



# Influence Of Institutional Support And Entrepreneurial Self-Efficacy On Business Performance Of Women Entrepreneurs In Medan City

Arika Ulayya Harahap\*<sup>1</sup>, Yasmin Chairunisa Muchtar <sup>2</sup>

1,2 Departement of Management, Faculty of Economic and Business, Universitas Sumatera Utara, Medan, 20115, Indonesia arikaulayyah@gmail.com

# **ABSTRACT**

This study aims to determine and analyze institutional support and entrepreneurial self-efficacy in achieving business performance of women entrepreneurs in Medan City. The population of this study was 150 women entrepreneurs in Dinas Perdagangan Medan City and the number of sample was 60 women entrepreneurs with a random sampling technique. The research data were obtained from interviews and distributing research questionnaires to women entrepreneurs in Dinas Perdagangan Medan City. The analysis technique uses multiple linear regression analysis. The results of this study indicate that simultaneously institutional support and entrepreneurial self-efficacy has a positive and significant effect on institutional support and entrepreneurial self-efficacy of women entrepreneurs in Dinas Perdagangan Medan City. The results of the research partially showed that institutional support and entrepreneurial self-efficacy each had a positive and significant effect on the business performance of women entrepreneurs in Dinas Perdagangan Medan City..

**Keywords:** Institutional Support; Entrepreneurial Self-efficacy; Business Performance.

### INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) have a very important role in the economic growth of a country. MSMEs also have a fairly large and crucial contribution to the economy in Indonesia, such as providing foreign exchange income for the country. Not only in Indonesia, MSMEs in various countries, both developing and developed countries, also have a role that is not much different, namely in terms of supporting the country's economic growth, reducing unemployment, and leveling people's welfare. Attached below is a graph of the number of micro, small and medium enterprises from 2010 to 2018.

Based on Figure 1., in 2018, the number of MSMEs in Indonesia was 64.19 million businesses or around 99.99 percent of the total business units throughout Indonesia. MSMEs absorb a fairly large number of workers, namely 117 million workers or 97 percent of the world's labor absorption in 2018. MSMEs also have a large contribution to GDP. The MSME sector contributed 61.07 percent of the total 2018 GDP or Rp. 8.573 trillion.



Figure 1. Jumlah Unit Usaha Mikro, Kecil, dan Menengah dari Tahun 2010-2018

The focus of this research is devoted to women micro, small and medium enterprises (MSMEs), especially in the city of Medan, due to the fact that women's participation in the entrepreneurial sector has increased significantly. Quoted from Bank Indonesia data in 2018, the portion of MSMEs managed by women was 64.5% of the total MSMEs in Indonesia or reached 37 million MSMEs. In realizing the improvement and development of the MSME sector, especially women business actors, the role of formal institutions such as the government is needed to increase the potential and active participation in the national development process, especially in economic activities in order to realize equitable development through job expansion and increased income. The target and development of small businesses is to increase the number of small businesses and the realization of businesses that are more resilient and independent, so that these economic actors can play a role in the national economy, increase the competitiveness of national entrepreneurs in the world market and balance the spread of investment between sectors and between groups (Rasyid, 2014)

According to the Law of the Republic of Indonesia Number 20 of 2008 article 15, the aspect of institutional support is aimed at developing and improving the function of incubators, business development service institutions, financial consultants for bank partners, and supporting institutions for developing micro, small and medium enterprises. The Government of Indonesia offers a number of support services aimed at developing the MSME sector by increasing knowledge, networking and reducing barriers to accessing finance. However, there are still many business actors who do not actively participate in using government support services as shown in the image below.

