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FINANCIAL DISCIPLINE: A SURVEY OF ENTREPRENEURS' PERSPECTIVES IN SOUTH SULAWESI

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ABSTRACT

This article emphasizes on exploring a variety way of South Sulawesi's entrepreneurs to implement financial discipline in organizing their businesses appropriately. In addition, this research attempts to investigate factors which need to be considered by entrepreneurs to achieve financial discipline. It was conducted in South Sulawesi with 250 respondents. The data were collected and analyzed by using structured Equation Modeling. The participants' responses indicate that most of entrepreneurs intent to practice financial management and consider financial commitment in their effort in order to achieve financial discipline. The findings show that capability of entrepreneurs and their individual characteristics have affected financial commitment and financial discipline but it does not affect intention to practice financial management. The role of government only affects financial commitment significantly but it does not affect intention to practice financial management and financial discipline. Environment influences, significantly, the intention to practice financial management and financial commitment but it did not affected financial discipline. Furthermore, leadership affects, significantly, the financial commitment, intention to practice financial management and financial discipline. Last of all, financial commitment also affects intention to practice financial management but it does not affect financial discipline, whereas intention to practice financial management affects financial discipline.

Key words: *entrepreneurship, capability, intention, financial commitment, financial discipline.*

INTRODUCTION

The current issues on entrepreneurial skill for businesses lead government, in emerging country, to formulate the precise action so that they can help the entrepreneurs to develop long life business. For South Sulawesi case, the entrepreneurs tend to follow three mainstream patterns in creating businesses. First, family oriented entrepreneurs are young entrepreneurs who were born from wealthy family; they are also business owners or prominent people. Second, former employer entrepreneurs are young entrepreneurs who used to work at leading firms or well-established firms in order to gain experience in business sectors. Third, real entrepreneurs are young entrepreneurs who have strong fighting spirit to take risks when establishing new businesses (Fajar Daily 20-21 April 2010).

It is believed by young entrepreneurs that financial discipline is one of the required characters to sustain business in turbulent environment to achieve the business angel goals. In this case, financial discipline is not as simply to spend money wisely but it is also to utilize the retaining earnings in right investment, to provide the suitable working condition, infrastructure and to undertake financial commitment and to provide appropriate financial skill. In South Sulawesi case, many entrepreneurs have faced challenge in using fund, in which they are not able to distinguish between business purposes and personal purposes.

It is advisable that entrepreneurs

consider business environment, personal skill, and leadership style, capability to manage funds, intention to practice and financial commitment to achieve finance discipline. Yet, such issues have not been thoroughly investigated in South Sulawesi Province.

THEORITICAL FRAMEWORK AND HYPOTHESIS

Some studies in the financial discipline of entrepreneurs have been undertaken to establish business as star-up or rising businesses as very essential matters (Cooper, 1993; Simon 1999; McCarthy, 2000; Ohe and Rakhman,2007). Most of these studies investigated how the entrepreneurs start to set the businesses up, increase management skill for established firms, face obstacles. A little emphasis on topics in financial discipline is done by them to justify what factors might be considered by the entrepreneurs in financial management. The entrepreneurs need to have more knowledge than managers in assessing businesses potential, especially for early stage development businesses.

For example, in Irish case, McCarthy (2000) described that a manager has to be much disciplined, analytical type of person, able to look at things and weigh them up very carefully. It is stated that managers are more careful people than an entrepreneur. In addition, it is also argued that careful people are those who write the history, and therefore they don’t create it. The researcher also found that five of nine entrepreneurs were pragmatists by nature. The pragmatic entrepreneurs seemed to make a realistic assessment of the market place; their aim was to set up a business that would have a good chance of succeeding.

Capability to Manage Funds

It is required that entrepreneurs should be able to manage funds for optimal solution in particular. This is done for having access to fund with low interest rate and light covenant. Although entrepreneur is very keen to achieve financial discipline, it is necessary to investigate the capability of the entrepreneurs to manage the funds which is very essential in financial management point of view. Many researchers investigated the relationship between capability of the entrepreneurs and formulation strategy (Maupa, 2004), capability with staff performances and financial performances (Ramli, 2009), but very few research were done analyzing the relation between individual characteristics to financial commitment and financial discipline. This phenomenon could be tested in this research through *hypothesis 1* such as the following.

