

## THE INFLUENCE OF GENDER INEQUALITY AND COMPETITION IN GROUP STRATEGIES ON THE ORIENTATION OF ENTREPRENEURSHIP AND ITS IMPLICATIONS ON BUSINESS PERFORMANCE

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### ABSTRACT

*In today's society there seems to be a perception that successful entrepreneurs are only male or male entrepreneurs, not women. Such perceptions, apparently formed by the willingness, ability, and courage of women in dealing with the risk of failure is considered far below the ability and courage of men so that his role as an entrepreneur who succeeded far under the success (entrepreneur) of men. The dominance of men against women is in addition to restricting women's access to certain resources, as well as to other important decisions concerning the allocation of resources in economic activity, including in entrepreneurship (Entrepreneurship). This paper seeks to see the role of women entrepreneurs in the field of catering through gender equality variables. Orientation of entrepreneurship, competitive strategy, and business performance in DKI Jakarta. Methodology: This study uses the Structural Equation Model methodology with the number of respondents 69 catering entrepreneurs. There are three dominant variables in this research that is gender inequality (3,81), entrepreneurship orientation (3,74) and competitive strategy (3,76). For business performance variable at entrepreneur woman have average value equal to 3, 59.*

Key words: entrepreneur, catering, competitive strategy, business performance, and SEM

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### 1. INTRODUCTION

The term gender is commonly used in grouping people in physiological as well as psychological aspects. (Kate Gilles, 2013). This seemingly natural difference in consequence has seemingly brought different treatment to those of a certain gender, especially towards women. The existence of gender-based job specialization is commonly accepted in most of the community, but in the community as a whole itself, still exists gender issues which have always been an endless debate with no result, especially those concerning gender equality. In today's society inequal treatment towards women compared to men because of result assessments are only based on gender, not performance (Bill Muehlenberg at al., 2007). Through continuous rigid gender norm practices by certain communities towards women, this norm is then further strengthened. In this case most of today's society is visibly hindering and limiting women's rights, including access to resources (Kate Gilles, 2013).

In a society like today, the view that the only successful entrepreneur are only males is still common. Perceptions like these are formed due to the false assumption that a woman's will, ability, and courage in dealing with risks of failure are judged as far inferior to that of a man's, thus the women's role as an successful entrepreneur is then viewed inferior than a man's achievements. This view gains justification in the form of developing and scientifically advance research institutions results that brings the conclusion that there is a significant difference between males and females. The dominance of men against women is in addition to restricting women's access to certain resources, as well as to other important decisions concerning the allocation of resources in economic activity, including in entrepreneurship (Entrepreneurship). To this day, the impression that being an entrepreneur is a work of entrepreneurs is because entrepreneurs need to be involved in important decisions, which are only suitable for men's activities. Impression like this seems to take a long time to be repaired because although in reality the perceived phenomenon has started a lot of changes. Even Hisrich and Peters (2002) argue that there is currently a tendency that women's businesses / ventures are growing three times higher than their counterparts. With the characteristics and position of female entrepreneurs who are generally perceived as not as good as male entrepreneurs. Then their existence in the community was much doubtful, but some studies in various countries including Indonesia have obtained a finding that is able to reveal an information that the number of female entrepreneurs following its performance has increased significantly.

Since 10 years ago SMEs have increased quite a bit, and from a number of small businesses are mostly owned by female entrepreneurs and continue to experience relatively high growth rate, which is about 37% or four times the growth of all companies (Morisseau & Kunni, 2014). The Small Business Association (SBA) estimates that these women-owned businesses are a business segment with the highest growth rate. Nevertheless, research on women's SMEs are relatively rare, especially with regard to the factors that influence their success and / or performance. As in other developing countries, SMEs in Indonesia that are owned and managed by women tend to face some unfavorable pressure from their environment, both external and internal environments. Although Timmons and Spinelli did not explicitly mention entrepreneurship run by women, but some facts in Indonesia revealed that the number of female entrepreneurs tended to increase but most were on a micro and small scale. More quantitative data is recorded at the Ministry of Cooperatives and SMEs in 2015 which discloses the information that out of the approximately 52 million SME perpetrators in Indonesia, 60 percent of businesses are run by women. One of the sectors and / or