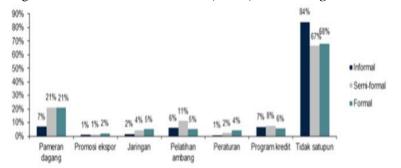


Figure 2. Jumlah Unit Usaha Mikro, Kecil, dan Menengah dari Tahun 2010-2018

Source/note: International Finance Corporation: (2016)

Seen from figure 2, trade fairs, skills training, and government credit programs such as KUR are the most popular support services utilized by MSMEs. Several MSMEs participate in several government support programs. However, according to the survey results, the majority of MSMEs (76%) do not use government support services at all. The same thing happened to informal MSMEs that rarely participated with the exception of credit programs, possibly because informal MSMEs were reluctant to apply for training or exhibitions without having the proper legal status. Informal MSMEs are micro-enterprises which are indicated by the characteristics of small capital, unlicensed and unrelated to regulations. Small (78%) and medium-sized enterprises (71%) also participate less in the use of government support services. According to the International Finance Corporation website, the main reason for not participating was due to the lack of information on government policies and support for MSMEs, especially women entrepreneurs.

From the observations made by the researchers, the number of MSMEs assisted by the Medan City Trade Office at the beginning of 2021 was worth 150 business units and is likely to continue to increase as in previous years. The majority of business actors are women and generally work as housewives. On average, these business actors are engaged in the culinary sector, creative industry and also agriculture. According to a pre-survey of research on 10 female business actors assisted by the Medan City Trade Office, many of them do not have solutions to solve challenges in the business world. This is due to a lack of confidence in one's own ability to run a business. In fact, self-confidence is the main capital that is needed by every entrepreneur in building his business. Without self-confidence, a person tends to feel afraid to take a step and easily gives up in facing the problems at hand. Therefore, it is necessary to apply entrepreneurial self-efficacy (entrepreneurial self-efficacy). Entrepreneurial self-efficacy is the belief in one's ability to become an entrepreneur (Mcgee, Peterson, Mueller, & Sequeira, 2009), Self-efficacy can affect the choice and size of the business to be carried out. Research in general shows that on average women have lower levels of entrepreneurial self-efficacy than men (Dempsey & Jennings, 2014), this may be due to less entrepreneurial experience

### LITERATURE REVIEW

# **Entrepreneurship Definition**

Entrepreneurship comes from French (entrpendre-to-undertake), which is then popular in English entrepreneurship, entrepreneurship can be interpreted as a form of activity to do difficult, complex work, and gain benefits or efforts to take advantage of opportunities at every opportunity (Jati & Priyambodo, 2009). Suryana (2014) states that entrepreneurship is a scientific discipline that studies the values, abilities, and behavior of a person in facing life's challenges and how to obtain opportunities with the various risks it faces. Entrepreneurship is a separate discipline, has a systematic process, and can be applied in the form of applying creativity and innovation.

Women entrepreneurs can be defined as women or a group of women who start, manage and operate a business enterprise (Singh & Raina, 2013). There are three categories of female entrepreneurs, namely "Change", "Forced" and "Created". These different categories are based on how their business was started, or what was their main reason or motivation for opening their own business (Singh & Raina, 2013). According to Jesurajan & Gnanadhas (2011) there are several things that motivate women in entrepreneurship, namely: economically independent, dissatisfied with existing jobs, unemployment, looking for challenges, personal desires, pride, traditional or hereditary, job opportunities, financial assistance., technical knowledge, family encouragement, use of unused funds, infrastructure facilities, entrepreneurial experience, market potential, family desires, social status, and family background.

# **Instutional Support**

Theories about institutions are very relevant to entrepreneurship research. This is because entrepreneurship can be classified as economic behavior that is embedded in the institutional environment of society, community or the state. Institutional theory assumes that institutions are the "rules of the game" that shape the direction of individual behavior and beliefs (Scott, Richman, & Baillargeon, 2015). According to Scott R. W. (2008) institutions are built from regulatory, normative, and cultural-cognitive elements which are all associated with activities and resources, which provide stability in social life. In other literature it is said, culture in institutions is social knowledge that is recognized together in an institution regarding the rules, norms, and values that shape the attitudes and behavior of its members (Colquitt, LePine, & Wesson, 2017). The cultural-cognitive element in an institution according to Scott, Richman, & Baillargeon (2015) consists of symbols that are embodied in words, signs, and gestures. These elements will form the meaning of an object and activity in the institution.

