

The Role of Human Resource Competence and Entrepreneurial Motivation on the Performance of Women Entrepreneurs

*Human Resource
Competence and
Motivation in Women
Entrepreneurs*

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ABSTRACT

This research aims to investigate the impact of human resource competence and entrepreneurial motivation on the performance of women entrepreneurs in the fashion industry of Klungkung Regency, Bali, Indonesia, specifically within micro, small and medium enterprises (MSMEs). The study draws upon management theory, middle-range human resource theory, and applied theories related to human resource competence, motivation, and entrepreneurship. The research methodology employed is quantitative, using questionnaires as the primary data collection tool. The study involves a sample of 54 SME businesses, and data analysis is conducted using SPSS software version 24. Three hypotheses were tested in this research. The results indicate that the variable of human resource competence has a significant positive influence on entrepreneurial performance. Furthermore, human resource competence also has a significant positive effect on entrepreneurial motivation. The variable of entrepreneurial motivation also significantly influences entrepreneurial performance. However, it is noteworthy that the impact of human resource competence and entrepreneurial motivation on entrepreneurial performance is considered relatively modest.

Keywords: *Entrepreneur Performance, HR Competence, Entrepreneurial Motivation, Women Entrepreneurs, Fashion Industry.*

ABSTRAK

Penelitian ini bertujuan untuk menyelidiki dampak kompetensi sumber daya manusia dan motivasi berwirausaha terhadap kinerja para pengusaha wanita di industri fashion Kabupaten Klungkung, Bali, Indonesia, khususnya dalam usaha mikro, kecil, dan menengah (UMKM). Studi ini mengacu pada teori manajemen, teori sumber daya manusia tingkat menengah, dan teori terapan terkait kompetensi sumber daya manusia, motivasi, dan kewirausahaan. Metodologi penelitian yang digunakan bersifat kuantitatif, dengan menggunakan kuesioner sebagai alat pengumpulan data utama. Studi ini melibatkan sampel dari 54 usaha UMKM, dan analisis data dilakukan menggunakan perangkat lunak SPSS versi 24. Tiga hipotesis diuji dalam penelitian ini. Hasil penelitian menunjukkan bahwa variabel kompetensi sumber daya manusia memiliki pengaruh positif yang signifikan terhadap kinerja berwirausaha. Selain itu, kompetensi sumber daya

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manusia juga memiliki pengaruh positif yang signifikan terhadap motivasi berwirausaha. Variabel motivasi berwirausaha juga berpengaruh signifikan terhadap kinerja berwirausaha. Namun, perlu dicatat bahwa dampak kompetensi sumber daya manusia dan motivasi berwirausaha terhadap kinerja berwirausaha dianggap relatif sederhana

Kata kunci: *Kinerja Berwirausaha, Kompetensi SDM, Motivasi Berwirausaha, Pengusaha Wanita, Industri Fashion*

INTRODUCTION

Bali is renowned in Indonesia for its rich cultural and natural tourism attractions, making it a popular tourist destination. However, in addition to its fame as a tourist hotspot, Bali Province also boasts significant potential in the micro, small, and medium enterprises (MSMEs) industrial sector. The development of this sector in Bali Province primarily relies on industries unrelated to oil and gas, as the island lacks the infrastructure and resources to support large-scale industries commonly found on other Indonesian islands.

The existence of MSMEs is spread across 9 (nine) regencies or cities in the province of Bali. Developments from the 2015-2019 period saw an increase in units, rising from 265,558 to 327,353 units. During the same period, Gianyar Regency had the highest number of MSME, with 91,511 units, but this decreased in 2019 to 75,482 units (Admin, n.d.). The districts that experienced an increase in the number of MSME were Jembrana, Tabanan, Klungkung, Buleleng, Bangli, Karangasem, and Denpasar.

