



FACTOR ANALYSIS OF ENTREPRENEURIAL MOTIVATION AMONG WOMEN ENTREPRENEURS IN BANDUNG

Iqbal Al Amin & Kristina Sisilia
Business Administration, Telkom University

Abstract

This article identifies motivational factors in SME's women entrepreneurs in the Miskyat Cooperative, Bandung, Indonesia. Motivating female entrepreneurs helps them start their businesses, innovate on their products or services and also support their family income. This study used PCA factor analysis with descriptive and correlation method using questionnaires with a sample of 25 people, which was the total number of all female members in the Miskyat Cooperative. The results of factor analysis can be categorized into four main components, namely family motivation factors, availability of raw materials and product demand factor, the need to increase greater income factor, and an ambition to become entrepreneurs factor. The four factors explained 75.6% of the motivational factors of female entrepreneurs in Miskyat Cooperative, Bandung.

Keywords: women entrepreneur, motivation, small medium enterprise, factor analysis

INTRODUCTION

The Ministry of Cooperatives and Small businesses of the Republic of Indonesia showed the increased data owners of small and medium enterprises known as SMES to date is reaching 60 million actors in Indonesia. SMES contribute to the GDP by up to 60% and the rate of labour absorption of up to 97% of the total national workforce and proved not affected by the global financial crisis. Based on data from the Ministry of Cooperatives and SMES (2015), from about 58 million MSMES who exist in Indonesia, as many as 60% of the business is run by women entrepreneurs. Woman entrepreneurs can play a significant role to economic development in Indonesia, as mentioned Entrepreneurship can foster individual self-empowerment and serve as a powerful engine of job creation, economic growth, innovation, organizational adaptation, and constant reinvigoration of economic life (Audretsch 2007; Reynolds 2007).

The influence and contributions of women entrepreneurs to growth and well-being in their communities are happened globally. Women entrepreneurs are one of the sources of income for their families, providing jobs for their communities and providing unique products and services to their customers. GEM Report of 2016-2017 in the form of a survey in 63 countries, including Indonesia, shows the total entrepreneurial activity of women increased 10% and a gender gap between male and female entrepreneurs is less than 5% from 7% two years earlier. Indonesia as one of the countries in Asia that shows the number of women entrepreneurs who are almost equal or higher than male entrepreneurs, where women are one-fourth to one-third more likely to participate in entrepreneurship compared to men. Established business ownership rates by women are equal to or higher than total entrepreneurship activities rates and also higher proportion of business owners than men entrepreneurs in Indonesia. Women entrepreneurs in Indonesia are said to be at an efficiency-



driven level, reflecting changes in increasing participation in the industry sector, including economies of scale that lead to increased productivity. Also includes the development of financial institutions. This level is still below the level that is driven by innovation in business activities and provision of products and services (GEM Woman Entrepreneurs, 2016/2017).

Women entrepreneurs are the majority members of the Misykat cooperative in Geger Kalong, Bandung, Indonesia. The Misykat Cooperative provides business assistance and business capital for its members, including their women entrepreneurs. The business is made by women entrepreneurs are ranging from food catering, selling various kinds of clothing, food, drinks, clothes convection, food and clothes reseller, and costume-tailors. Their entrepreneurial motivation to become entrepreneur is important to understand and analyze.

The environment and various types of businesses create motivational factors among women who are entrepreneurial in the Misykat MSME (micro, small, medium enterprise). Like the results of previous research conducted by Zhu and Chu (2010), that the motivation factors of women who are entrepreneurial in China is very helpful in facing business problems there and based on research conducted by V Krishnamoorthy and R Balasubramani (2014) The result is in the success of women's entrepreneurial needed motivation factors in it. With the driving factors, an entrepreneur not only makes his business as a means to meet the needs of his life but will continue to strive to make the business has the sustainability. Santoso in Fahmi (2013) said that motivation or driving factor is a set of behaviors that provide a reference to a person to perform an action to achieve a specific goal that has been determined.