“*Capability to manage funds has positive effect directly on financial discipline, or indirectly through intention to practice and financial commitment*“

Individual Characteristics

It is a fact that entrepreneur character also plays important roles in supporting to have financial discipline because it can encourage them to accumulate capital for sustainable growth. For example, an entrepreneur with strong character would help him to have intention and commitment to implementing financial discipline. Therefore, such personal qualities also become critical success for small business for South Pacific Entrepreneurs (Yusuf, 1995), which similarly with entrepreneurs in South Sulawesi (Alam, 2005).

So far, many entrepreneurs have viewed themselves overconfidently to implement financial discipline in making the right way to overcome risk perception. For this respect, Simon et al (1999) gave reasons why entrepreneurs became overconfident. First, individuals have a greater belief in the accuracy of their assumptions; those assumptions may not lead to optimistic conclusions. Second, the lack of significance may have occurred because overconfidence was measured using diverse items that were not directly associated with the case decision. The entrepreneurs tend to rely on eye-catching experience in gaining business experience from what they had seen from the neighbors as the easiest way to learn the businesses.

The South Sulawesi entrepreneurs, especially the tribes of Buginese and Macassarese learnt the business from their neighbors (Ohe and Rakhman, 2007).

Beside, entrepreneurs also need to consider the method implemented in their decision making. In this case, they tend to rely on self report to measure important factors (Shepherd, 1999), which was very subjective way in assessing important criteria to be included. Therefore, it is wise to suggest other ways in assessing criteria by asking other entrepreneurs thoroughly in association.

Hypothesis 2 "*Individual characteristics have positive effect directly on financial discipline or indirectly through intention to practice financial management and financial commitment*."

The Role of Government

The role of local government has been proved to be interested in small and medium enterprises for long period of time in order to seek funds. In the case of South Sulawesi, the start-up firm was not able to stay longer in businesses unless the local government provides low interest rate and administrative cost to protect the firms from expensive cost of capital. Many businesses in South Sulawesi have found difficulties in seeking fund from the banks (Rakhman (a), 2010). Most of the entrepreneurs will seek funds when they have financial problems in the entrepreneurs to help them achieve financial freedom. Financial freedom will give them more room to invest in long term assets which will give the firm ability increasing its equity at the same time creating financial ability.

Although many businesses were affected by financial crisis in 1998, some of the entrepreneurs in South Sulawesi were able to survive due to the role of government helping small businesses by economic reform. This is in relation to the argument that reform in inter governmental finance and the financial system have the potential to be mutually reinforcing and beneficial (Freire et.als 2004). Therefore, the government program in helping small businesses to keep low interest rate and maintaining low inflation rate could create suitable condition for small firms to achieve financial freedom. Nevertheless, in developing countries including Indonesia, has shown the critical important of sound regulation and supervision as a means of defending financial system against distress and disorder in which it has not worked effectively (Brownbridge and Kirkpatrick, 2000).

Huang and Brown (2000) found that the small firms tend to face the problem in obtaining finance and they usually involve lack of money to start-up and grow a business. This forces the owners to seek government grant assistance and bank loans. Besides that, cash flow problem was found both with the start-up and established firms because of either lack of sales, mismanagement, or delayed payment by other businesses. Nevertheless, the well established businesses tend to have financial freedom as the consequence long experience financial discipline by implementation standard of procedure to overcome the use of funds for clear purposes and well plan business expansion.

Hypothesis 3 as follows: "*Government intervention has positive effect directly on financial discipline or indirectly through intention to practice financial management and financial commitment*"

Business Environment

As it is argued that the influence of environmental uncertainty may limit the ability to predict individual firm performance. However, the strong influence of the environment may also present opportunities for research. The researcher may examine more explicitly the factors influencing the ability of new ventures to function in turbulent environment. Cooper (1993:251) suggested research the diversity among entrepreneurs' different goals and their career alternatives at different time and how these bear upon decision about starting, growing or terminating ventures. The entrepreneurs' success was influenced more by business environment which gave roadmap the way to implement financial commitment and financial discipline.

Entrepreneurs tended to learn how to do businesses in more simple way by copying what the neighbors do and choosing particular product based on what products or services people need daily. In South Sulawesi insight, big entrepreneurs tended to rely on well accepted product or services and it has been in the market for many years (Rakhman (b), 2010:216). Environment also affected entrepreneur in implementing financial discipline by simply learning from other entrepreneurs in terms of distinguishing between fund for personal use and business, book keeping, making proposal for borrowing, thorough consideration in choosing bank with lower interest rate.

