

Why I Should Run My Own Business: A Study on Female Entrepreneurs' Motivation and Business Success in Indonesia

Frangky Selamat¹, Mei Ie¹, Jhanghiz Syahrivar^{2,3}, Chairy Chairy²,
Hetty Karunia Tunjungsari^{1*}

*Universitas Tarumanagara, Jakarta, Indonesia¹,
President University, Bekasi, Indonesia²
Corvinus University of Budapest, Hungary³,*

**Corresponding author. Email: frangkys@fe.untar.ac.id, meii@fe.untar.ac.id, jhanghiz@president.ac.id,
chairy@president.ac.id, hetty@fe.untar.ac.id*

ABSTRACT

The purpose of this study was to analyse the key motivations that encourage entrepreneurship among women in the Greater Jakarta Area, Indonesia. The number of female entrepreneurs has been increasing in recent years. Potential success through entrepreneurial acts is also open for the females. Furthermore, this study examined the effect of entrepreneurial motivation on business success. Research data was collected through the survey which involved 125 female entrepreneurs running home industries in the Greater Jakarta Area. The result of this study was expected to provide an overview of the motivation underlying female entrepreneurs in starting their business and how big their opportunities to gain success in business. The biggest entrepreneurial motivation of these females was to gain financial security, followed by finding the business opportunity and generating lots of money. By knowing the entrepreneurial motivation as well as the opportunity of business success, women who want to start a business in the future could consider what opportunities of success they can achieve with the motivation they have.

Keywords: *female entrepreneurs, entrepreneurial motivation, entrepreneurial women, business success*

1. INTRODUCTION

Since the National Entrepreneurship Movement was launched on 2nd February 2011 by President Susilo Bambang Yudhoyono, the Central Bureau of Statistics recorded that there were 55.53 million SMEs, of which 54 million of them were micro business, and 0.1% of SME players were entrepreneurial women. Such a small amount is not ideal to the proportion of Indonesian female population that reached 49% of the total population of Indonesia. While the Ministry of Women Empowerment and Child Protection recorded that there were about 46 million of Micro, Small, and Medium Enterprises (MSMEs), the largest proportion was in cottage industry in which 73% of managers were female. In the United States, according to Small Business Administration, there were 9.1 million female business owners, excluding micro-home business. The business employs 27.5 million people and generated the sales of \$ 3.6 trillion dollars [4]. This number accounted for 52% of all private business sectors [15]. In Australia, two-third of small business was in form of home-based business, while in the UK it could reach half of the existing small business [3].

The high number and proportion of entrepreneurial women who run the home-based business was affected by a number of motivations. Women in the United States becoming entrepreneurs were motivated by family-related factors and not for wealth creation and achievement. In addition, flexibility is the most important thing especially for women who have already got married and raise their children [4]. Previous studies also revealed that the proportion of women who run their own business to balance between work and family, were bigger than that of the men, whereas the men were more motivated to gain wealth and financial success [6, 17, 9, 2]. Research that investigated the motivation of women running home-based business was conducted in different countries and with different custom and culture. In addition, previous research did not investigate whether there was a link between the motivations of entrepreneurial women and the choice of business fields involved. This study was conducted to identify the motivation of Indonesian entrepreneurial women who run the business and link it to the chosen business field. Entrepreneurs occupy the largest proportion who run home-based business, but the numbers are still relatively small compared to all micro and small business in Indonesia. The identification of the motivation of entrepreneurial women can be a factor affecting their existence. The problems in

this study were limited to entrepreneurial women engaged in micro and small business in form of home-based business. The questions to be answered in this study were as follows: What is the motivation of entrepreneurial women in doing business? And what kind of business is best executed by entrepreneurial women?

The results of this study were expected to provide an overview to the instructor in the field of entrepreneurship about the motivation of women in managing home-based business and its relevance to the business field involved. Theoretically wisely, the results of this research would enrich the literature related to the motivation of entrepreneurial women and the chosen business field.