industries that are commonly occupied by women entrepreneurs in Jakarta Capital Special Region (DKI) is the food and beverage industry, including culinary and / or catering. By considering the phenomenon of the catering business around our daily life, especially in DKI Jakarta, both concerning the issue of gender inequality and competition, it seems hard to be concluded as the main causal factors that affect the achievement of its business performance. The business performance is achieved due to its influence to the strategy implementation. In this case the strategy in question is the entrepreneurial orientation, because the concept of entrepreneurial orientation as mentioned in Wiklund (2001) is a business strategy. This concept of entrepreneurial orientation has become a key concept in the field of entrepreneurship that has gained a massive attention in both theoretical and empirical concerns (Covin, Greene, and Selevin, 2006). Even in 1973 Mintzberg declared that the orientation of entrepreneurship had its roots in the literature of the 'strategy-making process'.

With the many and varied (consumer) products catering companies in DKI Jakarta, the possibility of competition among fellow members of the same group Catering companies and also among members of different groups of catering companies is considerably large. This is, according to Barney (2004), a competition within and between strategic groups. With the many sides of weakness that exist in a woman as has been expressed in advance, especially a female entrepreneur who lately still many argue, it will be interesting to know how far they are able to formulate and implement entrepreneurial orientation for the success of their business. The success of women business entrepreneurs can generally be indicated by the performance of her chosen business, in both financial performance and customer satisfaction.

Based on the above description, the central theme of this research is as follows: "The Influence of Gender Inequality and Homogeneity of Entrepreneurship Orientation on Competitive Strategy and its Impact on Business Performance (Survey on Women Entrepreneurs in the Catering Industry in DKI Jakarta)". This research will be conducted on women catering entrepreneurs in DKI Jakarta.

## 2. LITERATURE REVIEW

### Gender

Tumwisesge (2014) defines the term gender as follows: "Gender is a social construct of the different roles, responsibilities, and rights of males and females varying from place to place and over time". While Moore (1988) defines genders as a socio-cultural construct that distinguishes masculine and feminine characteristics. Gender is different from sex or sex that is biological. West and Zimmerman, (1987) Gender is not something that is natural, and not what we have, but something we do.

### Entrepreneurial Orientation

The term entrepreneurship has a fairly diverse definition. This is especially closely related to the perspective of the parties that define it. Despite the diversity of definitions but this does not seem to lead to a destructive debate because each party is able to give its argument logically according to their respective perspectives, such as economics / management, sociology / socio-economic systems, and psychology / behavior. Audretsch (1995), entrepreneurship is concerned with change, as entrepreneurs are agents of change; Then entrepreneurship is concerned with the process of change. This is in accordance with the definition put forward by OECD (1998), namely: "Entrepreneurs are agents of change and growth within an economic market and can act to accelerate the creation, dissemination and application of innovative ideas. Entrepreneurs not only seek out and identify potentially profitable Economics opportunities but also willing to take risks to see if their hunches are right".

Drucker (1996) defines the term entrepreneurship as "an ability to create something new and different". Zimmerer (1996) states that the term entrepreneurship is basically a discipline that studies about the value, ability and the treatment of a person in facing the challenges of life to obtain opportunities with various risks that may be faced.

### Competitive Strategy Concept

The concept of competition in its essence has quite different boundaries and / or definitions, but from such a diversity the essence is relatively similar, that is, to fight for something equally desired by some people or parties. This is in accordance with the competitive deeds contained in the Oxford Dictionary, namely that competition is an activity or state is struggling to obtain or win something by defeating or building superiority over its opponents (Competition is the activity or condition of striving to gain or win something by defeating or establishing superiority over others). Explicitly Porter (1980) argues that the Strategic group is "the same group of firms in the industry as the same strategy or the strategy along the strategic dimensions."

