

# Problems, Motivation and Success of Women Entrepreneurs: a Study on the MSME Sector in Kuningan Regency, West Java During the Pandemic

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**Abstract.** This study aims to provide an overview of the problems, motivations and successes measured by the marketing performance of women entrepreneurs of SMEs in Kuningan Regency, West Java in dealing with the ongoing pandemic situation. Women entrepreneurs grow to be part of the development of MSMEs in Indonesia. The number of women entrepreneurs is almost equal to the number of men entrepreneurs, so they also have the same contribution to economic growth and employment. However, most women entrepreneurs have faced obstacles such as multiple responsibilities, from the business on the one hand and the family and household on the other. This study uses primary data from questionnaires distributed to 100 women entrepreneurs of MSMEs and the data collected is 93 respondents. Using multiple regression analysis with regression test, hypothesis testing with t test and F test, and determination test. The test results show that the variables of technology, customer orientation, competitor orientation, and motivation have a positive and significant impact on competitive advantage which is a proxy for the success of women entrepreneurs of SMEs.

**Keyword:** Women Entrepreneur; MSME; Competitive Advantage

## 1 Background

Micro, small and medium enterprises in Indonesia play a very important role in the economy. According to data from the Ministry of Cooperatives and MSMEs in 2019, MSME players continued to increase from 57.9 million in 2014 to 67.4 million businesses. This number is predicted to increase in 2020 during the Covid-19 pandemic in Indonesia. West Java is the third province in Indonesia with the highest number of MSMEs after East Java and DKI Jakarta. The UNPAD Research Institute stated that during the Covid-19 pandemic as many as 47 MSMEs had stopped operating. The remaining 30% experienced a decrease in income of up to 30%. As the key to increasing growth, job creation and poverty alleviation, MSMEs account for 99% of all businesses in Indonesia. Absorbs 89% of the private sector workforce and contributes 57% to GDP (Japhta et al. 2016).

In Kuningan district, MSME actors grow in various business sectors based on nature, trade, processing and handicraft industries. In general, the type of business carried out is still in the processing of natural products such as plantation, agriculture, animal husbandry and fishery products. The description of Kuningan Regency GRDP based on business fields is shown in table 1.

**Table 1.** GRDP of Kuningan Regency in 2016-2019

GRDP by Business Field	Current Price (Billion Rupiah)			
	2016	2017	2018	2019
Agriculture, Forestry and Fisheries	4439,44	4868,26	5518,24	6112.5
Mining and excavation	307.91	300.73	305.31	303.55
Processing industry	439.42	473.64	508.87	557,48
Electricity and Gas Supply	15.86	19.07	21.43	22.91
Water Supply; Waste, Waste and Recycling Management	16.15	18.85	21.84	23.88
Construction	1612.94	1797.32	2022,81	2237.71
Wholesale and Retail Trade, Car and Motorcycle Repair	2800.77	3001.19	3238.07	3583.08
Transportation and Warehousing	2862.98	3103.89	3351.58	3574.41
Provision of accommodation and food and drink	326.65	370.2	420.08	466.02
Information and Communication	660.71	743.31	813.89	881.17
Financial Services and Insurance	1040.88	1154.28	1275.98	1390.3
Real Estate	482.82	534.64	590.34	646.47
Company Services	73.01	81.75	94.66	113.55
Government Administration, Defense and Social Security Mandatory	799.5	854.35	913.75	962.35
Education Services	1835.06	2172.06	2579,72	2986.53
Health Services and Social Activities	287.54	324.72	359.68	404.72
Other Services	561.65	645.71	735.13	823.84

Source: Kuningan dalam angka tahun 2020

Table 1 shows that the provision of accommodation and food and drink in Kuningan district is still low compared to other types of businesses. Whereas as a tourist destination, support for the provision of accommodation and food and drink is very much needed. Therefore, it is necessary to pay attention to business actors in this sector. Based on data from the Kuningan Regency Cooperatives and SMEs Office in 2019, the distribution of the number of food business actors is shown in table 2.

**Table 2.** SMEs in the food and beverage sector

No	Type of business	Amount
1	Dry and wet cakes	102
2	Various Chips	55
3	Tape Ketan	35

4	Gemblong	33
5	Various Drinks	20
6	Wajit, dodol	11
7	Tempe, Tahu	14
8	Emping Melinjo	10
9	Bawang Goreng	8
10	Processed Sambel	4
11	Processed Nuts	3

Source: Department of Cooperatives and SMEs, 2019

Outside of the production and trade sectors, in Kuningan Regency there is also a creative economy sector that is still not properly recorded and developed. The creative economy is unique because if other sectors must be supported by capital first, then the creative economy sector begins with creativity and innovation. There are seventeen sub-sectors of the creative economy, namely: applications, games, architecture, interior design, product design, visual communication design, film and video animation, photography, handicrafts, performing arts, culinary, music, publishing, fine arts, tv and radio. Almost all creative economy actors in Kuningan Regency are MSMEs.

