

MEN AND WOMEN BUSINESS PERFORMANCE

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ABSTRACT

Various controversies related to the treatment, stereotypes and achievements of women and men entrepreneurs. Some believed that the achievement of male entrepreneurs was better than that of women entrepreneurs and vice versa, there were also those who believed that there was no gender link with the achievement of an entrepreneur's business performance. This study aims to analyze the magnitude of the business performance of male entrepreneurs compared to women entrepreneurs in the food and beverage sector in Indonesia. Collecting data by distributing questionnaires to 459 entrepreneurs. Data analysis using multi-sample SEM method. The conclusion from the data analysis is that there is no significant difference in the performance achievement of women entrepreneurs and male entrepreneurs.

Keywords: Gender, Entrepreneur, Business Performance.

INTRODUCTION

The Global Entrepreneurship Monitor notes that there are 7 women entrepreneurs in every 10 male entrepreneurs in 6 countries, namely Indonesia, Thailand, Panama, Qatar, Madagascar and Angola. This means that the levels of the total early-stage entrepreneurship between men and women are the same. The International Finance Corporation estimates that 43% of small and medium enterprises (SMEs) in Indonesia are owned by women and 57% are owned by men (Rubin Japhta et al., 2016). The Creative Economy Agency (2017) notes that entrepreneurs in Indonesia are dominated by women, namely 54.96% and 45.04% by men. The conclusion from these data is that the number of women and men entrepreneurs does not differ significantly.

Jokowi (2018) during his meeting with the Indonesian Young Entrepreneurs Association, said that the number of Indonesian entrepreneurs is still minimal, namely 3.1%, where the standard in developed countries is more than 14%. This statement indicates the urgency of the need to increase the number of Indonesian entrepreneurs. Research related to entrepreneurship and its performance has long been a concern for academics and practitioners, distinguished from various points of view, business scale, internal and external factors, personality, socio-cultural and others. Marlow said that it is important to develop a scientific research analysis on the relationship between gender and entrepreneurship (Marlow, 2014); because the comparative study of the performance of men and women entrepreneurs cannot be concluded in general but it depends on the sample studied, control variables and the size of the business (Jennings & Brush, 2018); and different approaches are needed for women entrepreneurs and men entrepreneurs (Rubin Japhta et al., 2016; Shaw et al., 2009). Research related to the performance of women and men entrepreneurs is mostly conducted by researchers outside Indonesia. Previous research has suggested that women entrepreneurs do not perform as well as men entrepreneurs in terms of

income, profitability, sales and employment (Alsos et al., 2006; Fairlie & Robb, 2009; Orser & Riding, 2006). Whereas the results of this study contradict data collected by BCG and MassChallenge (2018) finding that women entrepreneurs ultimately provide higher income and better performance than those established by men even though men get a greater investment of funds than women.

This study fills the gap from previous research and there is still very little research related to business performance in relation to gender in Indonesia. In addition, small businesses need to upgrade their grades and minimize the gap in ability between male and female entrepreneurs in order to make a better contribution to the Indonesian economy, society and also to their own business.

LITERATURE REVIEW

Indonesia Small Business

The characteristics of businesses in Indonesia are defined in scale, namely micro, small, medium and large. The scale classification is seen from the number of employees, the number of assets owned or the income per year. The number of employees 5 - 19 people or have assets > 50 - 500 million or income per year > 300 - 2.5 billion, categorized as small-scale businesses.

Gender

The classical gender theory based on de Beauvoire (1949) sees the differences between men and women not based on biology or nature but based on a social construction which divides them into two categories, namely the first gender, namely male is the dominant category and the second gender, namely the female being the category that is divided into two categories, subordinated. In other words, men are judged to have more strengths, advantages in all circumstances such as in business and vice versa, women are considered to have more weaknesses, disadvantages in doing business. Therefore, questions arise and are questioned, so it is necessary to conduct an empirical study related to gender to highlight the inequality between the two categories in the context of doing business.

