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ROLE OF TECHNOLOGY PROFICIENCY, SELF-CONFIDENCE, AND ENTREPRENEURIAL ORIENTATION IN ENHANCING SELF-MOTIVATION AND PERFORMANCE OF FEMALE MSME EMPLOYEES IN NORTH LUWU

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Technological proficiency, *self-confidence, entrepreneurial orientation, self-motivation, employee performance.*

ABSTRACT

Purpose: *This study explores the impact of technology proficiency, self-confidence, and entrepreneurial orientation on self-motivation and performance of female MSME employees.* ***Methodology:*** *Quantitative analysis of 240 respondents using PLS-SEM.* ***Results and Findings:*** *Technology proficiency significantly affects self-motivation but not directly performance. Self-confidence positively impacts both self-motivation and performance. Entrepreneurial orientation affects self-motivation but not directly performance. Self-motivation mediates the relationship between entrepreneurial orientation, technological proficiency, and self-confidence with employee performance.* ***Novelty and Originality*** *: The study introduces a model linking digital proficiency with motivational and performance outcomes among female MSME employees, a relatively unexplored area.* ***Conclusion:*** *Self-motivation is a crucial mediating factor, emphasizing the need for technological training and confidence-building initiatives.* ***Type of Paper:*** *Empirical research article.*

INTRODUCTION

The business world has undergone a major shift as a result of advances in digital technology, which has also transformed the micro, small, and medium enterprises (MSMEs) sector. Small and medium enterprises (MSMEs) in Indonesia play a strategic role in the economy because they are the main pillars that drive the country's economic growth (Nugraha Mursitama et al., 2021). However, due to the challenges of globalization and digitalization, MSME players must have technological proficiency, confidence, and a strong entrepreneurial orientation to increase the motivation and performance of their employees. This is especially true for female employees, who often face multiple challenges in the workplace.

Technological ability is a crucial skill for navigating the challenges of the digital era. MSME businesses that have the ability to master technology have a greater opportunity to create new products or services, improve operational efficiency, and expand market reach (Toluwalase Vanessa

Iyelolu et al., 2024). However, confidence, which is a person's belief in their ability to face challenges and overcome obstacles, is necessary before technological ability is sufficient.

To support entrepreneurial orientation, self-confidence is essential. Entrepreneurial orientation is a proactive, innovative, and risk-taking attitude in running a business (Covin et al., 2021). It is believed that technological proficiency, self-confidence, and entrepreneurial orientation can increase the motivation of female MSME employees to contribute more to the achievement of organizational goals. Ultimately, improving individual and team employee performance depends heavily on self-motivation.

Women play a very important role in the development of Micro, Small, and Medium Enterprises (MSMEs), especially in the rapidly developing digital era (Viswanathan & Telukdarie, 2021). Through social media, women can access a wider market, market products, and build brand awareness at a more efficient cost. By utilizing this digital platform, women are not only able to improve the family economy but also contribute to more inclusive economic growth, which prioritizes gender equality in the business world (Moussa, 2020).

Some findings from previous research have provided important information that women with technological proficiency, self-confidence, and entrepreneurial orientation can influence the motivation and performance of employees in MSMEs (Toor et al., 2020); (Srimulyani et al., 2023); (Batz Liñeiro et al., 2024). However, several previous studies have found different results, or there are still gaps in the findings. According to (Leuhery, 2024), technological proficiency does not have a significant influence on employee performance. Furthermore, according to (Derry Pujianto & Hendy Tannady, 2023), self-confidence has no significant effect on self-motivation. According to (Eniola, 2021), entrepreneurial orientation has no significant effect on the performance of MSME employees. Therefore, to provide further insight into this field of research, this study aims to determine the role of technological proficiency, self-confidence, and entrepreneurial orientation in improving the self-motivation and performance of female MSME employees in North Luwu.

This research contributes in several areas. First, it provides a more comprehensive relationship model between technological proficiency, self-confidence, entrepreneurial orientation, self-motivation, and the performance of female MSME employees. Second, this study has analyzed the direct influence of technological proficiency on the self-motivation and performance of MSME employees, which has never been done in previous studies (Lahumuddin et al., 2024). Lastly, this study gives new practical insights on how MSME actors and business leaders can improve technological skills, self-confidence, and an entrepreneurial mindset. This will have an impact on the motivation and performance of female employees in MSMEs.

