THE ROLE OF ENTREPRENEURIAL PASSION FOR INVENTING AND FOUNDING IN DRIVING SME PERFORMANCE: EVIDENCE FROM FEMALE CULINARY ENTREPRENEURS IN MALANG CITY

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ABSTRACT

This study examines the effects of identity-based entrepreneurial passions (EP), specifically passion for inventing (EP for Inventing) and passion for founding (EP for Founding), on the performance of female-owned small and medium-sized enterprises (SMEs). The research employs cross-sectional data collected via questionnaires from 140 female-led culinary ventures in Malang, Indonesia. Data analysis was performed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) via SmartPLS software. The empirical results reveal that while passion for founding (EP for Founding) has a positive and statistically significant coefficient on firm performance, passion for inventing (EP for Inventing) does not exert a significant effect. These findings indicate that the administrative and structural drive to establish a business is a more critical driver of success for female entrepreneurs than product-centric innovation. This study advances the entrepreneurship literature by establishing that in emerging economies, the intrinsic psychological traits of female entrepreneurs, specifically the motivation to build and establish a business, serve as vital, self-sustaining cornerstones that directly propel enterprise growth.

Keywords: *Entrepreneurial passion; Female entrepreneurs; SME Performance; Indonesia*

ABSTRAK

Penelitian ini mengkaji pengaruh entrepreneurial passion (EP) berbasis idetitas, khususnya passion for inventing (semangat untuk berinovasi/menciptakan) dan passion for founding (semangat untuk mendirikan) terhadap kinerja usaha mikro, kecil, dan menengah (UMKM) yang dimiliki oleh perempuan. Penelitian ini menggunakan data lintas sektoral (cross-sectional) yang dikumpulkan melalui kuesioner dari 140 usaha kuliner yang dipimpin oleh pengusaha perempuan di Kota Malang, Indonesia. Analisis data dilakukan dengan menggunakan metode Structural Equation Modeling-Partial Least Squares (SEM-PLS) melalui perangkat lunak SmartPLS. Hasil empiris menunjukkan bahwa passion for founding memiliki pengaruh yang positif dan signifikan secara statistik terhadap kinerja UMKM. Sebaliknya, passion for inventing tidak menunjukkan pengaruh yang signifikan. Temuan ini mengindikasikan bahwa dorongan administratif dan struktural untuk mendirikan bisnis merupakan faktor penentu keberhasilan yang lebih krusial bagi pengusaha perempuan dibandingkan dengan inovasi yang berpusat pada produk. Penelitian ini berkontribusi pada literatur

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kewirausahaan dengan membuktikan bahwa di negara berkembang (emerging economies), karakteristik psikologis intrinsik dari pengusaha perempuan, khususnya motivasi untuk membangun dan mendirikan bisnis, berfungsi sebagai pilar mandiri yang dan berperan penting dalam mendorong pertumbuhan usaha secara langsung.

Kata Kunci: *Entrepreneurial passion, Pengusaha perempuan, Kinerja UMKM, Indonesia*

1. INTRODUCTION

Small and Medium-sized Enterprises (SMEs) are a major pillar of the Indonesian economy because they contribute greatly to the national GDP and employ most of the workforce. According to the World Bank (2018), these enterprises are important economic drivers that operate with limited capital and small market scales in developing nations. In Indonesia, SMEs contribute around 60-61% to the GDP and absorb more than 97% of the total workers (Junaidi, 2023). Interestingly, the majority of these businesses are owned and run by women, reaching 64.5% of the total entrepreneurs in the country (Maharani, 2024).