Siagian (in Kuncoro, 2004) states that the role of government can include the roles of entrepreneurs (entrepreneurs), coordinators, facilitators and stimulators:

- 1. Entrepreneurs (entrepreneurs), as local government entrepreneurs are responsible for running a business venture.
  - a. Provide and provide a platform for entrepreneurship
  - b. Implement independent entrepreneurship programs that encourage and assist women entrepreneurs in establishing and developing their businesses.
- 2. Coordinator, local governments can act as coordinators to set policies or propose strategies for development in their regions.
  - a. Business training (technical training, accounting and bookkeeping, taxation, etc.)
  - b. Mentoring (providing business mentors)
- 3. Facilitator, local government can accelerate development through improving the behavioral environment in their area.
  - a. Assist MSMEs in gaining access to financing (linking with banks, assisting in preparing credit proposals, etc.)
  - b. Networking (facilitating networking with larger companies and other institutions).
- 4. Stimulator, local government can stimulate business creation and development through special actions that will influence companies to enter the area and keep existing companies in the area
  - a. Marketing and promotion (exhibition of products, linking with supermarkets, better packaging, etc.)
  - b. Business consulting (HR development, product quality improvement, intellectual property rights, business management, etc.)

# **Entrepreneurial Self Efficacy**

The belief in one's ability to become an entrepreneur is often referred to as entrepreneurial self-efficacy. Entrepreneurial self-efficacy is a construct that measures an individual's belief in the abilities possessed by those involved in the world of entrepreneurship (Mcgee, Peterson, Mueller, & Sequeira, 2009). According to Chen & Volpe (1998) entrepreneurial self-efficacy is the strength of a person's belief that he has the ability to successfully carry out his duties and role as an entrepreneur. The construct of self-efficacy applied to entrepreneurship and the construct of entrepreneurial self-efficacy (ESE) have been proposed to predict a person's likelihood of becoming an entrepreneur, entrepreneurial self-efficacy refers to the strength of a person's belief that he or she is capable of performing various roles and tasks of an entrepreneur (Noble, Jung, & Ehrlich, 1999) Researching

ESE is important, because it can influence the desire of individuals to engage in entrepreneurship as well as the behavior of those who are already entrepreneurs (Urban, 2009).

According to Mcgee, Peterson, Mueller, & Sequeira (2009), there are 5 dimensions of self-efficacy in entrepreneurship, namely searching, planning, marshalling, implementing people and implementing financial.

- 1. Searching, meaning the process of searching for an idea and information needed to start a business activity with indicators:
  - a. Use social media to add information
  - b. Take advantage of search engines
- 2. Planning is planning or determining the vision, mission and goals, strategies, policies, procedures, rules, programs and budgets needed to run a particular business or business with indicators:
  - a. Develop new products and market opportunities
  - b. Building an innovative environment
- 3. Marshaling, which is a person's confidence to organize or manage an organization by involving other people to discuss problems that occur with indicators:
  - a. Build a good relationship with business relations
  - b. Developing creative resources
- 4. Implementing-people, namely the ability of a person to manage a person or group of people in an organization with indicators:
  - a. Have a leadership attitude
  - b. Communicative and easy to socialize
- 5. Implementing-financial, namely the ability possessed in managing personal and organizational finances with indicators:
  - a. Able to manage finances by making an income plan
  - b. Setting aside funds for business development

### **Business Performance**

Performance is the result of work that has a strong relationship with the organization's strategic goals, customer satisfaction and contributes to the economy (Wibowo, 2016). In the Big Indonesian Dictionary quoted and translated by Nawawi (2006) says that "Performance is (a) something that is achieved, (b) demonstrated achievement, (c) work ability". Another definition of performance according to Nawawi (2006) is "Performance is said to be high if a work target can be completed at the right time or does not exceed the time limit provided".

