



Model for the Development of Women's Social Entrepreneurship In Bandung City to Enhance Performance

Deti Mulyo Harsono
Irsanti Hasyim
Istiharini
Fanji Farman*
Yeremias Budi Irawan

Universitas Katolik Parahyangan
Corresponding Author: fanji.feb@unsap.ac.id

Abstract: *This research investigates the growth of social entrepreneurship among women in Bandung, Indonesia, to improve the performance of Micro, Small, and Medium Enterprises (MSMEs). It emphasizes women's economic involvement, especially during economic uncertainty, and evaluates several governmental efforts to empower female entrepreneurs. The research uses Partial Least Squares (PLS) analysis to investigate the impact of motivation and social support on business performance. The study involves a survey of women social entrepreneurs in Bandung, supplemented by in-depth interviews and focus group discussions with experts from government, academia, and business sectors. The results indicate that motivation and social support significantly positively affect business performance, with an R^2 value of 0.680, suggesting that these factors explain 68% of the variance in business performance. The validity and reliability of the indicators used were confirmed, showing good predictive relevance for business performance. This research contributes to understanding women's social entrepreneurship in Indonesia by providing insights into the motivational and social dynamics that enhance MSME performance. It emphasizes the importance of social support systems and motivation in fostering female entrepreneurship and its impact on the local economy.*

Keywords: *Female entrepreneur; Micro small and medium enterprises; Motivation; Social support; Performance*

1. Introduction

The emergence of women's emancipation, pioneered by R.A. Kartini, and the advancement of the times required women's participation in building the household economy for the nation's progress. An unstable economic condition demands a dual role for women in enhancing community welfare as mothers and helping their husbands earn a living. Women-run businesses tend to fall within daily activities, using a personal approach, and are conducted alongside family responsibilities. By engaging in entrepreneurship, work can be done from home without worrying about leaving small children behind. Women increasingly realize that becoming entrepreneurs is the best way to support family finances, careers, and self-actualization. Women are increasingly trained to take risks, be independent, and start businesses even in uncertain conditions (Heni, 2022).

Becoming an entrepreneur allows women to fulfill their aspirations for gender equality by actively participating in the economic landscape. Empowering women in the Micro, Small, and Medium Enterprises (MSME) sector is crucial for addressing poverty, as it can lead to increased income levels and improved knowledge and skills among women, ultimately enhancing the quality of human resources within their communities. Additionally,

Such empowerment prepares women's communities to adopt more environmentally sustainable practices. There has been a notable rise in the number of women business owners in recent years, drawing attention from private and governmental organizations (Karnawati, 2023). These agencies have begun to recognize and celebrate the contributions of women entrepreneurs by offering awards and support, further promoting their role in the economy and society. According to Arifin & Fanji (2023), building relationships and communicating effectively are crucial in conveying ideas verbally and in writing. This includes friendliness, wisdom, and the ability to collaborate. Additionally, specific skills are relevant to assignments in certain fields, such as production or service in entrepreneurial activities. Besides these skills, a business ethos is a unique characteristic that is the foundation for entrepreneurial activities. Through this characteristic, entrepreneurship can be directed to achieve specific goals or provide additional benefits. Entrepreneurship has a vision of innovative ideas or better ways to carry out an activity, with the ultimate goal of creating new businesses.

Indonesia, through PPPA, the Ministry of Women's Empowerment and Child Protection has launched various strategies and initiatives to enhance economic empowerment for women through entrepreneurship. Some programs launched include the National Strategy for Women's Financial Inclusion and the Coalition for Women's Digital Financial Inclusion. These programs aim to provide broader access for women in the financial and digital sectors, enabling them to manage better and develop their businesses. According to the Coordinating Ministry for Human Development and Culture, 64 percent of MSMEs in Indonesia are managed by women, while white-collar entrepreneurs comprise 0.48 percent (Woro, 2024).

In addition, the PPPA has developed the Women's Digital Transformation Guidelines and the Gender Perspective Women's Entrepreneurship Guidelines. These guidelines are designed to assist women in utilizing digital technology and developing their businesses with a gender perspective in mind. With these guidelines, it is hoped that women can adapt more easily to technological changes and have equal opportunities in entrepreneurship. Below is data on the distribution of entrepreneurs in Bandung City and Bandung Regency.