In the micro and small business sector, the food and beverage (culinary) industry is the most dominant type of business, making up about 44% of the national total (BPS, 2025). This trend is particularly evident in strategic areas such as Malang City, which is widely recognized as one of Indonesia's leading educational cities, hosting more than 266,277 university students (BPS Jawa Timur, 2025). Combined with a high volume of tourist arrivals, the demand for culinary products and services in Malang continues to increase (BPS Kota Malang, 2025a). Consequently, the culinary sector has become a key driver of the local economy, dominating the SME landscape and recording an annual growth rate of 7.71% (BPS Kota Malang, 2025b). Despite their significant presence, female entrepreneurs in the culinary sector continue to face various challenges. Statistics indicate that 71.69% of small industries in Malang are managed by women; however, approximately 86.74% of these businesses still depend entirely on personal savings due to limited access to formal financing institutions (BPS Kota Malang, 2025c)

On top of financial problems, women face a double burden because they must split their time between running a business and taking care of household duties (Kartini & Nugroho, 2025). The International Labour Organization (ILO) notes that Indonesian women spend much more time on unpaid housework compared to men, leaving them with less energy to grow their business (ILO, 2024). Under these stressful conditions, external help is often limited, meaning that female entrepreneurs must rely heavily on their internal psychology to keep going (Afifah et al., 2025). Therefore, entrepreneurial passion is a vital emotional energy that keeps them motivated (Cardon et al., 2013).

Entrepreneurial passion itself is not a single concept; it depends on the specific role of the entrepreneur (Cardon et al., 2009, 2013). This study focuses strictly on two dimensions: passion for inventing (EP Inventing), which is the excitement for creating new product ideas, and passion for founding (EP Founding), which is the drive to assemble resources and start the business venture (Cardon et al., 2009). Based on Resource Orchestration Theory (ROT), a business's success depends on how well the owner manages and connects these inner psychological strengths (Sirmon et al., 2011).

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In a challenging environment like Malang, the way a female entrepreneur uses her passion for inventing and founding can be the main pillar for her business's survival.

Therefore, this study aims to examine the direct impact of passion for inventing (EP Inventing) and passion for founding (EP Founding) on the financial performance of female-owned culinary SMEs in Malang City. By focusing only on these two simple factors, this research helps clarify which psychological driver is most important for women-led businesses. Practically, the results can help the Malang City government design training programs that improve both the psychological confidence and managerial skills of female entrepreneurs.

2. LITERATURE REVIEW AND HYPOTHESIS

Literature Review

The empirical inquiry into the relationship between entrepreneurial passion and firm performance is characterized by a long-standing debate regarding how different identity-based roles drive business success (Cardon et al., 2009). One perspective posits that an entrepreneur's intense positive feelings toward specific commercial roles enable firms to generate sustainable competitive advantages, build unique social capital, and enhance strategic flexibility, which ultimately translates into superior performance outcomes (Cardon et al., 2013). Conversely, another view suggests that not all dimensions of passion yield equal returns, as focusing too heavily on certain creative aspects may divert critical resources from practical execution, potentially harming business efficiency and reducing operational profitability. While a vast body of literature suggests a generally positive link between passion and success, individual results remain fragmented and inconclusive, particularly when passion is treated as a single concept rather than being broken down into distinct role identities.

A growing segment of recent scholarship suggests that this inconsistency may stem from a narrow focus on passion as a monolithic construct that fails to capture the complex and dynamic nature of role-specific investments (Cardon et al., 2009). Rather than representing a uniform entrepreneurial resource, entrepreneurial passion consists of distinct identity-based dimensions that motivate different entrepreneurial behaviors. Among the most prominent are passion for inventing and passion for founding (Cardon et al., 2013). Understanding these dimensions separately is essential because each may influence business outcomes through different mechanisms and under different contextual conditions.

The theoretical rationale for the distinct relationships between passion dimensions and business performance can be explained through the Resource-Based View (RBV) and Resource Orchestration Theory (ROT). These perspectives argue that superior performance depends not only on resource ownership but also on an entrepreneur's ability to coordinate, bundle, and deploy available resources effectively (Sirmon et al., 2011). This issue is particularly relevant in female-owned culinary SMEs, where entrepreneurs often operate under financial constraints, limited managerial resources, and substantial operational pressures. Consequently, different dimensions of entrepreneurial passion may contribute differently to business performance.

Hypothesis

Passion for inventing involves the psychological drive toward product innovation, opportunity recognition, and the creation of new ideas, making it an important catalyst

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for entrepreneurial creativity (Cardon et al., 2013). Through innovative thinking and product development, entrepreneurs may be able to improve competitiveness and create greater customer value. Therefore, passion for inventing is expected to contribute positively to business performance.