According to Lee & Marvel (2014), the following are internal factors that can be used as dimensions to assess MSME business performance:

- 1. Sales growth with indicators:
  - a. Demand analysis, to understand what the situation, types of products, circumstances and forms of promotions will be given to consumers
  - b. Market segmentation is carried out to obtain maximum profit and the marketing strategy will run smoothly
- 2. Operating profit growth
  - a. Projecting balance sheets and income statements, carried out for several periods to find out the finances of a business

- b. Estimating income and investment costs, carried out over several periods to determine the types and amounts of expenses in a business.
- 3. Business development
  - a. Transformation of inputs into outputs, namely the process of transforming resources into goods or services that aim to meet customer satisfaction in order to gain profit.
  - b. Operational decision control, namely the operational decision-making process such as how much resources are needed and the assessment of the quality of a product or service.

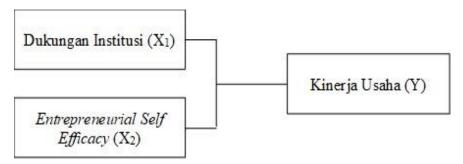
### **Conceptual Framework**

According to Scott (2008) institutions are built from regulatory, normative, and cultural-cognitive elements which are all associated with activities and resources, which provide stability in social life. According to Kazumi (2017) institutional support has a positive effect on business performance. Researchers state that institutional conditions can help activate the cognitive processes of women entrepreneurs, which in turn will improve their business performance. Once women entrepreneurs receive legal support and social legitimacy, they will overcome the uncertainty of risk in running and developing their business operations (Suchman, 2015).

Entrepreneurial self-efficacy is a construct that measures an individual's belief in their abilities to engage in the world of entrepreneurship (Mcgee, Peterson, Mueller, & Sequeira, 2009). Based on the research of Wiharti, Ariffin, & Dahniar (2017), entrepreneurial self-efficacy has a positive effect on business performance. The application of Entrepreneurial Self-efficacy will affect performance in terms of one's skills in developing products, being able to face problems by thinking about the best solutions, and focusing on goals.

According to Fairoz, Takenouchi, & Tanaka (2010) business performance has been reported as a result of organizational goals achieved through the effectiveness of strategies and techniques. This strengthens Kazumi's research (2017) which mentions the strength of the relationship between institutional support and entrepreneurial self-efficacy. Based on this description, the conceptual framework can be described as follows.

Figure 3. Conceptual Framework



# **Hypothesis**

Based on the formulation of the problem and the conceptual framework stated above, the following tentative hypotheses can be formulated:

- 1. Institutional Support and Entrepreneurial Self-Efficacy have a positive and significant effect on business performance for women entrepreneurs in Medan City.
- 2. Institutional support has a positive and significant effect on business performance for women entrepreneurs in Medan City.
- 3. Entrepreneurial Self Efficacy has a positive and significant effect on business performance for women entrepreneurs in Medan City.

### **METHODS**

The type of research used in this study is the type of associative research. Associative research is a research problem formulation that is asking the relationship between two or more variables. The variables combined in this study are institutional support  $(X_1)$ , entrepreneurial self-efficacy  $(X_2)$ , and business performance (Y). The population in this study were 150 women entrepreneurs assisted by the Medan City Trade Office. The samples used in this study is based on the slovin method as a measuring tool to calculate the sample size because the known population is more than 100 respondents. Data collection methods used in this study are questionnaire, interview, and documentation study. To test the determination of the questionnaire, a pretest will be conducted on 40 samples of female entrepreneurs assisted by the Medan City Trade Office. Data analysis methods used in this research are descriptive statistical analysis and inferential statistical analysis. The data processed by Multiple Linear Regression.