Technological Proficiency

Technological proficiency refers to an individual's ability to effectively use technological devices and applications in their work. Other research (Novotny et al., 2024) has found that technological mastery increases work efficiency and facilitates data-based decision-making. In addition, other research (de Mattos et al., 2024) shows that technological proficiency is essential for creating sustainable innovation in the MSME industry and expanding market opportunities.

Self-Confidence

Self-confidence is a person's belief in their ability to complete tasks and face challenges. (Yağci, 2023). This research is in line with other findings (Purwani, 2022), which found that self-confidence increases self-motivation and employee performance.

Entrepreneurial Orientation

Entrepreneurship means being proactive, innovative, and willing to take risks. According to (Hanaysha & Al-Shaikh, 2024), entrepreneurial orientation influences the ability of business people

to adapt to market changes. In addition, research by (Kiyabo & Isaga, 2020) found that business sustainability and competitiveness increase as a result of entrepreneurial orientation.

Self-Motivation

The internal drive that encourages a person to achieve certain goals is known as self-motivation. Self-motivation is considered an important factor in improving productivity and work quality (Nusraningrum et al., 2024). Another study (Cui et al., 2024) also emphasizes the importance of self-motivation in creating a work environment that supports innovation and cooperation.

Employee Performance

Employee performance shows how well someone achieves set work goals. According to (Abuhantash, 2023) , the adoption of appropriate technology and effective human resource management can improve employee performance. A study (Meida Arif et al., 2023) found that leadership and motivational elements greatly influence employee performance.

Hypothesis Development

Technology Proficiency and Self-Motivation

Technology proficiency is one of the important factors that can influence a person's level of self-motivation in improving performance, especially for MSME players. Technology proficiency can have a significant impact on how individuals manage work and achieve goals, which in turn affects their self-motivation. According to research by (Hu, 2024), technological proficiency has been proven to have a significant effect on self-motivation. This is in line with the findings of research (Pan et al., 2024), which states that an increase in technological proficiency can increase personal motivation in completing existing tasks. Thus, the hypothesis proposed is as follows:

H_1: It is suspected that technological proficiency has a positive and significant effect on self-motivation

Technological Proficiency and Employee Performance

The ability to use digital devices and applications to complete work tasks is called technological proficiency. Studies show that technological proficiency is not always significantly related to employee performance. (Qiao et al., 2024) . In addition, research (Leuhery, 2024) shows that technology without adequate training and integration tends not to have a significant impact on performance. Therefore, we propose the following hypothesis:

H_2: It is suspected that technological proficiency has a positive and significant effect on employee performance

Self Confidence Dan Self-Motivation

Self-confidence also affects self-motivation. A study (Dwi Lestari, 2022) found that people who believe in themselves have a positive outlook on the work they do, which increases their intrinsic motivation. Other studies show that self-confidence has a significant influence on self-motivation (Han, 2021). Therefore, we propose the following hypothesis :

H_3: It is suspected that self-confidence has a positive and significant effect on self-motivation

Self-confidence and employee performance

Self-confidence is a person's belief in their own abilities. Employees who have high self-confidence have the ability to take initiative and overcome challenges better, which has a direct impact on improving performance (Mukson et al., 2021) . Other studies show that self-confidence has a significant relationship with employee performance (Mantha Dabuke et al., 2023) . Therefore, we propose the following hypothesis:

H_4: It is suspected that self-confidence has a positive and significant effect on employee performance

Entrepreneurial Orientation and Self-Motivation

In a business era that is rapidly developing thanks to technology, entrepreneurial orientation is essential to encourage MSME players to motivate themselves. Entrepreneurs with this entrepreneurial orientation can encourage themselves to keep innovating and working harder, which in turn will increase their personal motivation to achieve their goals. A study conducted by (Batz Liñeiro et al., 2024) found that entrepreneurial orientation has a significant correlation with self-motivation. Research (Caputo et al., 2024) and other research show that the sense of accomplishment resulting from the courage to take risks increases motivation. Therefore, we propose the following hypothesis:

H_5: It is suspected that entrepreneurial orientation has a positive and significant effect on self-motivation.

