

Female entrepreneurs in MSM enterprises- Mojokerto district - East Java

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ABSTRACT: The purpose of this study is to explore and provide knowledge about female entrepreneurs in Micro, Small, and Medium Enterprises (MSMEs) in Mojokerto District - East Java. The focus of this research is on female entrepreneurs because Indonesian people are patrilineal people who value male more than female so that the contribution of female entrepreneurs has not been exposed much. The data used in this study were primary data. The number of respondents was 38 female entrepreneurs who own micro or small enterprises in the creative industry sub-sector covering 18 sub-districts in Mojokerto Regency with characteristics: female, having a business more than 4 years, and in the creative industry sub-sector. The results of the study show that female entrepreneurs in Mojokerto run micro-enterprises and are engaged in culinary and fashion, most of them do not have a business license (legal entity) even though the average length of business is more than 5 years. Various aspects of the business have been carried out starting from establishing partnerships, innovating, marketing and using technology such as Android, but the various constraints that arise make female entrepreneurs in Mojokerto unable to develop their business optimally.

Keywords: Female Entrepreneurs, Entrepreneurship, creative industry

1 INTRODUCTION

The increase in female entrepreneurship throughout the world is quite significant and had an impact on economic growth and prosperity, especially in the late 20th and early 21st centuries. Despite the fact that the participation of female in entrepreneurship (micro, small, and medium enterprises) is still lower than male. This phenomenon becomes a concern for researchers from various disciplines to conduct research, as quoted by Cabrera & Mauricio (2017) from social research (De Vita 2013; Delmar & Holmquist 2004; Minitti et al. 2005) on the importance of female entrepreneurs for economic growth, prosperity, and a significant increase in female entrepreneurs over the past 2 decades (Carter & Shaw 2006). Increasing female's independence, delaying the age of marriage, increasing the level of education, and the desire for financial freedom are several factors that contribute to the growth of female entrepreneurs (Fielden & Davidson 2005).

History and general perceptions confirm that entrepreneurs are generally the domain of male. In most countries, the majority of businesses are not

owned or managed by a female. Although various studies show a significant contribution of female entrepreneurs to economic growth and prosperity, the portrait and contribution of female entrepreneurs in each country and region is unclear and not the same. This is in line with Saffu & Takyiwa-Manu (2004) that shows the profiles of female entrepreneurs are still very limited.

In Indonesia, the number of female entrepreneurs according to the Minister of Manpower and Transmigration, Hanif Dhakiri has increased from 14.3 million in 2016 to 16.3 million in 2017 (Metrotvnews.com, Jakarta). However, the contribution and portrait of female entrepreneurs (background, motivation, activity, contribution to job creation, and regional economic growth) in Mojokerto area - East Java is still unclear. Therefore, the purpose of this research is to explore and provide knowledge about female entrepreneurs in Micro, Small, and Medium Enterprises (SMEs) in Mojokerto area - East Java. In addition, it also increases understanding of the contribution of female entrepreneurs to the regional economy. The focus of this research is on female entrepreneurs because Indonesian people are patrilineal

people who value male more than female so that the contribution of female entrepreneurs has not been exposed much.

Understanding the concept of entrepreneurship is not an easy thing. Each country has its own criteria in defining this concept. There are many definitions of entrepreneurship cited by Mueller & Thomas (2000), including an opinion from Bygrave & Hofer (1991) that defines an entrepreneur as "... someone who perceives an opportunity and creates an organization to pursue it", while Vesper 1983, p.1 defines entrepreneurship as "the creation of new independent businesses". Robbins & Coulter (2012) state that "entrepreneurship is the process of starting new businesses, generally in response to opportunities". Schermerhorn & Bachrach (2015) also conclude the same thing and describe entrepreneurial as "strategic thinking and risk-taking behavior that results in the creation of new opportunities". From various definitions above, it can be concluded that entrepreneurs are individuals who are able to see opportunities to pursue profit by creating a business, being able to manage and utilize the resources that are owned, and dare to bear the risk, even the ability to innovate (create new products/services) are the requirements to be an entrepreneur.

Regardless the gender, both male and female can actually become entrepreneurs. Various studies reveal that the motivation of female to do business can be seen from two sides, namely extrinsic motives such as dissatisfaction at work as employees and intrinsic motives such as the desire to be free and be able to balance work and family responsibilities. From these two motives, research shows that intrinsic motives are the main motive for a female to become entrepreneurs (Brush et al. 2006; Kjeldsen & Nielsen 2000).

2 RESEARCH METHODS

This research was conducted in 18 Mojokerto districts, East Java. The data used in this study were primary data. Primary data was obtained through interviews with the help of filling out direct questionnaires. The sampling technique used a purposive sampling technique with criteria of a female who have businesses or companies that have been operating for more than four years in the hope that their performance trends can be known and they are the direct owners of micro or small enterprises in the creative industry sub-sector.

According to Law No. 20 of 2008, criteria as micro-enterprise are to have a net worth of maximum fifty million rupiah excluding land and buildings for business premises or having annual sales of three hundred million rupiah, while criteria as small enterprise are to have a net worth of more than fifty million rupiah up to a maximum of five hundred million rupiah excluding land and buildings of business premises or having annual sales of more than three hundred million rupiah up to a maximum of two billion five hundred million rupiah.

The samples taken in this study were 38 women who meet the research criteria with the instruments used covering aspects of (1) profile of the industry, (2) labor, (3) business capital, (4) marketing, (5) internet usage, (6) innovation, and (7) constraints and partnerships. Data analysis used was qualitative data analysis with a descriptive statistical approach.

