

Determinants Factors of Performance of Women Entrepreneurs in Indonesia- A Study Based on Batam City

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Abstract: This study's aim is to identify the determinants factors of performance of women entrepreneurs in Indonesia. The data self-collected, using quantitative based-study data will be collect by surveyed questionnaire and be analyzed by using Statistical Package for the Social Science (SPSS). The questionnaires distributed were made up of four variables, where three were independent variables and one was dependent variable. By using a Spearman's correlation, it is found that each independent variable has strong correlation with the single variable. Essentially this research was conducted with two hundred respondents of women's micro businesses activity in Batam-Indonesia. Survey was conducted over Batam, Indonesia by dividing into three zone based on cluster north, middle and south. First zone is: Batu Ampar and Jodoh, followed by Sekupang and Nagoya and Batu Aji and Muka Kuning. There were several problems: the support from government is not comprehensive, no experience of women entrepreneurs by doing business and the attitude towards business not customer satisfaction oriented. The expected result indicated that the government support, experience, attitude towards business as the determinants factors and women entrepreneurs performance of Micro Enterprises have a relationship.

Key words: Women Entrepreneur • Performance • Indonesia

INTRODUCTION

Throughout Asia, Micro Enterprises are critical component of local economies. Business employing fewer than 20 people employs roughly 90 per cents of the population in Indonesia, a statistic similar to that of other developing countries in Asia [1]. Micro Enterprises are the most dynamic businesses and the most threatened in the global economy.

The international buzz about entrepreneurship has become even more pronounced with the explosion of new technology, rise in the availability and use of equity capital and breaking down of economic and trade barriers. The Global Entrepreneurship Monitor (GEM) studies found that entrepreneurship is a central source for employment creation [2, 3]. Entrepreneurship is increasingly recognized as an important driver of economic growth, productivity, innovation and employment and it is widely accepted as a key aspect of economic dynamism. Recent statistics shows that women

are important drivers of growth in many of the world's economies [4]. However, while statistics recording small firm and entrepreneurship activity are available for many countries, there is far less documentation about the contribution women make to the process [5].

According to J. Katie McConnell, *et al.* [6], Local government can give big effort for local entrepreneurs to get supper growth. Local government must understanding small business development stages, because it allows them to better understand the challenges facing entrepreneurs and provide policies to support them. To support entrepreneurs and small businesses, local government should first look to the tools within their own wheel house – leadership, communications and regulation [6]. Starting the entrepreneurial activity of successful entrepreneurs involves experience of life crisis, which determined by the existential experiences: responsibility, meaning and freedom. This life crisis used to be resulting of unbalanced between personal purpose and motives and environmental conditions [7].

There were several studies on the attitude towards corporate social responsibility (CSR) on the previous study. There is also a mounting concern on how the future generations view the importance of embracing CSR in every business decisions [8]. Davis *et al.* [9] and Park [10] found an individual with idealism values have the tendency to embrace moral actions that lead to ethical behavior and socially responsible actions. Ryan and Dziurawiec [11] suggest an individual with materialistic value has a tendency to be insensitive to the impact of their actions to society. Performance refers to the achievement of goals and objectives in any sector of human life. Though, in business, the concept of performance generally refers to a firm's financial performance, it has been explained in many different ways [12].

MATERIALS AND METHODS

Methodology

Population and Sampling: The population of the study are the women entrepreneurs doing business in Batam-Indonesia. The study has used convenience sampling method under non-probability sampling technique. The reason behind using this sampling technique is that there was unavailability of list of women entrepreneur from where sample can be drawn based on a probability technique. According to Ghazali *et al.* [13], the sample size is 200 where 200 questionnaires were distributed into 3 zones of Batam-Indonesia; north zone (Batu Ampar and Bengkong), center zone (Sekupang and Lubuk Baja) and south zone (Sei Beduk and Batu Aji). Respondents were chosen among women entrepreneurs of micro enterprises.