Entrepreneurial Orientation and Employee Performance

In business, being innovative and proactive is part of entrepreneurship. Entrepreneurship involves the ability to identify new opportunities and act faster than competitors. Studies show that this orientation does not have a significant impact on performance (Cho & Lee, 2018). In business, being innovative and proactive is part of entrepreneurship. Entrepreneurship involves the ability to identify new opportunities and act faster than competitors. Studies show that this orientation does not have a significant impact on performance (Citrva Arbyan Setyo Riyanto, 2022). Therefore, we propose the following hypothesis:

H_6: It is suspected that entrepreneurial orientation has a positive and significant effect on employee performance.

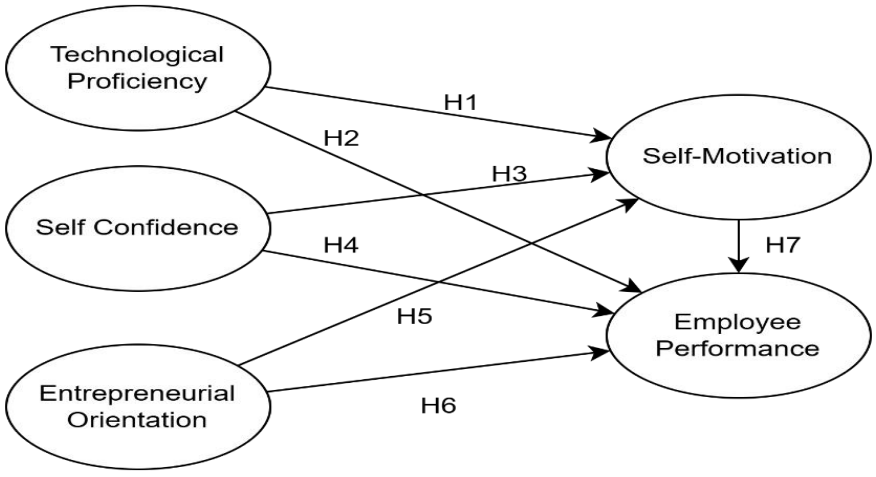
Self-Motivation and Employee Performance

An important factor in increasing productivity is self-motivation (Prawiro Theng, 2023). It has been found that motivated people have higher productivity levels (Abdul Rahman et al., 2023), which supports the idea that self-motivation increases one's focus and dedication to their work. Therefore, we propose the following hypothesis:

H_7: It is suspected that self-motivation has a positive and significant effect on employee performance.

Research Framewok Figure

Figure 1. : Research Framewok



METHOD

Research Type

This study uses an explanatory quantitative design to explain the cause-and-effect relationship between technological skills, self-confidence, and entrepreneurial orientation on self-motivation and employee performance in MSMEs. This design was chosen because it is suitable for testing the direct influence between variables.

In the data analysis, a series of statistical tests were used such as multicollinearity test to identify the relationship between independent variables, heteroscedasticity test to see if there is inconsistency of variance in the model, and normality test to ensure the data distribution meets the assumptions of linear regression. Regression analysis is then used to measure how much influence the independent variables have on the dependent variable.

To ensure the reliability and validity of the measurement tools, validity and reliability tests were conducted. Validity is measured through consistency between indicators in representing the intended construct, while reliability is tested through Cronbach's Alpha (α), Composite Reliability (CR), and Average Variance Extracted (AVE) values, which indicate the extent to which the instrument provides stable and consistent results.

Population and Sample

This study involved female MSME players in North Luwu Regency. As there was no definitive sample frame available, a non-probability sampling method was used. In particular, this study applied snowball sampling techniques through social media to reach participants, as the target respondents were considered a hidden population and difficult to access directly.

