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EXTERNAL FACTORS MOTIVATING SUCCESSFUL WOMEN
ENTREPRENEURS: A STUDY OF WOMEN ENTREPRENEURS
COMMUNITY IN A RURAL AREA

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**Riesta Devi Kumalasari, Kukuh Lukiyanto, Agung Purnomo: External Factors
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Abstract

Traditional or rural societies typically maintain the cultural assumption that female entrepreneurship is unusual or taboo. Despite this assumption, many women in rural areas are, in fact, successful entrepreneurs, and they even act as the backbone of their family. Accordingly, this study investigated this phenomenon occurring in a community of the Pagentan Village in the Singosari District, Malang Regency. The purpose of this study was to examine the external factors affecting women in rural areas that made them successful in developing their businesses and the conflicts that continue to challenge them. Moreover, this is a qualitative research employing a phenomenological approach. Last, the conclusion of this research indicates that external factors encouraging the success of rural women entrepreneurship includes family support, environmental support, and supervisory institutions. The findings of this study can be used as a reference for inspiration to increase the number of women entrepreneurs in Indonesia, especially in rural areas. In addition, it can also be used as a reference for motivation to encourage women in becoming entrepreneurs.

INTRODUCTION

Entrepreneurship is an activity that creates benefits, especially for women, that typically results in deriving a personal income (Hoe, Isa, Hin, Yunus, & Abdullah, 2012) Quite a few women choose the entrepreneurial profession for several reasons: becoming a leader in one's own business, having more time with family, gaining satisfaction in career achievements, earning more income, and avoiding frequent employment discrimination in general (Washington, 2008)

The development of entrepreneurship in a country cannot be separated from the participation of women. The participation of women in

entrepreneurialism has sharply increased over the last decade in developed and developing countries (Widowati, 2012), although it is still lower than the growth of male entrepreneurs. Over the years, in fact, the number of female entrepreneurs in Indonesia has increased. Data from *Badan Pusat Statistik* (Central Bureau of Statistics) in 2017 show that the ratio of entrepreneurs in Indonesia reached 3.01% from the total population of 225 million people. The number has dramatically increased as compared with the number in 2014, which was 1.55%.

Unfortunately, the increased number of female entrepreneurs is still not evenly distributed, as a large number of female entrepreneurs still dominates urban areas, and those in rural communities remain limited. Many obstacles are faced by rural women to build their own business. The cultural factor that still considers women to be in charge of housekeeping and children is the greatest barrier against women starting their own business (Lu & Kumah, 2013; Pristiana, 2009). In a paternalistic society's culture, earning money is the duty of the male; thus, it is typically considered inappropriate or taboo if a woman makes her own living (Lukiyanto, 2018). Because this culture is still strongly maintained by the community, especially by rural communities, the increase in the number of women entrepreneurs in rural areas remains extremely low.

The government, nongovernmental organizations, and other parties have been trying to develop entrepreneurship for rural women to improve the economy in rural communities. Entrepreneurship development programs are provided in the form of training, coaching, and even granting capital assistance. Regrettably, the success rate of the efforts is still low, and the cause for this is unknown, as they only briefly run the business and get back to their previous state (Kumalasari, 2018). Failure also does not only take place in just one area.

An interesting phenomenon occurred in the village of Pagentan, Singosari District, Malang Regency. Even though many women failed to start their own businesses, there are still others who managed to succeed. For example, many female entrepreneurs are successfully engaged in the creative industry.

Their success began with training conducted by the Pelangi Nusantara community in regard to the utilization of waste clothes that are still fit to wear. This training was provided in various production-related activities such as product design, pattern making, sewing, and marketing and sales. After the training, the women were supervised to begin running their own businesses. The training and mentoring processes were not done on one occasion only but have continued to this day. Furthermore, the women were also given sales production assistance.

Today, these female entrepreneurs live more prosperously than when they had not yet decided to become entrepreneurs. They can fulfill their children's school needs, help the husband to meet the family needs, and save money for future needs. As women, they can also fulfill personal needs such as buying cosmetics and smart phones as well as paying motorcycle installments as the fruit of their labors.