2. LITERATURE REVIEW

2.1 Entrepreneurial Women

Entrepreneur is an innovator or developer realizing and pursuing the opportunities; turning those opportunities into workable or marketable ideas; adding value through time, effort, money or prowess; and taking into account the risks of market competition for implementing the ideas [10]. There are various types of entrepreneurs that we can meet in business practices around us. Students from different backgrounds form the entrepreneurial structure, which is entrepreneurial types comprising young entrepreneurs, entrepreneurial women, minority entrepreneurs, migrant entrepreneurs, part-time entrepreneurs, household entrepreneurs, entrepreneurs of family business, entrepreneurs of corporate lay-offs, and retiring employees from the company, as well as social entrepreneurs [5]. Women who run entrepreneurial activities are referred to as entrepreneurial women. Entrepreneurial activities by women have become an exciting topic that is increasingly being studied in various countries around the world, and even becoming an important issue in the international economic development agenda [8, 11].

2.2 Motivation of Entrepreneurial Women

Motivation is an inner state that mobilizes the body's energy and directs it in the mode selection of goals that are common in the external environment [12]. Motivation is also a driving force within the individual that forces him or her to act [19]. In another definition, motivation is the reason for behavior [7]. There are several reasons why women start their home business. Stanworth [20] and Quesenberry et al. [16] found that women still have to battle entrenched corporate cultures of masculinity and "family unfriendly" work practices. Smith and Hutchinson [18] mentioned that women chose to leave the organization because of their dissatisfaction with the corporate organizational culture that continues with the "glass ceiling" approach, which limits the women's career ladder in the company. Another reason is the lack of work flexibility and family-oriented policies.

Still and Walker [21] found that the motivation of women working at home is the need to be close to their children. In the current era of gender equality, there are still some discriminatory practices against women in various situations including in the working environment. Furthermore, Slamet et al. [5] added that such barriers exist from the limitations of opportunity to top management within the company, injustice in the pay-structure, to subjectivity in delegating tasks and authority within the company, that encourage the women to start their own business.

2.3 Home Business

A home business is a business with the commercial purpose of using a family residence as a place of operation [3]. This home business owners run business in the same place where they live. In Australia, the entrepreneurial community that runs this form of business was quite large, which was almost 1 million entrepreneurs [14]. This business choice provides the flexibility and convenience for the entrepreneurs because it enables them to run their business without having to leave their home. Therefore, home business is a form of business that is suitable to be run by women when they want to establish a business.

To be successful, home-based business management still must be professionally done by combining management skills, business knowledge, financial expertise, and a vision to grow and succeed in the long-term. Entrepreneurs need to prepare a business plan carefully and have a critical thinking on the various issues that are developing in the business-cultivation world. In addition, entrepreneurs who run this business must also have the advantage to compete with other products / services in order to survive in the market.

3. METHODOLOGY

The population in this study was entrepreneurial women as home-business owners. The sampling technique used non-probability sampling method with judgment sampling technique. The sample size consisted of 100 entrepreneurial women who managed home-based business in the Greater Jakarta Area. The measurement of motivational variables in this study used an instrument developed by Walker et al. [22] as shown in the following table.

Table 1. Motivation to Run a Home Business

Statement	Measurement
I run a home business, because	
To do what I enjoy.	
For a more flexible lifestyle.	
To be your own boss.	
To avoid the fixed costs associated with the rental.	
My business type does not demand commercial purposes.	
I see business opportunities.	
To balance between work and family responsibilities.	Likert 1-6
To achieve financial security.	
To keep me working	
To make a lot of money.	
I want my business to be small, so I do not need a bigger one.	
The business I am interested in is a hobby and newly grown.	
Lack of opportunities to excel in my previous job.	
I just started and wanted to test the market first.	

As explained in the preceding section, the questionnaire used in this study referred to the one developed by Walker et al. [22]. The questionnaire was used to measure the motivation of an entrepreneurial women in running a home business. Before disseminated in the survey, researchers conducted a trial of 30 respondents by testing the validity and reliability of questionnaire items that would be used as a measuring tool of this research. Validity is defined as the accuracy of measurement [1]. The validity test is performed to measure the extent to which the measurement results with a measuring instrument are interpreted as a regulated characteristic. The validity measurement method used here was the construct validity. Reliability is the rate at which a scale produces consistent results if the characteristic measurements are repeated [13]. This reliability calculation can be done if the items are valid. The technique used is Alpha Cronbach coefficient. This coefficient moves from 0 to 1. According to Malhotra [13], the coefficient less than

0.6 indicates less satisfactory reliability. Furthermore, Malhotra stated that the increase in the number of scales tend to increase the value of reliability coefficients. The calculation of validity and reliability was conducted by using IBM SPSS Statistics software version 24.