Sousa (2020) recommends the use of non-probability sampling when the number of respondents is large and uncountable. Respondents were identified using snowball sampling, starting with identifying several MSME entrepreneurs through personal and professional social media networks. We then asked these initial participants to recommend other entrepreneurs they knew who might be interested in participating in the study. We continued this process until we had a sample size of 290 , but only 240 responses were received and completed. A total of 50 incomplete responses were excluded from the analysis process. Thus, the effective rate of this study was 82.76%. According to (Baruch & Holtom, 2008) , a response rate of >15% is widely considered acceptable among studies using survey methods.

The use of snowball sampling technique was chosen because it is effective in reaching respondents who are not easily identified directly, especially women MSME players who are digitally active but have not been formally recorded in government databases or MSME organizations.

Table 1 : Respondent Description

Variable	Case (%)	Variable	Case (%)
Age		Frequency of use of digital media by MSMEs	
25-29	130 (54.1%)	Once a day	49 (20.4%)
30-34	72 (30.0%)	2-3 times a day	105 (43.7%)
35-39	25 (10.14%)	4-5 Times a Day	53 (22.0%)
>40	13 (5.4 %)	>5 Times a Day	33 (13.7%)

Source: Primary processed data 2024

Type of Business		Type of Digital Media Use by MSMEs	
Culinary	102 (42.5%)	WhatsApp	64 (26.8%)
Fashion and Accessories	84 (35.0%)	Facebook	111 (46.3%)
Manufacturing	44 (18.3 %)	Instagram	55 (22.8%)
Basic Trading	10 (4.16 %)	TikTok	10 (4.1%)

Source: Primary processed data 2024

Items and Measurement Scales

In quantitative research, scales and measurement tools play an important role as they directly affect the validity and reliability of the results. Therefore, this study used measurement items that have been tested in previous empirical research, to increase practicality and ensure construct validity. A seven-point Likert scale was used for all items, with 1 meaning "Strongly Disagree" and 7 meaning "Strongly Agree".

Each construct in this study is measured using several indicators that have been adjusted from previous literature (Latan et al., 2021) . Item selection is based on factor loading values that meet the threshold ≥ 0.6. Items that do not meet this threshold or are duplicates are excluded from the final analysis to maintain the accuracy of the model. All constructs met the recommended composite reliability and AVE values, indicating adequate internal consistency and convergent validity. Citation style was uniformed, and each construct was attributed to one consistent source.

Table 2 : Measurement Item

Construct	Factor Loadings
Technological proficiency Adapted from (Maldonado et al., 2016).	
(Maldonado et al., 2016) α = 0.777; CR = 0.871; AVE = 0.694	
Information Technology Competence	0.898
General Technology Skills	0.889
Application of Technology in the Classroom	0.697
Self confidence Adapted from (Cano-Og Moneva & Tribunalo, 2020).	
(Cano-Og Moneva & Tribunalo, 2020) α = 0.797; CR = 0.880; AVE = 0.710	
Feeling of Worth	0.868
Positive Qualities	0.814
Equal Ability	0.884
Sense of Failure	
Entrepreneurial Orientation Adapted from (Okhomina, 2010)	
(Okhomina, 2010) α = 0.771; CR = 0.869; AVE = 0.691	
Liking Complex Challenges	0.920
Decisions with Limited Information	0.694
Appreciation of Uniqueness	0.864
Self-Motivation Adapted from Riza Faizal, Maman Sulaeman, (2019).	
(Lahumuddin et al., 2024) α = 0.880; CR = 0.917; AVE = 0.734	
Desire	0.829
The Desire to Succeed	0.913
Motivation and Need to Learn	0.842
Expectations and Future Goals	0.841
Employee Performance Adapted from Widayati et al., (2017)	
(Lahumuddin et al., 2024)) α = 0.913; CR = 0.941; AVE = 0.802	
Quantity of Work Product	0.963
Quality of Work Product	0.937
Discipline	0.940
Attendance	0.720

Source: Primary processed data 2024

Data Collection Procedure

Data collection in this study was conducted through three main stages. First, the questionnaire was translated from English into Indonesian, and then back-translated into English using the back translation technique to ensure equivalence of meaning and language accuracy. Second, the questionnaire was distributed to respondents who met the criteria through various channels, such as social media (WhatsApp, Facebook, and Instagram), email, and short message notifications (Hamid et al., 2022) .This technique was chosen because it was effective in reaching a large number of respondents quickly and efficiently (Latan et al., 2021) (Hamid et al., 2022). Third, the collected data was thoroughly checked to ensure completeness and consistency of responses. This included identifying incomplete entries, straight-lining of answers across items, and checking the logic between responses.

