

# Women Entrepreneurship Intentions in Indonesia

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**Abstract**—Entrepreneurial intentions are formed from a series of variable causes such as the personal attractiveness of entrepreneurs, formed by entrepreneurship skills, the attitude of entrepreneurs formed by tradition, comfort, security, virtue values and self-entrepreneurial concepts. In this study will examine further the variables that shape a woman's intention in entrepreneurship. This study will examine personal attractiveness variables, entrepreneurial attitudes and self-concept of a woman's intention in entrepreneurship conducted in several small and medium-sized businesses in Indonesia. The methods of this study using descriptive method and quantitative approach. The results show that there is a positive influence on each variable studied on women's entrepreneurial intentions. The results of this study are expected to provide a real picture of the dominant variables in influencing entrepreneurial intentions for women.

**Keywords**—personal attraction (self efficacy); entrepreneurial attitude (entrepreneur attitude); self concept; woman entrepreneurial intention

## I. INTRODUCTION

### A. Background

The number of women entrepreneurs in Indonesia experienced a significant increase. Currently the number of women entrepreneurs in Indonesia is 14.3 million people. This number increased by 1.6 million from the previous number of only 12.7 million people. In addition to the number of business actors, the level of women's participation in the employment sector also increased from the previous years, from 48.87% to 55.04%. Thus women have a very strategic role and contribution in building the nation, meaning that it can be estimated that women can be the key to the success of a nation in the field of national development. It can be said that because based on this lift shows the potential for entrepreneurship is quite large. More clearly in the 2016 Economic Census (SE) of a total of 57.9 million entrepreneurial units and 99.9% are MSMEs. While the data released by the International Finance Corporation (IFC) states that one third of the number of MSMEs in Indonesia are owned by women.

From this phenomenon, it can be expected that several factors are triggers for a woman in conducting her entrepreneurial activities. Such as the entrepreneurial attitude for a woman. One way to develop entrepreneurship for women is to build values that are formed from a woman's environment as well as personal, the growth of entrepreneurial intentions for

women is as a result for the development of entrepreneurship in creating the competitiveness of a business. The more robust the business is in creating value, the more robust the business continuity will be.

Entrepreneurial intentions are formed from a series of causal variables such as the personal attractiveness of entrepreneurs, formed by entrepreneurship skills, the attitude of entrepreneurs formed by tradition, comfort, security, virtue values and self-entrepreneurial concepts. In this study will examine further the variables that shape a woman's intention in entrepreneurship.

Entrepreneurial intention or entrepreneurial intention can be interpreted as the first step of a process of establishing a business that is generally long-term. According to Krueger, entrepreneurial intention reflects a person's commitment to start a new business and is a central issue that needs to be considered in understanding the entrepreneurial process of establishing a new business [1-3].

Entrepreneurial intentions have recently begun to get attention for research because it is believed that an intention related to behavior can prove to be a reflection of actual behavior.

Entrepreneurial intentions according to Gupta, though men and women did not differ in their entrepreneurial intentions, those who perceived themselves as more similar to males had higher entrepreneurial intentions than those who saw themselves as less similar to males (low male gender identity) [4].

Some psychological characteristics are found in a number of studies as determinants of entrepreneurial behavior such as; the need for achievement / need of achievement [5], the tendency to take risks / the propensity to take risk [5,6]. Self-confidence and locus of control, self-esteem and innovative behavior [7], espoused values and personal goals (and leadership [5,6].

In personal financial attractiveness, only stated about financial efficacy [8], financial capital [9,10], financial perspective [11], financial management [12], which is in the spotlight.

In addition to personality traits, several other studies highlight the effects of individual attitudes on entrepreneurial intentions. Some attitudinal elements found in the Theory of

Planned Behavior model from Fishbein and Ajzen (TPB) have an effect on students' entrepreneurial intentions [13,14].