However, in the culinary sector, female entrepreneurs often face a severe double burden in balancing productive business activities with domestic responsibilities (Kartini & Nugroho, 2025). These pressures may limit their ability to transform creative ideas into commercially viable outcomes. As a result, although passion for inventing can stimulate product novelty, its contribution to financial performance may depend on the entrepreneur's ability to effectively commercialize and market these innovations under resource-constrained conditions (Afifah et al., 2025).

Hypothesis 1: Entrepreneurial passion for inventing has a positive relationship with SME performance.

Passion for founding reflects intense positive feelings toward establishing a venture, assembling resources, and building the organizational foundation necessary for business growth (Cardon et al., 2013). This dimension is closely associated with venture creation activities, including resource mobilization, business organization, and operational execution. Entrepreneurs with strong founding passion are generally more willing to invest effort and persist in overcoming business challenges.

For female entrepreneurs operating in constrained environments, passion for founding may become a critical psychological resource. The motivation to build and sustain a business can strengthen persistence in managing business operations, securing personal funds, and overcoming barriers related to capital access and business development (Cardon et al., 2017). Consistent with Resource Orchestration Theory, entrepreneurs who effectively mobilize and deploy available resources are more likely to achieve superior business outcomes (Sirmon et al., 2011).

Hypothesis 2: Entrepreneurial passion for founding has a positive relationship with SME performance.

3. RESEARCH DESIGN

The proposed research framework in this study can be illustrated in Figure 1.

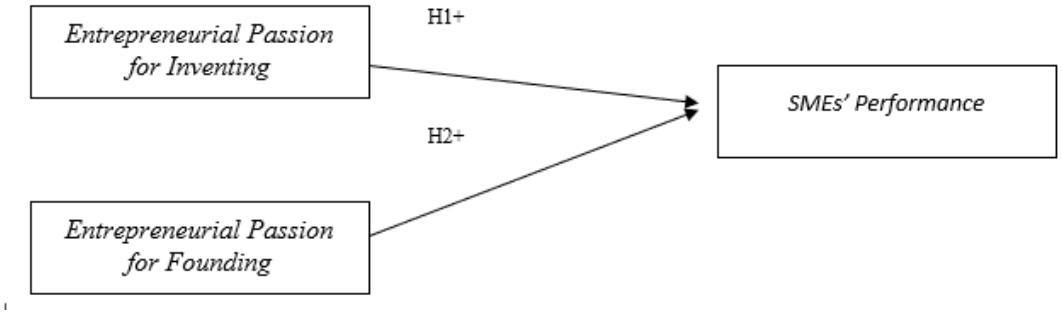

Figure 1. Research Design

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4. RESEARCH METHODS

This study employed a quantitative explanatory research design to examine the influence of Entrepreneurial Passion for Inventing and Entrepreneurial Passion for Founding on the performance of female-owned culinary SMEs in Malang City, Indonesia. The explanatory approach was selected to test theoretically derived hypotheses and investigate causal relationships among variables based on Resource Orchestration Theory (ROT) through statistical analysis (Sekaran & Bougie, 2016). Primary data were collected through a structured questionnaire distributed directly to female entrepreneurs operating in the culinary sector.

The target population consisted of female entrepreneurs who own and manage culinary SMEs in Malang City. Since the exact population size was unknown, purposive sampling was employed to select respondents who met the following criteria: (1) being the business owner and primary decision-maker, (2) operating in the food and beverage sector, and (3) conducting business activities within Malang City. A total of 140 valid responses were obtained and used for further analysis. This sample size exceeds the minimum requirement for PLS-SEM and is considered adequate to ensure reliable parameter estimation and statistical power (Hair et al., 2021):

The measurement instrument consisted of closed-ended questions assessed using a ten-point Likert scale ranging from 1 (strongly disagree) to 10 (strongly agree). All measurement items as presented in Table 1 (Adomako & Ahsan, 2022). Data were analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) with SmartPLS software. The analysis involved two stages: measurement model evaluation, including reliability and validity assessments, and structural model evaluation, including VIF, R^2, f^2, and bootstrapping procedures to test the proposed hypotheses (Hair et al., 2021).

