

Analyse of Relationship Between Government Support, Experience, Attitude Towards Business and Women Entrepreneurs Performance of Micro Enterprises

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Abstract: The performance of Micro Enterprise is considered as one of the driving forces for developing countries like Indonesia, where the economy has benefitted well from the contribution of Micro Enterprises. Some of key success factors are government support, experience and attitude towards business. The aim of the study was to identify whether there was any relationship between government support, experience, attitude towards business and the performance of Micro enterprises operating within Batam city, Indonesia. Two hundred respondents of women entrepreneurs have been chosen in the field study from three zone in Batam, Indonesia; north zone (Batu Ampar and Bengkong), center zone (Sekupang and Lubuk Baja) and south zone (Sei Beduk and Batu Aji). 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. It can be concluded that the government support, experience, attitude towards business and women entrepreneurs performance of Micro Enterprises have a relationship.

Key words: Women Entrepreneur • Entrepreneurship • Micro Enterprise • Performance • Government Support • Experience and Attitude towards Business

INTRODUCTION

Micro Enterprises play a key role in developing countries. These enterprises are for more than 90% of all enterprises, provide many job opportunities and being claimed as a tool to decrease poverty. Micro Enterprises are the most dynamic businesses and the most threatened in the global economy. Hill [1] said that one of a pivotal role in economic development is achieved through their development Micro Enterprises. Verheugen [2] also said that Micro Enterprises are the engine of the European economy. They are an essential source of jobs, create entrepreneurial spirit and innovation in the Europe and are thus crucial for fostering competitiveness and employment. It was same as the sense of micro enterprises in Indonesia. Micro enterprises are one of the levers of the economy side of Indonesia. Micro enterprises are very growing rapidly in Indonesia covering many fields. Most of the established families, but most of the others was founded by a woman [3].

According to Minister of Cooperatives and Micro Enterprises; Anak Agung Gede Ngurah Prayoga, [4], Micro Enterprises is one of the supporting economic growths in Indonesia. In Indonesia, the common name that being used is Micro, Small and Medium Enterprises (MSMEs) rather than Micro Enterprises, nevertheless it has the same meaning. To make it unify in this thesis, the term that will be used is Micro Enterprises. Micro Enterprises in Indonesia which govern in Indonesia Micro Enterprises Law (Law of Republic of Indonesia Number 20 of 2008 of MSMEs [5]) also give big contribution to the economy in Indonesia, especially during the financial crisis in 2008-2009. During that dark year, Micro Enterprises contributed to employment growth and give steady decline in poverty rate. This proved the theory that Micro Enterprises contribute more to employment in low- than in high-income countries [6], Beyond the dark year, in fact Micro Enterprises have contributed more to economic growth compare than big enterprises due to its dependency toward formal market and credit so they can response quickly compare to the big enterprises [7].

Literature Review: According to J. Katie McConnell, *et al.* [8], 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 [8]. 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 [9].

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 [10]. Davis *et al.* [11] and Park [12] 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 [13] 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 [14].

MATERIALS AND METHODS

Examine the Relationship Between Government Support, Experience, Attitude Towards Business and Women Entrepreneurs Performance of Micro Enterprises in Indonesia: According to Ghazali *et al.* [15], a field study was conducted to examine the relationship between government support, experience, attitude towards business and women entrepreneurs’ performance of Micro Enterprises in Indonesia. 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. The questionnaire was adopted from Machirori [16] and Prahald [17]. The questionnaire has 2 main parts. First part is demographic profile such as age,

Table 1: List of Hypotheses

Hypothesis	
H ₁	There is a significant relationship between government support and women entrepreneurs performance.
H ₂	There is a significant relationship between experience and women entrepreneurs performance.
H ₃	There is a significant relationship between attitude towards business and women entrepreneurs performance.

marital status, level of education and etc. Second part of the questionnaire is the questions with 10 Likert scale, where 1 is for strongly disagree and 10 for strongly agree.

There are 4 variables under second part due to there are 3 independent variables and 1 dependent variable. The 3 independent variables are government support, experience and attitude towards business. The dependent variable is performance of women entrepreneurs of micro enterprises. There were 3 hypotheses tested, denoted as H₁ to H₃ and is listed as in Table 1 as below.

