Examing Entrepreneurial Success Factors of Women-Owned SMEs in Rattan Craft

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Abstract

The rattan craft industry is one of the most significant contributors to the economy, and women own this business. However, the success of the rattan craft SME is influenced by internal and external factors. This study aims to determine the effect of the personal aspects, environmental aspects, and government support on entrepreneurial success in rattan craft SME women. Data collection was carried out using a questionnaire. The sample used was 100 women SME owners of rattan craft. The sampling technique in this study is to use the accidental sampling technique. The analytical method used is multiple linear regression analysis. The results showed that personal and environmental aspects, as well as support from the government, determine the success of rattan craft SMEs that belong to women entrepreneurs. The most considerable influence is from the personal aspect, in which family background and support play an essential role.


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INTRODUCTION

The creative industry contributes quite a lot of income to the Indonesian economy, one of which is the craft industry. One of the SMEs developing the potential of its area to the maximum and is experiencing quite rapid development is the SME of rattan crafts in Lombok. Survey data shows that each SME who just started a business receives orders for 20-30 bags of rattan per day with a price range of Rp. 65,000 - Rp. 220,000 per fruit, even its export market share penetrates the Malaysian and Philippine markets. Rattan bag SMEs are also noted to have opened new markets through e-commerce platforms with a turnover of Rp. 9,000,000 - Rp. 10,000,000, even though their export share reached Rp. 20,000,000 (Lidyana, 2019). Abundant natural resources support the great potential of SMEs. Rattan is considered attractive to be developed, especially in the Lombok area with intensified social forestry schemes and must be sold in a semi-finished form to have added value.

Business success is a goal that SMEs must achieve as a source of knowledge and economic development (Minniti & Naudé, 2010). Masuo et al. (2001) explained that business success could be measured through the amount of return on assets, sales, profits, number of employees, and non-asset-related matters such as customer satisfaction, personal development, and personal achievement. Gupta and Mirchandani (2018) explain that business performance is related to entrepreneurial success as measured from the economic perspective of sales or employee growth and increased profits, where profit and money alone are the best indicators to measure individual success in doing business. Dhillon (2000) explains that entrepreneurship is considered successful when its resources can economically contribute to its business income. The achievement of this success is influenced by factors within the individual, the environment, and the bureaucracy (Bose & Uddin, 2013). These factors also affect rattan craft SMEs.

The area famous for its rattan craft from Lombok is located in the village of Beleka, in the eastern part of Loteng Regency. The crafts produced include bags, buckets, trash bins, spoon holders, plates, cups, and fruit containers made of rattan. These cane craftsmen usually are women. The role of women in the rattan craft business in Lombok is important. The workforce employed in this field, usually women, from the owner to the craftsman or craftsman. Most women in this village have become craftsmen from an early age. Their goal is to earn income to help the family. But in running a business, they have a limited mindset and understanding of the company, such as marketing and copyright. Inhibiting the success of the underprivileged craft SMEs also lies in the lack of skills in processing rattan into bags and other products made from rattan. The lack of technology also contributes to craftsmen’s obstacles in producing various rattan products (Turuzi, 2015). Small-medium enterprise actors can penetrate the consumer market from the environmental side due to obtaining loans from banks and financial institutions. Assistance for SMEs from the government and licensing bureaucracy tends to be convoluted. The export process that is experiencing obstacles also causes the absorption rate of the potential of the rattan industry to be not optimal. Some of these obstacles make the Lombok region less known for its craft as an ancestral heritage than other regions such as Bali, which actually supplies rattan products from Lombok.

Research related to the success of SMEs themselves has been carried out by Gupta and Mirchandani (2018), Brush et al. (2009), Fielden et al. (2003), Shepherd et al. (2009), and Haan (2004). According to Brush et al. (2009), support from environmental aspects impacts entrepreneurial success. Bose and Uddin (2013) revealed that success in entrepreneurship depends on individual psychological factors such as managerial competence, job stress, and business commitment. Research by Gupta and Mirchandani (2018) explains that an essential factor contributing to the success of SME businesses in Indonesia is support from the government and SME associations, family support, and personal and environmental factors. This research will focus on rattan craft SMEs in Lombok by looking at how the support received from the government, SME associations, family support, and personal and environmental factors will contribute to the success of rattan craft SMEs. Exploration studies will be carried out on personal, environmental, and government support as predictors of the success of rattan craft SMEs run by female
SMEs in Lombok. This research is expected to contribute to efforts to build the success of SMEs through aspects that support their success.