The operational definition in this study can be seen in the table 1 below:

Table 1. Operational Definition

Variable	Operational Definition	Dimension	Indicator	Scale
Institutional Support (X¹)	An institution is something that is built from regulatory, normative, and cultural-cognitive elements which are all associated with activities and	Entrepreneurs     (entrepreneurs), as     local government     entrepreneurs	<ul> <li>a. Provide and provide a platform for entrepreneurship</li> <li>b. Organize self-employment programs that encourage and assist women entrepreneurs in establishing and developing their businesses</li> </ul>	
	resources, which provide stability in social life.	2. Coordinator	a. Business training (technical training, accounting and bookkeeping, taxation, etc.) b. Mentoring (providing business mentors)	
		3. Fasilitator	<ul> <li>a. Assist MSMEs in gaining access to financing (linking with banks, assisting in preparing credit proposals, etc.)</li> <li>b. Networking (facilitating networking with larger companies and other institutions).</li> </ul>	Likert
		4. Stimulator	a. Marketing and promotion (exhibition of products, linking with supermarkets, better packaging, etc.) b. Business consulting (HR development, product quality improvement, intellectual property rights, business management, etc.)	
Entrepreneurial Self Elfficacy (X <sup>2</sup> )	Entrepreneurial self- efficacy is the belief in one's own ability to become an	1. Searching	a. Use social media to add information     b. Take advantage of search engines	Likert

Variable	Operational Definition	Dimension	Indicator	Scale
	entrepreneur.	2. Planning	a. Develop new products and market opportunities     b. Building an innovative environment	
		3. Marshaling	<ul><li>a. Building relationships with business relations</li><li>b. Developing creative resources</li></ul>	
		4. Implementing-people	a. Have a leadership attitude     b. Communicative and easy to     socialize	
		5. Implementing- financial	<ul><li>a. Able to manage finances by making an income plan</li><li>b. Setting aside funds for business development</li></ul>	
Business Performance	Business performance is the result of	1. Sales Growth	<ul><li>a. Demand Analysis</li><li>b. Market segmentation</li></ul>	
(Y)	organizational goals achieved through the effectiveness of strategies and	2. Growth of operating profit	<ul><li>a. Projecting balance sheets and income statements</li><li>b. Estimating investment income and costs</li></ul>	Likert
	techniques.	3. Business development	a. Transform input to output b. Operational decision control	

# **RESULTS**

# **Descriptive Analysis**

The result of descriptive statistic will be explained as follow:

Table 2. Distribution of Frequency and Percentage Based on Institutional Support Variables

Item	em STS		TS		KS		S		SS		Ket
No.	F	%	F	%	F	%	F	%	F	%	
P1	4	6,7	11	18,3	17	28,3	19	31,7	9	15,0	S
P2	2	3,3	14	23,3	16	26,7	20	33,3	8	13,3	S
Р3	0	0	11	18,3	21	35,0	19	31,7	9	15,0	KS
P4	1	1,7	14	23,3	15	25,0	20	33,3	10	16,7	S
P5	2	3,3	13	21,7	12	20,0	19	31,7	14	23,3	S
P6	1	1,7	14	23,3	16	26,7	14	23,3	15	25,0	S
P7	0	0	13	21,7	21	35,0	14	23,3	12	20,0	KS
P8	2	3,3	13	21,7	18	30,0	18	30,0	9	15,0	KS

The results of the questionnaire answers obtained from 60 respondents for the institutional support variable are in Table 2:

1. Analysis of the frequency of respondents' answers to statements Analysis of the frequency of respondents' answers to statement 1 (I was helped by the availability of a forum provided by government institutions in my entrepreneurship activities) shows that the majority of respondents agree that women entrepreneurs are helped by the availability of a forum provided by government