Table 1. Number of Micro and Small Enterprises by District/City (Units)

| No. | District/City | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------|---------------|--------|--------|--------|--------|--------|
| 1 | Bandung | 29.752 | 43.498 | 42.385 | 40.136 | 41.220 |
| 2 | Bandung City | 16.823 | 19.294 | 18.336 | 22.230 | 18.174 |
| Total | | 46.575 | 62.792 | 60.721 | 62.366 | 59.394 |

Source: West Java Provincial BPS (2024)

Based on data from the Central Statistics Agency and the Ministry of Cooperatives and SMEs, 64.5% of the total MSME actors in Indonesia are women. This indicates that Indonesian women play a significant role in national economic growth and will continue to be encouraged and developed in their businesses to reach higher levels. Furthermore, data from West Java Provincial BPS (2024) in Table 1 shows the number of Micro and Small Enterprises (MSEs) in Bandung and Kota Bandung from 2018 to 2022. There are fluctuations in the number of business units, with a significant increase in 2019 compared to

2018, but a decline in 2022 compared to the previous year. Overall, the total number of MSEs increased in 2019 and 2021 but decreased in 2020 and 2022.

These fluctuations significantly impact female MSME actors, particularly regarding business sustainability and access to economic opportunities. Although most MSME actors are women, they face significant challenges such as limited capital, restricted market access, and difficulties improving their business capacity. The decline in the number of MSMEs in 2020 was likely influenced by the COVID-19 pandemic, which worsened economic conditions and limited the operations of small businesses, including those run by women. However, the increase in the number of MSMEs in 2021 indicates economic recovery, which may be linked to various government support programs and financial assistance for small business actors, including women. Thus, the empowerment of women in MSMEs not only contributes to national economic growth but also plays a key role in addressing socio-economic challenges, including job creation and improving family welfare. Therefore, more inclusive policies and broader access to resources are needed for women entrepreneurs to survive and grow in this sector. Micro, Small, and Medium Enterprises (MSMEs) are one of the sectors capable of expanding job opportunities and reducing unemployment rates. The contribution of MSMEs to the Indonesian economy is substantial, especially regarding job creation and labor absorption (Karwati, 2017).

The COVID-19 pandemic deeply affected MSMEs' market sustainability in marketing and operational management (Bengtsson & Kock, 2020). Many MSMEs could not keep their ventures afloat owing to constrained access to more marketable options and a drastic change in consumption patterns, where consumers mostly shop online. Hence, digitalization emerged as the primary solution to sustaining the competitiveness of MSMEs. One of the most concerning problems of using digital marketing is the absence of a robust MSME database. Effendi et al. (2021) further elaborate on this issue and argue that while digital marketing can enhance the performance of MSMEs, its success relies on the willingness of MSMEs to utilize technology and the government's investment in training and infrastructure (Atkinson et al., 2022). Regrettably, not all MSMEs are at the same level of preparedness to adopt digitalization, and some cannot easily access digital markets.

The Bandung city government created an MSME Recovery Center to aid MSMEs in recovery post-pandemic. With the assistance of the Department of Cooperatives and Small and Medium Enterprises, the government focuses on providing training for digital marketing, facilitating marketing services, and offering aid from the central government (BandungKita.id, 2021). It should be noted that MSMEs that employ social media and e-commerce platforms have shown more resilience than those using traditional business methods. As Rahayu et al. (2021) stated, this new normal era has pushed many MSME businesses to use digital communication tools. Hence, government policy in Bandung that encourages MSME marketing digitalization serves the purpose of enhancing MSME competitiveness. More importantly, policies like this help stabilize the economy and aid in sustainability in the Caroline economic changes. These policies help MSMEs adapt to the digital economy and further GLES, globalization, liberalization, and the economy.

MSMEs are a crucial sector influencing economic growth in Indonesia. With a large number and high diversity, MSMEs have great potential to increase state revenue and reduce the currently high unemployment rate. However, the challenges MSMEs face today include

difficulties obtaining business capital assistance, a lack of training for packaging, and challenges in marketing products. In gaining access, MSME actors also find it difficult to fulfill administrative requirements, such as the government-subsidized KUR loan program, as there are many limitations, making it very difficult for small business actors to access it (Purnamasari et al., 2024). In response to the issues confronting women entrepreneurs in Bandung City and Bandung Regency, the SCORE FLS and FIFGROUP initiatives will be implemented. The program is designed to enhance the capacity and sustainability of micro enterprises owned by women entrepreneurs. To achieve this goal, the program will work on the following specific issues: first, formulation and execution of business and management plans; second, advanced technical training for business; third, training on basic finance; and fourth, business advisory services. Therefore, the program “Capacity Building for Women Entrepreneurs and Strengthening the Resilience of Micro Businesses in Bandung City and Bandung Regency” is a license for women MSMEs/SMEs to empower themselves and, consequently, increase their contributions to local economic development.

