The Effect of Competence, Motivation, and Environment on Business Performance of Women Entrepreneurs Running Small and Medium Enterprises in Jakarta

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Abstract. This research uses a quantitative approach to study the development of women entrepreneurs running small and medium enterprises (SMEs) in the Jakarta and surrounding areas. This research primarily focuses on the relationship between independent variables, namely, competence, motivation and environment and the business performance as the dependent variable. This research is expected to provide an overview for all parties about the development and involvement of women in the economic field, especially in alleviating poverty in Jakarta. This study uses 200 women entrepreneurs running SMEs as the research respondents. The results of this study indicates that there is an influence of competence of 0.288 (low), the motivation of 0.309 (moderate) and environment of 0.292 (low) on the business performance. We suggest that the government increase the competence of women entrepreneurs and provide more favourable regulation to enhance their business performance in the future.

1. Introduction
The population of Jakarta (officially known as special capital region of Jakarta or DKI) in 2015 was 10,075,030 [1]. Many people believe that there are many business opportunities in Jakarta. The role of women entrepreneurs is still low (15%) even though they are half of the total population. In 2018, Indonesia’s economic growth was 5.3 percent, and the annual inflation rate was around 3 percent. The small and medium enterprises (SMEs) participating in the economy still could make a profit after paying all the expenditures. Also, the government also hopes that small and medium enterprises can absorb workers by creating employment opportunities. Based on data from the Central Bureau of Statistics of Jakarta, it is known that the number of business licenses issued annually by the Jakarta administration increased as shown in Table 1. There is no data on the gender of the applicants and the owners of the business permit, but it is estimated that the number of female entrepreneurs holding business licenses is around 15%.
Table 1. The Number of small and medium business licenses issued by the Jakarta Provincial Administration

| Regional Municipality       | Years |
|----------------------------|-------|
|                            | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  |
| The Thousand Island        | 0     | 0     | 0     | 0     | 0     | 0     |
| South Jakarta              | 1.668 | 1.518 | 2.620 | 2.632 | 2.705 | 3.317 |
| East Jakarta               | 1.995 | 2.115 | 2.754 | 3.288 | 3.524 | 3.980 |
| Central Jakarta            | 1.995 | 2.455 | 2.756 | 3.723 | 3.246 | 3.555 |
| West Jakarta               | 1.275 | 2.004 | 2.653 | 3.267 | 3.338 | 3.565 |
| North Jakarta              | 803   | 991   | 1.675 | 2.165 | 2.092 | 2.037 |
| DKI Jakarta (Total)        | 7.696 | 9.083 | 11.613| 11.613| 14.905| 16.454|

Source: [1]

We are interested in studying women entrepreneurs in Jakarta because mothers and women usually go to the market every day to either sell the products or buy daily necessities. So, we assumed that they understand and memorize the price movements at traditional and local markets.

2. Method of the Research

2.1. Research Purpose
This study aims to measure the relationship between the variables of competence, motivation, and environment and the business performance of women entrepreneurs. Besides, this research also aims to find out whether there is a significant relationship between those variables and analyze this relationship as useful knowledge to encourage the growth of women entrepreneurs in Indonesia.

2.2. Benefits of the research
The results of this research can become input for the course enrichment in the field of business, management, and knowledge management at university through the internship and link and match framework with the industry. Also, the results are expected to be input for the government of Jakarta especially its business incubator units for developing the program of women economic empowerment.

2.3. Problem
The number of women entrepreneurs categorized as SMEs in Indonesia, especially in Jakarta, is still low.

2.4. Research Framework Model
The research framework model was built based on the variables and indicators.
2.5. Research Method

This research is quantitative research in the form of a survey by using a data collection technique of questionnaire dissemination. Data were processed through tabulation to find out the frequency distribution according to the characteristics of the respondents. Subsequently, data were analyzed to identify the relationship and influence of independent variables on the dependent variable as shown in the research model.