To improve the quality of the data, screening questions were applied at the beginning of the questionnaire to ensure that only suitable respondents (women MSME operators in North Luwu) could proceed with the completion. In addition, several attention check questions were inserted to detect inattentive completion.

From an ethical perspective, all respondents were informed that their participation was voluntary and that the data provided would be kept confidential. Personal identities were not collected, and all communication was anonymous. Emails and reminder messages were sent periodically during the data collection period to increase response rates. The data collection process lasted for two months, from October to November 2024.

RESULTS AND DISCUSSION

RESULTS

We used Partial Least Squares Structural Equation Modeling (PLS-SEM) to analyze the relationships among latent constructs and test the research hypotheses (see Figure 2). This method was chosen because of its ability to handle complex models, measurement error, and is suitable for limited theory development (James et al., 2024).

Following the standard procedure in PLS-SEM, the measurement model was evaluated through three main criteria: reliability, convergent validity, and discriminant validity. Reliability was measured using composite reliability, Cronbach's alpha, and rho_c, with all values exceeding the 0.70 threshold, indicating good internal consistency (see Table 3).

Convergent validity was confirmed through loading factor (>0.60) and AVE (>0.50) values for each construct (Hamid et al., 2022). Meanwhile, discriminant validity was tested using the Fornell-Larcker criterion and the Heterotrait-Monotrait Ratio (HTMT), with HTMT values <0.90 supporting adequate separation of the constructs (Henseler et al., 2015). The structural model was then tested through R^2, Q^2, and bootstrapping values to ascertain the predictive power and significance of the relationship paths.

Structural model

The criteria used to assess the structural model (inner model) using SEM-PLS are as follows:

- R-squared used for dependent construction; and
- To find out the significant value, the bootstrapping procedure (t-value greater than (>1.96) and significant level greater than 5%).
- The results of the evaluation of the structural model (inner model) carried out through the bootstrapping procedure to test the hypothesis put forward in this study are presented in (Table 4).

We assess the quality of the structural model using the R and Q values for the dependent latent construct. We use the Q2 value to determine the model's predictive ability. A value of 0.75

means the model is strong, 0.50 means it is moderate, and 0.25 means it is weak (Latan et al., 2021). the Q2 value is also used to determine the predictive relevance of the model: a Q2 value > 0 indicates that the model has predictive relevance, while a Q2 value < 0 indicates that the model has no predictive relevance.

It was found that the R^2 value for the self-motivation construct was 0.627. This means that technological proficiency, self-confidence, and entrepreneurial orientation can explain 62.7% of the variability in the Self-Motivation construct, indicating sufficient predictive power. In addition, the Q2 value for the Self-Motivation construct is 0.647 (greater than 0), which indicates that this model has predictive relevance.

The R^2 value for the Employee Performance construct is 0.553. The R^2 and Q^2 values support the idea that the structural model used in this study is of good quality and can accurately predict future outcomes. This is because 53.3% of the variation in employee performance can be explained by their technology skills, self-confidence, and desire to be an entrepreneur. This model is in the moderate model category.

Table 3 : Reliability, convergent and discriminant validity

Construction	1	2	3	4	5
Technological proficiency (1)	*0.833*	0.630	0.630	0.846	0.670
Self-Confidence (2)	0.565	*0.842*	0.394	0.653	0.705
Entrepreneurial Orientation (3)	0.555	0.394	*0.831*	0.700	0.459
Self-Motivation (4)	0.714	0.634	0.643	*0.857*	0.762
Employee Performance (5)	0.557	0.684	0.422	0.693	*0.896*

Note: Il valore sulla diagonale in corsivo è il quadrato della varianza media estratta (AVE) di ciascun fattore. I valori sotto la diagonale sono le correlazioni tra i fattori e i valori sopra la diagonale sono i rapporti HTMT. 1 eterotrait-monotrait, intervallo di confidenza del criterio escluso 1; HTMT (Henseler et al., 2015).