Social entrepreneurship integrates a social innovation business model with a profit framework to solve social issues. Traditional business models look at profit maximization as the focal point, which, over time, marginalizes the social aspect. Entrepreneurs in this domain focus on ethics, social responsibility, and community sustainability. Perspective, social entrepreneurship dials up further and includes creating opportunities for people in need, building a collaborative approach, and working towards balanced and inclusive economic development (Supriyadi & Abdullah, 2019). Social entrepreneurs transform social issues into opportunities and ensure self-sufficiency at the same time. Such a model shifts our traditional understanding of the economy and merges social well-being with economic development.

Social innovations continue to evolve alongside changing times and dynamic social conditions (Mario, 2014). Entrepreneurs see social entrepreneurship activities as appealing because they combine entrepreneurial orientation with a social mission that can generate profit, which has increased the number of social entrepreneurs in Indonesia. Recent studies on social entrepreneurship have examined the business ethics that social entrepreneurs can apply in detail. According to James Liebig, six behavioral perspectives can be taken in social entrepreneurship activities, including conducting business under applicable business ethics, upholding social justice, assessing creativity in empowering new ideas from the community, creating a more conducive environment and preserving the environment, implementing social missions or goals in entrepreneurial activities, and re-evaluating the concept of economics as value-free (Supriyadi & Abdullah, 2019).

Female entrepreneurship is gaining focus in academic research because women can engage in activities that give them economic returns, allowing them to contribute more towards economic development. Women entrepreneurs are crucial in self-employment and wage employment by leveraging their experience, skills, training, and support, which come with gender biases in the labor market (Ramadani et al., 2014). They try to set up enterprises to seek a blend of economic and family life while promoting social and family development (Ramadani et al., 2014). Moreover, women-owned small enterprises contribute towards the

development of self-reliance, enabling women to participate in the nation's economic and political life. A female entrepreneur combats gender discrimination and inspires other young women who want to penetrate the competitive job market (Minniti, 2010). Hence, the contribution of women to entrepreneurship development not only propels economic development but also fosters equality and women's development in different spheres of life.

2. Literature Review & Hypotheses Development

2.1. Women Entrepreneur

Women's motivation to engage in entrepreneurship often stems from their desire to grow a business and their entrepreneurial motivation. Women's social entrepreneurship is particularly prominent in Bandung City as it serves economic and social purposes. Its development can be enhanced through a deep understanding of the factors that influence the performance of women entrepreneurs. Studies have shown that education, experience, and access to training and capital are crucial in enhancing women's entrepreneurship. Highly skilled and trained business women are a capital to society, as they understand the use of available resources and funds to expand their enterprises. It leads to the sustainable development of their businesses (Mekonnen & Geda, 2020). Improvements in a woman entrepreneur's ability to effectively manage a business positively correlate with the growth of competitiveness of women-led MSMEs.

As with any external elements, motivation and personal commitment are as important when understanding women's success in social entrepreneurship. Push and pull factors are identified in the entrepreneurial motivation theory. Individuals are pushed to start a business because of economic circumstances or a lack of employment opportunities. In contrast, others are attracted by the available business opportunities and the profits that come with them. The best motivation is powerful encouragement for women entrepreneurs as it enables them to be more innovative, adaptive, and opportunity-oriented, which helps them remain competitive in business (Syahardi et al., 2015). Furthermore, motivation allows them to pursue a deeper social agenda beyond financial sustainability.

In addition to personal considerations, social capital and networking are important factors in constructing women's social entrepreneurship. Social connections, whether in business clusters, professional associations, or within a family, provide access to resources, information, and larger markets. These connections assist women entrepreneurs in overcoming various challenges and propel their businesses forward through collaborative efforts and innovative initiatives. Entrepreneurs' social networks positively influence their confidence, help them to capture new markets, and increase the business's elasticity (Azizah, 2022). Hence, the empowerment programs for women entrepreneurs in Bandung City need to strengthen their capacity, motivation, and social capital to be more responsive to the challenges posed against optimal business achievement. Moreover, strong motivation is likely to make entrepreneurs more innovative, adaptive, and proactive, which, in return, positively impacts business growth.

2.2. MSME Performance

Micro, Small, and Medium Enterprises (MSMEs) productivity relates to what businesses achieve over a given period for a value measurement or as defined by the business's hierarchy position structure. MSME performance not only confirms the success of their operations but also serves as a significant metric in assessing the management health of the business. MSME performance can be evaluated based on key indicators such as financial literacy, educational attainment, business longevity, bookkeeping, and availability of financing. Measuring a company's performance is part of the financial management function, and its primary goal is to increase the economic welfare of the business owners in a manner that enhances the firm's value over the long term ([Pramestiningrum & Iramani, 2020](#)).