MSME encompasses small-scale economic activities that meet specific criteria for net worth, annual sales, and ownership, as stipulated by Law No. 9 of 1995. This category includes informal and traditional small businesses. The MSME being developed is the Endek cloth fashion, which is a unique style of fashion rooted in the traditional Indonesian cloth arts and culture. It is produced in various regions of the archipelago, including Bali Province. Especially in cultural tourism and the Endek woven cloth industry in Bali, it gives a more exclusive impression to consumers. Therefore, products made from Endek woven cloth, as an effort to preserve ancestral cultural values, become worthy of purchase, use, and even collection. A product will have competitiveness and added value if it can be the best (Vandermerwe & Rada, 1988).

Balinese Endek Cloth fashion is very suitable to be used as souvenir items and as part of a new creative tourism industry because it is a typical Balinese cloth and differs from other woven cloths by not using machines. By making Bali Endek Cloth Fashion a creative tourism industry, it can certainly become a source of additional income for Balinese women entrepreneurs. One of the districts that has an Endek woven cloth industry is Klungkung district. The craft industry, especially weaving, generally tends to grow from generation to generation, forming centers rooted in the talents, skills, and arts of the community and utilizing simple technology, thus creating more employment opportunities. The weaving craft industry has a significant contribution to the economy (Parameswara et al., 2023).

According to data from the Balinese government, there are 116 Endek woven fabric fashion MSME units distributed across four sub-districts in Klungkung Regency: Klungkung District (48 units), Banjar Angkan District (32 units), Dawan (21 units), and Nusa Penida (15 units).

The research has three primary purposes. First, it aims to examine the role of human resources competencies in female entrepreneurs operating MSME in the fashion industry in Klungkung Regency. Second, it seeks to understand the role of entrepreneurial motivation among female entrepreneurs in the fashion MSME sector within the same region. Lastly, the research examines how the combined factors of human resource competency and entrepreneurial motivation influence female entrepreneurs in the fashion MSME sector in Klungkung Regency.

LITERATURE REVIEW

The grand theory used for this research is management, the middle theory is human resources (HR) and the applied theory is human resource competency, motivation and entrepreneurship. According to Griffin (2021), management is a process of planning, organizing, coordinating, and controlling resources to achieve goals (goals) effectively and efficiently. Effective means that goals can be achieved according to planning, while efficient means that existing tasks are carried out correctly, organized and according to schedule. According to Armstrong (2006), management is a distinctive process consisting of planning, organizing, and monitoring actions carried out to determine and achieve predetermined targets through the use of human resources and human resources. other sources.

According to Dessler & Varrkey (2005), human resource management is the process of acquiring, training, assessing, and compensating employees, paying attention to work relationships, health, security and issues of justice. Policies and practices determine the 'people' or human resources aspects of management positions, including recruiting, screening, training, rewards, and appraisal. Armstrong (2006), human resource management (HR) practices relate to all aspects of how people work and are managed in organizations. This includes HR strategy activities, HR management, corporate social responsibility, knowledge management, organizational development, HR, performance management, learning and development, reward management, employee relations, employee welfare, health and safety, as well as the provision of employee services.

According to Ramly (2019), human resource competency indicators encompass self-development, implying the ability to make changes, particularly in behavior and self-improvement; professionalism, signifying the capacity to comprehend assigned tasks and the readiness to enhance one's skills; technological proficiency, denoting the capability to master technology within the work processes; educational attainment, reflecting the appropriateness of knowledge or educational background for performing job responsibilities; and expertise, highlighting the capacity to handle work meticulously and solve problems with effectiveness and efficiency.

According to Kanfer (2009), work motivation is a factor that encourages employees to take certain actions towards a certain goal. The process of motivation arising in which people try to fulfill their unfulfilled needs, causes people to look for ways to reduce the tension caused by their deficiencies. According to As'at, motivation is a person's desire that encourages activity because he hopes it will lead to a more satisfying situation than the current situation. With motivation, people will be encouraged to work hard to achieve the desired goals and use the skills and abilities they must achieve them. Work motivation is the provision of a driving force that creates a person's enthusiasm for working effectively and is integrated with all efforts to achieve satisfaction.