This phenomenon is particularly interesting to examine because, amidst the strong resistance against rural women in becoming entrepreneurs, many are still interested in becoming entrepreneurs. In

relation to this study, the rural women were divided into two groups: those who fail and those who succeeded in running their businesses. In the beginning, they had the same motivation to help their husbands and to increase the family's economic situation (Kumalasari, 2018). Accordingly, this study reveals the external factors that motivate women in rural areas to become successful in running a business. To date, the external factors that affect the success of female entrepreneurs are still generally discussed, and there has not been a discussion on how it occurs for traditional or rural female entrepreneurs. Moreover, studies and analyses are conducted to investigate the external factors affecting the success of rural women in becoming entrepreneurs. The results of this study will later be used to motivate and create patterns of entrepreneurship development for rural women.

LITERATURE REVIEW

Overview about Entrepreneurs

The current concept of entrepreneurship is taken from the theory of Schumpeter (Devi & Renuka, 2011) suggesting that entrepreneurs apply new combinations in engineering and commercials into practice. Entrepreneurs are those capable of innovating, raising money, electing managers, and running organizations with the ability to identify themselves. The innovations created by the entrepreneurs take place in several stages: the introduction of a new product quality; the new product; the discovery of new requests and supply sources; and as organizational change in management.

Innovation is typically associated with entrepreneurship (Crompton, 2012) because an entrepreneur must always utilize creative ideas that will lead to the value proposition of a product/service. However, an innovation is not always related to the creation of new ideas but also to the value exploitation of an idea that has been founded and applied previously.

Applying innovations and creative ideas, entrepreneurs will be able to run their business by taking into account several aspects: maximizing profits, growing and having innovative behavior when the "small business owner" is related to personal goals in the future, taking part in businesses that spend their time and resources, and running businesses in accordance with the needs and desires of their families (Mckay, 2001).

Women as Entrepreneurs

Aimasari, Ghina, Telkom, Entrepreneur, and Analysis (2015) state that female entrepreneurs can be defined as women or groups of women who start, organize, and run an enterprise. They make efforts to earn an income to help their spouses meet the family's economic needs. Every woman must have her own motivation to encourage herself to be an entrepreneur. Some common factors are to increase income, dissatisfaction of earnings at a job, difficulties in finding a job, and the necessity of finding a job with a flexible time for taking care of the household (Mckay, 2001; Orhan & Scott, 2001). In practice, however, females face many challenges in running a business, e.g., lack of support from the society's culture. Females working as entrepreneurs is still considered taboo, as a women's responsibility is to take care of the household (Kumalasari, 2018; McElwee & Al-Riyami, 2003). Thus, it is typically more difficult for a woman to run a business.

Another obstacle inhibiting traditional or rural women entrepreneurs is the issue of education. Although there are women entrepreneurs who are well educated, most of them are not. Well-educated female entrepreneurs, however, may still lack a business education as a provision to be an entrepreneur (Lituchy & Reavley, 2004). Therefore, training programs are essential and have the potential to make them into successful entrepreneurs. The external support also affects their success (Pristiana, 2009; Raman & Jayasingam, 2008; Slameto, 2010).

The Decision of Becoming a Female Entrepreneur

According to Lituchy and Reavley (2004), per the sociocultural role of women dictates that women should still perform their roles as wives, mothers, daughters, and entrepreneurs. They are commonly expected to be able to maintain household responsibilities as well as being a business owner. Women's capability in balancing multiple different responsibilities and with the support they get from relatives or friends is the key motivation of their success or failure in running a business.

A woman's decision to choose entrepreneurship also involves a few risks, in addition to opportunities that can be reached. Therefore, several factors need to be considered in decision-making. In the case of a women's decision to become an entrepreneur, several internal and external factors must be taken into consideration. Interest, motivation, and self-empowerment are the internal factors; while external factors include family environment/heredity, husband/ family support, source of capital, and social environment (Ismail, Ahmad, Gadar, & Yunus, 2012; Pristiana, 2009; Raman & Jayasingam, 2008).

