

IMPACT OF MOTIVATION AND ABILITY ON PERFORMANCE OF WOMAN ENTREPRENEURS IN ONLINE BUSINESS

ROLE OF PERCEPTION AND SITUATIONAL FACTOR AS MODERATORS

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Abstract

This study aims to analyze the relationship between motivation and ability on performance that is moderated by the role of perception and situation factors. The women entrepreneurs who do business online make a good discussion in the last few years, which would provide inspiration for women entrepreneurs to improve their business performance. The method used to analyze the data is a linear regression model with moderating variable and model residual tests. The results of this study show that the role of perception is a variable that moderates the relationship between motivation and ability on performance, while it is found that the situational factors do not moderate the relationship between motivation and ability on performance.

Keywords: Motivation, Ability, Role of Perception, Situational Factors, Performance

INTRODUCTION

Currently, the strength of a business is dependent more on information systems and technology that can be processed into a competitive advantage and used as a change driver of the key business success. This is because the information systems and technology provides great benefits and ease of access to the information that supports business activities. Moreover, the emerging information systems and technology comes together with the Internet access that has been found to give a wider positive impact both for the community and businesses. The Internet delivers the facilities used by the public to be communicative, creative and innovative, while it can also function as a medium of online transactions or payment system and promotion of products and services at relatively low cost (Purwanto, 2011).

The transactions using the Internet are known as e-commerce or e-business. E-business is a business that uses electronic devices via the Internet carried out for any business transactions i.e. buying or selling online (Fahmi, 2013). This online transaction provides the prospective buyers to see a wide range of products offered and to find out the price of the product instantly. Meanwhile, the prospective buyers can negotiate the prices without having to come over to the shops.

The virtual world market nowadays has high demand throughout the world, including Indonesia. Indonesia as one of the world's most populous country has a total number of Internet users of 22.4% in Asia, after Japan. Meanwhile, online activities on the social media such as Facebook have reached 42.5 million, the fourth highest in the world. Approximately 18% of the Indonesians have had the most popular social media accounts worldwide, and a total number of Twitter users reach as many as 5.7 million (third largest). Thus unsurprisingly, Indonesia is projected to be the fourth largest mobile technology market in the world (Fahmi, 2013).

This justification creates the business opportunities that can be exploited, especially for online business merchants who utilize technology development as a key element in its core business. There is likelihood that many women take the advantages of this business as a full-time or side-job which will generate substantial profits. By leveraging the existing Internet connection either through a computer, laptop, or mobile phone, thus the capital and operating costs are relatively small, as well as having a broad range of marketing that is not bound by place and time. These are the reasons for a tremendous increase of online business traders.

According to Rachmawati (2011, p.10), women entrepreneurs are classified as those who are running the businesses or are self-employed without leaving their role as housewives. They are motivated in cultivating an online business with a reason of spending their leisure time, increasing their income, for hobbies, and utilizing a network of friends on the social media i.e. facebook, twitter, blogger and myspace, etc. by offering a wide range of unique products.

Langan-Fox and Roth in Salleh & Osman. (2007) developed a typology of women entrepreneurs based on psychological characteristics. They observed three types of entrepreneurial psychology of women which consist of the need achievers, the pragmatic and the managerial entrepreneurs. The three types are distinguished by the possession level of entrepreneurial motivation on achievement and authority. Meanwhile, Mitra in Salleh & Osman (2007), classified the women entrepreneurs based on motivator, acceptance or definition of gender roles in a conventional way, and the importance of relationships and the background owned by women entrepreneurs. To support the business success, entrepreneurial women are required to have a better performance. According to Shane and Von Glinow (2003), a person's performance is influenced by motivation, ability, role of perceptions and situational factors. If one of the four factors is weakened, then the person's performance will deteriorate.

Moreover, according to Shane and Von Glinow (2003), the role of perception is a person's beliefs about appropriate and inappropriate behavior in a situation of specific tasks and functions in his work, interests and behavior required in accomplishing the task. Someone who has the motivation and ability will fail to achieve optimal performance if he does not have a good role of perception. Therefore, the role of perception owned by a person is able to strengthen the motivation and ability to influence performance. Meanwhile, the situational factors are also believed to strengthen the motivation and ability to influence performance. It is referred as a situation in which the environment can influence the success of entrepreneurs due to the factors that occur beyond the control of the entrepreneur. The non-conductive situational factors will result in a decrease in entrepreneurial performance, and vice versa.

Interestingly, the study is done due to the fact that women entrepreneurs who do business online make a good discussion in the last few years, which would provide inspiration for women entrepreneurs to improve their business performance. The above description demonstrates the importance of examining the relationship between the motivation and ability on performance that is moderated by the role of perceptions, and the relationship between motivation and ability on performance that is moderated by situational factors of women entrepreneurs to do business online.