Sarwoko's research results showed that entrepreneurial intentions are influenced by subjective norms and self-efficacy, where the influence is positive, the higher the support for students, the higher the intention to entrepreneurship, as well as the higher self-confidence and mental maturity, the higher entrepreneurial intentions [15]. Also supported by Hao Zhao which stated that "entrepreneurial self-efficacy is significantly related to Time 2 entrepreneurial intention" [16]. As with Austin who stated the opposite with what Bandura stated on the same theory that "the association between role-model exposure and self-efficacy was not stronger when access to female entrepreneurs was present" [17,18].

Anggadwita's studied of women entrepreneurship intentions stated in his opinion that the entrepreneurial intentions from women entrepreneurs' perspective [19]. The results attempt to validate a correlation between competitive environment and governmental support as two factors influencing women's entrepreneurial intentions.

In research of Fayolle and Gailly, that one of the factors that significantly influences entrepreneurial attitude in women entrepreneurship proves opinions [11,20,21].

Several studies have also found that socio-demographic factors can encourage the emergence of one's intention to entrepreneurship. Socio-demographic factors studied included gender, age and parental work. Some contextual factors that get the attention of researchers are the role of entrepreneurship education and entrepreneurial experience [22,23]. In theory it is believed that debriefing education and entrepreneurial experience on someone from an early age can increase a person's potential to become an entrepreneur. Some studies show results that support this statement [5,22-24]

In Seyfi Top's study, this concept of Self Efficacy is evaluated as an important factor which affects future successes and entrepreneurs' intention of pupils, even though it is not an entrepreneurial woman [25]. Tahir's research stated that there are few cases, women have started their own businesses. Several factors in preventing women's decisions while selecting business options under "individually - led" or "female - male" partnership models [9,25]. Newly owned enterprises have dramatically increased family income, although this does not change the patriarchal division of labor within families nor does it empower women financially as well as socially [9]. From the phenomena that occur, the intention of women to entrepreneurship becomes interesting to be studied further, to become a development of the idea of renewal in entrepreneurship development where the factors that influence the intention of women entrepreneurship are thought to influence it is the power of personal financial attractiveness. Entrepreneurship Attitude, Self-concept through Self Efficacy.

The expected benefits of this study is that after knowing which factor is the most influential in the women entrepreneurship intention. This will expand the idea of further study of entrepreneurial science and for entrepreneurs who take into account the factors under study can take important decisions to apply entrepreneurship in practice and aim for

business continuity, especially the business carried out by women entrepreneurs. It is expected that the results of research for entrepreneurial women can develop their independence through the factors under study which will produce the most significant influence.

## II. LITERATURE REVIEW

### A. *Financial Personal Attractiveness*

Equity Theory: if reward is balanced with cost. Newcomb and Heider, says that the relationship between personal interest in the first subject and the second subject will occur if both feel psychologically balanced [26]. Reciprocity, which is what is given the same as that which is psychologically accepted. Liking mutual, that is, we tend to like other people who have indications like us (there are perceived psychological signs). Heider also said no matter whatsoever as long as the psychological balance [26].

Classification of someone is considered attractive (attractive):

- Liking those who like us: there are indications that he is interested / likes you.
- Proximity effect and proximities, namely proximity. The closer we are to someone, the more interested we are in that person.
- Similarity vs. complementary, which is when together with others whether because they have similarities or complement.
- Physical attractiveness, that is, someone is approached because of being manly or beautiful objectively which is then transmitted in a handsome / subjective beauty.

If it is related to a financial condition or condition means it is

- Interest in money
- Business gets closer to money
- Money can complement or become an essence
- The object is valued everything with money

In this approach, Individuals' behavioral intentions are, according to Shapero's model of entrepreneurial event, also dependent on two main factors: perceived feasibility and perceived desirability [27]. Shapero and Sokol conceptualized perceived desirability as the personal attractiveness of starting a business, and perceived feasibility as a perceptual measure of personal capability with regard to new venture creation [27]. In addition, Shapero adds a third variable predictor, propensity to act. This measure of volition or pro-activeness is closely related to locus of control. Both Shapero and Sokol argued that perceived desirability, perceived feasibility, and propensity to act are associated with entrepreneurial behavioral intentions [27]. Moreover, Erikson found that the model explained entrepreneurial intentions quite well [28].