### Definition of Business Performance

Performance is the result of work that has been compiled. Performance has a close relationship with organizational strategic goals, consumer satisfaction and economic contribution (Armstrong and Baron, 1998). Performance is the implementation of the plan that has been prepared. Performance is achieved by human resources that have the ability, competence, motivation, and interests. Performance is the success to achieve a goal (Gibson, 1990). Organizational performance reflects an achievement of goals that have been established by the business or company. Most businesses set their main goal to gain profit, so the easiest measuring method is to calculate profit. If it is related to the business concept according to Griffin and Ebert (2000) as it has been stated above, then the term business performance will have a sense of something that a business can achieve within a certain period of time. Since the main purpose of business is to make a profit, the main indicator of business performance is the amount of profit or profitability that can be achieved in the operational process of a business. Although there are several ways to

measure business performance, but generally they can be grouped into two main groups, namely Financial performance and Marketing performance.

### 3. METHODOLOGY

The method used in this research is quantitative method using Partial Least Square (PLS)

Table 1. Research Design

Research Method	Descriptive survey and Explanatory Survey
Data Collection	Interview and Questionnaires
Research Object	Catering Industry to APJI Members in DKI Jakarta province
Analysis Unit	Owners of Catering Industry to APJI Members in DKI Jakarta province
Observation Unit	Entrepreneurs Catering Industry to APJI Members in DKI Jakarta province
Population	400 businesses - taken from Source data based on questionnaire collections who became members of APJI (Association of Indonesian Culinary Entrepreneurs) of DKI Jakarta Province in 2015
Sample	117 (power test) to 142
	Sampling is done by random sampling at APJI member in DKI Jakarta
Research Analysis	Partial Least Square – WarpPLS
Measurement Scale	Likert Scale (1 as the least and – 5 as the highest)

Source: authors

The survey was conducted on APJI members. Questionnaires distributed as much as 125 based on the cluster of DKI Jakarta and complete questionnaires amounted to 69, so in this study used 69 female catering entrepreneurs as research samples.

#### 3.1. Validity

A statement is said to be valid and can measure the research variable in question if the value of the validity coefficient is greater than or equal to 0.3 (Azwar:158). The following test results the validity of each question on each variable.

Table 2. Recapitulation of Test Result Validity of Profile Statement Items

Butir Pernyataan	$r_{hitung}$	$r_{kritis}$	Keterangan
Statement 1	0.336	0.3	Valid
Statement 2	0.457	0.3	Valid
Statement 3	0.349	0.3	Valid
Statement 4	0.465	0.3	Valid
Statement 5	0.405	0.3	Valid
Statement 6	0.585	0.3	Valid
Statement 7	0.515	0.3	Valid
Statement 8	0.624	0.3	Valid
Statement 9	0.633	0.3	Valid
Statement 10	0.681	0.3	Valid
Statement 11	0.747	0.3	Valid

Statement 12	0.674	0.3	Valid
Statement 13	0.601	0.3	Valid
Statement 14	0.659	0.3	Valid
Statement 15	0.567	0.3	Valid
Statement 16	0.572	0.3	Valid
Statement 17	0.627	0.3	Valid
Statement 18	0.621	0.3	Valid
Statement 19	0.611	0.3	Valid
Statement 20	0.583	0.3	Valid
Statement 21	0.555	0.3	Valid
Statement 22	0.294	0.3	Invalid
Statement 23	0.238	0.3	Invalid
Statement 24	0.363	0.3	Valid
Statement 25	0.420	0.3	Valid
Statement 26	0.316	0.3	Valid
Statement 27	0.541	0.3	Valid
Statement 28	0.435	0.3	Valid
Statement 29	0.459	0.3	Valid
Statement 30	0.318	0.3	Valid
Statement 31	0.561	0.3	Valid
Statement 32	0.564	0.3	Valid
Statement 33	0.432	0.3	Valid