Women entrepreneurs grow to be part of the development of MSMEs in Indonesia. The number of women entrepreneurs is almost equal to the number of men entrepreneurs, so they also have the same contribution to economic growth and employment. However, most women entrepreneurs have faced obstacles such as multiple responsibilities, from business on the one hand and family and household on the other (Japhta et al. 2016; Das 2000). In addition, there are obstacles related to access to finance needed for business development. Women entrepreneurs have problems related to regulation, access and use of financing from formal institutions such as banks. Lack of property ownership, lack of previous business experience, limited mobility and greater dependence on husband and family are some of the factors that hinder the growth and development of women-owned SMEs (Japhta et al. 2016).

Many factors influence the success of women entrepreneurs such as personality characteristics and parenting patterns (Boz and Ergeneli 2014), Individual & Social Characteristics, Marketing & Business Support, Efficient Management, and Customer Engagement (Arshad et al. 2019), family and social support (Powell and Eddleston 2013), Information and Communication Technology (Chatterjee, Dutta Gupta, and Upadhyay 2020; Hashim, Razak, and Amir 2011; Hussain and Chen 2018). These factors are different from the challenges faced by Entrepreneurs.

The participation of women in the business sector from time to time continues to increase. If in 2012 the involvement of women in the field of entrepreneurship was 58 percent. Bank Indonesia data states, the total Micro, Small and Medium Enterprises (MSMEs) in 2018 reached 57.83 million with more than 60% managed by women (the number of female MSME actors in Indonesia reached 37 million). The percentage of Indonesian men who are entrepreneurs is 14 percent of the total adult male population. Meanwhile, in the women's group, the percentage of entrepreneurs is slightly higher, at 14.1 percent. Women are considered more daring to open new businesses compared to men, as reported by Antara News Agency, 16/12/2019.

The government has made efforts to realize gender equality and justice in the life of society and the state through several policies and programs. However, in practice there are still many obstacles and challenges. Gender equity is more defined as equal conditions for men and

women to obtain opportunities and their rights as human beings to play a role and participate in all fields. While gender equality is a process and fair treatment of women and men, so that in carrying out state and social life, there is no standardization of roles, double burdens, subordination, marginalization, and violence against women and men (Human Development). Based on Gender 2013, Ministry of PPA and BPS).

Furthermore, this research will contribute to strengthening MSME actors in running their business. Information and Communication Technology has provided various opportunities for the development of women entrepreneurs. It is a powerful catalyst for women's political and social empowerment and the promotion of gender equality. IT has redefined women's traditional roles and the widespread use of technology has benefited women on a large scale. Women are increasingly adopting ICT for various business-related tasks such as preparing letters and memos, generating reports, data storage and retrieval, budgeting, planning and analysis of problems and alternatives. ICTs have become a dominant force in women's development as they provide and encourage communications that enhance the exchange of relevant information for marketing, purchasing and also knowledge creation and dissemination.

The difficult situation faced by women entrepreneurs during the pandemic, makes them overwhelmed in running their businesses. As is the case in many other countries, Indonesian women tend to own small businesses. In applying the national definition of SMEs, the survey found that 52.9% of micro enterprises, 50.6% of small enterprises and 34.0% of medium enterprises in urban areas are owned by women. Assuming that this proportion does not change over the 2013-2015 period, women-owned small businesses contributed IDR 443 trillion (USD 36.5 billion) and women-owned medium enterprises of IDR 421 trillion (USD 34.6 billion) to Indonesia's GDP in 2013, or 9.1% overall.

This study will examine the problems faced related to technology, customer and competitor orientation, motivation and success as measured by the competitive advantage achieved by female MSME actors. This study provides an overview of the influence of problem factors, motivational factors on the competitive advantage of women entrepreneurs in Kuningan district, West Java.

## **2 Overview of Theories**

### **a. Entrepreneurship**

Entrepreneurs are globally recognized as the best important for the economy because many of its main activities act as the engine of the economy, enacting and empowering all monetary actions. Entrepreneurs are catalytic agents for the expansion and promotion of economic activity in every sphere of economic life of a country by introducing new combinations, improvising on existing productive resources and simultaneously creating jobs for the community.