Motivation can influence doing something you want or carrying out tasks according to the rules. Motivation is not something that can be measured and observed directly but can be inferred from visible behavior. According to Hauser (2014), motivation is psychological processes that increase and direct behavior to achieve goals. So motivation is a process of influencing or encouraging someone to do something desired based on hope so that work can be completed effectively and efficiently.

Indicators of entrepreneurial motivation in this research according to Locke & Baum (2014) include the need for achievement (N.Ach= Need for achievement), which is a form of action to do something better and more efficiently than before, as seen through being innovative, proactive, aggressive in competing, and daring to take risks. The need for power (N.Pow=Need for power) is the desire to influence, control, and dominate other people, while the need for affiliation (N.Aff= Need for affiliation) is the desire to be accepted and liked by other people.

Performance is a series of management activities that provide an overview of the extent of the results that have been achieved in carrying out their duties and responsibilities in public accountability, both in the form of successes and shortcomings that have occurred (Folan & Browne, 2005). Santa et al., (2009) state that performance is the periodic

determination of the operational effectiveness of an organization, parts of the organization and its employees based on previously established targets, standards and criteria. Hence, performance is the achievements achieved by an organization or entity in a certain accounting period which are measured based on comparisons with various standards.

According to Salim et al. (2020), MSME performance is analyzed using three approach assumptions, namely, it is difficult to measure MSME performance due to limited resources, measuring MSME performance only involves complex financial indicators that are identified so they do not show actual business results, and measuring MSME performance is often used by large-scale companies. and structured management. According to Suwanto et al. (2022) the performance of MSMEs is the result or evaluation of the company's work achieved by a person or group by dividing activities in the form of tasks and roles in a certain period with the standards of the company.

Performance refers to the achievements or achievements of the company within a certain time. The variables in this research were developed from performance researched by Minuzu (2010). The indicators used to measure performance include sales growth, capital growth, the addition of a workforce every year, and growth in profits or business profits.

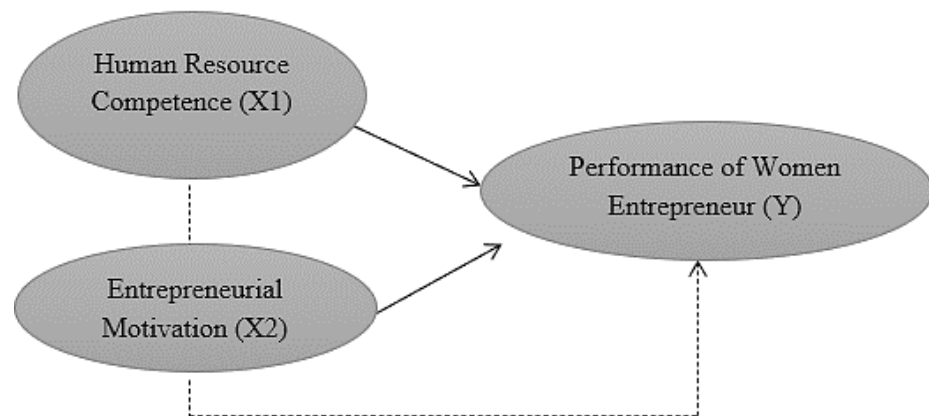


Figure 1. Research Framework

H1. Human resource competence has a positive and significant effect on performance.

H2. Entrepreneurial motivation has a positive and significant effect on performance.

H3. Human resource competence and entrepreneurial motivation together have a positive and significant effect on performance.

RESEARCH METHOD

This research employs a rigorous quantitative methodology that encompasses various data collection methods, including structured questionnaires, direct observations, and in-depth interviews. The data analysis phase is conducted using SPSS V24, incorporating a diverse set of statistical techniques, such as multiple regression analysis, data measurement techniques, validity and reliability tests, t-tests, Anova tests, and determination analysis.