Furthermore, Mason and Harrison (2000:25) found that economic environment has only a moderate influence on the willingness of individuals to make angel-type investments. In addition, economic growth, low interest rates and, to a lesser extent, low inflation, encourage investment activity whereas rising interest rates and high inflation discourage investment activity. In other words, the entrepreneurs need to have suitable business environment where the government must control low inflation rate and maintaining low interest rate. This option is not easy to be implemented in Indonesia in which this country relies on foreign direct investment to develop country's infrastructure (Nasution, 2000:162). More specifically, local entrepreneurs in the financial discipline of entrepreneurs al entrepreneurs were not able to provide funds to finance the country's development cost due to low economic of scale, lacking in management team and less foreign business experience.

Hypothesis 4 as follows: "*Environment has positive effect directly on financial discipline or indirectly through intention to practice and financial commitment*".

Leadership Style

Traditional leadership style has been investigated by Miru (2006), and revealed that the tribes in South Sulawesi have local style in leadership. This style affected quality management, which concerns how leaders must behave to increase performance including use of funds. Integrity, creativity, wise and comprehensive thinker were really popular in Buginese and Macassarese leadership. In fact, many managers in South Sulawesi in sugar industries believed that in order to have high financial performance, they have to combine local leadership style and adopted western leadership especially to maintain good relationship with customer and respect to our leader (Ramli, 2009). Habit and value system developed in South Sulawesi Society locally are recognized as "siri" or "pacce" meaning of being fraud and solidarity have become fundamental consideration to be part of entrepreneurs' spirit. Such spirits have commitment in achieving financial commitment and financial discipline (Alam, 2005).

The implementation of western approach is also quite popular for expatriates who work at Industrial Zone in Makassar. It seems to be used as reference for them to encourage the subordinates to behave as being common in western way. This phenomenon seems to have similar condition in all cities in Indonesia where mix leadership styles need to be adjusted. The effects of fundamental culture in South Sulawesi need to care about local value not "losing face" even it may be related to financial consequence. Therefore, the leaders have to make adjustment to local system to maintain better communication. Sutaari et.al (2002:426) found that the expatriate must aware not losing face, concern about money regarding the way Indonesians to encourage potential adjustment to face foreign leader, patient, soft and gently to get anything done.

Hypothesis 5 as follows: "*Leadership style has positive effect directly on financial discipline or indirectly effect through intention to practice and financial commitment*"

Intention to Practice Financial Management

Issues related to financial discipline ahs raised discussion ont whether or not entrepreneurs have wisdom to practice financial management. If the entrepreneurs have intended to practice financial management, a few indicators must be included such as spirit to find low cost of funds, seeking financial adviser, the use of financial software, updating financial report on monthly basis and maintaining good communication with bankers, joining financial seminar. The entrepreneurs should evaluate their financial management characteristics especially external financial advice in which McMohan (2001) found that the firms will have better financial performances.

Entrepreneurs knew the previous experiences toward financial discipline by learning passively from their intention to practice good matters regarding implementation in financial management but they tended to ignore novelty the financial system. Shepherd et.al. (2000:398) described that competence on management team and the wish to learn a new way of organizing funds would make the entrepreneurs will be able focus on intention to practice financial management without neglecting management team competence. In the case of South Sulawesi entrepreneurs tried to follow financial management path by hoping to create better experience dealing with financial matters (Rakhman (a) 2010).

Hypothesis 6 as follows: *"Intention to practice has positive effect on financial discipline"*

Financial Commitment

It is very wise for entrepreneurs to have financial commitment in order to implement financial discipline to manage the firms in appropriate way. The entrepreneurs' commitment is very important to encourage the new creation business strength for being able to accumulate capital due to having sustainable growth. Kuratko and Hodgetts (2001) used Kao's work to explain eleven factors and these were believed to be entrepreneur's characteristics. These are total commitment, determination and perseverance that were classified as the most important factors. Moreover, the authors also analyzed financial plan and commitment for entrepreneurs in organizing business ventures but they did not mentioned how the entrepreneurs achieve financial discipline. In other words gap research existed in the area of financial discipline.