In a more general context, performance can be understood as the results a person or an organization produces in executing their assigned activities using their knowledge, skills, and work experience ([Hasibuan, 2018](#)). Performance is the degree of an individual or organization's success in achieving a given set of tasks in a particular time frame, against predetermined objectives or standards. In MSMEs, a company's performance depicts its general state or position over a defined time frame due to its operational efforts towards efficient resource utilization. Thus, MSME performance is regarded as the overall results from business operations, which are ultimately quantified based on targets, goals, and objectives set by the respective legislation of the country, which justifies the measurement of business management and development proficiency ([Rivai & Basri, 2018](#)).

Both internal and external components significantly impact the performance of MSMEs and the competitiveness of the business. Internal factors encompass human resources, finance, operations, and marketing, which fundamentally help create sustainable competitive advantages and address shortcomings at the organizational level ([David, 2009](#)). A motivated and competently skilled workforce, coupled with efficient financial management, vigorous marketing, and proficient product or service development, if well managed, can also guide the attainment of business goals and vision. The importance of internal factors is noted, as they positively drive MSME performance by forming the basis for competitive strategies and value creation for the enterprise. It is indisputable that to achieve business sustainability within MSMEs, there is a need to appreciate these components to ensure enhanced optimal growth, leading to improved economic and employment opportunities ([Munizu, 2010](#)).

External factors influence policies and strategic choices in MSMEs are divided into three categories: macro environments, which include the economy, society, politics, technology, and ecology; industry environments that encompass the competition in the market, the power of consumers and suppliers, and the existence of substitute goods; and operational environments that include relations with competitors, creditors, customers, and suppliers ([Pearce & Robinson, 2013](#)). Although these factors are often beyond the scope of MSME control, considering these aspects is important for businesses to thrive and grow. The policies of government agencies, prevailing social and economic conditions, and the activities of relevant institutions have a significant bearing on the sustainability of MSMEs

(Sandra & Purwanto, 2015). A complete appreciation of these aspects will help MSMEs better formulate adaptive and flexible business approaches that would allow them to tackle intricate market demands and achieve long-term business viability.

2.3. Motivation

Motivation is a key factor in learning and determining results, since it relates to one's behavior, effort, and persistence on a particular task. Motivation also relates to one's desire to achieve better results in all activities, including business. Motivation in business can be improved by ensuring that all levels of an employee's and entrepreneur's needs are progressively satisfied following the physiological, safety, social, esteem, and self-actualization needs (Maslow, 2019). Concerning micro, small, and medium enterprises (MSMEs), business owners must comprehend the needs of the employees to help create a healthy and productive workplace that encourages employee loyalty and ensures the workforce's well-being. Moreover, meeting these needs will enhance individual well-being within the company and positively affect business competitiveness and sustainability. Most employees exhibit higher motivation in their work, leading them to be more dedicated and perform better. This results in the MSMEs growing and stabilizing in response to volatile market conditions.

The Theory of Hierarchy of Needs by Maslow explains that human motivation rises from within as one tries to satisfy their needs sequentially from the lowest to the highest. For instance, a person's physiological needs, including food, water, and shelter, must be satisfied first to pursue safety, including financial security and an appropriate work setting. At the MSME business level, meeting physiological needs such as adequate wages, and appropriate work conditions is possible. In contrast, safety needs are fulfilled by offering employment security and social welfare benefits like health insurance (Maslow, 2019). After both categories of need are met, individuals will pursue social needs involving relations with coworkers and a comfortable business atmosphere, which is essential for job satisfaction and productivity (Robbins & Judge, 2020).

Moreover, well-connected people pursue self-esteem needs like recognition, promotions, and performance-based rewards (Maslow, 2019). In the case of the MSME sector, employers can enhance employee motivation through rewards, which can be monetary and non-monetary. Finally, in self-actualization, people are inspired to tap into their full potential and seek personal satisfaction from work (Maslow, 2019). Within MSMEs, all business owners and employees are allowed to participate in new ideas, skill acquisition, and personal goal setting, and they are more motivated to manage the businesses. As such, comprehending this need hierarchy enables entrepreneurs and organizations to develop appropriate motivational strategies that sustain productivity, employee loyalty, and business competitiveness (Robbins & Judge, 2020).

2.4. Social Support

Social support is vital for optimizing and sustaining the performance of micro, small, and medium enterprises (Perez-Lopez & Sanchez, 2020). This support can be sourced from families, the business circle, the government, and even family-owned banks, which can

provide emotional support, information, finances, and business networking. Social support in business is beyond third-party assistance; it is a source of entrepreneurship motivation to stay active in the market. This finding backs the social capital theory as social interactions and relationships enhance business transactions and contribute to achieving business sustainability. Entrepreneurs with strong social networks can better acquire necessary resources, diversify business prospects, and improve their vulnerability against swift changes and difficulties faced in the business (Kakkar & Suri, 2020). Small business proprietors capable of adequate social support are more likely to take risks with business developments, are more creative concerning new product business, and run more successful businesses stably (Brammer & Millington, 2020).