Focus in this research is the motivation factor is considered to be very important in all the theoretical models of entrepreneurial performance and it is necessary to identify what encourages a woman to start, organize, manage a challenging business to Himself (Pandi, J.S., 2011). Although women entrepreneurs are able to assist in economic growth (Zhu & Chu, 2010), there is still little research discussing women entrepreneurs especially about the motivation of business women entrepreneurs in their business practices in developing countries such as Indonesian. The objective of this research is we intend to know what factors that motivate MSME business owners to become women entrepreneurs?

LITERATURE

Nowadays, entrepreneurship activities are not only run by men, but they have emerged from women's awareness to become an entrepreneurial woman (Kumar, et., al., 2013). Women entrepreneurs are women or groups of women who start, organize, and operate their own business companies. Kumar, et., al. (2013) stated that women entrepreneurs are women who perform challenging roles by running a business to fulfil their life needs and to be economically independent. In other words to be self-reliant both financially and non-financially and promote economic growth. While according to Barani and Dheepa (2013) Women Entrepreneurship is the ownership of an effort and creation of businesses that empower women and increase their social economic power.

Some past research suggests that women entrepreneurs can motivate and contribute in many respects such as women entrepreneurs have a significant impact on the economy, not only in the ability to create jobs for themselves itself but also create work for others (Kamberidou, 2013), more women in a job mean then the results will be better because women are better in communicating and are good listeners than men (Woolley and Thomas Malone, 2013) and



women tend to be stronger in inviting others to participate in conversations and better listening (Woolley and Malone, 2013). It is an advantage for entrepreneurs who are able to know the needs of consumers and build an effective working team (Kamberidou, 2013). According to The UK Chartered Management Institute (2018), the ability of women in socializing will be a demand because the jobs in the world will become more virtual and demand for women management will be considerably increased. Women will occupy the top chain of command because their emotional intelligence is indispensable (Time.com, 2015).

According to the research conducted by Zhu and Chu (2010), a woman's entrepreneurial motivation to start and run the business included Personal growth factors, Family factors, and Income-job factors. Studies conducted by V Krishnamoorthy and R Balasubramani (2014) on the motivation of women entrepreneurs including 16 factors, namely An Ambition to become An entrepreneur, Desire to be independent, To prove my talent, Determination, High Self-Esteem, Technical Qualification, Managerial Qualification, Awareness about various loan schemes, Confidence about skill and knowledge, Freedom to adopt own leadership style, Closer to family, Need for greater income, Family welfare, Family motivation, Demand for the Product, Small Investment, Availability of raw material, Provide job to others, Government subsidy, Sense of satisfaction, and Past experience. Meanwhile, according to Ali and Mahmud (2013) stated that the motivation of women to become entrepreneurs is because the balance between life and work, less getting recognition from previous jobs, feeling safe and earning a better income, Having a good reputation in society and family, his lack of revenue from the previous organization, getting injustice in the organization before, the previous organization was tired and did not have much time with the family, Gaining progress in careers and promotions, gaining freedom and previous work is not in accordance with social status. The study used motivational factors from the research results of Zhu and Chu (2010), V Krishnamoorthy and R Balasubramani (2014), Ali and Mahmud (2013), which were later used as a motivational variable in the study.

METHOD

This research uses a descriptive quantitative research method. The population of research is women entrepreneurs of SMES in the cooperation of Misykat who live in Bandung, with a total of 25 women entrepreneurs. The sampling technique used is a non-probability sampling i.e. choosing a saturated sampling technique. Saturation sampling is a sampling technique when all population members are used as samples, which is contained 25 women entrepreneurs in Cooperatives of Misykat. The women entrepreneurs were asked directly to fill questionnaires and helped them to understand all detailed explanation of the purpose of survey and its benefits

This study used questionnaire originally developed from 3 sources by Zhu and Chu (2010), V Krishnamoorthy and R Balasubramani (2014), Ali and Mahmud (2013), and have been used in studies of entrepreneurial motivation of women entrepreneurs across countries, such as: China, India, and Serbia. Questionnaires were translated into Indonesian and used SPSS statistical software to process the obtained data. The reliability used the Cronbach's Alpha was 0,98 and it was relatively high for all chosen motivation items. We used a five-point Likert scale to measure women's entrepreneurial motivation variables: 5 was "very good", 4



was “good”, 3 was “good enough”, 2 was “not good” and 1 was “not very good”. Variable with a higher mean score indicates greater good on motivation.