Table 1 : Operational and Variables

Variables	Label and Items	Scale	Sources
Entrepreneurial Passion for Inventing (X1)	EPI1 – Excitement about finding new ways to meet unmet market needs EPI2 – Pleasure in searching for new product or service ideas EPI3 – Motivation to improve existing products or services EPI4 – Enthusiasm when scanning and observing new opportunities in the surrounding environment EPI5 – Creating new solutions is an essential part of who I am as an entrepreneur	A ten-point Likert Scale	(Adomako & Ahsan, 2022).
Entrepreneurial Passion for Founding (X2)	EPF1 – Enthusiasm for establishing and starting a new business EPF2 – Positive energy derived from owning and managing a business EPF3 – Pleasure in nurturing a business until it achieves initial development EPF4 – Being a founder is a vital	A ten-point Likert Scale	(Adomako & Ahsan, 2022).

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Variables	Label and Items	Scale	Sources
	component of my self-identity		
SME Performance (Y)	SP1 – Profitability SP2 – Sales growth SP3 – Employee growth SP4 – Market share growth SP5 – Overall financial performance	A ten-point Likert Scale	(Adomako & Ahsan, 2022).

5. RESULT AND DISCUSION

Respondent Profile

The study included a total of 140 respondents, all of whom were female entrepreneurs operating culinary SMEs in Malang City. The characteristics of the respondents are presented in Table 2. Regarding educational background, the largest proportion of respondents were high school graduates (70 respondents, 50.0%). This was followed by 46 respondents (32.9%) who had completed higher education at the undergraduate or postgraduate level (Bachelor's, Master's, or Doctoral degrees), and 7 respondents (5.0%) who held Diploma qualifications. Meanwhile, 10 respondents (7.1%) had completed junior high school, 2 respondents (1.4%) had completed elementary school, and 5 respondents (3.6%) had not completed elementary education.

In terms of marital status, the majority of respondents were married and had children, accounting for 93 respondents (66.4%). Furthermore, 17 respondents (12.1%) were married but did not yet have children, while 30 respondents (21.4%) were unmarried. Overall, 78.6% of the respondents were married, indicating that most female entrepreneurs in the culinary sector simultaneously carry household responsibilities alongside their business activities. This finding highlights the relevance of the double-burden phenomenon, where women must balance domestic obligations with entrepreneurial responsibilities.

Regarding business characteristics, most respondents started their businesses with an initial capital ranging from IDR 1,000,000 to IDR 5,000,000 (70 respondents, 50.0%). In addition, 44 respondents (31.4%) reported an initial investment of less than IDR 1,000,000, while 18 respondents (12.9%) started their businesses with capital between IDR 5,000,001 and IDR 15,000,000. Only 8 respondents (5.7%) reported an initial investment exceeding IDR 15,000,000. These findings suggest that the majority of female-owned food and beverage businesses in Malang City were established as micro-enterprises with relatively low levels of initial investment.

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Table 2 : Characteristic of Respondent

Characteristic	Category	f	%
Education	High School	70	50.0
	Bachelor's/Postgraduate	46	32.9
	Junior High School	10	7.1
	Diploma	7	5.0
	Not Completed/Elementary School	7	5.0
Marital Status	Married with Children	93	66.4
	Married without Children	17	12.1
	Unmarried	30	21.4
Initial Capital	< IDR 1 Million	44	31.4
	IDR 1–5 Million	70	50.0
	IDR 5–15 Million	18	12.9
	> IDR 15 Million	8	5.7

Source: Primary data Processed (2026)

Measurement Model Assesment

Measurement model analysis is conducted to provide an overview of the validity and reliability of the research indicators used in this study. This analysis helps explain the general pattern of each variable through several statistical measures, including outer loadings, Average Variance Extracted (AVE), and Heterotrait-Monotrait (HTMT) ratios. Furthermore, these measurement tests are useful for identifying the presence of weak indicators that may affect the accuracy of subsequent structural analyses.

To ensure that the indicators are highly representative and reliable, this study evaluates the validity at both the item and construct levels. The empirical statistics for the outer loadings, AVE, HTMT, and reliability coefficients are presented in the following tables to illustrate the stability of the measurement model.