Entrepreneurial is the ability to create something new and different. The definition is explained as a process of creating something different to produce more value from a product or service by devoting time, energy, thoughts, cost of money, physical, risk, and so on in the hope of getting profit, personal satisfaction, and freedom (Suryana & Bayu, 2011). According to Shepherd et al. (2009), entrepreneurial success is characterized by:

a. The business can produce a variety of new job opportunities. This illustrates that the company that was run successfully created various new jobs for various employees around the industry.

b. The business helps in increasing revenue. This shows that the company can increase income for SMEs and workers in the neighborhood who develop the business. Even the economic impact rises in the industrial area.

c. The business continues to grow in the market. This business has a lot of demand and time, and the development of information technology through various social media today. The result of consumer tastes causes this business market to grow and develop.

d. Businesses help increase sales of various innovative products. Market developments often develop and even change. This requires SMEs to innovate in creating a variety of products that follow market tastes and even make a market for those products so that SME products remain in demand by consumers (Shepherd et al., 2009).

The personal aspect is related to the entrepreneurial personality at work. Factors personal aspect describes entrepreneurial behavior, which is further related to individual success. The personal aspect is the basis of the entrepreneurial mindset in making various decisions and supporting different conditions of entrepreneurs (Brandstätter, 2011). Personal aspects are known to differ between entrepreneurs and other entrepreneurs. Personal aspects of a strong entrepreneur have the characteristics of motivation, tend to be prepared to face risks with a mature level of control, often innovating, being proactive, and can control the stress level.

Personal aspects can be influenced and shaped by the level of education, knowledge, experience, and family conditions (Mitchelmore & Rowley, 2013). Motivation and commitment are essential aspects of an entrepreneur's personality. Both encourage a business idea to emerge. Personal elements are formed based on teaching and understanding mindset and family behavior patterns. Families with entrepreneurial backgrounds become one of the factors triggering the formation of the personality or character of an entrepreneur (Orhan & Scott, 2001). Interest in entrepreneurship is related to the desire to be independent, self-fulfillment, self-autonomy, and self-achievement with creative skills to work happily and produce wealth, social status, and power (Alstete, 2002). According to Gupta and Mirchandani (2018), indicators of a personal aspect are measured through ability and skills, work experience, socio-cultural freedom, and family support.

Environmental aspects include various entrepreneurial needs related to financial resources such as capital, equipment, and other material resources (Jennings & McDougald, 2007). Access to credit facilities is one form of environmental aspect for entrepreneurship that impacts economic development. One of the special facilities that support SMEs is the ease of financial elements to encourage the survival and growth of new innovative businesses. In the expansion phase, SMEs usually need a certain amount of equity or capital to maintain their human resources and expand marketing and sales activities. Gupta and Mirchandani (2018) added that the environmental aspect is everything around an entrepreneur that can affect the tasks and results of work. An accelerated and dynamic environmental factor will have a positive impact on change. Indicators for environmental aspects are market access, availability of initial capital, and bank loans.

Government support is defined as government support which is one of the essential factors that contribute to the success of SMEs in doing business and developing business. Community Social Institutions (NGOs) and various SME development associations established by the government are one form of government support (Haan, 2003). Government support can be in the form of multiple programs that help SMEs develop, for example, through
promotional assistance, the ease of various permits related to establishment permits, and the ease of penetrating local and international markets by the government. The policy concept developed by the government to encourage and support SMEs in the form of a series of actions or programs proposed with various obstacles or difficulties to achieve the goals of independence and progress of SMEs (Gupta & Mirchandani, 2018).

Government support related to bureaucracy and regulation by the objectives is expected to develop the ability of SMEs to be better and even create their potential (Gupta & Mirchandani, 2018). Government support in the form of policies includes various rules compiled as decisions to resolve existing problems needed to maintain the domestic economy (Haan, 2004). Policy as a form of government support is a series of economic, political, social, cultural, and legal activities to help smooth the development of SMEs.