Women entrepreneurs in ASEAN countries are on the rise and a lot of research is being carried out in ASEAN countries to find out the motives behind the success of women entrepreneurs. An empirical study in Singapore revealed the reasons that inspired women to own a business and found a higher need for achievement, a higher need for dominance and a moderate need for affiliation and autonomy were among the success factors.

### **b. Determinants of entrepreneurship and gender differences**

It has been mentioned previously that the factors that influence the entrepreneurship of women entrepreneurs are more than that of men's entrepreneurship. Factors that influence are economic factors, social factors, technological factors.

New technologies have the potential to lead to the development of new products and services, creating opportunities to start new companies. In addition, new information and communication technologies lead to reduced transaction costs and lower minimum efficiencies across many industries, enabling small firms to compete in both new and established industries. Therefore, it can be said that small companies benefit from technological developments, either directly (producing new products) or indirectly (taking advantage of new production or communication techniques).

Studies refer mainly to the 1980s and earlier when per capita income levels were relatively low. The negative effects may reflect the exploitation of economies of scale when the technological environment is relatively stable. Other more recent studies have reported a positive relationship between per capita income and entrepreneurship since the 1970s. From a given level of economic development onwards, an increase in wealth tends to be accompanied by technological developments and an increase in the size of the service sector, developments which - in turn - positively influence entrepreneurship. A higher number of women in the workforce is likely to be accompanied by a lower rate of self-employment (as a percentage of the workforce), as women are less likely to become self-employed than men. Gender is a strong predictor of nascent entrepreneurship at the micro level, with men more likely to have the intention to start a business than women. Countries with a higher number of women in the workforce are characterized by lower rates of self-employment, self-employment as a percentage of the workforce. However, the level of entrepreneurial activity used in this paper is scaled on a population.

### **3 Hypothesis**

H1: Technology has a positive effect on the competitive advantage of women entrepreneurs

H2: Customer orientation has a positive effect on the competitive advantage of women entrepreneurs

H3: Competitor orientation has a positive effect on the competitive advantage of women entrepreneurs

H4: Business motivation has a positive effect on the competitive advantage of women entrepreneurs

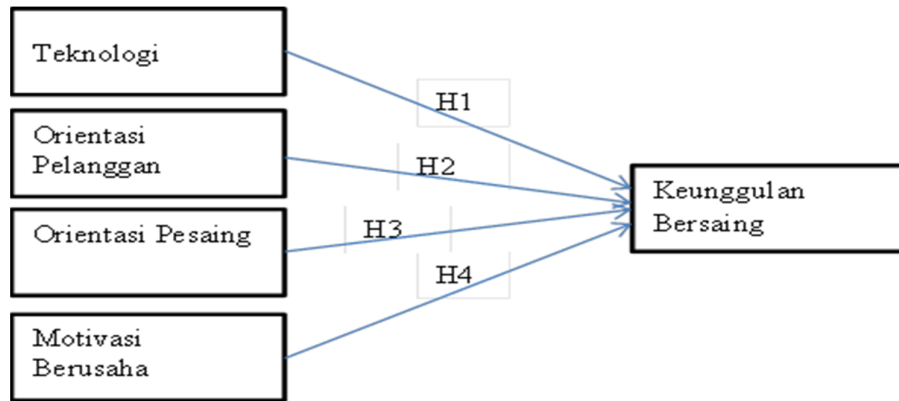


Figure 1, Research Model

## 4 Research Method

This research will be conducted using a questionnaire to reach women entrepreneurs in West Java through Google Form. Then the data entered will be sorted based on the completeness of the answers. It is hoped that from the distribution of this questionnaire, at least 100 women entrepreneurs in Kuningan Regency, West Java can participate.

The variables used in this study are Customer Orientation, Competitor Orientation which is a proxy for the problem and Business Motivation as an independent variable. As the dependent variable is Competitive Advantage as a proxy for Business Success.

The results of the verification of respondents' responses were a total of 93 respondents who met the completeness of the data. The data was processed using multiple regression analysis and partial hypothesis testing with t-test and joint hypothesis testing using the F-test.

## 5 Results and Discussion

There are quite a lot of micro and small business actors in Kuningan Regency and they are spread in various industrial and trade sectors. Table 3 shows the distribution by sub-district of the number of micro and small business actors based on the results of the 2014 SUSENAS (BPS Kuningan 2020).