MATERIALS AND METHODS

This research employed a phenomenological approach aimed toward revealing and understanding the meaning (noumena) within the phenomenon of individuals who perform actions based on their own perceptions and aspects encouraging their actions (Izogo & Ogba, 2015). Judging from the basis of analysis, a phenomenological approach is more appropriate to reveal the understanding of a traditional female entrepreneur toward the external factors that influence their success.

The data were obtained to discern the meaning of information from the interviews using the in-depth interview technique toward a number of interviewees from whom the researchers dig the information that can be used as the basis of analysis (Miles, Huberman, & Saldaña, 2014). Apart from interviews, data were also collected from the noted observation results in the field. Daily activities documented by the researcher were used in the data validation process to ensure validity of the information obtained. The data were collected; then, the interview results were analyzed and interpreted to obtain a specific theme (Lukiyanto, Widita, & Kumalasari, 2018).

Key Participants and Additional Interviewees

The key participants in this research were 10 women who were the members of "Pelangi Nusantara" Community. They were chosen based on the following criteria:

- Having no other occupation other than being a housewife and independent women entrepreneur
 - Having a family
 - Living around the Pelangi Nusantara (also called “Pelanusa”) area
- Having been involved in an entrepreneurship for more than three years

The educational backgrounds of the key participants average from elementary to high school. This indicates that they still require training to improve their soft skills. Average age of the participants is between 20 to 50 years old, which is considered a productive age in which to work. The data obtained from interviews and observations from the key participants were used to reach a conclusion.

Unlike key participants, additional interviewees are required to perform data triangulation. For example, the data or information obtained from the interviewees can be used to check the validity of information taken from the key participants.

Thus, the data collected can be credible because they are crosschecked with those of other parties who have knowledge and sufficient recognition of key participants and problems studied (Miles et al., 2014). The additional interviewees were three founders of the community and the supervisors.

RESULTS AND DISCUSSION

After conducting in-depth interviews, transcription, interpretation, and data processing, the researcher discovered interesting themes as the main factors of rural females’ entrepreneurial success.

Family Support

Women also have their own spontaneous satisfaction and desire to put their minds and hearts into work. Family is a major support in starting a business. Most key participants argued that being able to help their spouses in meeting economic needs is an achievement. Some also stated that, if their entrepreneurial activities are recognized by their loved ones and can be recognized nationally and internationally, it is an achievement for their own self-actualization. Above all, however, they cannot escape from the nature of a woman still being considered a housewife. Permission and support from the family are the keys to their courage in starting a business. Without the support and permission from the family, it would be difficult for them to live with this new profession.

As a part of patriarchal society, a woman’s position remains quite weak. In every decision taken, she typically must seek the approval of men (husband/parent). Without their blessing, a woman cannot make certain decisions. If she makes a decision regardless, there will be conflicts or social sanctions from the society that will consider her as a misbehaving woman or violating customs. Therefore, it is generally agreed upon that family support is the decisive factor in the success for a woman in running a business.

“Honestly, after I decided to quit from being a migrant worker, I was very confused about what to do, but thanks to the help of this Pelanusa community,

I was trained to have sewing skills, to use sewing machine, so I can produce various crafts that many people love, and more importantly my husband supports 100% of my efforts.”

SR’s explanation represents the opinions of key participants. The strong motivation from within and the support of SR’s husband encouraged her to participate in the training held by the Pelanusa community. Finally, she was courageous enough to run her own business.

The family plays a role providing moral support, funds, or business advice (Office, 2006; Slameto, 2010). For a woman starting her own business, family support is among the factors that determine the success of female entrepreneurs. This is almost similar to the results of previous studies (Ismail et al., 2012; Pristiana, 2009; Raman & Jayasingam, 2008; Slameto, 2010).