Respondents of this research were 125 entrepreneurial women as SME owners in the Greater Jakarta Area. Surveys were distributed online through Google Form Link submitted to a number of SME owners in the Greater Jakarta Area, whose data were listed on the Office of Cooperatives and SMEs in Jakarta Special Region Province.

4. RESULTS AND DISCUSSION

Based on the data obtained, the respondents of this study consisted of four groups, whereas the majority age of the women were < 30 years (70%). Other groups were ranged between 31-40 years as many as 21%, 41-50 years as many as 7%, and above 50 years only as many as 2%. As many as 39% of the respondents were married and the remaining 61% were not married. The majority of respondents had undergraduate (S1) level of education (54%) and then followed by senior high school level of education (39%), diploma (D3) level of education (4%), and graduate (S2) level of education (3%).

There were various types of business run by entrepreneurial women who become the respondents in this study. In Table 4.4. it can be seen that the majority of business was in culinary field (37%). The type of business that was also widely run was in the field of fashion (28%), followed by souvenir (14%). Other types of business consisted of services (10%), florist (6%), shoes (3%), and accessories (2%).

There were 14 motivations of entrepreneurship being tested in this research. Respondents were asked to assess the 14 entrepreneurial motivations that best suited themselves and provided the answers ranging from 1 (Strongly Disagree) to 6 (Strongly Agree). From the answers obtained, the researcher then processed only the 'Agree' and 'Strongly Agree' answers, and then determined the rating based on total answers of 'Agree' and 'Strongly Agree' in each motivation. The result of the motivation rating can be seen in Table 2. The researcher gave the highlights to the answer included in Top-5 entrepreneurial motivation.

Table 2. Rank of Motivation

Motivation	Frequencies	Rank
I see business opportunities.	92	1
To achieve financial security.	86	2
To make a lot of money.	85	3
To do what I enjoy.	77	4
To be your own boss.	75	5
For a more flexible lifestyle.	74	
To balance between work and family responsibilities.	72	
To keep me working.	71	
To avoid the fixed costs associated with the rental.	56	
My business type doest not demand commercial purposes.	46	
The business I am interested in is a hobby and newly grown.	41	
I just started and wanted to test the market first.	33	
I want my business to be small, so I do not need much more.	20	
Lack of opportunities to excel in my previous job.	20	

Researchers also conducted the cross-tabulation in order to see the relationship between the types of business undertaken by respondents and their entrepreneurial motivation. The result can be seen in Table 3. Researchers also gave highlights to the Top-3 sum of answers of 'Agree' and 'Strongly Agree'. The culinary entrepreneurs, for example, had the greatest motivation "To do what I enjoy", "For a more flexible lifestyle", "I see business opportunities", and so on. Entrepreneurs engaged in culinary was indirectly ranked #1 in almost every motivation. This could happen because most respondents in this study came from entrepreneurial women in the culinary field.

This research had a purpose to reveal the entrepreneurial motivation among entrepreneurial women in Greater Jakarta Area. The result showed that the biggest motivation for women start their business was "To achieve financial security" and then followed by "I see business opportunities". Over 90% of the respondents in this study expressed their approval of the motivation. This was not in accordance with the findings by [18], which stated that the reason women jump into the business world is because they are not satisfied with the company's organizational culture that limits their careers.

This result supported the opinion of [21] and [22], which stated that the reasons for women to be entrepreneurs were due to the lack of work flexibility and the need to be close to children and families. However, more than 70% of respondents stated that their entrepreneurial motivation was "For a more flexible lifestyle" and "To balance between

work and family responsibilities". In other word, more than 50% of these entrepreneurial women assumed that by running their own business, they would get more work flexibility and more time for their families.