In addition, social capital in the form of social networks, trust, and shared norms is important for increasing the competitiveness of MSMEs. Since social capital allows MSME entrepreneurs to access vital business information, market opportunities, and funds, it greatly facilitates business growth (Fukuyama, 2020). Capital of a social nature enables the entrepreneurs of MSMEs to access a wealth of critical business information, market, and financial resources, which aids in business expansion. This study also points out that well-established MSME social relationships significantly increase the likelihood of strategic partnerships with suppliers, customers, and investors. Social support is a moderating factor in the relationship between entrepreneurial resilience and performance among MSMEs; increasing support translates to greater resilience against dynamic economic and market conditions. Consequently, higher social capital translates to improved MSME resilience, enabling better navigation through external hurdles, and increasing the probability of their sustainable growth and long-term existence (Rauch & Frese, 2007).

In fostering the social support of MSMEs, the government, the private sector, and the financial institutions must come together and develop programs encouraging small enterprise growth. MSME entrepreneurs can be competitive if they access training programs, mentorship activities, increased financing, and business networking opportunities (Kraus et al., 2021). Some other appropriate policies like tax relief, capital grants, and protection for small enterprises from cut-throat competition are also needed for their growth. With the proper social sustenance, MSMEs are capable of faster self-development, economic contribution, and considerable employment creation.

2.5. Hipotesis

Substantiated entrepreneurial orientation as an impactful factor for the performance of culinary tourism MSMEs. This resonates with the idea of entrepreneurial motivation since motivation is an important ingredient that propels a person to start a business, solve problems, and increase competitiveness in a changing environment. Entrepreneurs with high motivation are more innovative, adaptive, and aggressive in seeking new opportunities, ultimately benefiting their business growth (Ratnasari & Levyda, 2021). Individuals need to have goals driven by internal motivation in their lives. Entrepreneurial motivation is an individual's internal drive to achieve business goals. Motivation is crucial in generating interest as it can provide confidence and enhance an individual's persistence in carrying out

tasks. Motivation influences entrepreneurial behavior in three complementary aspects: influencing individual choices in the direction of action, the intensity of action based on interests or values held, and the persistence of action based on the clarity of the pathway to achieve those values (Shane & Venkataraman, 2000). The motivation theory applied in this research is the entrepreneurial motivation theory with a push/pull approach. The push dimension involves economic motives (a lack of job opportunities) and non-economic motives (dissatisfaction with previous jobs) as driving factors in business creation (Gabarret et al., 2017). Meanwhile, the pull dimension involves economic motives (business opportunities that mean increased income) and non-economic motives (the desire for independence) that encourage business creation based on opportunities (Adjout & Boumoula, 2024).

Social support plays an important role in increasing entrepreneurial interest among students. Here are several arguments related to social support in entrepreneurship. Social support from the surrounding environment can foster self-confidence, increasing entrepreneurial interest. The higher the level of social support, the higher the entrepreneurial interest among students. Social support can be provided in various forms, including emotional, verbal, and non-verbal support. Social support from close individuals, such as family and peers, significantly motivates students to engage in entrepreneurship. Social support is crucial for everyone in group life because humans are naturally social beings. Social support is feedback from others that shows affection, attention, appreciation, and respect for someone, as well as involvement in communication networks and mutual obligations (Gorman et al., 2012).

MSMEs' performance is a broad term that captures everything a business has attained in a particular interval, such as accomplishments in sales, profits, market shares, new products and services, operational efficiency, among other figures used to evaluate business performance. As aforementioned, the performance of MSMEs (Micro, Small, and Medium Enterprises) can be explained by the results or achievements of a particular individual or group within a business context. A combination of market orientation, innovation, entrepreneurial orientation, sustainability, technology, human resources, finance, and other aspects of business competitiveness also determines the performance of MSMEs. Each team member or business owner at the small-scale level is assigned different roles and responsibilities. Accordingly, their performance will be measured against individual or collective goals (Nasution et al, 2022).

The performance of MSMEs is often associated with specific values or standards set by the company or business. These values can include sales targets, expected profitability, or quality standards for products or services that must be maintained. SMEs must be able to adapt and adjust to changes in the business environment, technology, and market demands to ensure their performance remains competitive and sustainable in the long term. By understanding the concept of MSME performance in this way, owners and managers of micro, small, and medium enterprises can take appropriate steps to enhance their business achievements and reach the established goals (Ndiege et al., 2016).