LITERATURE REVIEW

Motivation

According to Pinder in Shane and Von Glinow (2003), a motivation is the strength of a person to influence the direction, intensity and seriousness of his behavior. An entrepreneur who is motivated to achieve higher returns will naturally be working very hard.

A survey conducted by McGraw and Roger in Stefanovic et al. (2010) on the entrepreneurs in North America suggests that the motivations owned by entrepreneurs can be classified into four groups, namely extrinsic rewards, independence/autonomy, intrinsic rewards and family security. The four groups can determine the level of motivation that leads to successful entrepreneurial venture. Next, Swierczek and Ha, in Stefanovic et al. (2010), state that the challenge and achievement is a significant motivator. The findings are obtained based on their study on women entrepreneurs in Vietnam.

According to Knight in Lupiyoadi (2007, p. 20) an entrepreneur is not motivated primarily by financial incentives, but by a desire to break away from the inappropriate environment, in addition to find a new meaning of life. Also, Lavoic in Das (2001) has posited that the main motivation of a woman to involve in a venture is not to get financial potential. This statement is supported by Belcourt et al. (1991) whereby a woman tends to start a business because of the challenges and opportunities for personal fulfillment and triggered by the opportunity to control the quality and quantity of work.

Moreover, Lupiyoadi (2007) states that one of the motivating factors behind an entrepreneur is the Housewife Refugee. The housewives who are initially busy in taking care of their children and the household try to help the husbands in financial affairs because of the increasing needs of their children. They will usually start with a small business assisted by other family members. Several factors support the career development of women in the field of entrepreneurship among other feminine tasks where they are required to work smart, to be proficient in anticipating the future, able to maintain the harmony, and cooperate in the household affairs which they tend to apply to their business life. The experience in educating the family members to succeed in the future, can be developed within the company's management personnel. Meanwhile, other factors of customs, environmental needs and advancement of the education of women greatly promote the development of women's career, either as an employee or owner of the business (Alma, 2011).

Ability

An ability means a person's capacity to accomplish various tasks in a given job, which include natural and learned ability (Shane & Von Glinow, 2003). With the natural ability, a person will be able to complete a job better, while the learned ability is the skills and knowledge obtained which can be weakened over time. According to Hisrich and Peters (2005), the skills needed by an entrepreneur can be grouped into technical, business management and entrepreneurial skills. The technical skills include communication, interpersonal, technology, the ability to

organize, network and management style; business management skills which include planning, decision-making, management, marketing, finance and supervision; and entrepreneurial skills which include creativity, innovation, risk taking and the ability to manage change. Moreover, Susan et al. (2013) posited that in addition to motivation, another factor that can affect a person's performance is the skills which needed to do the job, if someone has the ability to match a person's needs then it will work appropriately.

Meanwhile, Benzing et al. in Stefanovic et al. (2010) state that one of the variables that affect the entrepreneurial success is the ability of managerial and training attended by the entrepreneurs. The managerial ability includes the ability to manage the personnel and to prepare the accounting reports. Moreover, Waita and Namusonge (2013) have mentioned that an ability is a function of performance that is used to identify a business opportunity and to find the limited resources associated with performance.

Role Perception

Perception is referred as a process by which individuals organize and interpret their sensory impressions that are meaningful for the environment (Robbins & Judge, 2008). Meanwhile, the role perception is one of the factors that affect performance. The role of perception is used to understand that as a person has a responsibility, he or she acts in accordance to the roles, and that poor handling of responsibility will affect performance. The role perception characteristics of women entrepreneurs who do business online, among others are the responsibility to ensure the availability of products, on-time delivery, the quality of products and suitability of the products ordered.

Moreover, according to Shane and Von Glinow (2003), the role of perception is a person's beliefs about appropriate and inappropriate behavior in a situation of specific tasks in the work, interests and behavior required in accomplishing the task. The strategies are needed to enhance the role perception in the workplace which describes in detail the responsibilities and demonstrates one's role and purpose that are individually linked to organizational goals (Shane and Von Glinow, 2003).

Situational Factor

According to Benzing et al. in Stefanovic et al. (2010), an environmental situation that may affect the success of the entrepreneurs constitutes issues related to government support, financial access and supports by families and colleagues. The situational characteristics such as consumer tastes and economic conditions are beyond the control of the employee and organization. A sales person may be having difficulty in selling their products in the event of an

economic recession, or if it turns out in a certain areas where only a small number of the population can afford to buy the products. The characteristics of this situational factor in women entrepreneurs who do business online include ease of access to information and technology, an increasing number of social media users, and increased purchasing power of consumers that help in developing online business.