![Conceptual Framework](image)

**Figure 1.** Conceptual Framework

**METHOD**

The research method used in this study is quantitative methods to examine a particular population with statistical data analysis to test a predetermined hypothesis (Sugiyono, 2019). The population in this study is the owner of women-owned SMEs in ketak craft in Lombok. The sampling technique used in this study is non-probability sampling with the type of sampling technique that is accidental sampling because all samples in this study were obtained by chance (Sugiyono, 2019). The number of samples used was 100 respondents.

The data collection was carried out by distributing questionnaires in Lombok as the center for the ketak craft. This questionnaire was divided into three parts: the respondent's identity, business identity, and research indicator items. In the respondent's identity section, the respondent was asked to fill in his name and gender. In contrast, the respondent was asked to fill in the business name, business address, operating time, and turnover in the business identity. These items are questions derived from indicators and used to measure research variables. There are 18 questions to measure personal aspect, nine to measure environmental aspect, ten to measure government support, and four to measure entrepreneurial support. One example of a statement item for personal aspects is "my family works as an entrepreneur." The statement item "I started capital from peerloans" is an example of a statement for environmental aspects, and "the government formed a special organization to assist the development of SMEs" is an example of a statement for government support. Meanwhile, an example of a statement of entrepreneurial success is represented by the statement, "I value the business of rattan craft business helps to increase sales of various innovative products." To measure these statements, 5 Likert scales, namely 1 (strongly disagree) to 5 (strongly agree). The data analysis technique in this research is the multiple linear regression method using the SPSS program for windows series 21.
RESULT AND DISCUSSION

The results of distributing questionnaires indicate some characteristics of the respondents in this study. Of the 100 respondents who filled out the questionnaire, most respondents had a 3-5 years business period (53%), and the majority turnover was 11-30 million (51%). In this study, each item questionnaire statement for variables was the personal aspect, environmental aspect, government support, and entrepreneurial success declared valid overall because the value was above 0.3 and the significance was less than 0.05. Pearson correlation values for each of these variables are 0.474 – 0.758; 0.649 – 0.879; 0.619 – 0.850; and 0.693 – 0.900. Meanwhile, the Cronbach’s alpha (α) value of each variable in this study is greater than 0.6 (0.784 – 0.931), where the variable environmental aspect was recorded as the most reliable among the other variables. This means that the questionnaire used is reliable where the questionnaire used consistently gives the same results or answers to the same symptoms even if used repeatedly.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s alpha (α)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Aspect ((X_1))</td>
<td>0.884</td>
</tr>
<tr>
<td>Environment Aspect ((X_2))</td>
<td>0.931</td>
</tr>
<tr>
<td>Government Support ((X_3))</td>
<td>0.912</td>
</tr>
<tr>
<td>Entrepreneurial Success ((Y))</td>
<td>0.784</td>
</tr>
</tbody>
</table>

The classical assumption test is carried out by looking at normality, multicollinearity, and heteroscedasticity tests. The normality test was carried out using the Kolmogorov-Smirnov test. The results showed that the data produced in this study had a normal distribution pattern because it had a significance value of 0.388. Each variable also indicates the absence of multicollinearity because the VIF value obtained for each variable is smaller than 10. Personal aspects, environmental aspects, and government support each have a VIF value of 1.502; 1.214; 1.409. Meanwhile, the value tolerance obtained for each variable also shows greater than 0.1. Tests with the heteroscedasticity test also showed that the variant of the data used did not contain heteroscedasticity where there were no clear patterns, and the spread points above and below the number 0 (zero) on the Y-axis.