Source: authors

Tabel 3. Recapitulation of Test Result of Variable Validity of Gender Inequality

Butir Pernyataan	$r_{hitung}$	$r_{kritis}$	Keterangan
Statement 1	0.409	0.3	Valid
Statement 2	0.480	0.3	Valid
Statement 3	0.288	0.3	Invalid
Statement 4	0.499	0.3	Valid
Statement 5	0.673	0.3	Valid
Statement 6	0.629	0.3	Valid
Statement 7	0.665	0.3	Valid
Statement 8	0.634	0.3	Valid
Statement 9	0.705	0.3	Valid
Statement 10	0.725	0.3	Valid
Statement 11	0.587	0.3	Valid
Statement 12	0.685	0.3	Valid
Statement 13	0.668	0.3	Valid
Statement 14	0.787	0.3	Valid
Statement 15	0.551	0.3	Valid

Source: authors

Table 5. Recapitulation of Test Results of Variable Validity of Competitive Strategies

Butir Pernyataan	$r_{hitung}$	$r_{kritis}$	Keterangan
Statement 1	0.532	0.3	Valid
Statement 2	0.465	0.3	Valid
Statement 3	0.558	0.3	Valid
Statement 4	0.504	0.3	Valid
Statement 5	0.416	0.3	Valid
Statement 6	0.593	0.3	Valid
Statement 7	0.536	0.3	Valid
Statement 8	0.629	0.3	Valid
Statement 9	0.488	0.3	Valid
Statement 10	0.499	0.3	Valid
Statement 11	0.543	0.3	Valid
Statement 12	0.508	0.3	Valid
Statement 13	0.592	0.3	Valid
Statement 14	0.460	0.3	Valid
Statement 15	0.586	0.3	Valid

Source: authors

Table 6. Recapitulation of Validity Test Result of Business Performance Variables

Butir Pernyataan	$r_{hitung}$	$r_{kritis}$	Keterangan
Statement 1	0.927	0.3	Valid
Statement 2	0.929	0.3	Valid

Source: authors

In the five tables above shows that there are three statement items that have a coefficient of validity smaller than r-critical 0.3, namely the items of the 22nd and 23rd statements on the statement of profile and item statement of 3 on the variable of gender inequality, so that The items are not suitable for use as a measuring instrument in research or in other words the items are removed from the model (issued on verification testing).

### 3.2. Reliability

Table 7. Reliability Test Results of Research Questionnaire

Variable	Index Reliabilities	Nilai Kritis	Keterangan
Profile	0.910	0.7	Reliable
Gender Inequality	0.861	0.7	Reliable
Homogeneity of Entrepreneurship Orientation	0.873	0.7	Reliable
Competitive Strategy	0.809	0.7	Reliable
Business Performance	0.839	0.7	Reliable

Source: authors

The reliability value of the statement items on the questionnaire of each of the variables under study is greater than 0.7, this result indicates that the grains of statement on the questionnaire are reliable to measure the variables.

### 3.3. Testing Descriptive Hypothesis

Testing of descriptive hypotheses for each variable used in this research are: Gender Inequality, Homogeneity of Entrepreneurship Orientation, Competitive Strategy and Business Performance.

#### 3.3.1. Gender Inequality

Ho :  $\mu_1 < 3,4$  Gender Inequality is not in the high category;  
H<sub>1</sub> :  $\mu_1 \geq 3,4$  Gender Inequality is in the high category.

Value 3.4 is based on table 3.5. To test this hypothesis used t test student statistic. If the value of t arithmetic greater than the value of t table at the level of significance of 5% and degrees of freedom n-1, it can be concluded reject the null hypothesis which means that Gender Inequality is not in the high category.

#### 3.3.2. Homogeneity of Entrepreneurship Orientation

Ho :  $\mu_1 < 3,4$  Homogeneity Orientation Entrepreneurship is not in the high category;  
H<sub>1</sub> :  $\mu_1 \geq 3,4$  Homogeneity Orientation Entrepreneurship is in the high category.

