

# The Influence of Capital, Independence, and Education on Women's Entrepreneurial Motivation in Indonesia

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## Abstract:

*This study aims to determine the motivation of women in entrepreneurship, especially in the culinary field in Pekanbaru, Indonesia. The population in this study are all women who carry out home-based businesses engaged in home-based culinary businesses in Pekanbaru City whose numbers are not known with certainty, for an unknown population the number of samples in this study using the Wibisono formula and obtained a total sample of 97 people. Data was collected using the questionnaire method, namely by providing a list of statements directly to the respondents. The data analysis technique used is multiple linear regression analysis which is operated through the SPSS 20 for Windows program. The results of the study indicate that either simultaneously or partially, the variables of capital, independence, and education have a significant effect on the motivation of women who are culinary entrepreneurs in Pekanbaru.*

**Keywords:** *Entrepreneur Motivation, Capital, Independence, Education*

## INTRODUCTION

The development of women's entrepreneurship in developing countries such as Indonesia has the potential to be the main motor driving the process of women's empowerment and social transformation. Currently, many women entrepreneurs are involved, especially in micro and small businesses, however the number in Indonesia only reaches 0.1 percent of the total population, this is certainly still far from expectations when compared to the total population of Indonesia. The issue of gender in the world of entrepreneurship is still valid today, but what we need to know is that the issue is no longer about the gap in the number of male and female entrepreneurs, instead what is currently developing is related to the equality of both in doing business. (Centre for Research on Women and Gender (KANITA) et al. 2019; Iskamto and Jenita 2020).

The old paradigm might say that it is men who do most of the work and create jobs for society. However, now the paradigm has shifted. The Global Entrepreneurship Monitor (GEM), a research on the entrepreneurship of countries in the world, yielded information that in 2016, Indonesia had become one of the countries in Asia with a low level of inequality between women and men in entrepreneurship. The Mastercard Index of Women Entrepreneurs (MIWE) notes that women entrepreneurs tend to experience better development, this index indicates that both budding and experienced women entrepreneurs around the world are growing (Iskamto 2020; Iskamto, Ghazali, and Aftanorhan 2019). This index also shows that entrepreneurship opportunities are not necessarily in

line with the pace of economic development in a country. Women in developing countries are perceived as entrepreneurs driven by the need to survive, even though they lack financial sources of capital and access to support services. Indonesia itself in the survey results occupies the 30th position as a country that has opportunities for women to become entrepreneurs. As many as 62.4 percent of women in Indonesia initially run their businesses because they are driven by need (Merdeka.com, 2018).

The general condition that occurs in Indonesian women, who in their first step into the business world is to help the family's economy, also occurs in Pekanbaru City. Pekanbaru is the capital of Riau Province, as one of the metropolitan capitals in Indonesia, Pekanbaru has a lot of business potential that you can rely on, one of the potential businesses that has great potential is to engage in the culinary field. The more difficult it is for women to move, for example when they are married, and the increasing unemployment rate, especially in the city of Pekanbaru, coupled with the increasing costs of living, makes women today to be more creative and innovative for entrepreneurship. (Iskamto, Ghazali, and Afthanorhan 2020).

Women have a big role in national economic growth. Based on the results of research by the International Finance Corporation (IFC) in 2015, the contribution of women entrepreneurs to Indonesia's Gross Domestic Product (GDP) reached 9.1 percent. Deputy Governor of Bank Indonesia (BI) Rosmaya Hadi said the role of women in export activities also had a small contribution, which was under 5 percent. "Women entrepreneurs are generally small entrepreneurs and work in the informal sector, so their sales turnover is lower than male entrepreneurs," said Rosmaya at an international seminar event at the Jakarta Convention Center (JCC) (iNews.id, 2018). Indonesian women work more in the informal sector, reaching 40.2 percent of the total 60.9 million informal sector workers.

## LITERATURE REVIEW

Based on the results of this research observation, in Pekanbaru City itself, more women choose a home-based culinary business at the beginning of their start of entrepreneurship, this is because entrepreneurship in the home-based culinary business does not require large capital and a large place of business at the beginning of the establishment of their business. women who just started the culinary business from their own kitchen. The choice of a home-based culinary business is indeed the right step in starting a business, this is because the barriers to entering a home-based culinary business are not as difficult as compared to other home-based businesses such as clothing or handicraft businesses. The fact that the growth of home-based culinary businesses is so rampant, which is mostly dominated by women as described above, indicates the factors that motivate them to decide to enter the world of entrepreneurship and become entrepreneurs. However, from various previous empirical studies that have been carried out by other researchers, the authors find that not many studies have been conducted specifically regarding the motivation of women in entrepreneurship in the field of home-based culinary businesses, especially in the context of Pekanbaru City.