Analysis of the data used is the analysis factor to conclude if entrepreneurial motivations variables cluster together on significant factors. Justification of implemented factor analysis used Keiser- Meyer-Olkin measure of sampling adequacy (Kaiser, 1970; Kaiser, 1974) and Bartlett’s test of Sphericity (Bartlett, 1954). Factor established by Principal component analysis, scree plot and component matrix. Principal component analysis extraction method used varimax with Kaiser normalization rotation method to determine the factor loading and communalities. The Total number of factors from all three sources of this research is 41 items, which is then synthesized by combining several definitions which are thought to have the same meaning into one factor and finally produce 24 items analyzed using the factor analysis method (table 1).

Table 1. List of chosen factors to be analyzed with factor analysis

1. An Ambition to become an entrepreneur	13. Family welfare
2. Desire to be independent	14. Family motivation
3. To prove my talent	15. Demand for the product
4. Determination	16. Small Investment
5. High Self-Esteem	17. Availability of raw material
6. Technical Qualification	18. Provide job to others
7. Managerial Qualification	19. Government subsidy
8. Awareness about various loan schemes	20. Sense of satisfaction
9. Confidence about skill and knowledge	21. Past experience
10. Freedom to adopt own leadership style	22. Good reputation in community and family
11. Closer to family	23. Injustice in previous organization
12. Need for greater income	24. Advances in careers and promotions

Source: synthesized factors from 3 research sources.

ANALYSIS

There are 25 women entrepreneurs as a sample that can be labelled as micro and small enterprises with employees less than 10 person for each business. They are profit oriented business with various types of business, such as: from food catering, selling various kinds of clothing, food, drinks, clothes convection, food and clothes reseller, and costume-tailors. The age of their business is heterogeneous, while the oldest one is 11 years old is a custom-tailor business and younger business is less than 5 years are the rest.

The factoring process in this research is needed to know the new factors that are formed. The factoring process used in this research is using the Principal Component Analysis (PCA)



method based on the value of the eigenvalues. If the value of the eigenvalues in the component > 1 then the component can be retained in the factor analysis, but if the value of the eigenvalues in the < 1 component then that component cannot be retained and is not included in the new model. The following results in the factoring process in this study as seen in table 2. After the rotation of the factors, it can be seen that the factors have been perfectly dispersed into new factors i.e. factor 1, 2, 3, and 4. The 24-factor grouping into the 4 new factors formed has been described in Table 3, where% of variance is a number that shows how much influence among the four factors is formed. The greater the% of variance, the greater the resulting influence, and vice versa

Table 3. Loading factor of each factor and its factor Labelling

No	Factor	Loading Factor	% of Variance	Component	Factor Labelling
1	To prove my talent	0,502	68,91%	Factor 1	Entrepreneurial Motivation
2	High self-esteem	0,538			
3	Managerial Qualification	0,617			
4	Awareness about various loan schemes	0,709			
5	Freedom to adopt own leadership style	0,669			
6	Family motivation	0,862			
7	Provide jobs fo others	0,613			
8	Government subsidy	0,697			
9	To gain a good reputation in community and family	0,772			
10	Gain injustice in previous organization	0,740			
11	Determination	0,527	6,53%	Factor 2	Product Orientation
12	Demand for the product	0,767			
13	Small investment	0,767			
14	Availability or raw material	0,774			
15	Sense of satisfaction	0,722			
16	Past experience	0,717			
17	Desire to be independent	0,672	5,37%	Factor 3	Independence
18	Technical qualification	0,619			
19	Confidence about skill and knowledge	0,651			
20	Closer to family	0,654			
21	Need for greater income	0,787			
22	An ambition to become an entrepreneur	0,842	4,26%	Factor 4	Personal Dreams
23	Family welfare	0,549			
24	Gain advancement in career and get promotion	0,598			