Measuring the performance of social entrepreneurship requires an accurate and valid process to identify the efficiency and effectiveness levels of various activities undertaken by the organization or social initiative. This helps evaluate achievements against planned objectives and provides a basis for future improvements and developments. In the context of social entrepreneurship, business performance can be interpreted as the level of achievement or success of a social entrepreneurship initiative over a specific period. Based on the previously mentioned approaches, several dimensions and criteria are commonly used to measure social entrepreneurship performance, including social performance, innovation, and economic performance (Hulgard, 2010).

The ethics applied by entrepreneurs to various parties have specific goals that must align with the company's mission. Moreover, the serious application of ethics can significantly benefit the company. Some ethical goals to be achieved include building friendships and close relationships with employees, customers, and other stakeholders. The attitude of pleasing others is also a noble act, meaning creating satisfaction through service. Companies can use a consistent ethical approach from all employees to persuade potential customers, while good ethical service also helps retain satisfied long-term customers. Additionally, it is essential to continue fostering good relationships, avoiding conflicts, and creating a friendly atmosphere to achieve better relationships (Arifin et al., 2023).

Based on the definitions presented, MSME performance refers to the results individuals or organizations achieve in carrying out the assigned tasks. This performance is based on several factors such as competence, experience, diligence, and the time invested in carrying out the tasks within the MSME over a specific period. Measuring the performance of social entrepreneurship requires an accurate and valid process to identify the efficiency and effectiveness levels of various activities conducted by the organization or social initiative. This helps evaluate achievements against planned objectives and provides a basis for future improvements and developments (Aribawa, 2016).

H₁: Motivation has a positive and significant effect on MSMe performance.

H₂: Social support has a positive and significant effect on MSMe performance

3. Method

The data analysis method used in this study is Partial Least Squares (PLS). PLS is a technique that merges regression and factor analysis, and it is a variance-based Structural Equation Modeling (SEM) that can simultaneously test measurement and structural models. PLS does not require data to be normally distributed or large sample sizes (Budiarto et al., 2021). The SEM analysis using PLS addresses the second research objective. Micmac and Mactor are the tools used to identify key variables and key actors in developing women's social entrepreneurship. SEM analysis is used to develop a model for women's social entrepreneurship that measures the performance of social entrepreneurship.

This research is conducted alongside implementing the Capacity Building and Strengthening Micro Business Resilience Program for UMKM (Micro, Small, and Medium Enterprises) fostered by FIF Group, from March 2024 to September 2024. The respondents

of the study are women social entrepreneurs located in Bandung city and Bandung regency. The research questionnaire is filled out by members of the women's social entrepreneurship community under the guidance of FIF Group. In-depth interviews and focus group discussions (FGD) are conducted with experts from the government, higher education institutions, business incubators, communities, non-governmental organizations (NGOs), and conventional industries.

- a. Locus: MSMEs under Universitas Katolik Parahyangan's (UNPAR) guidance are involved in the sustaining competitive and responsible enterprises (SCORE) program.
- b. Respondents: The respondents in this study are MSME owners who participate in the SCORE program. There are 40 MSMEs included in the sample, all of which have participated in this program.

Table 2. Operationalization of Variables

| No | Variable | Indicator | Scale |
|----|---|--|---------|
| 1 | Motivation (Gabarret et al., 2017) | a) Desire to achieve financial independence b) Personal drive for innovation c) Willingness to take risks d) Commitment to business growth and sustainability | Ordinal |
| 2 | Social Support (Perez-Lopez & Sanchez, 2020) | a) Support from family and community b) Access to financial assistance c) Availability of mentorship and advice d) Networking opportunities | Ordinal |
| 3 | Performance (Aribawa, 2016) | a) Sales growth b) Profitability c) Market share d) Innovation in products or services e) Operational efficiency | Ordinal |

- c. Population: The population in this study consists of women social entrepreneurs located in Bandung City and Bandung Regency. The sample in this study consists of MSMEs under the guidance of Universitas Katolik Parahyangan (UNPAR) who are participating in the SCORE program using a purposive sampling technique.
- d. Data Collection: The initial approach concerning the hypothesis that seeks to estimate the relationships amongst the observable variables within the structural model involves assessing the measurement model first and ensuring that all indicators and latent variables intended for further scrutiny possess validity and reliability. This process uses measurement frameworks in which the reflective indicator model prescribes the measurement model. The criteria used to examine the measurement model include convergent validity (outer loading), discriminant validity, and reliability.