The descriptive statistics of the data are shown in table 3 below:

Table 3, Descriptive Statistics

Variable	N	Minimum	Maximum	mean	Std. Deviation
Technology	93	21.00	30.00	27.6882	2.47148
Customer	93	19.00	40.00	34.1075	5.54911
Competitor	93	8.00	30.00	23.4516	5.14257
Motivation	93	149.00	197.00	171.192	13.60248

Competitive Adv	93	36.00	70.00	53.3763	9.89611
Valid N (listwise)	93				

Based on the data in the statistical descriptive table, the number of respondents is 93 people with an average score of answers on the Technology variable 27.6882, the Customer Orientation variable an average of 34.1075, the Competitor Orientation variable an average of 23.4516, the Business Motivation variable an average of 171.19 and the average Competitive Advantage variable is 53.3763.

The correlation between the variables shows the level of the relationship is not too high so it can be concluded that there are no symptoms of multicollinearity between the independent variables in this study.

**Table 4, Correlation Matrix**

	Technology	Customer	Competitor	Motivation
Technology	1			
Customer	.595 **	1		
Competitor	.259 *	.619 **	1	
Motivation	.596 **	.723 **	.544 **	1

\*\* . Correlation is significant at the 0.01 level (2-tailed).  
\* . Correlation is significant at the 0.05 level (2-tailed).

Furthermore, from the results of data processing using SPSS 20 software, the results are as in the following table:

**Table 5, Multiple Regression Coefficient and t Test**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-28,360	9.987		-2,840	.006
Technology	1.136	.370	.284	3.072	.003
Customer	.437	.207	.245	2.111	.038
Competitor	.364	.176	.189	2,065	.042
Motivation	.157	.078	.216	2005	.048

a. Dependent Variable: Advantage

The form of the multiple regression equation:

$$Y = -28,360 + 1,136 X1 + 0,437 X2 + 0,364 X3 + 0,157 X4$$

Y=Competitive Advantage

X1=Technology

X2=Customer Orientation

X3=Competitor Orientation

X4=Effort motivation

It can be explained that when X1, X2, X3 and X4 are worth 0 then the value of Competitive Advantage is -28,360 which means that they do not have a competitive advantage. The value of the coefficient on each variable indicates the magnitude of the change in competitive advantage if the variable changes by one unit. These results also indicate a positive influence of each variable on competitive advantage.

The results of hypothesis testing indicate that all hypotheses can be proven that technology has a positive effect on competitive advantage. This is in line with the results of research conducted by Chatterjee et al. (2020) which states that technology has a significant effect on entrepreneurial orientation.

Customer orientation which is also a factor that can increase the competitive advantage of MSME business actors shows positive and significant results. This is in accordance with the results of research conducted by Arshad et al. (2019) which examines the factors that contribute to the success of women entrepreneurs in Malaysia. One of the contributing factors is *Customer Engagement*.

Competitor orientation shows positive and significant results on the competitive advantage of women entrepreneurs in Kuningan district. Competition between business actors also occurs in the micro and small business sector. Increased family welfare is a factor that encourages the number of women entrepreneurs in the MSME sector. Women entrepreneurs face different challenges from male entrepreneurs because there is a factor in taking care of the family which is an important role for women. However, women entrepreneurs in Kuningan Regency are also able to manage their business by being aware of business competition.

Business motivation also shows positive and significant results on the competitive advantage of women entrepreneurs in Kuningan Regency. This means that the higher the motivation to do business, the more it will encourage women MSME entrepreneurs to increase their business competitive advantage.

**Table 6, F Test and Coefficient of Determination**

F	30,913
Sig.	.000 <sup>a</sup>
Adjusted r square	0.565

The results of the hypothesis test of the joint effect of the independent variable on the dependent variable show that together the four independent variables have a significant effect on the competitive advantage variable. The results of the determination test strengthen the positive influence of the four variables as indicated by the adjusted r squared value of 0.565, which means that 56.5% change in competitive advantage is determined by the four independent variables, namely technology, customer orientation, competitor orientation, and business motivation.

## 6 Conclusion

This study aims to analyze the relationship between problems, motivation and success of women entrepreneurs in Kuningan Regency, West Java. Problems are proxied by understanding social media technology, customer orientation, competitor orientation, business motivation and competitive advantage as proxies for success.



The results showed that all of the research hypotheses were supported. Variables of technology, customer orientation, competitor orientation and motivation to try have a positive and significant impact on the competitive advantage of women entrepreneurs. Further research is open to further examine the success factors of women entrepreneurs in managing and developing their businesses

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