Source: calculation result from SPSS

The calculation of the research results using Microsoft Excel showed a total score for the factor that motivates SMEs women entrepreneurs at 75.6%, which means in a good category. The highest score is 92.0% which is a need for greater income attribute and the lowest score is 57.6% in the availability of raw material attribute from the twenty-four factors whose attributes are checked. The exposure of each research attribute is as follows:

- 1) An Ambition to become an entrepreneur earns a score of 90.4%, indicates that the women entrepreneurs have a very high ambition to become an entrepreneur.
- 2) Desire to be independent earns a score of 84.8%, indicates that women entrepreneurs are very eager to organize entrepreneurial activities.
- 3) To prove my talent gained a score of 81.3% indicate that women entrepreneurs are doing business to prove their ability in entrepreneurial, to proof to their-self, and to gain recognition from previous work before having a business. .
- 4) Determination obtained a score of 70.4%, indicate that entrepreneurs of women entrepreneurial because they have a high sense of will.
- 5) High Self-Esteem acquired a score of 71.2%, indicate that women entrepreneurs are entrepreneurial because they have a high degree of confidence.
- 6) Technical Qualification has a score of 73.6%, indicate that women entrepreneurs know the technical competence for business.
- 7) Managerial Qualification obtained a score of 76.8 indicate that women entrepreneurs know about business management for business.
- 8) Awareness about various loan schemes earned a score of 68.8%, indicate that women entrepreneurs know the scheme to borrow operational funds for business.
- 9) Confidence about skill and knowledge earns a score of 68.0%, which is a woman entrepreneur is confident enough about the knowledge that is held in running the business.
- 10) Freedom to adopt own leadership style earns a score of 69.9% which is that women entrepreneurs have enough freedom to use their self-leadership styles, can set time freely for themselves, and their previous work does not conform to their social status.
- 11) Closer to family earned a 71.6% score indicate that women entrepreneurs can be close enough to families while running their own businesses and able to manage time for families.
- 12) Need for greater income earns a score of 71.6%, namely that women entrepreneurs are doing business to raise income in their households.
- 13) Family welfare gained a score of 70.8%, which is a woman entrepreneur has to meet the needs of the family and to maintain the physical and health in family.
- 14) Family motivation earned a 64.8% score, which is a woman entrepreneur is quite family-motivated.
- 15) Demand for the product earns a score of 77.6% indicate that women entrepreneurs know the number of needs of consumers in order to make products and services.
- 16) Small Investment earns a score of 86.4% that women entrepreneurs know that the desired business investment is small and hope the business can be continued by the family.
- 17) Availability of raw material earns a score of 57.6%, which is a woman entrepreneur has to provide raw materials to make a product they can sell.
- 18) Provide job to others earning a score of 80.0% which is that women entrepreneurs can open job opportunities for community and their family members.



- 19) Government subsidy obtained a score of 63.2%, namely that women entrepreneurs are doing business because they want to obtain subsidies from the government.
- 20) The next Government subsidy gained a score of 86.4%, namely, that women entrepreneurs want to get a very high self-satisfaction and can balance between their life and work.
- 21) Past experience has gained a score of 69.2%, which is a women entrepreneur with a well-assisted past experience can develop their business.
- 22) Having a good reputation in the community and the family gained a score of 81.6% indicate that women entrepreneurs want to get recognition from others.
- 23) Getting injustice in the organization previously gained a score of 82.4%, indicate that women entrepreneurs want to protect their businesses.
- 24) Getting progress in the career and promotion earns a score of 74.4% which is that women entrepreneurs want to be a leader in conducting their business.