<table>
<thead>
<tr>
<th>One-Sample Kolmogorov-Smirnov Test</th>
<th>Unstandardized Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>N 100</td>
<td></td>
</tr>
<tr>
<td>Normal Parameters(^a)(^b)</td>
<td></td>
</tr>
<tr>
<td>Mean (.0042971)</td>
<td></td>
</tr>
<tr>
<td>Std. Deviation (.47058818)</td>
<td></td>
</tr>
<tr>
<td>Most Extreme Differences</td>
<td></td>
</tr>
<tr>
<td>Absolute (.090)</td>
<td></td>
</tr>
<tr>
<td>Positive (.051)</td>
<td></td>
</tr>
<tr>
<td>Negative (-.090)</td>
<td></td>
</tr>
<tr>
<td>Kolmogorov-Smirnov Z</td>
<td>(.903)</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td>(.388)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variable</th>
<th>Tolerance Value</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Aspect ((X_1))</td>
<td>.666</td>
<td>1.502</td>
</tr>
<tr>
<td>Environment Aspect ((X_2))</td>
<td>.824</td>
<td>1.214</td>
</tr>
<tr>
<td>Government Support ((X_3))</td>
<td>.710</td>
<td>1.409</td>
</tr>
</tbody>
</table>
Based on test results found that the correlation coefficient values obtained at 0.560 show a strong relationship between personal aspect (X1), environmental aspect (X2), government support (X3), to entrepreneurial success (Y). The coefficient of multiple determination (R-square) shows a value of 0.314, which indicates the contribution of changes in variables personal aspect (X1), environmental aspects (X2), government support (X3) simultaneously to changes in variables entrepreneurial success (Y) by 31.4%. The remaining 68.6% contribute other variables to the entrepreneurial success variable (other variables not discussed in this study). The results of this analysis can be seen in the following table.

A model feasibility test is carried out with the F test to prove whether the analyzed model has a high level of model feasibility. Based on the test results, the F value has a value of 14.645 with a significant value of 0.000 where the value is less than 0.05. Thus, the variables used by the model have been able to explain the phenomenon.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>13,237</td>
<td>3</td>
<td>4,412</td>
<td>14,645</td>
<td>0.000</td>
</tr>
<tr>
<td>Residual</td>
<td>28,923</td>
<td>96</td>
<td>301</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>42,160</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In this study, a partial test (t-test) aims to determine whether the independent variable partially or individually affected the entrepreneurial success (Y).

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>0.722</td>
<td>0.551</td>
<td>1.311</td>
<td>0.193</td>
</tr>
<tr>
<td>Personal Aspect (X1)</td>
<td>0.321</td>
<td>0.141</td>
<td>2.279</td>
<td>0.025</td>
</tr>
<tr>
<td>Environmental Aspect (X2)</td>
<td>0.248</td>
<td>0.097</td>
<td>2.569</td>
<td>0.012</td>
</tr>
</tbody>
</table>
Based on testing the hypothesis using the t-test, obtained a t-value of 2.279 with a significant value obtained at 0.025, where the value is smaller than 0.05. Thus, there is an important influence between the personal aspect on entrepreneurial success. The research hypothesis that suggests that the personal aspect is thought to affect entrepreneurial success significantly can be accepted.

The results of this study are in line with the research of Fielden et al. (2003), which explains that the personal aspect is considered an important factor that enables entrepreneurs to understand entrepreneurship and be able to develop product and service strategies to meet customer needs and market needs (Fielden et al., 2003). Personal aspect describes the entrepreneurial personality shown by active, aggressive behavior, ready to take risks, responds quickly to all things that occur in business change, especially in small scale businesses or SMEs vulnerable to defeat by competitors of large producers. The attitude shown on the personal aspect triggers the individual always to learn, be active, and adapt quickly. An aggressive and active attitude in learning can then impact the process of creating new ideas to succeed in developing a business (Piperopoulos, 2012).

Personal aspects show self-skills and new ideas from within themselves as opportunities for entrepreneurial success. Knowledge, habits, attitudes, and behavior are related to various elements that can increase the entrepreneur’s success (Gray & Collin, 2002). The role of personal aspects fosters dynamic abilities among entrepreneurs. The development of personal aspects is considered an essential element to increase the competitive advantage to encourage the entrepreneurial success of SMEs rattan craft. Currently, SMEs, especially women, can develop into entrepreneurs despite experiencing constraints related to social and cultural rules that see women as uncommon to work, such as SMEs in the village of Beleka, the majority of which are women. The long-term experience of women entrepreneurs in the rattan craft industry makes women-owned SMEs understand various obstacles in entrepreneurship. Family support has a somewhat beneficial role, especially in financial capital and entrepreneurial support. Almost all women-owned SMEs in the area cannot get rattan from the family or relatives.