- institutions in entrepreneurship activities, so that women entrepreneurs can easily develop their businesses.
- 2. Analysis of the frequency of respondents' answers to statement 2 (My business was helped by the independent entrepreneurship program held by government institutions in running my business) shows that the majority of respondents agree that businesses owned by women entrepreneurs are helped by independent entrepreneurship programs held by government institutions in running their businesses.
- 3. Analysis of the frequency of respondents' answers to statement 3 (Government institutions as coordinators in business training to support the business I run) shows that the majority of respondents stated that they did not agree that government institutions were the coordinators of business training. Even so, many respondents also agreed. This can be seen from the difference in numbers between disagreeing and agreeing only two respondents.
- 4. Analysis of the frequency of respondents' answers to statement 4 (I was helped by the provision of business mentors provided by government institutions in developing my business in the future) shows that the majority of respondents agree that women entrepreneurs are helped by the provision of business mentors provided by government institutions in developing women's entrepreneurial businesses in the future.
- 5. Analysis of the frequency of respondents' answers to statement 5 (Government institutions assist me in gaining access to my business financing) shows that the majority of respondents agree that government institutions assist women entrepreneurs in gaining access to business financing.
- 6. Analysis of the frequency of respondents' answers to statement 6 (Government institutions help me in building business networks) shows that the majority of respondents agree that creating government institutions helps women entrepreneurs in building business networks.
- 7. Analysis of the frequency of respondents' answers to statement 7 (Government institutions help market my products to a better market share) shows that the majority of respondents stated that they did not agree with the statement that government institutions helped market products to a better market share.
- 8. Analysis of the frequency of respondents' answers to statement 8 (Government institutions assist me in developing my products to be more competitive in the competition) shows that the majority of respondents stated that they did not agree with the statement that government institutions helped in developing products to be able to be more competitive.

Table 3. Distribution of Frequency and Percentage Based on Entrepreneurial Self-efficacy Variable

Item	S'	TS	ŗ	ΓS		N		S	;	SS	Ket
No.	F	%	F	%	F	%	F	%	F	%	Ket
P1	3	5,0	12	20,0	15	25,0	20	33,3	10	16,7	S
P2	1	1,7	13	21,7	17	28,3	19	31,7	10	16,7	S
Р3	2	3,3	11	18,3	17	28,3	16	26,7	14	23,3	S
P4	2	3,3	11	18,3	18	30,0	14	23,3	15	25,0	KS
P5	0	0	13	21,7	16	26,7	13	21,7	18	30,0	SS
P6	0	0	13	21,7	13	21,7	19	31,7	15	25,0	S
P7	0	0	11	18,3	14	23,3	21	35,0	14	23,3	S
P8	2	3,3	8	13,3	14	23,3	22	36,7	14	23,3	S
P9	1	1,7	10	16,7	14	23,3	18	30,0	17	28,3	S
P10	0	0	8	13,3	15	25,0	21	35,0	16	26,7	S

The results of the questionnaire answers obtained from 60 respondents for the Entrepreneurial Self-efficacy variable are in Table 3:

- 1. Analysis of the frequency of respondents' answers to statement 1 (I believe that I am able to use social media to assist my efforts in adding information about my products to consumers) shows that the majority of respondents said they agreed and believed they could use social media to help female entrepreneurs in adding information about business products to consumers.
- 2. Analysis of the frequency of respondents' answers to statement 2 (I believe that I can obtain information about my business by utilizing various sources of information) shows that the majority of respondents agree and believe that they are able to use various sources of information to assist women entrepreneurs in obtaining more information about developing their businesses.
- 3. Analysis of the frequency of respondents' answers to statement 3 (I believe I can develop new products by looking at current market opportunities) shows that the majority of respondents agree and believe that they are able to develop new products by looking at current market opportunities so that these products will more easily attract buyers' demand.
- 4. Analysis of the frequency of respondents' answers to statement 4 (I believe I can build an innovative business environment) shows that the majority of respondents stated that they did not agree with the statement that I believe I can build an innovative business environment.
- 5. Analysis of the frequency of respondents' answers to statement 5 (I believe I can start a good relationship with business relations to develop the business rapidly) shows that the majority of respondents strongly agree that women entrepreneurs believe they are able to start good relationships with business relations to develop their businesses rapidly.
- 6. Analysis of the frequency of respondents' answers to statement 6 (I believe I am able to develop creative resources to develop my business) This shows that the majority of respondents agree and believe that they are able to develop creative resources to develop their business.
- 7. Analysis of the frequency of respondents' answers to statement 7 (I believe I have an effective leadership attitude towards my HR so I feel comfortable at work) shows that the majority of respondents agree and believe that there is an effective leadership attitude towards their human resources so that they feel comfortable at work.
- 8. Analysis of the frequency of respondents' answers to statement 8 (I am confident in my communication skills with HR) shows that the majority of respondents agree and believe in their communication skills with HR.
- 9. Analysis of the frequency of respondents' answers to statement 9 (I am confident in my financial management abilities) shows that the majority of respondents agree and believe that they have the ability to manage their finances.
- 10. Analysis of the frequency of respondents' answers to statement 10 (I am able to allocate funds for my future business planning) shows that the majority of respondents agree and believe they are able to allocate funds for future business planning.