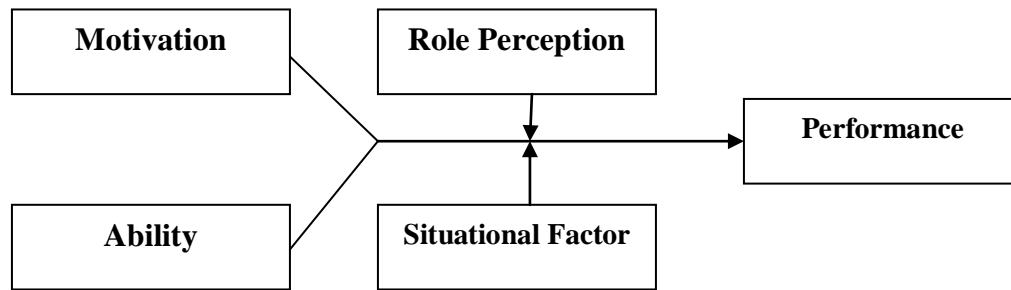
Performance

Noor et al. in Kusmanto (2006) state that the skills, behaviors, personal factors and the role of perception have a significant influence on the performance of the sales force. Meanwhile, Albanese in Agustiar and Edward (2005) posits that at least the performance is affected by two important factors that cannot be separated from one another, namely motivation and ability. Other important aspects affecting performance are the role of perception and situational factors. Meanwhile, according to Mahmudi (2005), the factors that affect the performance are those of the multidimensional constructs that include factors that affect personal/individual and contextual factors, among others, knowledge, skills, abilities, self-confidence, motivation and commitment as well as pressure and changes in the external and internal environments. Moreover, Mangkunagara (2002) agrees on the factors affecting the performance such as ability and motivation. The ability consists of potential ability (IQ) and the reality ability (knowledge and skills) that a person must possess in doing daily work to achieve the expected performance.

In addition to the above factors, Albanese in Agustiar and Edward (2005) also states that the role is known as a useful concept for understanding the achievement of individual performance. It determines the behaviors of the individual or group that is expected in occupying a particular position in an organization by giving accurate instructions or directions. At the same time, the role perception refers to the way that the role is undertaken by individuals to describe the type of work that they believe is crucial in achieving effective performance.

The motivating factor is an important factor that drives a person to get involved in the venture, while the ability factor is used as the aspect that makes a person have sufficient capability. In addition, the role of the perception factor is an aspect that makes entrepreneurs know and understand the matters which are to be implemented, and situational factors such as the sources of funding, access to information and technology and the use of social media become pivotal because it can support entrepreneurs to be able to produce optimal performance. The entrepreneurs who have the motivation and ability will produce high performance if they understand their role of perception as entrepreneurs who are supported by situational factors. Based on the arguments above, this study has formulated a conceptual framework as shown in figure 1.

Figure 1. MARS Model (Motivation, Ability, Role Perception, Situational Factor)



Based on the description and the empirical findings above, the hypotheses in this study are:

H1: The relationship between motivation, ability and performance is moderated by the role perception of women entrepreneurs who do business online.

H2: The relationship between motivation, ability and performance is moderated by situational factors of women entrepreneurs who do business online.

METHODOLOGY

Research Design

This is an associative research aimed to determine the relationship between two or more variables which were analyzed using relevant statistical measures on the data to test the hypotheses. The observed aspects are closely related to the problems studied, thus the primary data are obtained to support the preparation of the research report. Data obtained will be processed and analyzed to clarify the description of the object of study in order to draw the conclusions. The research was done in Medan city for a period of December 2013 to June 2014.

Meanwhile, the source of data is the primary data in the form of numbers (quantitative) collected using questionnaires which are processed or analyzed by mathematical or statistical calculations (Sugiyono, 2004).

Variable Measurement Scale

The measurement scale used in this study is a numeric scale, with a choice of alternative answers 1- 7 to measure the attitudes of respondents surveyed. Numerical scale is a variation of the semantic differential scale using two extreme poles of positive and negative and options that are available in the form of numbers.

Population and Sample

The population in this study is the business women who have marketed their products through online media, while the sampling is based on a formula developed by Isac Michel for the unknown total of population as follows:

$$n = \frac{\left(\frac{Z\alpha}{2}\right)^2 p \cdot q}{e^2}$$

Note: n = Sample size

p = Population proportion

q = 1 - p

Z = level of confidence

e = margin of error

Using the formula above, the sample obtained is as follows:

$$n = \frac{(1,64)^2 (0,4)(0,6)}{0,1^2}$$

$$n = \frac{2,6896(0,24)}{0,01} = 64.55 \text{ or } 65 \text{ respondents}$$

Sampling Technique

The sampling techniques of this study use a non-probability with purposive snowball sampling. According to Sugiyono (2004), a non-probability sampling does not provide equal opportunities for each element/member of the population to be elected as members of the sample. The purposive sampling considers a number of criteria, among which is the women online resellers in the Medan city who have run business for about 2 years. Thus, it has obtained the proportion of 0.4, which means that there are 4 women resellers out of 10 women. A snowball sampling is a technique which starts with a small number then swellsto a larger number in a long time- much like the snowball rolling (Sunyoto. 2014).