To find out the dominant factor that motivates women entrepreneurs, a further analysis is carried out by calculating the analysis factor using SPSS software version 23. Thirty-four items are then grouped into twenty-four product attributes based on the respondent's response calculation results. From the twenty-four Attributes of the factors were studied, then formed Four component factors, which are: Factor of Entrepreneurial Motivation (which are 68,92%), Factor of Product Orientation (which are 6,53%), Factor of Self-Reliance (which are 5,37%), and factors of Personal Dreams (which are 4,26%). Here Is the detail explanation:

A. Entrepreneurial motivation

Women entrepreneurs get business motivation that comes from within itself and from outside like family and friends. The motivation of entrepreneurial women within oneself is because wanting to prove their ability is precisely choosing business rather than working in their previous workplace. They also understand that businesses need high confidence, business management skills and know some business operational schemes of funding. The motivation of women entrepreneurs also includes the freedom to use their own self-leadership styles, opening jobs for others and their family members.

B. Product Orientation

Women Entrepreneurs understand that the orientation of products that are running the business comes from a high self-willingness. They must first understand the consumers and the various needs of target consumers that they can fulfill and provide. Women Entrepreneurs want a small business investment which means the risks that can be controlled and a hope that the business can be continued by the family member. These Women entrepreneurs understand that they should be able to provide raw materials to produce and sell the final goods for making the business profit. Business activities are considered to provide self-satisfaction and balance in life and work. A Past business experience helps women entrepreneurs to develop their-self and Business.

C. Independence

This woman entrepreneur admitted that their business needs a good level of self-reliance as a businessman. In addition, it also needs to maintain the motivation and desire of self-reliance



and enhances business technical skills. They need confidence and knowledge to support business operations every day. Women entrepreneurs can stay close and have time with the family while doing business activities and can even raise family income.

D. Personal Dreams

Every woman entrepreneur who run business will have their own dreams towards the business that is being run. Every woman of the businessman has ambitions to become an entrepreneur. They are doing business or enterprise to meet the needs of the family income and to maintain the health and physical family. They can also be leaders in running the business.

Table 2. Factoring Process

Component	Total Variance Explained								
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	16,540	68,916	68,916	16,540	68,916	68,916	6,365	26,519	26,519
2	1,567	6,528	75,444	1,567	6,528	75,444	5,777	24,071	50,591
3	1,289	5,372	80,816	1,289	5,372	80,816	4,932	20,550	71,141
4	1,021	4,255	85,071	1,021	4,255	85,071	3,343	13,930	85,071
5	,942	3,926	88,997						
6	,619	2,580	91,577						
7	,514	2,142	93,719						
8	,337	1,406	95,125						
9	,251	1,046	96,171						
10	,185	,771	96,942						
11	,136	,569	97,510						
12	,125	,522	98,032						
13	,118	,491	98,523						
14	,098	,408	98,932						
15	,081	,339	99,271						
16	,060	,252	99,523						
17	,043	,179	99,702						
18	,034	,142	99,845						
19	,021	,086	99,930						
20	,010	,043	99,973						
21	,005	,021	99,993						
22	,001	,005	99,998						
23	,000	,001	99,999						
24	,000	,001	100,000						

Extraction Method: Principal Component Analysis

CONCLUSION

Based on the research results of the 24 factors, then formed 4 new factor components. Component factor I consists of To prove my talent, High Self-Esteem, Managerial Qualification, Awareness about various loan schemes, Freedom To adopt own leadership style, Family motivation, Provide job To Others, Government subsidy, has a reputation Both in society and family, and getting injustice in the organization before. Component factor II consists of Determination, Demand for the product, Small Investment, availability of raw material, Sense of satisfaction, and Past experience. Component factor III consists of Desire to be independent, Technical Qualification, Confidence about skill and knowledge, Closer to family, and Need for greater income. And Component factor IV consists of An Ambition to become an entrepreneur, Family welfare, and gain progress in the career and promotion factors that have the highest Loading Factor value is the most dominant factor.

In Component I factor I, the dominant factor is Family motivation. In Component factor II, the dominant factor is availability of raw material. In Component factor III, the dominant



factor is Need for greater income. In Component factor IV, the dominant factor is An Ambition to become an entrepreneur. Of all the factors researched, the dominant factor is Family motivation.

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