The difference is that they suggested family support as an external factor that encourages a woman to be an entrepreneur. In this research, however, family support is the motivation for the success of a woman entrepreneur.

Environmental Effect

Individual interest commonly resides in a hobby that can influence a business. Hopefully, female entrepreneurship can become long lasting, as it is typically derived from a hobby, as interest is generally related to passion, and if someone works based on his/her passion, nobody will resist the urge to be an entrepreneur. Even though interest and passion are the two main factors, the more important one is environment. Its support flourishes the development of entrepreneurship more than interest and passion; therefore, women having a good environment will still run their businesses even without interest and passion. In the case of the Pelanusa Community, most members are not those passionate in sewing as confirmed by many key participants.

Their interest had grown when they saw other women successfully run a business. They were able to increase economic conditions and improve their self-esteem with better appearance. Therefore, women in the neighborhood were interested in running their own business due to the impact of their environment.

“At first, I was not interested, I cannot sew and I do not like it, too, but after seeing the neighbors who started the sewing business, I envy them. They have been able to buy a motorcycle; their smart phones are good, and their appearance looks different. As a woman, I feel jealous but relying on my husband is impossible. So, I was interested to run my own business by joining Pelanusa community.”—(EK)

“Our economic condition was very difficult back then; my husband’s salary barely meets the needs. Seeing neighbors joining Pelanusa motivated me to start my own business, too. They were given training, so why didn’t I just try it? If I did not join Pelanusa, I would not have started my own business”—(LL)

“When I saw people being successful for joining Pelanusa, I also participated. I wanted to try, if someone else succeeded who knows that I could also be like them.”—(SM)

Supervisory Institution

The results of data analysis from key participants in this study indicated that they all considered the Pelanusa community as a factor that made them courageous to start a business. It was initially unimaginable to start a sewing business from used cloths if Pelanusa did not introduce the concept. Most interviewees did not have the skills to sew and to manage a business. After a while, they finally learned how to sew owing to the training conducted by Pelanusa.

The initial concept formulated by the founders of Pelanusa was the willingness to be motivators and supervisors for women who want to start a business. This is illustrated in the following statement by Noor Suryanti:

“The support given to women to be involved in an entrepreneurship comes from my hope that this coaching can improve the education of women. As an actor in the creative industry that I have long been involved, I feel that business opportunities like this can be easily learned by housewives who want to help the family’s economy. The training is a means of learning for housewives to be productive and active in the creative industry.”

“It was not hard to teach them how to sew, make a pattern. The most difficult one was how to sell their products. That’s the role of Pelanusa in becoming their partner as a marketer of their products.”

The previous statement supports the statement given by the key participants saying that their success is not separated from the role of the mentoring agency, i.e., Pelanusa community. The limitations of education, ability, and capital typically make women afraid to run their own business. Pelanusa, with its various programs, convinces the women to be courageous in running their own enterprises.

“It’s impossible for me to own business if Pelanusa does not exist. I can’t even imagine. After joining the training, I finally didn’t feel scared. Moreover, the sales of our products are also managed by them. I did not know where to sell if I should sell the products myself.”—(USA)

“The assistance from Pelanusa helps anyone to become an entrepreneur. Many conveniences are provided so I can develop the creativity.”—(LL).

A supervisor’s role in the Pelanusa community lends support for entrepreneurs who join the community. The assistance in technology transfer, provision of capital, joint marketing, and provision of raw materials are some examples of Pelanusa’s role.

CONCLUSIONS

Based on the results of analysis, the researcher concludes that the support of family, environmental factors, and the presence of supervisory institutions lead to the success of rural female entrepreneurs in Indonesia. All three factors can help traditional female entrepreneurs to decrease the challenges in running their business.

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The results of this study can be used as preliminary study material to discover how to develop rural female entrepreneurs. In addition, policymakers can place more emphasis on mentoring those who wish to start a business. Understanding and awareness given to the family about the importance of support for female entrepreneurs also can be conducted by all parties.

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