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**Figure 1.** Research Framework Model of Competence, Motivation, and Performance of Women Entrepreneurs running of Small and Medium Enterprises

**Competence**
1. Education
2. Previous working experience
3. Business experience
4. Training, Courses, Seminars
5. Managerial ability
6. Leadership ability
7. The ability to see opportunities
8. Foresight against threats
9. Ability to manage assets / debt
10. Mastering the technical fields of business
11. Ability to manage risk
12. Negotiation ability

**Motivation**
1. Knowledge
2. Finance
3. Market
4. Information
5. Leadership and managerial skills
6. Infrastructure
7. Raw materials
8. Value of wealth
9. Indirect benefits
10. Introduction of opportunities
11. Development of opportunities
12. Organizational skills

**Environment**
1. Consumers
2. Business Population
3. Competition
4. Source of material / goods
5. Regulations / regulations
6. Licensing
7. Relations with Financial Institutions
8. Ease of Capital

**Performance**
1. Sales growth
2. Cash flow
3. Operating income
4. Net profit margin
5. Return on investment
6. Response time to customers
7. Customer satisfaction
8. Percentage of repeat customers
9. Level of staff competency
10. Employee absenteeism
11. Job satisfaction
12. Growth in market share

Sources:
[2][3][4][5][6][7][8][9][10][11][12][14][15][16][17]
2.6. Research Model
The research model is designed to include the variables as follows:
The variable X1 is competence, X2 is motivation, and X3 is the environment. These three variables are independent variables. While Y is performance as the dependent variable.

2.7. Hypothesis
The hypothesis in this research states that “there is no relationship between independent variables (X1, X2, and X3) on dependent variable Y.”
Ho ≠ Ha

2.8. Data Testing
Before the collected data were tested in the correlation test, they were tested for their reliability, validity, normality, homogeneity, and heterodexity.

2.9. Multilinear regression analysis
The regression process starts from a summary analysis that shows the magnitude of r² with the F (Fisher) test. The variance analysis was performed to find out whether there was a significant linear relationship between variables at a 95% degree of confidence (Alpha of 5%). Ho is rejected (then Ha is accepted) if there is a relationship between variables, but Ho is accepted (then Ha is rejected) if there is no relationship between them [18]. Subsequently, a t-test was performed to measure the significance of the linear relationship at 95% confidence level (Alpha of 5%).

2.10. Regression Equation
\( \hat{y} = a_0 + b_1x_1 + b_2x_2 + b_3x_3 \)

2.11. Data Source
The data needed in this study were secondary data obtained from the Representative Office of the Central Bureau of Statistics of DKI Jakarta and the Provincial Government. The respondents in this research are owners of small and medium enterprises totaling 200 respondents, taken proportionally according to the municipality.

2.12. Data Collection and Questionnaire
Data collection using a closed-questionnaire was carried out by 100 interviewers. Each of them was asked to interview two respondents spread in five administrative municipalities of DKI Jakarta province. The designed instrument uses closed-questionnaire with the answers on a Likert scale.

2.13. Data Processing
Microsoft Excel for Windows operating system was used to process the data. Subsequently, the regression test was performed using the IBM SPSS v.20 for Windows operating system.

3. Result and Discussion

3.1. Characteristics of Respondent
From the whole respondents, we found that 48 percent of them were under 30 years old, 19 percent of them were 30-39 years old, and 18 percent of them were 31-40 years old. Besides, 48 percent of respondents graduated from senior high school, and only 3 percent of them completed elementary-junior high school. The respondents who graduated from undergraduate and graduate program were only 3 percent. We found that most of the respondents (73%) had a working-experience in other companies or had internships for 0-5 years. We also found that 65.5 percent of them started a business in the past 0-5 years and 25 percent of them started a business in the last 6-10 years before this research was conducted.
Furthermore, 47.5 percent of the respondents started a business based on their desire or encouragement to be entrepreneurial.

### 3.2. Multi-Linear Regression

Based on the results of IBM SPSS v.20 data processing, it is shown that the value of $R^2$ is 42.7, meaning that the independent variables can explain the dependent variable of 42.7 percent. Analysis of variance can help us calculate whether there is a relationship between the independent variable and the dependent variable.

