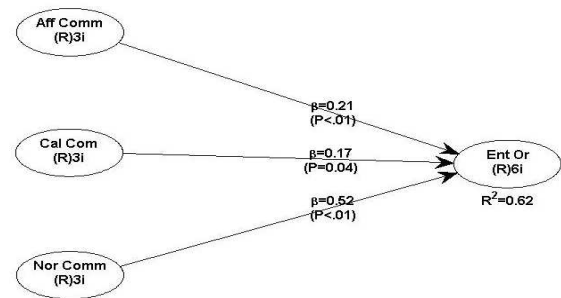
While the evaluation of measurement instruments from validity consists of: convergent validity, that the instrument of each indicator of the research variable has a value of cross loadings greater than 0.6, and the average variance extracted (AVE) value greater than 0.5 indicates the validity of variable indicators namely: affective commitment variable of 0.589, calculative commitment of 0.587, normative commitment of 0.715 and entrepreneurial orientation of 0.618. Discriminant validity criteria can be fulfilled if the value of (\sqrt{AVE}) latent variable is greater than the latent variable correlation coefficient. In this research model has fulfilled discriminant validity because each construct has a value of \sqrt{AVE} greater than the latent variable correlation coefficient, affective commitment variable of 0.787, calculative commitment of 0.766, normative commitment of 0.845 and entrepreneurial orientation of 0.786, so evaluation of measurement instruments said to be valid. For predictive validity, it is measured from the q-square value of the endogenous variable of the research model, namely: the entrepreneurial orientation variable of 0.626 greater than 0 (zero), thus fulfilling the predictive validity criteria.

Based on the evaluation results of the measurement instrument (outer model), namely convergent validity, predictive, discriminant and

composite reliability and reliability alpha cronbach's, it can be said that the indicators of the research variables are valid and reliable. Evaluation of multicollinearity measurements between indicators as measured by full VIP linearity also has a value that meets the criteria with VIP Full Collinearity value <3.3, so that the data analysis process can be continued on the evaluation of structural models or inner models.

4.3 Evaluation Results of Structural Model

The evaluation results of the Antecedent of Entrepreneurial Orientation research model: An Entrepreneurial Commitment View is the result of testing the research hypothesis, where the correlation coefficient values in each path are relationships between variables, p values for each path that indicate the significance level of the pathway, and the R square value which shows the contribution of predictor variables to the research criterion variables can be seen in the following figure:



Source: Primary Data Processed, 2019

Figure 2: Estimation Result of Research Model The Antecedent of Entrepreneurial Orientation: An Entrepreneurial Commitment View

From the picture estimation model, can be summarized for analysis in testing hypothesis research in the following table:

Table 3: Estimation of Path Coefficient and P value of Structural Research Model

No	Path	Path Coef.	p value	Description	Decision
1	Affective Commitment --> Entrepreneurial Orientation	0,205	< 0,01	Significant	H1 accepted
2	Calculative Commitment --> Entrepreneurial Orientation	0,174	0,037	Not Significant	H2 accepted
3	Normative Commitment --> Entrepreneurial Orientation	0,517	< 0,01	Significant	H3 accepted

	al Orientation				
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Source: Primary Data Processed, 2019

* is the standard error value, if the small value indicates a significant model and there is no problem collinearity.

** is the effect size value indicating the size of the contribution and the significance of the exogenous variable to explain variation of endogenous variables, if: > 0.02; > 0.15; and > 0.35 indicates a small category; medium; and great.

Estimation of the structural model of the study by displaying path coefficients and p values to evaluate the magnitude of exogenous variables predicting endogenous variables as presented in the table above. For affective commitment prediction on entrepreneurial orientation with path coefficient value of 0.205 with a significant level of <0.01, it indicates that affective commitment of SME employees in Bali is able to predict entrepreneurial orientation significantly, and effect size 0.118 means that the contribution of affective commitment to entrepreneurial orientation is small. Entrepreneurial orientation of SME employees in Bali is also influenced by calculative commitment with a path coefficient of 0.174 and a significance level of 0.037, and an effect size value of 0.114 means that the contribution of calculative commitment to the entrepreneurial orientation category is small. Furthermore normative commitment is able to predict entrepreneurial orientation of SME employees in Bali with a path coefficient of 0.517 and a significance level smaller than 0.01, and an effect size of 0.388 means that the contribution of normative commitment to the entrepreneurial orientation category is large.

The estimation result of the research model also showed the information of R-square, Adjusted R-square and Q-square values to know the prediction of exogenous variables on endogenous variables in the research model, as shown in the following table:

Table 4: Estimation of Research Model: Criteria R-square, Adjusted R-square and Q-square

No	Kriteria	Entrepreneurial Orientation
1	R-square*	0.620
2	Adjusted R-square**	0.620
3	Q-square***	0.626

Source: Primary Data Processed, 2019

* R-square, when its value: > 0.70; > 0.45; and > 0.25 indicates a large category; medium; and small.

** Adjusted R-square, when its value: > 0.70; > 0.45; and > 0.25 indicates a large category; medium; and small.

*** Q-square, when its value: $Q^2 > 0$ shows the model has a predictive relevance, and if $Q^2 < 0$ indicates that the model has less predictive relevance.