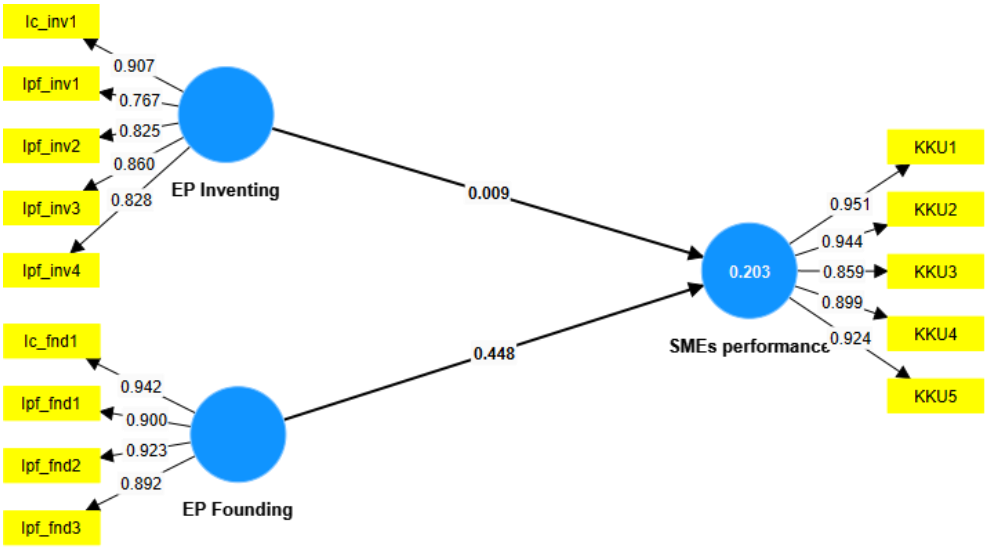

Figure 2. Path Model

Source: Primary data Processed (2026)

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Table 3 : Outer Loading

Variabel	Item	Outer Loading	Validity
Entrepreneurial Passion for Inventing (X1)	Ipf_inv1	0,767	Valid
	Ipf_inv2	0,825	Valid
	Ipf_inv3	0,860	Valid
	Ipf_inv4	0,828	Valid
	Ic_inv1	0,907	Valid
Entrepreneurial Passion for Founding (X2)	Ipf_fnd1	0,900	Valid
	Ipf_fnd2	0,923	Valid
	Ipf_fnd3	0,892	Valid
	Ic_fnd1	0,942	Valid
SMEs performance (Y)	SMES performance1	0,951	Valid
	SMES performance2	0,944	Valid
	SMES performance3	0,859	Valid
	SMES performance4	0,899	Valid
	SMES performance5	0,924	Valid

Source: Primary data Processed (2026)

Table 4 : Average Variance Extracted (AVE)

Variable	*Average Variance Extracted* (AVE)	Validity
Entrepreneurial Passion for Inventing (X1)	0,703	Valid
Entrepreneurial Passion for Founding (X2)	0,836	Valid
SMEs performance (Y)	0,839	Valid

Source: Primary data Processed (2026)

Table 5 : Heterotrait-Monotrait Ratio (HTMT)

Variabel	EP. *Founding*	EP *Inventing*	SMEs performance	Validitas
EP. *Inventing*	0,183			Valid
EP. *Founding*				Valid
SMES performance	0,474	0,098		Valid

Source: Primary data Processed (2026)

Table 6 : Construct Reliability Analysis

Variabel	*Cronbach's alpha*	*Composite reliability* (rho_a)	*Composite reliability* (rho_c)	Ket.
EP. *Inventing*	0,895	0,908	0,922	Reliable
EP. *Founding*	0,935	0,939	0,953	Reliable
SMES performance	0,952	0,954	0,963	Reliable

Source: Primary data Processed (2026)

Before structural estimation, several measurement variables were evaluated based on the threshold criteria to establish their statistical validity. For example, the outer loading values for all items exceeded the required threshold of 0,70, with values ranging from 0,767 (Ipf_inv1) up to 0,951 (SMEs performance1), showing that extreme measurement errors were successfully avoided. After confirming item validity, the construct validity was assessed using AVE and HTMT metrics. The AVE values for all variables are well above 0,50, specifically 0,703 for EP Inventing, 0,836 for EP-Founding, and 0,839 for SMEs performance. Additionally, the HTMT ratios are safely below 0,85, confirming distinct discriminant validity among variables.