Small Business Performance

Various studies of SMEs related to gender in reputable journals produce different views. Previous studies have revealed that women entrepreneurs are underperforming men entrepreneurs (Cron et al., 2006; Driga & Prior, 2010; Ismail, 2014; Singh et al., 2001). While other studies argue that the performance of businesses managed by men is lower than that of women (Simo Kengne, 2016; Stošić Panić, 2017). Then other studies have the view that there is no gender relationship with performance but rather the goals that entrepreneurs want to achieve, the time and capital they have prepared (Watson et al., 2017). Women's entrepreneurship has grown significantly worldwide, and it is widely established that entrepreneurship is essential to wealth and economic growth. Despite these facts, the participation of women in entrepreneurship is lower than that of men in almost all industries (Cabrera & Mauricio, 2017). This different view of the business performance of women and men is interesting to investigate further in the context of Indonesian small businesses and also to consider that the number of women and men entrepreneurs in Indonesia is not significantly different.

Thus, the provisional conjecture of this study is business performance of business owners with female gender is greater than that of men.

RESEARCH METHODOLOGY

This research is a quantitative research. Data was collected by distributing questionnaires online, related to business performance of entrepreneur. Data collection time is only taken within a certain period of time or what is called cross-sectional. The sampling technique of this research is non-probability - purposive sampling with the criteria of respondents being Indonesian businesses with a minimum income of 300 million to 2.5 billion per year and a minimum age of 3 years of business. Meanwhile, based on data on the population of small businesses in Jakarta reported by the Indonesian Central Bureau of Statistics of 9,791 units, the minimum sample for this study was 385.

This research hypothesis is related to the moderating variable, namely gender. Considering the scale of gender is nominal or categorical, namely 1 and 2, where 1 represents Male and 2 represents Female, the SEM solution for moderation with categorical moderators is the Multisample Model (Wijanto, 2015). The MultiSample procedure is illustrated as shown in the figure below:

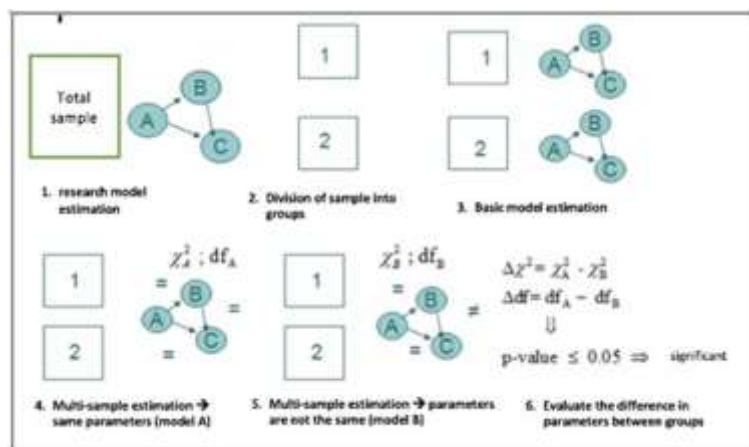


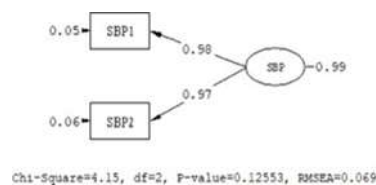
FIGURE 1
MULTISAMPLE PROCEDURE

RESULTS AND DISCUSSION

Based on the results of data collection, which was then carried out by profiling the respondents, it was found that the number of male entrepreneurs was not significantly different from the number of female entrepreneurs. Furthermore, most entrepreneurs come from generations Z, X and millennials with the level of education that does not differ significantly between high school graduates or equivalent and university graduates. On the other hand, although the majority of businesses have been running for more than 5 years, the annual revenue is still in the range of 300 million to 500 million shows in Table 1.

| Category | Description | % |
|--------------------|-------------------------------|----|
| Gender | Male | 48 |
| | Female | 52 |
| Generation | Z | 42 |
| | X | 37 |
| | Millennial | 20 |
| | Baby Boomers | 1 |
| Level of Education | College | 49 |
| | Below or High school or Equal | 51 |
| Business age | 3-5 year | 32 |
| | >5 years | 68 |
| Type of business | Food | 48 |
| | Beverage | 11 |
| | Food & Beverage | 41 |
| Business location | West Jakarta | 27 |
| | North Jakarta | 24 |
| | East Jakarta | 20 |
| | South Jakarta | 17 |
| | Central Jakarta | 12 |
| Income in a year | 300-500 millions | 94 |
| | >500-1 billion | 3 |
| | >1 billion-2.5 billions | 3 |

In the context of SEM, an analysis of the mean difference between latent variables between groups (often called the means structure model) contains the addition of 4 new parameter (vector) matrices apart from the 8 basic matrices in the SEM equation (Byrne, 1998; Schumaker & Lomax, 1996), namely : α (alpha) is the (constant) intercept vector of the structural equation; τ_y (tau-y) is the (constant) intercept vector of the measurement equation of y; τ_x (tau-x) is the (constant) intercept vector of the measurement equation of x; κ (kappa) is the mean value of the exogenous latent variable ξ shows in Figure 2.