4. Results & Discussion

4.1. Evaluation of the Measurement Model (Outer Model)

Before testing the hypothesis to predict the effects among latent variables in the structural model, it is important to evaluate the measurement model to verify the validity and reliability of the indicators and latent variables that will be further tested. This evaluation uses a

conceptual framework where the measurement model is entirely built based on the reflective indicator model. The measurement model's evaluation criteria include convergent validity (outer loading), discriminant validity, and reliability. The analysis is performed using SmartPLS 4.

The outer loading values indicate the results of the convergent validity test. Before testing the hypothesis to predict the effects among latent variables in the structural model, it is important to evaluate the measurement model to verify the validity and reliability of the indicators and latent variables that will be further tested. This evaluation uses a conceptual framework where the measurement model is entirely built based on the reflective indicator model. The criteria for evaluating the measurement model include validity testing (outer loading), convergent validity, discriminant validity, and reliability. The analysis is performed using.

Table 3. Convergent Validity

| Variable | Indicator | Loading Factor | AVE | CR | Cronbach Alpha |
|----------------------|-----------|----------------|-------|-------|----------------|
| Motivation | X1.1 | 0.917 | 0.826 | 0.950 | 0.929 |
| | X1.2 | 0.930 | | | |
| | X1.3 | 0.946 | | | |
| | X1.4 | 0.837 | | | |
| Social Support | X2.1 | 0.891 | 0.772 | 0.953 | 0.941 |
| | X2.2 | 0.930 | | | |
| | X2.3 | 0.857 | | | |
| | X2.4 | 0.794 | | | |
| | X2.5 | 0.906 | | | |
| | X2.6 | 0.889 | | | |
| Business performance | y.1 | 0.930 | 0.862 | 0.969 | 0.960 |
| | y.2 | 0.972 | | | |
| | y.3 | 0.930 | | | |
| | y.4 | 0.940 | | | |
| | y.5 | 0.859 | | | |

We assess discriminant validity using the Fornell-Larcker criterion and the Heterotrait-Monotrait Ratio (HTMT). The Fornell-Larcker analysis is used in SEM-PLS to ensure discriminant validity. This method looks at the Average Variance Extracted (AVE) square root to confirm that each construct explains more of its variance than others. On the other hand, HTMT helps determine if a construct is more closely related to its indicators than to those of other constructs. For a construct to have good discriminant validity, the correlation between its indicators should be greater than the correlation with indicators from other constructs. Below are the Fornell-Larcker test results for each construct in the study.

Table 4. Discriminant Validity Testing using HTMT Results

| Variable | Motivation | Social Support | Business Performance |
|----------------------|------------|----------------|----------------------|
| Motivation | 0.909 | | |
| Social Support | 0.612 | 0.879 | |
| Business Performance | 0.777 | 0.695 | 0.929 |

4.2. Structural Model Evaluation

Multicollinearity can be tested using the Variance Inflation Factor (VIF). It occurs when independent variables are strongly related, making it hard to assess their contributions to the dependent variable. To check for multicollinearity, the VIF for each variable should be below 5 (Hair et al., 2018). Table 5 shows the results from the inner collinearity statistics, with the motivation variable and social support.

R-squared in PLS measures how well the independent variables explain the dependent variable. It shows the percentage of variation in the dependent variable accounted for by the independent variables. A higher R-squared value indicates a better model fit to the data (Hair et al., 2018). R-squared is calculated by squaring the path coefficients between the variables and ranges from 0 to 1, with higher values reflecting a stronger explanation. Based on the R-squared calculations in the table above, it is known that for the endogenous variable business performance, $R^2 = 0.680$. This value indicates that motivation and social support determine 68% of the variation in the business performance variable. The leftover 32% is influenced by other variables not included in this study.

Effect size (f^2) is a crucial metric that helps to evaluate the influence of predictor variables on the dependent variable within a given model. It provides insight into how much of an impact the independent variables have on the measured outcomes. The criteria for interpreting effect size are clearly defined: a value of 0.02 suggests a weak effect, meaning the predictor variable has a minimal impact on the dependent variable; a value of 0.15 indicates a moderate effect, where the predictor variable starts to show a noticeable influence; and a value of 0.35 or higher represents a strong effect, indicating that the predictor variable has a significant impact on the dependent variable. Results From above, the effect of motivation on performance has an f^2 of 0.619, indicating a strong effect, while the effect of social support on performance is 0.239, indicating a strong effect size.

Q-Square predictive relevance is used to assess how effectively the model and its parameter estimates generate observed values. A Q-square value greater than 0 indicates the model's predictive relevance, meaning it can reliably predict outcomes. In contrast, a Q-square value of 0 or less signifies that the model has low predictive relevance, suggesting that it may not be effective in making accurate predictions. In this study, the results reveal a Q-square value of 0.555, greater than 0. This indicates that the model developed for assessing business performance has strong predictive relevance, demonstrating its ability to provide reliable predictions about measured outcomes.