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In addition, construct reliability tests were conducted to ensure the consistency of the indicators. The evaluation using Cronbach's Alpha and Composite Reliability (both rho_a and rho_c) showed that all study variables scored well above 0,70, indicating the absence of reliability problems. Overall, the measurement evaluation process helped produce a stable model with minimal measurement error, making the primary data highly suitable for further structural model analysis.

Evaluation of the structural model is conducted to ensure that the research framework is reliable, free from data biases, and possesses sufficient explanatory power before testing the hypotheses. In SEM-PLS, this evaluation focuses on examining the inner Variance Inflation Factor (VIF) to detect collinearity issues, as well as analyzing the R^2 (R-Square) and f^2 (f-Square) values to measure the strength and effect size of the model.

Table 7 : Inner Multicollinearity Test (VIF)

Variable	VIF	Multicollinearity Status
EP *Inventing* → SMEs performance	1,033	No Multicollinearity
EP *Founding* → SMEs performance	1,033	No Multicollinearity

Source: Primary data Processed (2026)

Table 8 : *R-Square*

Variabel Dependen	*R-Square*	*R-Square Adjusted*
SMEs performance	0,203	0,191

Source: Primary data Processed (2026)

Table 9 : *f-square*

Variabel	*f-square*
EP *Inventing* → SMEs performance	0,000
EP *Founding* → SMEs performance	0,244

Source: Primary data Processed (2026)

Based on the statistical analysis from the inner model evaluation, the structural framework satisfies all the necessary criteria for further structural estimation. First, the multicollinearity evaluation in Table 5. shows that both internal pathways have a VIF value of 1,033, which is far below the conservative threshold of 5 (Hair et al., 2021). This empirical result indicates that there is no strong correlation between the independent variables, confirming that the dataset is free from collinear problems.

Second, the R-Square analysis presented in Table 6. reveals that the R^2 value for SMEs performance is 0,203. This indicates that passion for founding and passion for inventing explain 20.3% of the variance in the performance of female-owned culinary SMEs in Malang City, while the remaining 79.7% is attributable to other factors not included in the present model. Although this level of explanatory power can be considered acceptable in behavioral and entrepreneurship research, it also suggests that entrepreneurial passion represents only one aspect of the determinants of business performance. Female-owned SMEs often operate in a complex business environment where performance is influenced by multiple internal and external factors. Previous studies have identified financial resource availability, entrepreneurial competencies, digital marketing capabilities, business networks, innovation capability, market orientation, and government support as important predictors of SME performance. In the context of female entrepreneurs, family responsibilities, access to financing, and

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social support systems may also play a significant role in shaping business outcomes. Therefore, future research should incorporate these variables to develop a more comprehensive understanding of the factors driving female-owned SME performance.

The relatively modest explanatory power of the model suggests that business performance among female-owned culinary SMEs is influenced by a broader set of factors beyond entrepreneurial passion. In developing-country contexts such as Indonesia, business performance is often constrained by limited access to external financing, inadequate managerial capabilities, low levels of digital adoption, market competition, and restricted business networks. Furthermore, female entrepreneurs frequently face additional challenges related to balancing business activities with household responsibilities, which may reduce their ability to fully exploit entrepreneurial opportunities. Consequently, these factors may exert a more dominant influence on SME performance than entrepreneurial passion alone, thereby explaining the substantial proportion of unexplained variance observed in this study.

Finally, the f-Square results in Table 7. indicate that the path from passion for founding to SMEs performance has an f^2 value of 0,244, representing a small-to-medium effect size in predicting the business outcome. In contrast, the path from passion for inventing shows an f^2 value of 0,000, confirming that this creative dimension has no practical effect size on the variance of SMEs performance within this model. Overall, these separate inner model tests confirm that the structural model is highly stable and appropriate for proceeding to the final path coefficient estimation.