#### Table 2. ANOVA

| Model     | Sum of Squares | Df | Mean Square | F      | Sig. |
|-----------|----------------|----|-------------|--------|------|
| Regression| 19.542         | 3  | 6.514       | 48.773 | .000b|
| Residual  | 26.177         | 196| .134        |        |      |
| Total     | 45.719         | 199|             |        |      |

a. Dependent Variable: Business Performance  
b. Predictors: (Constant), Competence, Motivation, Environment

The $F$ calculated value is larger than $F$ table ($48.773 > 2.65$) at a 95% degree of confidence. Since $p$-value (Sig.) is $= 0.00 < 0.05$, then $H_0$ is rejected and $H_a$ is accepted which means that there is a significant relationship between the independent variable and the dependent variable.

#### Table 3. Coefficients

| Model     | Unstandardized Coefficients | Standardized Coefficients | t       | Sig. |
|-----------|-----------------------------|---------------------------|---------|------|
|           | B                           | Std. Error                | Beta    |      |
| (Constant)| .352                        | .316                      | 1.115   | .266 |
| Competence| .288                        | .089                      | .230    | .3215.002 |
| Motivation| .309                        | .095                      | .244    | .3250.001 |
| Environment| .292                       | .060                      | .314    | 4.883.000 |

a. Dependent Variable: Business Performance

The constant has $t$ calculated value of 1.115 which is smaller than $t$ table of 1.65. Besides, the $p$-value is 0.266, so the influence of the constant is insignificant. Nonetheless, all variables independent variables ($X_1$, $X_2$, and $X_3$) have $t$ calculated values which are larger than $t$ table of 1.65 and $p$ values which are less than 0.05. Thus, $H_0$ is rejected, and $H_a$ is accepted, meaning that there is a significant influence of independent variables ($X_1$, $X_2$, and $X_3$) on the dependent variable ($Y$). So the regression equation can be formulated as follows:

$$Y = 0.352 + 0.288X_1 + 0.309X_2 + 0.292X_3$$

From that equation, it can be said that the effect of competence is low (0.288), the effect of motivation is moderate (0.309), the effect of the environment is low (0.292), and the effect of constant is moderate (0.352).

### 3.3. Managerial Implications

The influence of competence on business performance is relatively low (0.288), but the influence is significant. So, the efforts to increase the competence of women entrepreneurs are essential as a movement that can be implemented through collaboration with all parties. This collaboration is termed as Triple Helix approach which includes the link and match among government institutions, academics, and the private sectors with particular emphasis on the academic community (D’Este and Perkmann, 2011). Usually, if someone feels that he has the knowledge and experience, he will be encouraged to
open a business as noted in a study by Kirkwood, et al. (2007) and other researchers. The influence of motivation on performance in this research is moderate (0.309). The same thing also for the environment which influences the performance which is more or less the same as other variables do. The respondents in our study well understood about market environment and the competitive situation in their business environment. Also, they knew the continuity of the supply of materials, goods they need, their consumers that should be attracted to keep coming to their stores.

4. Conclusion and Suggestions

4.1. Conclusion
Most of the women entrepreneurs in our study had the highest education of the high school, and the majority of them were still around 30 years old. They relied more on their savings and their encouragement to open businesses. Based on the results of this study, it was found that the effect of competence was low (0.288), the effect of motivation was moderate (0.309), the effect of the environment and the competitive situation in their business are also expected to involve more of this study, it is the effect of the environment was low (0.292) on the performance of women entrepreneurs (0.352) in DKI Jakarta.

4.2. Recommendations
1. The government should pay attention to increase the competence of human resources because they have a high impact on the employment and the economy of Indonesia. The policies made by the government should provide easiness for women entrepreneurs in taking care of licensing, obtaining capital facilities and accessing business infrastructure including the promotion and marketing.
2. Academicians at business or economics schools should pay attention to the SMEs by conducting intensive research on them. Academicians are also expected to involve more SMEs in increasing the competence of the owners.

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