Data Analysis

The data analysis technique used in this research is a descriptive statistics. According to Sugiyono (2004), a descriptive statistics is used to analyze the statistical data in a way that describes the data that have been collected without intending to apply as the general conclusions or generalizations. To analyze and test the hypothesis, the authors used a

Moderated Regression Analysis (MRA). The MRA uses an analytical approach that maintains the integrity of the sample and provides a basis for controlling the influence of the moderator variables. Moderating variables are independent variables that would strengthen or weaken the relationship between the independent variables on the dependent variable (Ghozali, 2012).

The hypothesis test is accepted or rejected at the alpha level of 5%, while the data in this analysis are assumed to be normally distributed, linear, homocedasticity and free from multicollinearity. The model used is the linear regression analysis method with the moderating variables and residual test. The residual test uses the *lack of fit* concept of the moderating hypothesis and it will be accepted if there is a mismatch of the deviation linear relationship between the independent variables, while the residual test is free from the interference of multicollinearity.

ANALYSIS & FINDINGS

Residual Test

Table 1. Model 1

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.943	1.359		5.108	.000
	Performance	-.105	.028	-.437	-3.697	.000

a. Dependent Variable: ABSres_1

The performance variable is significant with a negative coefficient, thus it has concluded that the role of perception is a moderating variable.

Table 2: Model 2

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.718	2.756		.986	.328
	Performance	.001	.057	.002	.012	.990

a. Dependent Variable: ABSres_3

The performance variable is insignificant with a positive coefficient, further concluding that the situation factor is not a moderating variable.

Table 3: A Summary Result of Influence of Ability, Motivation on Performance Moderated by Situational Factor and Role Perception

No	Test	Result	Conclusion
1	Residual	<p>- Model 1</p> $\text{Abs Res}_1 = a + Y$ $= 6,943 - 0,437Y$ <p>Abs Res_1 = significant , level of significant 0,000</p> <p>- Model 2</p> $\text{Abs Res}_3 = a + Y$ $= 2,718 + 0,002 Y$ <p>Abs Res_3 = not significant, level of significant 0,99</p>	<p>1. The performance variable is significant with a negative coefficient, thus the role of perception is a moderating variable.</p> <p>2. The performance variable is insignificant with a positive coefficient, thus the situational factor is not a moderating variable</p>

DISCUSSION AND CONCLUSION

Based on the residual test, the role of perception is a variable that moderates the relationship between motivation and ability on performance. The results are supported by a study conducted by Shane and Von Glinow (2003), which states that the role of perception determines a person's sense of responsibility to act in accordance with the role. When someone has the ability and motivation to work well but he or she does not understand the role, it will lower his or her performance. The role of perception is an important factor in relation to the performance, as the role will provide accurate instructions or directions to behave, which in turn will lead to the achievement of effective performance. A woman entrepreneur who has a good role perception will further strengthen the relationship between motivation and ability on performance.

Moreover, based on the residual test, it shows that situational factors do not moderate the relationship between motivation and ability on performance. The results are not aligned with a study done by Johns in Shane and Von Glinow (2003) where the situational factor can inhibit or facilitate the performance of a person. The situational factor in this study includes online business current trends, access to finance and information and technology. All of these factors are beyond the control of entrepreneurs that encourages a performance.

This study concludes that the role of perception is moderating the relationship between motivation and ability on the performance, while the situation factor does not moderate the relationship between motivation and ability on the performance of entrepreneurs in online businesses.

A good performance is key to the business success, thus to achieve this, it is expected that the women entrepreneurs in online businesses do increasingly understand the role of perception in improving their performance. Shane and Von Glinow (2003) stress on the need to

provide an understanding and explanation of the tasks and activities of its employees and emphasize that individual performance will affect the overall performance of the organization. The sample of this research comprises of women entrepreneurs in online businesses which are not part of an organization, so they need to be able to improve the role of perception as the online business owners who need some self-awareness to have a better understanding of their individual duties and responsibilities. One way to improve in their online business and achieve better performance is by the willingness to receive suggestions and feedback from customers.

Meanwhile, the limitation in this study is that only a few studies and researches have explored into women entrepreneurs who do online business as well as into the unavailability of complete data on the population. Thus, the authors have had a difficulty in finding a scientific reference material for this field of research.

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