3 RESULTS AND DISCUSSIONS

Micro and small enterprises used as the samples in the study were those that operate in the creative industry sub-sector with an average length of the business of 5 years and 3 months. Overall, the profile of respondents of business people engaged in micro enterprises was 94.8% and small enterprises was 5.2% with age and education profiles listed in table 1.

Table 1. Age and Education of Respondents

Age	Percentage
20-29 year	8.1%
30-39 year	32.4%
40-49 year	40.5%
50-59 year	18.9%
Education	
Junior High School	5.6%
Senior High School	38.9%
Diploma	25%
Bachelor	30.5%

While respondents' industrial sub-sectors are culinary 39.5%, fashion 21.1%, craft 18.4%, fine art 7.9%, performance art 5.3%, photography 2.6%, movie & animation 2.6%, video, and visual communication design 2.6%. Of the 38 respondents, only 10.6% have legal business entities (CV and local government permits), while 89.4% have no legal entities, this proves that very few micro and small enterprise owners, especially female, realize the importance of legal entities for their business. Based on the results of new research, a small portion of female entrepreneurs have legal entities for their businesses. Indeed, if viewed from the nature of micro and small enterprises, the business can operate even without a legal entity, but if the business actor has a clear vi-

sion to turn the business into a bigger business, the role of the legal entity is critical.

Although the average length of business is 5 years and 3 months, the number of workers is still low with an average of 8 workers who work 7 hours a day with 5 working days a week. The amount of wages paid per month on average is Rp. 1,195,000 per person. This amount is also still far from the Regency/City Minimum Wage (UMK) stipulated by the East Java Governor Regulation no. 75 of 2017 which is Rp. 3,565,660.82, -. This inability to pay according to UMK is due to financial incompetence of business people even though from the length of business, the enterprises should have been able to afford.

The slow development of business managed by the female in Mojokerto is caused by several constraints, namely:

First, capital constraint; the majority of the female in Mojokerto uses their own capital at 84.9% and third-party capital at 15.1%. With limited capital capacity, business people are also not able to develop their business to the fullest.

Second, marketing constraint; the majority of consumers from their business are end users by 73.7% and the rest are industrial consumers. Even the marketing area is mostly still in the Regency area (52.6%), in the East Java province (60.5%), outside the East Java province (39.5%) and abroad (7.9%). The limitations of the marketing area are caused by the limited use of promotional media and the majority still uses social media (Whatsapp, Facebook, Line, etc.). This can be understood because of the majority of female entrepreneurs aged 30 - 49 years who are active users of social media. This can be seen from the high use of Android technology from female entrepreneurs, which amounted to 50%, most of which is used to serve consumers by 50%, information seeking by 38%, and the rest is for email communication. In addition to the use of social media as a means of promotion, the participation of female entrepreneurs in exhibitions held by the local government is also quite high at 55.3%.

Third, innovation constraint; the majority of female entrepreneurs in Mojokerto have innovated (94.7%) and the types of innovations that are most widely carried out are product innovation (76.3%), innovation in packaging (26.3%), service innovation (21.1%), and innovation in technology is not too high amounting to 13.2%. The biggest constraint in product innovation is imitation by competitors. This causes the products offered to be homogeneous so that they often lead to unfair competition among business people.

Fourth, partnership constraint; some entrepreneurs have business partners in running their busi-

nesses (60.5%), but still constrained by legality in the form of cooperation agreements or MOUs with partners as only 21.1% have written agreements. There are several types of partnerships carried out such as in marketing aspects 42.9%, capital 23.9%, the supply of raw materials 14.3%, equipment 14.5%, and engines 4.6%.

The results of the research show that in general female entrepreneurs in Mojokerto have taken various efforts to survive and develop the business, but these efforts have not produced optimal results, thus, intervention from the local government, academics, and private institutions that care to MSMEs is important. This study has limitations, namely the small number of respondents and only explores extrinsic aspects. It is hoped that future research will be carried out with a higher number of respondents, a wider coverage area, and also explores intrinsic aspects.

4 CONCLUSION

Overall, it can be concluded that the majority of female entrepreneurs in Mojokerto run micro-enterprises and is engaged in culinary and fashion, most of them do not have a business license (legal entity) even though the average length of business is more than 5 years. Various aspects of the business have been carried out starting from establishing partnerships, innovating, marketing and using technology such as Android, but the various obstacles that arise make female business people in Mojokerto unable to develop their business optimally.

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FOREWORD

Knowledge acquisition, sharing, networking, clustering and innovation are now recognized as key developmental of competitive advantage factors and essential considerations for organizations seeking to meet their customers' needs and the changing demands, especially in hyper competition environment. In the scientific literature, researchers recognize dynamic capabilities to be a key factor in firm competitiveness through sensing, seizing and reconfiguring. Initially, dynamic capabilities are considered to be a firm's ability to "integrate, build and reconfigure internal and external competencies to address rapidly changing environments. Further discussion on the relation between dynamic capabilities and competitive advantage will be focused on innovation, specifically on digital technology development as a simultaneous balance between radical and incremental innovation.

Hundreds of scientific papers are sent to a conference committee, and the results of a rigorous selection of more than 55 elected. This paper is derived from a variety of authors, both within and outside the country, academics and practitioners. All the articles are then presented at the symposium and documented in this book of abstracts.

We thank all authors, participants and Co Host for their contributions and we hope that these proceedings can contribute to the development of science and business practices. Hopefully you can enjoy and gain valuable lessons from this article collection.

Manado

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