Table 4 : Hypothesis Testing

Hypothesis	Relationship	Path coefficient	t-Statistic	R^2	Q^2	p-Value	Decision
Direct effect							
H1	KT → SM	0.365	5.525**			0.000**	Supported
H2	KT → KN	0.042	0.515ns			0.607ns	Not Supported
H3	SC → SM	0.300	5.585**			0.000**	Supported
H4	SC → KN	0.400	4.028**			0.000**	Supported
H5	OK → SM	0.322	6.763**			0.000**	Supported
H6	OK → KN	-0.039	0.514ns			0.607ns	Not Supported
H7	SM → KN	0.435	4.869**			0.000**	Supported
Indirect effect							
	KT → SM → KN	0.159	4.032**			0.000**	Supported
	SC → SM → KN	0.130	4.331**			0.000**	Supported
	OK → SM → KN	0.140	3.244**			0.001**	Supported
	SM			0.627	0.647		
	KN			0.553	0.487		
Total effect							
	KT → SM	0.365	5.525**			0.000**	
	KT → KN	0.201	2.336**			0.020**	
	SC → SM	0.300	5.585**			0.000**	
	SC → KN	0.530	5.674**			0.000**	
	OK → SM	0.322	6.763**			0.000**	
	OK → KN	0.101	1.313ns			0.189ns	
	SM → KN	0.435	4.869**			0.000**	

*Note: ** Statistically significant at 5%; ns is not significant. The R^2 value is usually 0.75 for strong categories, 0.50 for medium categories, and 0.25 for weak categories. A rule of thumb Q^2 value higher than 0 indicates that the model has predictive relevance, while a lower rule of thumb Q^2 value indicates that the model has no predictive relevance.*
Source: Primary processed data 2024

The results of path coefficient analysis using Partial Least Squares (PLS) method and bootstrapping technique show that technology mastery (H1) has a positive and significant effect on self-motivation (β = 0.365; p < 0.05), which indicates that good digital skills are able to increase employees' confidence and engagement in work, in line with (Hu, 2024) findings. However, the effect of technological prowess on employee performance (H2) was not significant (β = 0.042; p > 0.05), indicating that while technology can drive motivation, its impact on actual performance depends on operational readiness and the fit of technology to work tasks, as suggested by (Novianty et al., 2024). Meanwhile, self-confidence (H3) showed a positive but insignificant relationship with self-motivation (β = 0.300; p > 0.05), which suggests that self-confidence needs to be supported by other factors such as job autonomy to contribute significantly to motivation, in line with (Dwi Lestari, 2022).Self-confidence (H4) also has no significant effect on performance (β = -0.040; p > 0.05), which suggests that self-confidence that is not accompanied by competence and work direction can actually have a negative impact, different from the findings of (Mantha Dabuke et al., 2023) .Entrepreneurial orientation (H5) has a positive and significant influence on self-motivation (β = 0.322; p < 0.05), showing that proactive and innovative attitudes can increase the morale of MSME employees, as suggested by (Batz Liñeiro et al., 2024).However, entrepreneurial orientation has no significant effect on employee performance (H6) (β = -0.039; p < 0.05), possibly due to the lack of structural support in the organization, as suggested by (Lisbona et al., 2021) . Finally, self-motivation (H7) was shown to have a positive and significant effect on performance (β = 0.435; p < 0.05), which confirms the importance of intrinsic motivation in improving productivity, in line with the results of (Manurung et al., 2023).

DISCUSSION

This study aims to analyze how technological proficiency, self-confidence, and entrepreneurial orientation affect the self-motivation and performance of MSME employees. The results obtained provide important empirical insights that need to be linked to theory and previous research to understand the practical implications more deeply.

The Influence of Technological proficiency on Self-Motivation

The research findings show that technological proficiency has a significant influence on self-motivation. When employees feel capable of operating technology, they are more confident and motivated to complete tasks. This is in line with study (Hu, 2024) which shows that digital skills improve efficiency and boost work motivation in the MSME sector. The ability to use task management technology, for example, helps employees set priorities and work more efficiently.