Almost all women-owned SMEs in rattan craft have obtained initial capital from cooperative loans in Beleka Village. The number of cooperatives that provide loans is only a few. There are only four cooperatives. However, these loans have a relatively low-interest rate. Some also started their business with loans from friends or relatives. In this study, environmental aspects significantly influence the success of women’s rattan craft SMEs in Lombok. The offer of small interest on loans from banks in entrepreneurship will help craftsmen to develop their businesses. Gupta and Mirchandani (2018) say that entrepreneurs always need to build relationships related to capital, marketing, and investors to support business continuity and the success of their businesses. The environmental aspect is also associated with the availability of capital and human resources to maintain rattan craft SMEs’ business continuity. In this case, the small business environment requires supporting facilities to continue to grow, be ready to face problems with changes, and quickly realize these changes to take strategies and steps to adjust, maintain, and even improve current business conditions. Craftsmen who gain direct market access to all Indonesian markets overseas, such as Malaysia, Vietnam, Australia, and Japan, will boost the success of women-owned SMEs for rattan crafts. So far, the average sale is only made through collectors.

The results of hypothesis testing also found that government support impacted the success of women’s rattan craft SMEs in Lombok. Based on the results of the t-test, the t-value is 2.416, with a significant value obtained at 0.018, where the value is smaller than 0.05. The study’s results align with those expressed by Haan (2004). Support from the government, such as ease of cooperation with the government through promotional assistance, easy access to licensing, and marketing bureaucracy, will help SMEs develop businesses and achieve business success. Government support is government support for SMEs to improve the business network and facilitate the receipt of information, especially regarding foreign markets that the government establishes with other countries (Chell, 2008). Ease of bureaucracy and information access to foreign markets built with government support will encourage active entrepreneurs in the contribution network. Ultimately, they can analyze risk to increase
entrepreneurial opportunities to achieve success. Close relationships between interested parties such as the government, foreign markets, and entrepreneurs are significant in increasing entrepreneurial exploitation to achieve success. Based on research results, the government in Lombok has been quite helpful in providing institutions to assist in developing women-owned SMEs in rattan craft.

In this study, the most significant influence in determining the success of women’s rattan craft SMEs is the personal aspect. Their family background as rattan craftsmen will affect the profession of their descendants. Most of the rattan craftsmen continue their family business in the rattan sector. Those in the family of craftsmen are usually involved in making rattan crafts from an early age which are then honed into adulthood. Family involvement can also support these female SME entrepreneurs to continue developing their businesses.

CONCLUSION AND RECOMMENDATION

The performance of women-owned SMEs in rattan craft in Lombok in entrepreneurship can be influenced by personal and environmental aspects and support from the government. The offer of little interest on loans from banks in entrepreneurship will help craftsmen to develop their businesses. In this case, women-owned SMEs always need to build relationships related to market access, initial capital, and bank loans to support business continuity and business success. Government support such as ease of cooperation with the government, support from government entrepreneurship institutions, and easy access to licensing bureaucracy will help SMEs to develop businesses and achieve business success for SME entrepreneurs. In this study, the most significant influence in determining the success of women-owned SMEs in rattan craft is the personal aspect, where family background and support play an essential role.

In the future, these women-owned SMEs in rattan craft need the training to improve their skills in producing innovative rattan craft products. Encouragement from the government in providing training by presenting entrepreneurial figures who have previously been successful in crafts, especially rattan, also needs to be carried out considering these SMEs’ limited knowledge and entrepreneurial mindset. The government must also facilitate SMEs’ access to loan capital to develop their businesses. The government can encourage them by involving investors in capital. In addition, the government can do several things, namely: always helping promote SME products through events such as regional events, drafting regulations that support the development of SMEs in the rattan craft sector, as well as simplifying bureaucracy in business permits, export permits, and the process of exporting goods abroad. This is considering that foreign markets are very potential to be entered. Other researchers can add different variables to see the factors influencing women-owned SMEs in rattan craft in Lombok for further research. Further researchers can also add the number of respondents observed. Not only women-owned SMEs in rattan crafts but also in other fields.

REFERENCES