Value 3.4 is based on table 3.5. To test this hypothesis used t test student statistic. When the value of t arithmetic greater than the value of t table at a significance level of 5% and degrees of freedom n-1, it can be concluded reject the null hypothesis which means that Homogeneity Orientation Entrepreneurship is in high category.

#### 3.3.3. Business strategy

Ho :  $\mu_1 < 3,4$  Business Strategy is not in the high category;  
H<sub>1</sub> :  $\mu_1 \geq 3,4$  Business Strategy is in the high category.

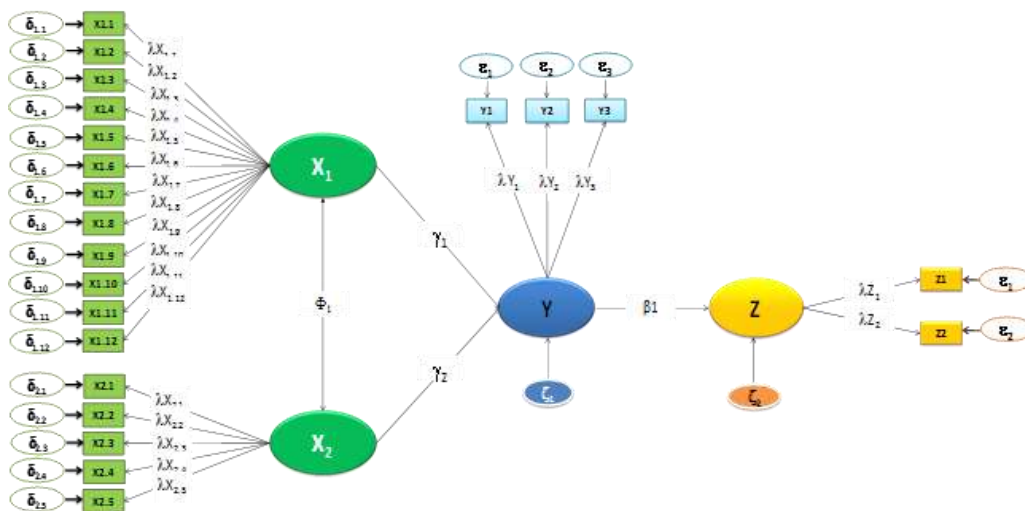
Value 3.4 is based on table 3.5. To test this hypothesis used t test student statistic. When the value of t arithmetic greater than the value of t table at the level of significance of 5% and degrees of freedom n-1, it can be concluded reject the null hypothesis which means that Business Strategy is in high category.

#### 3.3.4. Business Performance

Ho :  $\mu_1 < 3,4$  Business performance is not in high category;  
H<sub>1</sub> :  $\mu_1 \geq 3,4$  Business performance is in high category.

Value 3.4 is based on table 3.5. To test this hypothesis used t test student statistic. When the value of t arithmetic greater than the value of t table at the level of significance of 5% and degrees of freedom n-1, it can be concluded reject the null hypothesis which means that Business Performance is in high category.

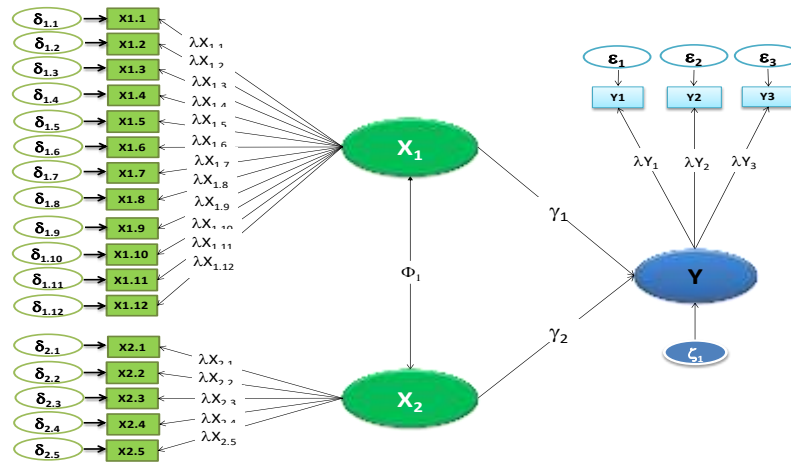
Figure 1: Line Chart of Structural Equations Research Model



Source: processed data

**Hypothesis Test 1:** The Influence of Gender Inequality and Homogeneity of Entrepreneurship Orientation Against Competitive Strategies Simultaneously and Partially The path diagram showing the effect of gender inequality and homogeneity of entrepreneurial orientation on the strategy of competing simultaneously and partially, is shown in Figure 2 below.