### B. Entrepreneurship Attitude

Entrepreneurial attitudes are attitudes obtained through the learning process and instilled in students' personalities about entrepreneurship. Based on the I-E-O model, input has a positive effect on the environment. Thus the family environment and community environment as educational inputs directly influence entrepreneurial attitudes [29]. According to Robinson that it is a good approach to study of entrepreneurship either personality or demographics [30]. The general characteristics of entrepreneur attitude according to Suryana there is 11 characteristic personalities [31]. While it is related to TPB (Theory Planned Behavior) Ajzen theory [3], the attitude needed includes; Autonomy and authority; Economic opportunity and challenge, Security and work load, avoid responsibility, Self-realization and participation, Social environment and career, Perceive confidence [32].

### C. Self Concept

Self-concept is an individual's perspective on himself and will form a self-concept that determines how individuals act in a variety of situations. According to Burns, the concept of self is considered as the holder of a key role in the integration of individual personality in motivating the behavior.

Other people's reaction, Comparison with others, Individual role and Identification of others. Aspects of self-concept are Knowledge, Hope and assessment [25].

### D. Self Efficacy

Self-efficacy according to Buelens et al. is a person's belief about his chances of successfully achieving a particular task [33]. Self-efficacy can be said to be a personal factor that distinguishes each individual and changes in self-efficacy can lead to behavioral changes, especially in completing tasks and goals. Bandura defines self-efficacy as an individual judgment on their ability to organize and carry out a series of actions needed to achieve the specified level of performance [34]. Can be specified in 4 sources, namely Past performance or experience, Behavior model (observing others do the same thing), Persuasion from others, Physical and emotional state.

Self-efficacy according to Alwisol can be obtained, modified, improved or derived, through one or a combination of four sources, namely the experience of mastering something (performance accomplishment), vicarious experiences, social persuasion and generation emotions (emotional / physiological states) [35]. Performance experience is an achievement that has been achieved in the past. Vicarious experience is obtained through social models. Social persuasion is a sense of trust in the giver of persuasion, and the realistic nature of what is satisfied [34,35].

### E. Women's Entrepreneurship Intention

In theoretical studies and provide a real description, the formation of entrepreneurial intentions is preceded by a person's personal attraction, self- efficacy. In the theory of planned behavior of Fishbein and Ajzen, it is believed that factors such as attitudes, subjective norms will shape one's intentions and then directly influence behavior [13]. Therefore, an understanding of one's intentions for entrepreneurship

(entrepreneurial intention) can reflect the tendency of people to establish a business in real [36]. Basically the formation of the entrepreneurial spirit is influenced by internal and external factors. Internal factors that come from within the entrepreneur can be in the form of personal traits, attitudes, willingness and individual abilities that can give individual strength to entrepreneurship. While external factors come from outside the entrepreneur who can be elements of the surrounding environment such as family environment, business environment, physical environment, socio-economic environment and others.

## III. METHODOLOGY

The purpose of this study was to reveal the Financial Performance Attractiveness, Entrepreneur Attitude and Self Concept relationship to Women Intentions Entrepreneurship through self-efficacy, by using qualitative research methods with regression analysis and path analysis. The data obtained is based on a random sample of the size of 30 entrepreneurial women in the city of Depok, which was recorded at the Depok branch of the Indonesian Business Women Association (IWAPI). To test the propositions, the field survey uses a questionnaire and then the results are analyzed through SPSS.

The study survey was conducted on 30 women entrepreneurs who run their businesses in various sectors, both services and manufacturing spread in several areas of Depok, West Java. Samples were taken based on convenience samples through survey data and were primary data. This survey has 80 statements which are used to analyze the efficacy of women entrepreneurs in shaping business intentions.