Table 4. Distribution of Frequency and Percentage Based on Business Performance

Item	S	TS	,	TS		N		S		SS	Ket
No.	F	%	F	%	F	%	F	%	F	%	Ket
P1	1	1,7	7	11,7	15	25,0	18	30,0	19	31,7	SS
P2	2	3,3	12	20,0	10	16,7	18	30,0	18	30,0	S
Р3	0	0	17	28,3	14	23,3	11	18,3	18	30,0	SS
P4	0	0	10	16,7	16	26,7	26	43,3	8	13,3	S
P5	2	3,3	8	13,3	18	30,0	15	25,0	17	28,3	KS
P6	2	3,3	9	15,0	11	18,3	22	36,7	16	26,7	S

The results of the questionnaire answers obtained from 60 respondents for the Business Performance variable are in Table 4:

- 1. Analysis of the frequency of respondents' answers to statement 1 (My business experienced a significant increase in sales) shows that the majority of respondents strongly agree that women's entrepreneurial businesses have experienced a significant increase in sales.
- 2. Analysis of the frequency of respondents' answers to statement 2 (The volume of sales of my product increases from time to time) shows that the majority of respondents agree that the sales volume of my product has increased from time to time.
- 3. Analysis of the frequency of respondents' answers to statement 3 (I get maximum profit from the business strategy that I run) shows the majority of respondents stated strongly agree that female entrepreneurs are able to obtain maximum profit from the business strategy that is carried out.
- 4. Analysis of the frequency of respondents' answers to statement 4 (My operating profit increased significantly) shows that the majority of respondents agree that operating profit in women's entrepreneurial businesses has increased significantly.
- 5. Analysis of the frequency of respondents' answers to statement 5 (I focus on gradual business development) shows that the majority of respondents disagree that women entrepreneurs focus on business development gradually.
- 6. Analysis of the frequency of respondents' answers to statement 6 (The number of my customers is increasing over time) shows that the majority of respondents agree that the number of female entrepreneurs' customers is increasing from time to time.

# **Inferential Statistic**

The result of inferential statistic will be explained as follow:

# **Coefificient of Determination**

Table 5. Coefficient of Determination

	Model Summary <sup>b</sup>								
Model	Model R R Square Adjusted R Square Std. Error of th								
1	.878ª	.770	.762	2.540					
a. Predic	a. Predictors: (Constant), Entrepreneurial Self-efficacy, Dukungan Institusi								
b. Depen	b. Dependent Variable: Kinerja Usaha								

Based on Table 6 it can be seen that the value of the coefficient of determination or R Square is 0.770. This 0.770 R square value is the result of squaring the correlation coefficient or "R" value, which is  $0.878 \times 0.878 = 0.770$ . The number or value of the coefficient of determination (R square) is 0.770 or

77.0%. This figure means that the variable Institutional Support  $(X_1)$  and Entrepreneurial Self-efficacy  $(X_2)$  simultaneously affect the Business Performance variable (Y) by 77.0 percent. While the rest (100% - 77.0% = 23%) is influenced by other variables outside this regression equation or variables that are not examined.