In contrast, many researchers paid more attention to investigating the way of entrepreneurs achieve their success by examining their motivation to become an entrepreneur and management team characteristics (MacMillan, Zemann and Narashimha, 1987). However, they did not explain financial commitment to achieve financial discipline. Financial discipline is essential to ensure entrepreneurs would able to organize the firm in highly competitive environment. Financial commitment tends to have very close relationship with financial capital in the terms of the entrepreneurs should have access to banks or other sources of funds to maintain the firm capital. Coleman (2007) concluded that financial capital is very important to firms' profitability for women and men in small businesses. Coleman emphasized access to loan and fear denial was very important to financial capital in order to support firm performances.

Hypothesis 7 as follows: "*Financial commitment has positive effect on intention to practice to financial management*"

Financial Discipline

Finally, financial discipline remains vital for entrepreneurs in order that they can run the business well. Discipline in finance means the entrepreneurs have to commit to the use of funds in very tight control. Beside, they also have to obey the rules established by them to use the fund based on their level importance. This rule has to be followed by the entrepreneurs who owned big and small businesses implementing modern tools for financial criteria (Rakhman 2010b) and also the entrepreneurs who implemented simple financial evaluation method in informal sector in South Sulawesi (Alam 2005). If the entrepreneurs fail to obey the rules, they will face financial distress as the consequence of use of funds without thorough calculation. This made the researcher to believe that financial discipline for entrepreneurs could be achieved by implementing financial commitment and intention to practice financial management.. Therefore the researcher proposed *hypothesis 8* as follows:

"*Financial commitment has positive affect on financial discipline*".

RESEARCH METHOD

Financial discipline has been said to be difficult in its implementation especially for distinguishing in the use of funds for businesses and personal purposes. The survey was undertaken in thirteen cities in South Sulawesi during the period January until April 2010 for 265 respondents. The respondents consist of 10 types of businesses which operated in the small town and big city like Makassar and Parepare. The filled questionnaires are 165 questionnaires but 15 questionnaires were not used due to incompleteness, unclear sources, and late reply, made up useful 250 questionnaires. Answered questionnaires were achieved 100 by mail, interviewed 150 respondents and 5 respondents via telephone call and 10 questionnaires via e-mail.

The respondents were selected from Indonesian Chamber Association Directories in South Sulawesi based the entrepreneurs criteria which the founder of business or sons or daughter of business founders. Purposive random sampling was used to select the sample.

The participants were asked to give their responses to questions regarding the way to achieve financial discipline in organizing their businesses. The questionnaires consists of two parts, the first part asked the participants to describe general information about themselves such as type of businesses, number of employees, total assets, period in business, and at the second parts asked the respondents to give their responses to given variables in terms of individual capability, individual characteristics, roles of government, environment, leadership style, intention to practice financial management, financial commitment to achieve financial discipline. The respondents were asked to response these questions by Likert scale by written response 1 for very disagree, 3 for neutral and 5 for very agree.

The questionnaires have been revised after the try out research for 40 respondents in Makassar to determine the right construct in the model. A few indicators have been excluded from the model because anti image correlation is lower than .50. Most of the indicators in the model have anti image correlation more than 0.50.

DATA ANALYSIS AND DISCUSSION

In this section, the researcher starts to describe demographic characteristics of respondents, distributed sample, sample profile and business profile of respondents.

Demographic Characteristic of Respondents

Demographic characteristics of respondents will be explained based on distributed of sample, respondent profile and respondents" business profile could be seen in the Table 1.

Table 1 shows that respondents' origin come from two cities – Makassar and Parepare and eleven sub districts across South Sulawesi Province. Only three districts have more than 10 percent number of respondents and the other ten districts have below 10 per cent sample.

Table 2 presents respondents' profile which explains age, sex, educational background, and experience in business. The table also shows that number of young entrepreneurs is very small, only 5% and most of them were classified as productive age between 26 to 55 year old and 30 percent sample were mature age. In terms of gender, the majority participants are male (70 percent) and the remaining around 30 percent are

Table 1
Percentage distributed of samples in subs district and cities of South Sulawesi Province

No	City /Sub District	Participants	Percent
1	Makassar	42	16.8
2	Parepare	31	12.4
3	Gowa	25	10.0
4	Maros	15	6.0
5	Takalar	10	4.0
6	Jeneponto	15	6.0
7	Bantaeng	12	4.8
8	Wajo	27	10.8
9	Luwu Timur	13	5.2
10	Tana Toraja	17	6.8
11	Soppeng	15	6.0
12	Bone	13	5.2
13	Bulukumba	15	6.0
	Total	**250**	**100,0**