The preconditions test had been done to test the instrument and data quality. The result is all data were found in normal distribution, reliable and valid. No heterocedasticity, autocorrelation nor multicollinearity. From the research model shown in, the structural equation can be made as follows:

Structural Equation 1 is:

$$Y = \beta YX1 + \beta YX2 + \beta.YX3 + e1 \text{ (structural equation 1)}$$

Equation 2 is:

$$Z = \beta Zx1 + \beta Zx2 + \beta Zx3 + e2 \text{ (structural equation 2)}$$

## IV. DISCUSSION

From the results of the F test on structural equation 1 and 2 model are fit with a significance level of 0,000 less than 0.05, means answering the hypothesis there is a simultaneous influence.

From the findings and analysis, it can be proven how the correlation of variable personal financial attractiveness, entrepreneur attitude, self-concept towards self-efficacy, as follows:

- The Financial Personal Attractiveness and Self Efficacy Correlations are 0, 278, meaning that there is a positive but weak positive relationship, with a significant level of 0.137 greater than 0.05, meaning that the relationship is insignificant

- Entrepreneurship Attitude and Self Efficacy Correlation of 0.20 means that there is Positive relationship is unidirectional and weak but not significant (0.918 significance level  $> 0.05$ )
- Self-Concepts and Self Efficacy Correlation of 0, 387, means that there is a positive relationship with a weak direction and a strong significance level of 0, 032 (significance level  $< 0.05$ ).
- From the results of the analysis and findings of the correlation of variable personal financial attractiveness, entrepreneur attitude, self-concept towards women entrepreneurship intentions, it was proved that:
- The correlation between Financial Personal Attractiveness and Women Entrepreneurship Intentions is 0.258 meaning that there is a directional relationship but weak and from a significance level of 0.167 (more than 0.05) means that the relationship is insignificant
- Entrepreneurship Attitude Correlation and Women Entrepreneurship Intention is 0.506, meaning that there is a positive relationship that is direction and strong enough, with a significance level of 0.004 (less than 0.05) means a significant relationship
- Self-Concepts and Women Entrepreneurship Intentions correlations are 0, 319, meaning that there is a positive but weak positive relationship, with a significance level of 0.086 (greater than 0.05) meaning that the relationship is insignificant
- Entrepreneurship Attitude Correlation and Women Entrepreneurship Intention is 0.506, meaning that there is a positive relationship that is direction and strong enough, with a significance level of 0.004 (less than 0.05) means a significant relationship
- Self-Concepts and Women Entrepreneurship Intentions correlations are 0, 319, meaning that there is a positive but weak positive relationship, with a significance level of 0.086 (greater than 0.05) meaning that the relationship is insignificant
- Self-Efficacy and Women Entrepreneurship Intention correlations are 0, 414, meaning that there is a directional and less strong relationship, with a significance level of 0, 02 (less than 0.05), meaning that the relationship is significant.

Findings prove that there is a relationship and influence between variable personal financial attractiveness, entrepreneur attitude, self-concept towards woman intention entrepreneurship through self-efficacy. From the description in this conclusion answer and at the same time prove the results of the empirical study proposed by Seyfi [25].

From the results of the analysis it can be concluded that the variables that have the most influence on self-efficacy are variable self-concepts and the most influential variables on woman entrepreneurship intentions are self-efficacy answer Suharti's and Sirine's studies [24].

## V. CONCLUSION

From the results of the analysis and findings, the implications of the results of research for entrepreneurs by considering self-efficacy and self-concept factors can make important decisions to apply entrepreneurship in practice and aim for business continuity, especially the business carried out by women entrepreneurs. From the results of research for women entrepreneurs can develop their independence through the factors that most influence the intention of women entrepreneurship is emphasizing on self-efficacy and self-concept.

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