The population under investigation is a distinct group of subjects, comprising 116 female entrepreneurs within the Micro, Small, and Medium-sized Enterprise (MSME) fashion industry in Klungkung Regency. These entrepreneurs possess specific qualities and traits relevant to the study's focus. To ensure a representative sample, the researchers employed random sampling from this population, resulting in a sample size of 54 female entrepreneurs from the MSME fashion industry in Klungkung Regency. The determination of this sample size followed the Slovin formula, which takes into account the population size and a 10% margin of error, in accordance with established methodology.

RESULTS

Validity testing aims to ascertain the accuracy of what is being measured within a research context. In this process, each statement or item is subjected to scrutiny to determine whether it effectively captures the intended concept or construct. An item is considered valid if it demonstrates a total corrected item coefficient that is equal to or exceeds 0.30.

The total corrected item coefficient serves as a crucial indicator of an item's ability to measure the intended construct accurately. When an item exhibits a coefficient of 0.30 or higher, it suggests that the item is aligning well with the construct it is supposed to represent. This alignment ensures that the data collected through these items provide a faithful representation of the underlying concept, enhancing the reliability and validity of the research findings.

Table 1. Validity Test Results

Statement Items	Corrected Item Total	Cut Off	Info.
X _{1.1}	0.340	0.3	Valid
X _{1.2}	0.642	0.3	Valid
X _{1.3}	0.662	0.3	Valid
X _{1.4}	0.807	0.3	Valid
X _{1.5}	0.774	0.3	Valid
X _{2.1}	0.741	0.3	Valid
X _{2.2}	0.949	0.3	Valid
X _{2.3}	0.937	0.3	Valid
Y _{1.1}	0.369	0.3	Valid
Y _{1.2}	0.369	0.3	Valid
Y _{1.3}	0.725	0.3	Valid
Y _{1.4}	0.629	0.3	Valid

Based on the data processing results presented in Table 1, it can be concluded that all the variables have exceeded the cutoff of 0.30, signifying their validity. Therefore, all the variables are eligible to proceed to the next stage of data processing.

Meanwhile, it is evident from Table 2 that reliability testing constitutes a pivotal step in evaluating the trustworthiness of the research instrument. The primary objective of reliability testing is to assess the consistency and stability of each valid statement item included in the study. In this case, the reliability test employs the Cronbach Alpha coefficient as a measurement metric. To establish the reliability of the collected data, a widely accepted criterion is applied: a variable can be confidently declared as reliable if the resulting Cronbach Alpha value is greater than or equal to 0.60.

The Cronbach Alpha value, often represented as α , serves as an indicator of the internal consistency among a set of items or questions within a measurement instrument. It quantifies the extent to which these items consistently measure the same underlying construct or concept. When the Cronbach Alpha surpasses the 0.60 threshold, it signifies that the items within the variable are interconnected in a manner that supports the dependable measurement of the intended construct.

Table 2. Reliability Test Results

Variable	Statistical reliability		
	Cronbach's Alpha	Item	Information
	0.773	12	
Human resources competency (X1)	0.755	6	Reliable
Entrepreneurship motivation (X2)	0.771	2	Reliable
Performance (Y)	0.775	4	Reliable

From Table 2, it is evident that each variable subjected to testing exhibits a Cronbach Alpha value exceeding 0.60. This indicates that each variable is supported by valid and reliable statement items, allowing them to proceed to the subsequent stage of data

processing. The F-test or ANOVA reveals an F value of 12.412 with a significance value of 0.000. As the significance value is less than 0.05, it can be concluded that the variables Human Resource Competency (X1) and Entrepreneurial Motivation (X2) jointly exert an influence on Performance (Y) in Klungkung Regency. Therefore, all the variables utilized by the researchers are deemed acceptable.