The third biggest motivation for entrepreneurial women in this study was "To make a lot of money", while in the fourth and fifth position the motivations were "To be your own boss" and "To do what I enjoy". These three motivations were reflection for the women which felt that they had more opportunities to earn more money through the business they run themselves compared to the condition when they were working in the company. In addition, the desire to be your own boss and being able to do what she enjoys also contributes to the motivation associated with the freedom to work and to earn money as a source of income. This finding was in accordance with the conclusions from [18] associated with the freedom that women want to acquire when entering the business world.

Interestingly enough, the motivation for entrepreneurship due to "Lack of opportunities to excel in my previous job" was ranked at the lowest, with only 20% of entrepreneurs agreeing with it. This condition was certainly not in accordance with the findings from [18] about the condition of working women. This finding may be explained, because the majority of respondents in this study were <30 years old, relatively young and probably did not have much experience in working when choosing to start their own business. With a minimum education level of S1 and age <30 years, it is possible that they just started a career for about 5 to 8 years at maximum in the company, so they

realized that they did not have enough opportunities to achieve higher position in the company.

Table 3. Motivation and Types of Business

Motivation	Culinary	Souvenir	Fashion	Florist	Accesories	Shoes	Service	SUM	Rank
I see business opportunities.	35 ¹	11 ³	27 ²	5	2	3	9	92	1
To achieve financial security.	27 ¹	14 ³	25 ²	6	2	3	9	86	2
To make a lot of money.	30 ¹	11 ³	25 ²	6	2	3	8	85	3
To do what I enjoy	29 ¹	10 ³	20 ²	5	2	2	9	77	4
To be your own boss	23 ¹	11 ³	23 ²	6	1	3	8	75	5
For a more flexible lifestyle.	29 ¹	6	22 ²	5	2	2	8 ³	74	
To balance between work and family responsibilities	29 ¹	7 ³	20 ²	4	2	3	7 ³	72	
To keep me working.	31 ¹	7 ³	20 ²	5	2	0	6	71	
To avoid the fixed costs associated with the rental.	22 ¹	8 ³	15 ²	4	2	2	3	56	
My business type doest not demand commercial purposes.	17 ¹	3	14 ²	4 ³	2	2	4 ³	46	
The business I am interested in is a hobby and newly grown.	16 ¹	4	11 ²	5 ³	1	0	4	41	
I just started and wanted to test the market first.	12 ¹	4	8 ²	5 ³	1	0	3	33	
I want my business to be small, so I do not need much more.	5 ¹	3 ³	4 ²	5 ¹	1	0	2	20	
Lack of opportunities to excel in my previous job.	7 ¹	2 ³	4 ²	4 ²	1	0	2 ³	20	

¹ Rank 1, ² Rank 2, ³ Rank 3

5. CONCLUSION AND RECOMMENDATION

In conclusion, the greatest motivations for entrepreneurial women in running a home-based business were to achieve financial security, to seek for business opportunities, to make a lot of money, to be your own boss, and to do what she enjoys. These were the Top-5 motivations for entrepreneurial women in this study. The right business fields run by entrepreneurial women included those in culinary, fashion, and souvenirs. The field of services also had a good opportunity to cultivate, such as those related to female's body care and event-consulting services (event organizer).

Theoretical implication of this research is that the results of this study can support previous studies in the field of entrepreneurship, particularly related to entrepreneurial women and entrepreneurial motivations. Practical implications of this research can be used as input for women who want to start their business in the future. They can further analyze what motivations they have when they want to start a business. They can also make the results of this research as a discourse on what types of business that have a chance of success if being run by women. This study had a very limited number of samples, only as many as 125 entrepreneurial women around Greater Jakarta Area. In order to get a more complete picture about the profile of entrepreneurial women in Indonesia, this research should be done within the scope of Indonesia as a country in the future. The types of business that can be run by entrepreneurial women are basically very many, but in this study, it was limited to the type of business undertaken by the research respondents. More in-depth research is needed in relation to the types of business that have successful chance for entrepreneurial women in the future. This research only aimed to find out the profile of entrepreneurial women from the perspective of entrepreneurial motivation and the type of business being run. In future research, the relationship between entrepreneurial motivations and business success is necessary to be done, especially related to the types of business being run.

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