Structural Model Assessment

After ensuring the stability and explanatory power of the inner model, this study tests the developed hypotheses by evaluating the empirical path coefficients, standard deviations, t-statistics, and p-values. In SEM-PLS structural analysis, a direct pathway is considered statistically significant if the estimated t-statistic is higher than 1,96 and the resulting p-value is below the threshold of 0,05. The empirical results of this structural path evaluation are presented in Table 8.

Table 10 : Path Coefficient

Path Coefficient	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T-Statistics	P-values	Notes
EP Inventing -> SMEs performance	0,009	0,030	0,078	0,113	0,910	Not Accepted
EP Founding -> SMEs performance	0,448	0,449	0,072	6,224	0,000	Accepted

Source: Primary data Processed (2026)

Based on the statistical analysis from the path coefficients model, the first hypothesis regarding the relationship between passion for inventing and SMEs performance shows an original sample coefficient of 0,009, a t-statistic of 0,113, and a p-value of 0,910. Because the t-statistic is significantly below 1,96 and the p-value is much higher than 0,05, Hypothesis 1 (H1) is rejected, meaning that passion for inventing does not have a significant positive effect on the performance of female-owned culinary businesses in Malang.

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In contrast, the second hypothesis testing the relationship between passion for founding and SMEs performance reveals an original sample coefficient of 0,448, a t-statistic of 6,224, and a p-value of 0,000. Since the t-statistic is well above 1,96 and the p-value is below 0,05, Hypothesis 2 (H2) is fully accepted, confirming that passion for founding has a strong and statistically significant positive effect on driving SMEs performance.

Discussion

The Effect of Entrepreneurial Passion for Inventing on SME Performance (H1)

The insignificant effect of Entrepreneurial Passion for Inventing on SME performance suggests that creative enthusiasm alone may be insufficient to generate superior business outcomes among female-owned culinary micro-enterprises. Recent entrepreneurship literature indicates that entrepreneurial passion does not automatically translate into firm performance because its effectiveness depends on the entrepreneur's ability to mobilize and utilize organizational resources (Adomako & Ahsan, 2022). In resource-constrained business environments, such as female-owned micro-enterprises in the culinary sector, entrepreneurs often prioritize daily operational survival rather than allocating resources to innovation activities. Consequently, creative ideas may remain at the conceptual stage and fail to generate measurable economic value.

Moreover, contemporary studies suggest that entrepreneurial passion frequently influences performance indirectly through intermediate mechanisms such as innovation capability, entrepreneurial self-efficacy, entrepreneurial alertness, and opportunity exploitation (Luu, 2023; Aloulou, 2024). This perspective implies that passion for inventing should not be viewed as a direct determinant of performance but rather as a motivational resource that facilitates innovation-related behaviors. Without adequate capabilities, financial resources, and market-oriented execution, the creative energy generated by entrepreneurial passion may not be transformed into profitable products or sustainable competitive advantages. This explanation is particularly relevant for female-owned culinary micro-enterprises, where operational efficiency, customer retention, and access to financial resources may play a more immediate role in determining business performance than the generation of new ideas alone (Rafique et al., 2024; Adomako & Ahsan, 2022).

The finding also supports recent evidence indicating that innovation activities among Indonesian food and beverage SMEs are frequently limited to minor product modifications and short-term responses to market trends. Such forms of innovation may help businesses maintain relevance in the market but are often insufficient to create measurable improvements in profitability or overall business performance. Consequently, the effectiveness of entrepreneurial passion for inventing may depend on the entrepreneur's ability to integrate creativity with strategic planning, resource mobilization, and market-oriented execution (Permana et al., 2026).

The Effect of Entrepreneurial Passion for Founding on SME Performance (H2)

The positive influence of Entrepreneurial Passion for Founding on SME performance suggests that the motivation to establish, organize, and sustain a business plays a critical role in determining the success of female-owned culinary micro-enterprises. Entrepreneurial passion for founding reflects a strong emotional attachment

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to entrepreneurial activities associated with creating and building a venture. Unlike passion for inventing, which emphasizes idea generation and experimentation, passion for founding is closely linked to the entrepreneur's willingness to mobilize resources, coordinate business activities, and persist through uncertainty. As a result, this dimension of entrepreneurial passion is more directly connected to behaviors that contribute to business survival and performance.