Table 3. Example

Hypothesis	t-value	p-value	Verification	Confirmation
Human Resource Competence → Performance	4.940	0.000	<0.05	Accepted
Entrepreneurial Motivation → Performance	0.407	0.686	>0.05	Rejected
Human Competence Performance & Entrepreneurial Motivation → Performance	0.437	0.019	<0.05	Accepted

Based on the data processing results utilizing SPSS version 26, the t-test analysis yields the following insights: Firstly, the variable Human Resource Competence (X1) exhibits a t-count value of 4.940, with a significance level of 0.000, which is less than 0.05. This indicates a statistically significant positive impact of Human Resource Competency (X1) on Performance of Women Entrepreneur (Y). On the other hand, the Entrepreneurial Motivation variable (X2) presents a significance value of 0.686, accompanied by a t-count of 0.407, which exceeds the significance level of 0.05. Consequently, it can be inferred that the Entrepreneurial Motivation variable (X2) exerts a positive yet statistically insignificant influence on Performance of Women Entrepreneur (Y).

The results from the regression equation shed light on the relationship between each independent variable and the dependent variable, as indicated by the coefficient of each independent variable. The interpretation of the regression equation is as follows: Firstly, the coefficient for the variable X1, Human Resource Competence, is 0.437 in a positive direction, with a significance value (Sig) of 0.000. These findings suggest that Human Resource Competence (X1) has a statistically significant positive impact on Performance of Women Entrepreneur (Y), with a significance level of 0.1. Secondly, the coefficient for variable X2, Entrepreneurial Motivation, is 0.019 in a positive direction, with a Sig value of 0.585. This implies that the Entrepreneurial Motivation variable (X2) has a positive effect on Performance of Women Entrepreneur (Y).

DISCUSSION

The findings from the analysis are in alignment with previous research, emphasizing the critical role of human resource competency in enhancing the performance (Vu, 2017). This competency encompasses educational background, knowledge, attention to detail, and effective problem-solving skills. Such factors have consistently been associated with improved performance within the entrepreneurial context.

Conversely, the results regarding entrepreneurial motivation resonate with prior studies, suggesting that while certain motivational factors like the desire for power, involving the aspiration to influence, control, and dominate others, may exist among women entrepreneurs, their impact on overall performance is not consistently significant (Bourlès & Cozarenco, 2018). This finding underscores the nuanced relationship between motivation and performance outcomes.

The outcomes of the multiple regression analysis reinforce these findings. The coefficient value for human resource competency is not only positive but also statistically significant, confirming its substantial influence on performance (Otoo, 2019). It underscores the importance of education, relevant knowledge, attention to detail, and effective problem-solving in driving entrepreneurial success, consistent with earlier research.

Conversely, the coefficient value for entrepreneurial motivation, while positive, lacks statistical significance (Paais & Pattiruhu, 2020). This echoes prior research that suggests that motivation factors may not consistently predict performance outcomes in the complex entrepreneurial landscape.

The coefficient of determination of 0.301, indicating 30.10%, illustrates the collective influence of human resource competency and entrepreneurial motivation on performance. However, it's crucial to acknowledge that the remaining 69.90% of performance variation is influenced by unexamined variables. This highlights the intricate interplay of factors contributing to performance outcomes, emphasizing the need for further exploration in future research.

CONCLUSION

In the human resource competency of women entrepreneurs is closely associated with education, encompassing knowledge, and a background relevant to the field of work, keen attention to detail, and effective problem-solving. Additionally, entrepreneurial motivation is characterized by the Need for Achievement (N.Ach), driving a constant pursuit of improvement and innovation, proactive competition engagement, and a willingness to take risks. The Need for Affiliation (N.Aff) also plays a role, involving a desire for acceptance and approval from others. The performance exhibits a strong commitment to fostering the growth of the Creative Industry, consistently recruiting new talent and recording significant profit and revenue growth.

Women entrepreneurs in Balinese MSMEs should prioritize the further development of their human resource competencies, focusing on adaptability and continuous self-improvement. Professionals should aim to thoroughly understand each task, be prepared to enhance their skill sets, and embrace technological advancements within their work processes. Additionally, for MSMEs, nurturing entrepreneurial motivation can benefit from emphasizing the Need for Power (N.Pow), which involves a desire to influence, control, and lead others. Women entrepreneurs are encouraged to continue expanding their sales and market reach, with potential growth facilitated through collaborations with supportive entities such as state-owned banks.

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