Source: Developed for this research

Table 2
Respondents' Profile in South Sulawesi

No.	Respondent Characteristics	Total	%
1.	Age (Year)		
	18 – 25	13	5.20
	26 – 35	30	12.00
	36 – 45	59	23.60
	46 – 55	73	29.20
	56 and over	75	30.00
	Total	**250**	**100.00**
2.	Sex		
	Male	176	70.40
	Female	74	29.60
	Total	**250**	**100.00**
3.	Education		
	Primary School	18	7.20
	Yunior High school	12	4.80
	Senior High School	70	28.00
	Diploma	48	19.20
	Undergraduate	74	29.60
	Master Degree	28	11.20
	Total	**250**	**100.00**
4.	Experience in Business		
	0-5 year	20	8.00
	6-10 year	70	28.00
	11-15 year	60	24.00
	15-20 year	55	22.00
	> 20 year	45	18.00
	Total	**250**	**100.00**

Source: Developed for this research

Table 3
Respondents' Business Profile in South Sulawesi

No.	Business Characteristics	Total	%
1	Type of Business:		
	Manufacturing	17	6.80
	Trading	45	18.00
	Home Industry	23	9.20
	Paunbroker	16	6.40
	Plantation	9	3.60
	Services	35	14.00
	Fishery	8	3.20
	Livestock	15	6.00
	Real Estate	55	22.00
	Travel Agency	27	10.80
	Total	**250**	**100.00**
2	Number of Employees		
	≤ 20	12	4.80
	21 - 40	32	12.80
	41 - 60	25	10.00
	61 - 80	43	17.20
	81 - 100	25	10.00
	>100	113	45.20
	Total	**250**	**100.00**
3	Total Asset (rupiah)		
	≤ 100 million	15	6.00
	101 - 300 million	36	14.40
	301 - 500 million	24	9.60
	501 - 700 million	37	14.80
	701 - 900 million	57	22.80
	901 - 1100 million	63	25.20
	>1100 million	18	7.20
	Total	**250**	**100.00**

Source: Developed for this research

female. This relates to the value for Macassarese and Bugenese that male has to have job to support housewives. Gender issue has not so important in business owners but women still play important roles to support business operation. Moreover, respondents' educational background revealed that 28 percent finished high school and 29.60 percent who finished undergraduate degree and 11.20 percent who finished master degree. The respondents seem to have better educational background. The respondents seems to have long working experience in business because only 8 percent with working experience less than 5 years, the majority re spondents have working experience less than 20 years and 18 percent of respondents with more than 20 years experience in business.

Table 3 presents entrepreneurs' business profile, describing the type of business, number of employees, and total assets. Type of business revealed that three type businesses are real estate, trading and services, became the leading sector businesses where respondents operated. Respondents also keen doing business in travel industry, home industry, livestock, pawnbroker and manufacture. Very few entrepreneurs in South Sulawesi are interested in fishery and plantation because these businesses are high risk. In terms of the number of employees, it is shown that only 4.80 percent respondents have up to 20 employees, categorized as micro businesses, 45.20 percent of respondents as big business with more than 100 employees, and nearly half of respondents have less than 100 employees, classified as small and medium businesses.

In terms of total assets, it could be explained that six percent of respondents were classified as micro businesses with assets less than 100 million rupiah and more than half of respondents have assets 500 million to 1 100 million were categorized as medium enterprises and 7.20 percent of the respondents have more than 1100 million rupiahs.

Regression Weight of Variables

The relationship among identified variables in the survey can be seen at Table 4, containing estimate value or regression weight, standard error, critical ratio, and level of significant for each path in the model.

As shown in Table 4, the capability to manage funds (X1) has regression weight (153) and contributed significantly to financial commitment (Y1). Moreover, capability (X1) of entrepreneurs to manage the funds properly, contribute significantly with regression weight 0.096 to Financial Discipline (Y3). However, capability to manage funds (X1) with regression weight (.031) did significantly contribute to intention to practice (Y2). This result indicated that capability of the entrepreneurs has not affected intention to practice. Although entrepreneurs have better educational background, or even they joined training very often, receiving university consultant, having book keepers, these capabilities did not affect significantly to intent to practice. Nevertheless, the capability to manage funds has direct effect on financial discipline which supported proposed hypothesis 1. This result is on the contrary with the results found in Maupa (2004:229) and Ramli (2009:171) stating that capability to manage funds could increase financial performance and discipline.