Standardized root mean square residual (SRMR) measures the discrepancy between the observed correlation matrix and the model's predicted correlation matrix. This metric allows researchers to evaluate the average difference in size between the actual correlations observed in the data and those expected based on the model, providing an absolute measure of how well the model fits the data. A good SRMR value is typically considered to be below 0.10 or even 0.08. SRMR is a valuable measure in Structural Equation Modeling with Partial Least Squares (SEM-PLS) as it helps to identify and avoid model specification errors. Referring to the results of the tests above, the SRMR value is 0.08, which means that this

model has met the fit criteria because the value is <0.10 . In other words, there is a correspondence between the theoretical and empirical models (Hair et al., 2018).

c. Hypothesis Testing

Women entrepreneurs' motivation increases the performance of their MSMEs in Bandung. This assertion follows the entrepreneurial motivation theory, which states that heavily motivated business people tend to be more focused on innovation and the sustainability of their companies (Shane & Venkataraman, 2000). A female entrepreneur's motivation can enable her to overcome business challenges, aggressively compete, and efficiently use available resources. Additionally, increased motivation can fortify one's business toward external disruptions and economic volatility (Carsrud & Brännback, 2011). Therefore, it can be concluded that this study fulfills the claim about the critical role motivation plays in enhancing the business performance of women-led MSMEs.

Beyond motivation, this study confirms that social support significantly affects performance in business. Social support from family, community, or even the government provides capital, business contacts, and knowledge needed for business expansion. This finding supports social capital theory because it is argued that social interaction and relations increase business transactions and sustainability. Several other studies have noted that strong social support makes it easier for female entrepreneurs to take business risks and overcome challenges. Thus, the results of this study strongly suggest that social support and motivation are deeply integrated factors that need to be considered for enhancing the performance of women-led MSMEs, and they can act as a springboard for policies that seek to benefit women economically (Akhtar et al., 2017). In conclusion, this research offers valuable insights into the factors that can enhance women's entrepreneurship and their effects on the local economy. By emphasizing the roles of motivation and social support, the study highlights practical implications for policymakers and stakeholders aiming to improve MSME performance. Ultimately, empowering women entrepreneurs supports their success and contributes to broader economic stability and growth, making ongoing support and initiatives in this area essential.

Table 5. Hypothesis testing

| Hypothesis | Path Coef. | T value | VIF | P value |
|--|------------|---------|-------|---------|
| Motivation => Business performance | 0.563 | 4.098 | 1.600 | 0.000** |
| Social Support => Business performance | 0.350 | 2.890 | 1.600 | 0.004** |

** Sig < 1 %

5. Conclusion, Limitations, and suggestions for the future

While studies elaborate on the other aspects, like digital literacy, financial competency, and market competition that affect entrepreneurial success, there is little research concerning the impact of this combination on female entrepreneurship. This leaves ample room for further research due to the multifaceted barriers women-owned MSMEs encounter. This is especially relevant to female entrepreneurship. Investment skill, capital accessibility, and decision-making are integral to financial management. However, many female entrepreneurs struggle with this aspect, hindering their growth. On the other hand, digital transformation

remains necessary to sustain a business, but many women-led MSMEs have difficulty completely adopting this technology. Furthermore, there is growing competition in the market, which puts substantial pressure on existing MSME corporations to be more competitive and innovative. There is a gap in the literature regarding these challenges related to women's entrepreneurship. This study encounters another limitation due to the particular sample coverage in various parts of the country. This gap may reduce the general applicability of the research outcome to women entrepreneurs in Indonesia. Thus, a more focused and comprehensive study is needed to further understand the issues confronting women-owned MSMEs and how to assist them towards sustainable and scaled-up business growth.

Future research should consider a more comprehensive analysis incorporating additional variables such as access to financial resources, digital adoption, and government policy impacts on female-led MSMEs. Expanding the geographical scope of the study to include multiple regions in Indonesia or even cross-country comparisons would provide deeper insights into the universal and contextual challenges women entrepreneurs face (Biru et al., 2021). Furthermore, longitudinal studies tracking business performance over time could offer a more dynamic understanding of how motivation and social support evolve in response to economic fluctuations (Tafonao, 2023). To enhance the practical implications of this research, future initiatives should explore intervention-based studies that assess the effectiveness of government and private sector programs in supporting women entrepreneurs. Policies to increase financial inclusion and digital literacy should be evaluated for their long-term impact on business sustainability. Additionally, fostering partnerships between academic institutions, policymakers, and business incubators could create a more structured support system for female entrepreneurs, ultimately leading to more inclusive economic growth.

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