Instrument: A structured questionnaire has been developed based on the previous literature to collect information. The questionnaire was adopted from Machirori [4] and Prahalad [14]. The questionnaire has 2 main parts. First part is demographic profile such as age, marital status, level of education and etc. Second part of the questionnaire consists of 3 factors which have been identified for literature review. Questions was set on 10 Likert scale, where 1 is for strongly disagree and 10 for strongly agree.

Data Collection and Analysis: Data has been collected by face to face with the women entrepreneur of Batam-Indonesia. Some secondary sources of data have also been used. Data has been analyzed by SPSS software 21.0. Statistical tools like factor analysis have been used to interpret data.

RESULTS AND DISCUSSIONS

Reliability Analysis: Before the field study was begun, a pilot test was done between 100 respondents. The purpose of conducting the pilot test is to test the reliability of the questionnaire. Below is the reliability analysis result of the pilot test.

Table 1: Reliability Analysis

Variables	Cronbach's Alpha	Number of Items
Performance	0.789	6
Government Support	0.744	4
Experience	0.779	4
Attitude towards Business	0.711	6

The result shows that all the variables have higher Cronbach's alpha, where Cronbach's alpha more than 0.6 is considered as acceptable [15]. The purpose of checking the Cronbach's alpha is to check the suitability of the adopted instruments to the population and situation of the study.

Normality Test: Since researchers want to apply inferential statistics in this study, normality test was conducted as its prerequisite [16]. By using Kolmogorov-Smirnov statistics, with a Lilliefors significance level and Shapiro-Wilk statistics Pallant [17], it shows that the collected data were not normally distributed. Table 2 below shows the result.

Table 2: Statistical Normality Test

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	Df	Sig.
Performance	0.245	200	.000	0.910	200	.000
Government Support	0.358	200	.000	0.742	200	.000
Experience	0.251	200	.000	0.798	200	.000
Attitude towards Business	0.206	200	.000	0.884	200	.000

a. Lilliefors Significance Correction

The p-value ($p < 0.05$) on the Shapiro-Wilk statistics output on Table 2 shows that the data collected violate the assumption of normality distribution. Due to the violation of normality distribution, Pallant [17] had suggested to use non-parametric technique rather than parametric technique analysis. Hence, Spearman's correlation was adopted to check the correlation between independent variables and dependent variable.

Correlation Result: Spearman's correlation analysis is able to measure the strength and the relationship between two variables. Table 3 below shows the correlation result at 1% significance level.

Table 3: Correlation result

Variables	Spearman's Correlation, r_s	p
Performance	1	
Government Support	- 0.145	0.00
Experience	0.698	0.00
Attitude Towards Business	0.699	0.00

Since all correlation among 3 independent variables and single dependent variable are above 0.4, although one independent variable shows negative but the result less than (-1), it can be said that all the 3 hypotheses were accepted. Hence, this shows that experience and attitude towards business correlated to women entrepreneurs performance of micro enterprises means strong, significance and unidirectional while government support result minus means strong, significant and not unidirectional, means that women entrepreneurs was not satisfied with the support from government [18]. For the first hypothesis, H_1 , stated that government support has a significant correlation on the women entrepreneurs performance of micro enterprise; second hypothesis, H_2 , experience has a significant correlation on the women entrepreneurs performance of micro enterprise; third hypothesis, H_3 , attitude towards business has significant correlation on the women entrepreneurs performance of micro enterprise.

CONCLUSION

From the correlation result, it can be concluded that government support, experience and attitude towards business as the determinant factors has significant correlation on women entrepreneurs' performance of micro business. Experience and attitude towards business correlated to women entrepreneurs performance of micro enterprises means strong, significance and unidirectional while government support result minus means strong, significant and not unidirectional, means that women entrepreneurs was not satisfied with the support from government so that government can increase the support to the women entrepreneurs.

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