Individual characteristics (X2) has direct

Table 4
Regression Weight, Standard Error, T Value and Level of Significant for Entrepreneurs Perspectives in South Sulawesi

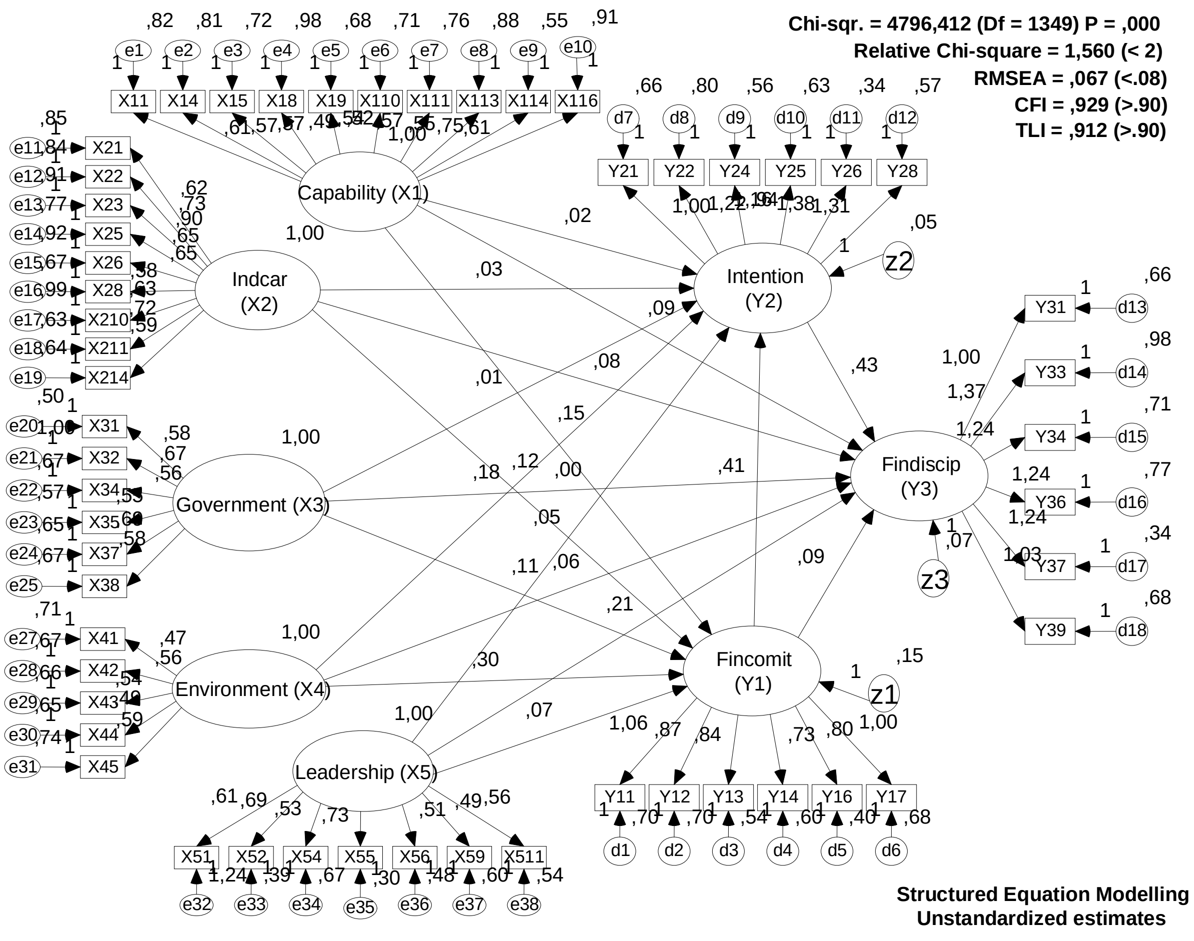
Relationship among variables	Estimate	S.E	C.R	P	Sig.
Fincomit_(Y1) <--- Capability (X1)	.153	.042	3.632	.046	Sig.
Fincomit_(Y1) <--- Indcar_(X2)	,170	,043	3,934	.019	Sig.
Fincomit_(Y1) <--- Government (X3)	,135	,043	3,164	,002	Sig.
Fincomit_(Y1) <--- Environment (X4)	,298	,054	5,532	.035	Sig.
Fincomit_(Y1) <--- Leadership (X5)	,091	,038	2,411	,016	Sig.
Intention_(Y2) <--- Fincomit_(Y1)	,397	,109	3,639	.045	Sig.
Intention_(Y2) <--- Indcar_(X2)	,030	,030	,977	,329	Insig.
Intention_(Y2) <--- Environment (X4)	,190	,048	3,926	.002	Sig.
Intention_(Y2) <--- Capability (X1)	,031	,025	1,234	,217	Insig.
Intention_(Y2) <--- Leadership (X5)	,054	,026	2,093	,036	Sig.
Intention_(Y2) <--- Government (X3)	,007	,029	,252	,801	Insig.
Findiscip_(Y3) <--- Leadership (X5)	,205	,039	5,314	.031	Sig.
Findiscip_(Y3) <--- Government (X3)	-,007	,032	-,236	,813	Insig.
Findiscip_(Y3) <--- Intention_(Y2)	,427	,202	2,115	,034	Sig.
Findiscip_(Y3) <--- Fincomit_(Y1)	,093	,126	,739	,460	Insig.
Findiscip_(Y3) <--- Capability (X1)	,096	,031	3,132	,002	Sig.
Findiscip_(Y3) <--- Environment (X4)	,056	,060	,930	,353	Insig.
Findiscip_(Y3) <--- Indcar_(X2)	,075	,034	2,207	,027	Sig.