Atkinson (2011) proposes that there are three basic types of encouragement in motivated people: 1. The need for achievement is an impulse within a person to overcome all challenges and obstacles in achieving goals. Entrepreneurs are oriented and work hard if they perceive that they will gain personal pride for their efforts, if there is little risk of failure, and if they receive specific feedback on past achievements. 2. Need for power, the drive to influence people and change situations. Power-motivated people want to make an impact and are willing to take the risk to do so.

3. The need for affiliation (need for affiliation), the urge to relate to people on social grounds. Affiliate-motivated people perform better when they are praised for their pleasant demeanor and cooperation. The balance between these three drives varies from person to person. For example, one person may have a strong need for affiliation, while another person may have a strong need for achievement.

### **Role Capital**

According to Syafri (2005:211) own capital is the owner's capital (owner equity) where equity is a remaining right on the assets of an institution after deducting its liabilities. In a company equity is the owner's capital. According to Soemarso (2004: 15) own capital is capital which is a source of spending company originating from the owner.

### **Role Independence**

According to Poerwadarminta (2007:221) independence is a state of not depending on others. Desmita (2011: 185) explains that independence means: 1. A condition in which a person has a competitive desire to advance for his own good. 2. Able to take decisions and initiatives to overcome the problems encountered. 3. Have confidence and carry out their duties.

### **Role Education**

The education factor is very important for the community, for the sake of advancing the quality of the community or nation, it is very dependent on the education that exists in the people of the nation. Muhibbin (2007) states that education is a deliberate effort that can lead to moral responsibility for all his actions. The essence of the meaning of the concept of education leads to one goal, namely an effort that is used as a process in fostering a person and society in general so that they can bridge the steps in living life so that they can achieve the life that everyone dreams of, namely enjoying a life that is all based on knowledge and life. prosperous, all needs are met with the emergence of creative and innovative ideas that can only be obtained through the education process.

### **Entrepreneurial Role**

Entrepreneurship is defined as a person who creates work for others by establishing, developing, and institutionalizing his own company and is willing to take personal risks in determining business opportunities. According to Kasmir (2011) simply defines entrepreneurs (entrepreneurs) are people who have the courage to take risks to open a business in various opportunities. Having the courage to take risks means being mentally independent and having the courage to start a business, without being overwhelmed by fear, even in uncertain conditions. Drucker in Kasmir (2011) states that entrepreneurship is the ability to create something new and different. Meanwhile, according to Swasono in Suryana (2013), entrepreneurs are entrepreneurs, but not all entrepreneurs are entrepreneurs. (Farrukh et al. 2017; Iskamto and Ghazali 2021; Iskamto, Ghazali, and Aftanorhan 2020). From the definitions from several experts above, it can be concluded that entrepreneurship is a process of active attitude, ideas, creativity, and innovation in order to improve the quality of life and added value to society, while an entrepreneur is someone who has creativity, is independent and dares to take action. risk to achieve the highest commercial value by utilizing existing resources. Seeing the benefits of the existence of entrepreneurs above, there are two dedications of entrepreneurs towards nation building, namely:

1. As an entrepreneur, giving dharma filial piety streamlines the process of production, distribution and consumption. Entrepreneurs overcome the difficulties of employment, increase people's income.
2. As a nation's fighter in the economic field, increasing national resilience, reducing dependence on other nations.

According to Kasmir (2011) entrepreneurial knowledge is the basis of entrepreneurial resources contained within the individual. An entrepreneur will not succeed if he does not have the knowledge, ability, and will. There is a will but not having the knowledge and ability will not make someone a successful entrepreneur. On the other hand, according to Suryana (2013) having the knowledge and ability but not accompanied by the will will not make entrepreneurs achieve success. Some of the knowledge that must be possessed by entrepreneurs are:

1. Knowledge of the business to be entered/pioneered and the existing business environment.
2. Knowledge of roles and responsibilities.
3. Knowledge of business management and organization.

### **Entrepreneurial Woman Motivation**

According to (Zimmerer and Scarborough, 2008:27), although it has been fought for years in the legislature, women still experience discrimination in the workplace. Nonetheless, small businesses have been pioneers in offering economic opportunities both entrepreneurship and employment. It is said that "Entrepreneurship has become unisex like jeans, where women can develop their dreams and greatest hopes". More and more women are realizing that being an entrepreneur is the best way to break through the male dominance that hinders career advancement over time to the top of the organization through their own businesses.