As the field study was completed, the responds then entered into Statistical Packages for Social Science (SPSS) version 21. Inferential statistics was adopted and correlation between 3 independent variables and single dependent variable was analyzed. The finding of the field study is presented in result part of this article.

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.

The result shows that all the variables have higher Cronbach’s alpha, where Cronbach’s alpha more than 0.6 is considered as acceptable [18]. 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 [19]. By using Kolmogorov-Smoivor statistics, with a Lilliefors significance level and Shapiro-Wilk statistics [20], it shows that the collected data were not normally distributed. Table 3 below shows the result.

The p-value ($p < 0.05$) on the Shapiro-Wilk statistics output on Table 3 shows that the data collected violate the assumption of normality distribution.

Table 2: 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

Table 3: 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

Table 4: Spearman's 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

Due to the violation of normality distribution, Pallant [19] had suggested to use non-parametric technic rather than parametric technique analysis. Hence, Spearman's correlation was adopted to check the correlation between independent variables and dependent variable.

Spearman's Correlation Result: Spearman's correlation analysis is able to measure the strength and the relationship between two variables. Table 4 below shows the spearman's correlation result at 1% significance level.

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 [21]. For the first hypothesis, H₁, stated that government support has a significant correlation on the women entrepreneurs performance of micro enterprise; second hypothesis, H₂, experience has a significant correlation on the women entrepreneurs performance of micro enterprise; third hypothesis, H₃, attitude towards business has significant correlation on the women entrepreneurs performance of micro enterprise.

Auto-Correllation: Auto-Correlation analysis is able to see the correlation between observations. Table 5 below shows auto-correlation result at 5% significance level.

On the table 5 above, the result show that dw is greater than (4-dl) then the hypothesis is accepted, meaning there is autocorrelation, it can be said that all the 3 hypotheses were accepted [17]. The formula show below:

$$\begin{aligned} \text{Auto-correlation} &= dw > (4-dl) \\ &= 2.638 > (4-1.7382) \\ &= 2.638 > 2.262 \end{aligned}$$

where dl can see on Durbin-Watson Table, N = 200 and k = 3

The basic decision making of auto-correlation show below:

- If dw is smaller than dl or greater than (4-dl), then the hypothesis is accepted, meaning there is autocorrelation.
- If dw is between du and (4-du), then the hypothesis is not accepted, meaning there is no autocorrelation.
- If dw is between dl and du or between (4-du) and (4-dl), then do not produce any definite conclusion.

Multicollinearity: Multicollinearity analysis is able to see whether or not the relationship between variables. Table 6 below shows multicollinearity result.

On the table 6 above, the result shows that on collinearity statistics, Tolerance government support 0.981, Tolerance experience 0.569, Tolerance attitude 0.575 while VIF government support 1.019, VIF experience 1.758 and VIF attitude 1.739. It shows that Tolerance of each variable >0.1 and VIF of each variable <10, means that does not occur multicollinearity.

Table 5: Auto-Correlation Result^b

Model	R	R Square	Adjusted R Square	Std Error of the Estimate	Durbin-Watson
1	.795 ^a	.632	.626	2.942	2.638

a. Predictors (constant), Government Support, Experience, Attitude

b. Dependent Variable: Performance

Table 6: Multicollinearity Result^a

Model	Unstandardized Coefficients		Standardized Coefficients			Collienearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (constant)	-4.016	4.424		.908	.365		
Gov Suport	-.197	.087	.099	-2.254	.025	.981	1.019
Experience	1.588	.144	.634	11.030	.000	.569	1.758
Attitude	.274	.080	.195	3.413	.001	.575	1.739

a. Dependent Variable: Performance

CONCLUSION

From the correlation result, it can be concluded that government support, experience and attitude towards business 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. From the auto-correlation result show that dw is greater than (4-dl) then the hypothesis is accept meaning there is auto-correlation and from the multicollinearity result show that each Tolerance >0.1 and each VIF <10, means that does not occur multicollinearity.

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