Source: Developed for this research

affect significantly on financial discipline (Y3) with regression weight (.075). Individual characteristics also have positive and significant relationship financial commitment (Y1) with regression weight (.170). These facts could be interpreted that family background, level of education, family support, family oriented, social network, and working experience would make entrepreneurs very concern in achieving financial discipline and implementing financial commitment. Although these indicator could help entrepreneurs to keen in organizing their funds, but individual characteristics (X2) did support the entrepreneurs for intention to practice (Y2) in order to achieve financial discipline. This results contradict with what Yusuf (1995:72) found in South Pacific where individual characteristic was useful to make business success. However the results support findings in Alam (2005:242)

The role of government (X3) has positive affect significantly on financial commitment with regression weight (.135) but the variable has negative and insignificant regression weight (-.007) to financial discipline (Y3). The variable also has positive regression weight (.007) to intention to practice (Y2) but it did not significant. The result indicated that the government tried to help the entrepreneurs achieving financial com-

Figure 1
Structured Equation Modeling for Unstandardized Estimates Among Variables that Contributed to Financial Discipline



Source : Developed for this research

mitment (Y1) by providing reasonable interest rate and light covenant and training for management team, but the government was not able to exercise the entrepreneurs in achieving financial discipline. This result consist of previous research was done in South Sulawesi (Rakhman (b), 2010:213) the entrepreneurs faced difficulties in seeking funds from the bank.

Environment support (X4) has affected significantly the financial commitment (Y1) with regression weight (.298) and it also has affected significantly to intention to practice (Y2) with regression weight (.190), but it has not significant affected financial discipline (Y3). Although business environment appropriate to support financial commitment and intention to practice financial management, the entrepreneurs were not able to influence achieving financial discipline by relying on business environment. A few indicators in environment variable were suitable for supporting entrepreneurs' business such as working together in making book keeping record, lending funds without cost funds, neighborhood, participating in micro businesses assistance. These indicators however, did not affect the entrepreneurs to achieve financial discipline. The results support the finding on Alam (2005: 209) and Rakhman (2010(a):157) emphasized that entrepreneurs gained more benefit by learning from environemt especially for economic condition to control use of funds.

Leadership style (X5) has influenced significantly the financial commitment (Y2) with regression weight (.091), it also influenced intention to practice (Y2) with regression weight (.054). Leadership style also has direct influence significantly on financial discipline (Y3) with regression weight (.205). Leadership style owned by sample indicated that almost all indicators supported entrepreneurs in achieving financial discipline. The implementation of leadership style for Buginese tribe or even Ambassadresses tribe is suitable for ensuring business would run well. Therefore the facts supported the proposed hypothesis 5 mentioned that leadership style affected financial discipline. The habit of entrepreneurs to spend money wisel, has been existed in Makassarese tribe and Buginese tribe made all indicators for leadership style relevant to be implemented in achieving financial commitment and increasing intention to practice financial management. The result is consistent with the results found by Miru (2006:198), Alam (2005:219) concluded that leadership style was suitable to create financial commitment to achieve financial discipline.