In fact, 2.4 times more women open businesses than men. Although businesses opened by women tend to be smaller than those opened by men, the impact is by no means small. Women-owned companies employ more than 15.5 million employees or 35 percent more than all Fortune 500 employees worldwide. Women own 36 percent of all businesses. Although their businesses tend to grow more slowly than male-owned firms, female business owners have a higher viability than the rest of the business. Although 72 percent of women-owned businesses are concentrated in retail and services, women entrepreneurs thrive in industries previously dominated by men, such as manufacturing, construction, transportation and agriculture. Many studies on entrepreneurial motivation have been carried out where the research results show that the factors that influence entrepreneurial motivation are very diverse. Kumar et al. (2003) found that the entrepreneurial motivation of the participants involved in their research can be grouped into two, namely internal and external motivation. Included in the internal motivation are: the desire to do something new; the level of education of the participants; background; number of years of work experience; and the work background of the participants. Meanwhile, external motivation includes: government support and assistance; availability of production factors; and demand for promising products. Studies on entrepreneurial motivation are also carried out by adopting the theory of push and pull factors motivation to explore the factors that motivate individuals to start a new business venture. Gilad and Levine (1986) as cited in Zimmerer and Scarborough (2008), who initially studied entrepreneurial motivation from the theory of push (push theory) and theory of attraction (pull theory).

### **METHOD**

The city of Pekanbaru as a research location because in addition to considering the theory of time, cost and energy efficiency, the city of Pekanbaru is a fairly dense city, as well as the capital of Riau Province, so it can be representative for the needs of this research. The time of the research that has been carried out is in the range of six months, from February to July. The samples to be taken in this study were 97 respondents. The sampling method uses purposive sampling, namely the sampling technique of data sources with certain considerations or criteria. The criteria set out in this study are (1) the customer is at least 18 years old (2) has had a business of at least 2 years.

## **RESULTS AND DISCUSSION**

The validity test was carried out by comparing the calculated  $r$  value with the  $r$  table at a significance level of 5%. If  $r$  count  $>$   $r$  table then the measuring instrument used is declared valid and vice versa. The  $r$  table value can be obtained with the equation  $N - 2 = 97 - 2 = 95$  so that the  $r$  table value is 0.199, and the calculated  $r$  value is obtained using the Corrected Item-Total Correlation method. the lowest correlation is 0.303, so all the items tested in this study are valid because they have an  $r$  table  $>$  0.199, so they can be used for the next stage of analysis.

### **Reliability Test**

According to Umar (2008:56), the reliability test for more than two alternative answers uses the Cronbach's alpha test, whose value will be compared with the minimum acceptable reliability coefficient value. Reliability test is used to measure the level of reliability of a questionnaire that is used as an indicator of the variables. If the resulting alpha coefficient 0.60, then the indicator is said to be reliable or reliable (trustworthy). From the results of reliability testing, it is known that the reliability value of all variables in this study is 0.60. This means that the measuring instrument used in this study is reliable or reliable (trustworthy). Thus, it can be concluded that the items for the six variables are good and worthy of further research.

### **Multicollinearity Test**

From data processing, it is known that the two independent variables in this study have  $VIF < 10$ , so it can be said that there are no symptoms of multicollinearity between the independent variables in this study. This means that the two independent variables studied are not interconnected so that they are appropriate to be used as independent variables in the model.

### **Heteroscedasticity Test**

From the data processing, the results of the entire  $X$  variable, namely Independence, Capital, Emotional, and education in this study, have a Spearman coefficient value  $>$  0.6, so it can be concluded that there are no symptoms of heteroscedasticity between the variables in this study.

### **Normality test**

From the data processing, it was found that the Kolmogorov-Smirnov significance value in this study was obtained at 0.075, 0.112 and 0.062, thus all the significance values obtained were  $>$  0.05, so it can be concluded that all variables in this study met the requirements of the normality test. .

### **Multiple linear regression**

Based on the results of data processing of service quality variables ( $X$ ) and customer satisfaction ( $Y$ ) using the SPSS (Statistics Product and Service Solution) program, the constant values and multiple linear regression coefficients can be seen in the following table:

**Multiple Linear Regression Analysis Results**

**Table 1. Multiple Linear Regression Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	-8,471	1,833		-4.621	.000
CAPITAL	.685	.146	.321	4.703	.000
INDEPENDENCE	.485	.109	.389	4.466	.000
EDUCATION	.466	.119	.291	3.921	.000

a. Dependent Variable: MOTIVATION

The multiple linear regression equation model obtained is as follows:  
 $Y = -8.471 + 0.685X_1 + 0.485X_2 + 0.466X_3$ . This can be explained, namely:

- a. The value of the constant (a) is -8.471, It means that the increase in Entrepreneurial Motivation if other variables are considered constant, then the Entrepreneurial Motivation is worth -8.471.
- b. The regression coefficient value of the Capital variable is 0.685. This means that every 1 (one) unit increase in Capital will increase Entrepreneurial Motivation by 0.685, assuming other variables remain.
- c. The regression coefficient value of the Independence variable is 0.485. This means that every 1 (one) increase in Independence will increase Entrepreneurial Motivation by 0.485, assuming other variables remain.
- d. The regression coefficient value of the Education variable is 0.466. This means that every 1 (one) unit increase in Education will increase Entrepreneurial Motivation by 0.466, assuming other variables remain.

**Simultaneous Hypothesis Testing Table**

The F test is used to determine the magnitude of the significant effect of the independent variable (X) simultaneously or together to the dependent variable (Y).

**Table 2. Simultaneous Hypothesis Testing ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1978.827	3	659,609	96,163	.000b
Residual	637,915	93	6859		
Total	2616,742	96			

a. Dependent Variable: MOTIVATION

b. Predictors: (Constant) CAPITAL, INDEPENDENCE, EDUCATION

It is known that the calculated F is 96,163 with a significance (0.000), F table can be obtained as follows: F table = 97 – 2; 5, F table = 95; (4th column in table F) = 2.31. Based on the results of data processing obtained the value of Fcount (96.163) > Ftable (2.31) with Sig. (0.000) < 0.05. This means

that the independent variables Capital, Independence, Education together have a significant effect on the independent variable (Entrepreneurial Motivation). Then H0 is rejected and H1 is accepted.

**Partial Hypothesis Testing Results**

**Table 3. Hypothesis Testing Partial Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	-8,471	1,833		-4.621	.000
CAPITAL	.685	.146	.321	4.703	.000
INDEPENDENCE	.485	.109	.389	4.466	.000
EDUCATION	.466	.119	.291	3.921	.000

a. Dependent Variable: MOTIVATION

Based on Table 3, the following are the results of the t-test for each dimension of service quality:

a. Capital

From the results of data processing, the value of tcount is greater than ttable (4.703) > (1,986). Because t count is greater than t table, it can be said that capital affects Entrepreneurial Motivation.

b. Independence

From the results of data processing, the value of tcount is smaller than ttable (4.466) < (1,986). Because t count is smaller than t table, it can be said that Independence affects Entrepreneurial Motivation.

c. Education

From the results of data processing, the value of tcount is greater than ttable (3.921) > (1,986). Because the value of t count is greater than t table, it can be said that Education affects Entrepreneurial Motivation.

**Coefficient of Determination Test Results**

**Table 4. Coefficient of Determination Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.870a	.756	.748	2.61903	1,788

a. Predictors: (Constant), CAPITAL, INDEPENDENCE, EDUCATION

b. Dependent Variable: MOTIVATION

The value of the coefficient of determination for Adjusted R Square is 0.748. This means that the Entrepreneurial Motivation variable can be explained by the variables of Capital, Independence, and Education of 74.8% while the remaining 25.2% is influenced by other variables not examined in this

study. . From the results of testing the variables simultaneously, the meaning is the level of Independence, Capital, Emotional, and Education if applied simultaneously to women's motivation for entrepreneurship in Pekanbaru will have a good and quite large influence on entrepreneurial motivation.

This can be seen from the significance value of the simultaneous test (F) which is 0.000 which is greater than 0.05, and the value of the coefficient of determination is 74.8%. The coefficient of determination shows how much the ability of the independent variable to explain the dependent variable. The smaller the value of the coefficient of determination indicates that the ability of the independent variable in explaining the dependent variable is very limited. In this study, the coefficient of determination has a high enough value, so it is considered very good at explaining the dependent variable, namely entrepreneurial motivation. This finding is in line with the research of Segarahati and Walmiaty (2015) who conducted a study entitled Analysis of Factors That Motivate Entrepreneurial Women (Case Study on Beauty Salon Entrepreneurs in Medan Kota District).

## CONCLUSION

From the discussion above, it can be concluded that Capital has a partial effect on women's motivation for entrepreneurship in Pekanbaru. Independence partially affects women's motivation for entrepreneurship in Pekanbaru. Education has a partial effect on women's motivation for entrepreneurship in Pekanbaru. Capital, Independence, and Education influence Simultaneously/Together on women's motivation for entrepreneurship in Pekanbaru, and has a fairly high coefficient of determination of 74.8%.

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