**FIGURE 2
SBP GROUP 1: MALE MEASUREMENT MODEL PATH DIAGRAM**

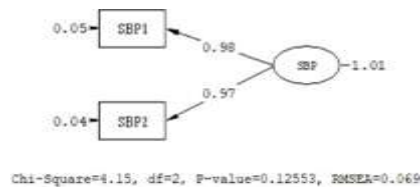


FIGURE 3
SBP GROUP 1: FEMALE MEASUREMENT MODEL PATH DIAGRAM

Figure 2 and Figure 3 show the estimation of SBP Latent Variables using the Multi-sample Approach for the Mean Latent Variables with Group 1 being the Male subsample and Group 2 being the Female subsample. Considering that the Male Subsample is group 1, group 1 is used as a reference. The ratio of SBP between male and female subsample can be seen from the value of κ (kappa) which is the mean value of the exogenous latent variable ξ . If the kappa value is positive, it means that the mean SBP of the female subsample is higher or greater than the mean SBP of the male subsample. If the kappa value is negative, it means that the mean SBP of the female subsample is lower or smaller than the mean SBP of the male subsample. (Wijanto, 2015: 290; Wijanto, 2008). From the printed output, the value of the kappa is obtained, as below.

| | |
|--------|--------|
| TAU-X | |
| SBP1 | SBP2 |
| ----- | ----- |
| 0.05 | 0.06 |
| (0.06) | (0.07) |
| 0.80 | 0.85 |
| KAPPA | |
| SBP | |
| ----- | |
| -0.10 | |
| (0.09) | |
| -1.12 | |

FIGURE 4
KAPPA VALUE OF SBP

The SBP kappa value is -0.10 (negative), which means that the mean / mean SBP of group 2 (female subsample) is lower than the mean SBP of group 1 (male subsample). However, when viewed from the t-value, namely -1.12 and the absolute t-value = 1.12 < 1.96 = is not significant = there is no difference between the mean of group 1 and group 2. The conclusion is that the performance of businesses managed by men is not significantly different from the performance of businesses managed by women.

DISCUSSION AND CONCLUSION

This study examines the amount of SBP between business owners with male gender and business owners with female gender. The results show that the business performance of business owners with male gender is not significantly different from business owners with female gender. The results of this study are in line with the findings of previous studies, namely that there is no

significant difference between the performance of male and female business owners (Coleman & Kariv, 2013); other research has the view that there is no relation between gender and performance (Watson et al., 2017). Several findings from the results of previous research indicate that women entrepreneurs experience a greater risk in entrepreneurship (Dalborg, 2015), assessing that the leadership of women entrepreneurs tends to be lower (Aidis & Schillo, 2017), there are differences in treatment from investors (Edelman, Donnelly, Manolova, & Brush, 2018), women entrepreneurs, especially those with families, are required to be able to maintain a balance between family business responsibilities and social life (Isaga, 2019; Surangi, 2018) despite the challenges and struggles faced by women entrepreneurs, women entrepreneurs are able to produce equal performance with male entrepreneurs. In addition, the results of this study reject other findings from previous studies which state that the performance of women entrepreneurs is lower than male entrepreneurs (Alsos et al., 2006; Cron et al., 2006; Driga & Prior, 2010; Fairlie & Robb, 2009; Ismail, 2014; Orser & Riding, 2006) and the findings of previous studies which say the opposite is that the performance of male entrepreneurs is lower than female entrepreneurs (Simo Kengne, 2016; Stošić Panić, 2017) and BCG and MassChallenge (2018).

SUGGESTIONS

This research can be expanded further by adding new variables; comparative study of entrepreneurs across countries, culture, characteristics, business sector, size of business; and qualitative methods to get deep insights.

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