Intention to practice (Y2) to variable Financial Discipline (Y3) is the strongest regression weight (0.427), with level of significant 0.034 < 0.05. The second largest regression weight (.397) is regression between financial commitment (Y1) to intention to practice (Y2) This result supports the theory that financial discipline could be achieved if entrepreneurs intent to practice financial management. Therefore this finding revealed result to support proposed hypothesis 6 and hypothesis 7. Whereas the relationship between financial commitment (Y1) to financial discipline (Y3) shown insignificant with regression weight (.093).This result rejected the proposed hypothesis 8. The result contradicts with the findings on McMohan (2001:25) seeking advice from outsider as the way to implement financial commitment could increase financial performance.

Financial commitment will not be helpful for entrepreneurs to achieve financial discipline. However, they have financial commitment and they will also be able to achieve high intention to practice financial management before learn how to achieve financial discipline. This result also contradicted to result found on Rakhman (2010(b): 156) in which entrepreneurs considered financial commitment to increase financial performances. The experience of the entrepreneurs from government help to finance the businesses did not encourage them to maintain financial freedom through financial discipline.

CONCLUSION, SUGGESTION AND LIMITATION

There are some findings as described. First of all, the research found that capability of the entrepreneurs could support them to implement financial commitment in order to practice financial discipline but it could not support them to have intention to practice financial management in order to implement financial discipline. This phenomenon was also similar pattern to individual characteristics of the entrepreneurs in which it was found insignificant for being to intent to practice financial management. Yet, individual characteristics were found to be useful to implement financial commitment and financial discipline.

Secondly, the role of government was found contradictorily with the previous research because the government did not support the entrepreneurs for intention to practice financial management and achieve financial discipline. The variable roles of government are important for entrepreneurs to implement financial commitment, because the majority of the entrepreneurs used to rely on government funds to sustain their businesses. In contrast, business environment could support entrepreneurs to have intention to practice financial management and create financial commitment. However, it did not support the entrepreneurs to achieve financial discipline.

Thirdly, in terms of leadership style, it is found that the entrepreneurs' leadership supported intention to practice financial management, financial commitment, and financial discipline. Besides that, transactional and traditional leadership were suitable for them to achieve financial discipline. Financial commitment did not support financial discipline but intention to practice financial management could support financial discipline.

Implication of this research seem to be relevant to government and entrepreneurs in order to find out what policy that needs to be formulated; what action should be taken to help entrepreneurs pursue financial discipline for long term period. In order to achieve financial commitment, the entrepreneurs should consider what motivation would make them financially independent. One stepping way to achieve financial discipline is to ensure that entrepreneurs must have intention to practice financial management.

It is important to note that capability to manage, individual characteristics, and leadership and environment play important roles to ensure that the entrepreneurs will be able to implement financial discipline. In the future, the roles of government should not be expected to contribute more in making appropriate business condition to encourage entrepreneurs achieve financial discipline. The entrepreneur's expected the government to much and relying on low interest rate policy will become obstacles to achieve financial discipline, because the entrepreneurs always hoping government for low cost of funds.

Implication, Suggestion, and Limitation

It is advisable that entrepreneurs need encouragement from the government to support entrepreneur's commitment to achieving financial discipline. Entrepreneur's commitment can be achieved if government, bank officers, business consultant provide help by showing the way to arrange the use of funds appropriately and the entrepreneurs must have intention to implement the use of fund tightly.

The government must create a program in which entrepreneurs received financial administration mentoring, business plan, or even entrepreneurship training to ensure that entrepreneurs could learn by practicing financial discipline. It is also important to note that business competition policy is needed to ensure that business environment would support entrepreneurs to practice financial management.

In addition, entrepreneurs must have ability to seek financially independent through low interest rate, soft covenant, have access to financial institution easily, business monitoring regularly and smart management strategy concept and application. Leaderships must be initiated to have intention to practice financial management, especially to those who tended to rely on traditional leadership style and therefore they must shift such style into modern leadership.

Researcher realizes such limitation exists in this research because the results relying on entrepreneurs response is based on merely written questionnaires in which the participants may not understand the meaning of written sentences in the questionnaires. Beside, the area of sub districts covered in this survey represented 60 percent of business area in South Sulawesi Province, few good entrepreneurs were excluded in the survey, in which they probably have better responses. Participants answered the questionnaires may have subjective opinion which may not represent all entrepreneurs' opinion in South Sulawesi Province

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