The Influence of Technological Proficiency on Employee Performance

Although technology is important in work, results show that technology mastery does not directly improve employee performance. This indicates that mastery of technology must be followed by effective integration in work processes and adequate motivation. This finding supports (Novianty et al., 2024) , which states that technology will only have a significant impact if accompanied by the right implementation strategy and training. For MSMEs, this means that simply having technology is not enough; success depends on how the technology is functionally implemented.

The Influence of Self-Confidence on Self-Motivation

This study shows that self-confidence has a major influence on self-motivation. People who believe in their abilities are more motivated to set and achieve their work goals. Self-confidence

creates positive energy, which helps them overcome difficult work situations without losing focus. According to (Dwi Lestari, 2022), self-confidence affects intrinsic motivation.

The Influence of Self-Confidence on Employee Performance

The results showed that confidence has a significant effect on employee performance. Employees who believe in their abilities tend to be more proactive in facing challenges at work, making important decisions, and completing tasks well. Self-confidence also helps them stay productive despite obstacles or pressures. This finding is in line with other research (Mantha Dabuke et al., 2023) , They discovered that self-confidence enhances individual effort and performance.

The Influence of Entrepreneurial Orientation on Self-Motivation

The results of the study show that entrepreneurial orientation has a positive influence on self-motivation. A proactive and innovative attitude in entrepreneurship encourages employees to try new things and face work challenges with more enthusiasm. This supports research that shows that an innovative attitude in entrepreneurship can encourage people to work with high enthusiasm. (Batz Liñeiro et al., 2024).

The Effect of Entrepreneurial Orientation on Employee Performance

The results of this study show that entrepreneurial orientation, such as the courage to take risks and an innovative attitude, does not have a direct impact on employee performance. This may be because the work environment does not support innovation or creativity. These results support previous research (Lisbona et al., 2021) , which found that this orientation does not significantly affect performance without the support of training and resources.

The Influence of Self-Motivation on Employee Performance

Research shows that self-motivation has a significant influence on employee performance. Individuals with strong intrinsic motivation make people work harder and focus on achieving organizational goals. Self-motivation increases efficiency and dedication at work. According to (Manurung et al., 2023) , self-motivation is the key to achieving optimal work productivity.

CONCLUSION

This study aims to examine the influence of technological skills, self-confidence, and entrepreneurial orientation on self-motivation and performance of female MSME employees. The results of the analysis show that technological skills significantly increase self-motivation, but have no direct impact on employee performance. This indicates that the application of technology requires additional support such as proper training and a structured implementation strategy in order to encourage increased productivity. Meanwhile, self-confidence was found to have a positive effect on both self-motivation and employee performance, suggesting that an individual's positive perception of his or her abilities is a key factor in achieving optimal performance. On the other hand, entrepreneurial orientation has an influence on self-motivation, but does not directly improve performance. This finding underscores the importance of self-motivation as a mediating factor between these variables and work outcomes, particularly in the context of MSMEs.

Theoretically, the findings contribute to the development of motivation theory, particularly Self-Determination Theory and Self-Efficacy Theory, by highlighting how self-motivation can bridge the relationship between individual capabilities and performance. In addition, this study also extends the understanding of dynamic capability theory and entrepreneurial orientation, by showing that psychological and organizational factors must work synergistically for employee potential to be converted into real performance in an MSME environment.

From a practical perspective, MSMEs are advised to develop a comprehensive employee development program that includes technology training, mentoring, and soft skills workshops to boost confidence and employability. This program is important to foster intrinsic motivation, which in turn will support sustainable productivity and performance improvements. With this strategy, MSMEs can create a work environment that not only supports the use of technology, but also empowers individuals to develop personally and professionally.

As for future research, it is recommended that researchers explore additional contextual variables such as organizational culture or leadership style, which could potentially moderate or mediate the relationship between the main variables. Longitudinal studies are also recommended to capture more accurate causal relationship dynamics over time. In addition, comparative research across MSME sectors, such as between the food and service sectors, may provide more specific insights regarding the implementation of findings in different contexts.

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