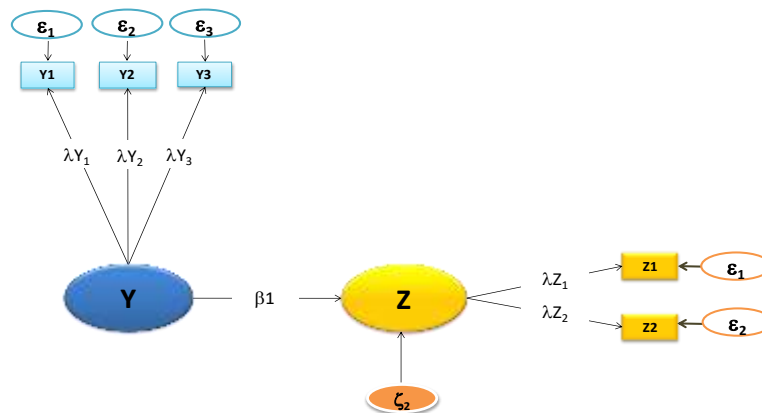
Figure 2: Line Diagram Hypothesis 1



Source: processed data

**Hypothesis Test 2:** The Influence of Competitive Strategies for Partial Business Performance The path diagram showing the effect of competitive strategy on partial business performance is shown in Figure 3 below.

Figure 3. Line Diagram Hypothesis 2

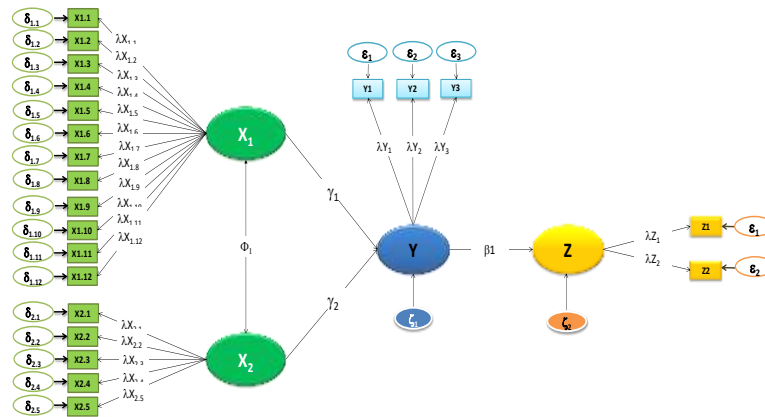


Source: processed data

**Hypothesis Test 3:** The Influence of Gender Inequality and Homogeneity of Entrepreneurship Orientation To The Competitive Strategy And Its Impact Of Business Performance Simultaneously. The path diagram showing the gender inequality and homogeneity of the entrepreneurship orientation to the competitive strategy and its impact on business performance simultaneously, is shown in Figure 4 below.

Figure 4. Diagram Jalur Hipotesis 3





Source: processed data

#### 4. CONCLUSION

Highly variable categories of variables are gender inequality and entrepreneurial orientation. In this study, the gender inequality of female entrepreneurs in Jakarta Catering Industry is included in the high category, with an average value of 3.81. Meanwhile, the competition strategy for female entrepreneurs in Catering Industry of DKI Jakarta is included in the high category with an average value of 3.76.

The mean value of influence in this research is in the entrepreneurship orientation variables in female entrepreneurs with an average value of 3.74 and the variable of business performance on female entrepreneurs with an average value of 3.59.

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