The positive effect of Entrepreneurial Passion for Founding on SME performance suggests that the motivation to establish and build a business plays a crucial role in the success of female-owned culinary micro-enterprises. Unlike passion for inventing, which is primarily associated with creativity and opportunity exploration, passion for founding is closely linked to venture creation, resource mobilization, and business execution. Consequently, this dimension of entrepreneurial passion is more directly connected to activities that contribute to business sustainability and performance (Cardon et al., 2013). Furthermore, female entrepreneurs frequently encounter additional challenges related to access to finance, business networks, and the balance between business and family responsibilities. Under such circumstances, passion for founding may function as a psychological resource that strengthens persistence, resilience, and commitment to venture growth. Therefore, the present findings suggest that the ability to continuously build, maintain, and develop the business foundation represents a more critical determinant of performance than the pursuit of new product ideas alone, particularly within female-owned micro-enterprises operating in emerging economies (Afifah et al., 2025).

Consistent with Resource Orchestration Theory, the findings suggest that the ability to build and organize business resources is more directly associated with firm performance than the generation of new ideas alone. Therefore, passion for founding may provide female entrepreneurs with the motivation required to effectively mobilize limited resources and sustain business operations in challenging environments (Sirmon et al., 2011).

6. CONCLUSION

This study examines the relationship between entrepreneurial passion dimensions, specifically passion for inventing and passion for founding, and SME performance among female-owned culinary businesses in Malang City using structural equation modeling via SEM-PLS. The evaluation process through measurement model assessments (outer loadings, AVE, and HTMT) and structural diagnostics (VIF, R-square, and f-square) confirmed that the structural model framework was stable, reliable, and highly appropriate for the dataset.

The findings reveal that the relationship between the separate passion dimensions and SME performance is distinct and role-specific. The path coefficients show that the effect of passion for inventing is positive but statistically negligible and not significant, meaning that spending limited energy only on creating new product ideas does not translate into higher financial returns under extreme resource constraints. In contrast, the coefficient for passion for founding is positive and statistically highly significant with a solid effect size. This indicates that the active psychological drive to build the business foundation, assemble operational resources, and manage entity establishment acts as a vital pillar that successfully helps female entrepreneurs navigate the double burden and capital exclusion in emerging economies. The structural analysis also reveals that the model possesses a moderate explanatory power, where 20,3% of the

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variance in SME performance is explained by these two psychological resources. Overall, the results suggest that for female micro-entrepreneurs, structural resource assembly driven by a strong passion for founding is far more critical for direct financial performance than creative ideation.

Based on the findings of this study, female entrepreneurs are encouraged to focus their limited operational energy on developing practical managerial skills and stable business structures. Although product innovation is important for long-term creativity, owners must balance their passion for inventing with strong commercial execution and foundational management to ensure that creative efforts generate tangible financial returns. Investors and informal financial backers are also advised to consider the psychological commitment and structural grit of female owners as important qualitative indicators when providing private funding. In addition, local policymakers and the Malang City government should continue encouraging targeted training programs that go beyond basic cooking or product-making skills. Government initiatives should focus on strengthening the managerial capabilities, business registration awareness, and financial planning skills of female entrepreneurs to improve their long-term competitiveness and market resilience.

Future studies are recommended to expand the research sample by including micro-enterprises from different strategic sectors, geographical regions, or longer observation periods to obtain more comprehensive and generalizable results. Further research may also examine other critical measures of business success, such as non-financial performance, market reach, or long-term operational survival, to provide broader insights into the impact of entrepreneurial psychology. Additionally, future researchers should include the originally planned financial assets and structural variables, such as Financial Resources Availability (FRA) or actual capital access, as moderating or mediating factors to better understand the boundary conditions underlying the passion–performance relationship. Finally, future studies may explore other individual psychological dimensions separately to identify which combination of internal orientations contributes most significantly to female empowerment and sustainable enterprise performance.

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