To estimate the magnitude of predictions of affective commitment, calculative commitment and normative commitment variables on entrepreneurial orientation variables can be seen from the R-square value of 0.620. This means that entrepreneurial orientation is predicted by variables such as

affective commitment, calculative commitment and normative commitment of 62%, and is categorized as moderate (medium), while the remaining 38% is influenced by other factors not tested in this study. While the estimation of the adjusted R-square value shows that affective commitment, calculative commitment and normative commitment predict entrepreneurial orientation of 0.62, meaning that entrepreneurial orientation is influenced by variable affective commitment, calculative commitment and normative commitment of 62%, and is categorized as moderate influence (medium), while the remaining 38% is influenced by other factors not examined in this study. The estimated evaluation of Q-square value in this study for the entrepreneurial orientation variable is 0.626. So that the entrepreneurial orientation variable in this study has met the criteria as a variable that has predictive relevance.

5. DISCUSSION

5.1 Hypothesis Testing 1: Affective Commitment has a positive effect on Entrepreneurial Orientation

The results of testing Hypothesis 1 illustrate that affective commitment is able to predict entrepreneurial orientation (Keogh & Polonsky, 1998; Cong, Dempsey, & Xie, 2017; Simon, Stachel, & Covin, 2011). Affective commitment is part of the commitment of SME employees in Bali that emphasizes the importance of congruence between the values and goals of employees and the values and objectives of SME businesses (Cong et al., 2017). The more capable SMEs in Bali lead to confidence in employees who become values and personal goals have in common with the values and objectives of SME business, the higher the commitment of employees to SMEs where they work. Affective commitment will describe the loyalty of SME employees in Bali to the business organization in which they work, which is shown through emotional love and partisanship towards SME business goals. Affective commitment includes a balance between employee values and goals, employee trust in SMEs, emotional employee relations with SMEs where they work, companies are part of life, willingness to work for companies (Datta et al., 2018).

If employees who have a high commitment to their work, all parties in the organization are always motivated and able to motivate commitment from the top of the leadership (Caruana & Pitt, 1997; Karam, 2017). Thornhill et al., (1996) stated that there was a fairly close relationship between the competitive advantage of a company and the high commitment of employees (Cong et al., 2017). This

finding is supported by Caruana & Pitt, (1997) that the low commitment of employees will have an adverse effect on the organization, among others, by deteriorating performance due to the lower quality of services and the high costs to be incurred by the company (Clercq & Rius, 2007). So employees who have a high commitment to low attendance values and have a longer working period and tend to work harder and show better performance. The high commitment of employees is inseparable from employees' trust in management's good management of employees, namely the approach of employees as valuable assets and not merely commodities that can be exploited at will (Worsfold, 1999; Chen, 2018). So that there is a strong causality relationship between the commitment of employees with entrepreneurial orientation in creating business competitive advantage (Kantur, 2016; Karam, 2017; Chen, 2018).

5.2 Hypothesis Testing 2: Calculative Commitment positively affect Entrepreneurial Orientation

The results of testing hypothesis 2 indicate that calculative commitment is able to predict entrepreneurial orientation but not significantly. Commitment of SME employees in Bali is able to increase employee job satisfaction, improve performance and reduce turnover rates (Caruana & Pitt, 1997; Raj, Rajshekhar Javalgi & Todd, 2011). Employees will survive or leave the organization because they see rational considerations in terms of their disadvantages (Cong et al., 2017). High commitment of SME employees in Bali will be able to increase employees' love for the organization because the contributions and investments felt by employees both psychologically and economically in the workplace are advantageous compared to the costs felt to leave the organization. Commitment is able to make employees continue to work in a company and this is done with sincerity and pleasure (Markovitch et al., 2014). To obtain commitment from all SME employees in Bali is a prerequisite for the realization of organizational goals and can be realized when all employees want to be fully involved and never experience difficulties in sharing the experiences they have gained so far, to make various system and process improvements available (Kluger & DeNisi, 1996; Simon et al., 2011).

5.3 Hypothesis Testing 3: Normative Commitment has a positive effect on Entrepreneurial Orientation

The results of testing hypothesis 3 indicate that normative commitment is able to predict entrepreneurial orientation. To gain commitment from all SME employees in Bali, including by

involving all employees and increasing ownership of business organizations (Nieminen & Hytti, 2016). It is from this sense of belonging that will be able to move employees to provide the best service to customers without having to be ordered first or do a good job only when being watched by the leadership (Clercq & Rius, 2007; Breugst, Domurath, Patzelt, & Klaukien, 2011). So the more complex a job that is charged to SME employees in Bali will result in the higher participation and commitment of someone to their work. If seen further, the commitment of employees who are high on their work becomes their responsibility will be beneficial for at least three parties (Ostruff C, 1992; Farrukh, Chong, Mansori, & Ravan Ramzani, 2017), namely: the employee who carries out his job happily, customers who are more satisfied with the services provided and happy and sincerity, and the company itself will enjoy an increase in income and a positive reputation. This study supports Meyer & Allen (1991) which shows that the determinants of commitment include: the obligation to stay with the company, the reluctance to leave the company, the obligation to stay in the company, the disappointment of the boss when left by employees, consistency with work (Jonathan Levie & Hart, 2011; Soininen, Puumalainen, Sjogren, & Syrja, 2013).

6. CONCLUSION

The results of testing hypothesis indicate that affective commitment of SME employees in Bali can significantly influence and increase entrepreneurial orientation. The testing results of calculative commitment of SME employees in Bali influences and increases entrepreneurial orientation not significantly. And the testing results of normative commitment of SME employees in Bali is able to accumulate an increase in entrepreneurial orientation significantly.

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