### **Multiple Linear Regression Analysis**

Table 6. Multiple Linear Regression

	Coefficients <sup>a</sup>								
Model		Unstandard	ized Coefficients	Standardized Coefficients	t	Sig.			
		В	Std. Error	Beta					
1	(Constant)	3.194	1.387		2.303	.025			
	Dukungan Institusi	.241	.094	.335	2.563	.013			
	Entrepreneurial Self- efficacy	.338	.077	.570	4.358	.000			
a. ]	Dependent Variable: Kine	rja Usaha							

Based on Table 6, the following multiple linear regression equation is obtained:

$$Y = 3,194 + 0,241X_1 + 0,338X_2$$

Based on these equations can be interpreted as follows:

- 1. It is known that the constant value ( $\beta_0$ ) or the fixed variable of Business Performance is 3.194. This shows that if the independent variables (Institutional Support and Entrepreneurial Self Efficacy) are 0 (zero) then the value of Business Performance for women entrepreneurs in Medan City is 3.194.
- 2. Institutional Support has a coefficient  $(\beta_1) = 0.241 > 0$  and is positive. This shows that there is a positive relationship between the Institutional Support variable and Business Performance. So, if the Institutional Support variable is increased, the business performance unit for women entrepreneurs in Medan City will increase significantly by 0.241, and vice versa.
- 3. Entrepreneurial Self Efficacy variable has a coefficient ( $\beta_2$ ) = 0.338 > 0 and is positive. This shows that there is a positive relationship between the Entrepreneurial Self Efficacy variable and Business Performance. This means that if the Entrepreneurial Self Efficacy variable is increased by one unit, then the business performance of women entrepreneurs in Medan City will increase significantly by 0.338 and vice versa.

### F-Test (Simultaneous effect test)

Based on Table 6, it is known that the calculated F value (95.491) > F table (3.16) and the significance (0.000) < (0.05). This means that the variables of Institutional Support and Entrepreneurial Self-efficacy simultaneously have a significant effect on business performance of women entrepreneurs in Medan City

# **T-Test (Partial effect test)**

Based on the results in Table 6, the results obtained:

1. Institutional Support  $(X_1)$  has a coefficient  $(\beta_1) = 0.241 > 0$  with  $t_{count}$   $(2.563) > t_{table}$  (1.671) and significance (0.013) < 0.05. Thus, the institutional support variable has a positive and significant impact on business performance for women entrepreneurs in the city of Medan. If Institutional Support increases by one unit, the ddddBusiness Performance of women entrepreneurs will increase significantly by 0.241 and vice versa.

2. Entrepreneurial Self-efficacy ( $X_2$ ) variable has a coefficient ( $\beta_2$ ) = 0.338 > 0 with  $t_{count}$  (4,358) >  $t_{table}$  (1,661) and significance (0,000) < 0,05. Thus the Entrepreneurial Self-efficacy variable has a positive and significant effect on business performance in women entrepreneurs. If Entrepreneurial Self-efficacy increases by one unit, the Business Performance of female entrepreneurs will increase significantly by 0.338, and vice versa.

#### DISCUSSION

# The Effect of Institutional Support on Business Performance

The results showed that the Institutional Support variable had a positive and significant effect on Business Performance. Institutional Support Variable  $(X_1)$  has a coefficient  $(\beta_1) = 0.241 > 0$  with tcount (2.563) > ttable (1.671) and significance (0.013) < 0.05. Thus, the institutional support variable has a positive and significant effect on business performance for women entrepreneurs in the city of Medan. If institutional support increases by one unit, then business performance on women entrepreneurs will increase significantly by 0.241, and vice versa.

Based on the results of the distribution of answers that have been distributed to 60 respondents, it shows that most respondents agree with the indicators of Institutional Support where women entrepreneurs are helped by the availability of a forum provided by government institutions in entrepreneurship activities, helped by the existence of independent entrepreneurship programs held by government institutions, the provision of mentors business services provided by government institutions in business development, government institutions assist in gaining access to financing for businesses, and also assist women entrepreneurs in building business networks so as to improve business performance for women entrepreneurs in developing their businesses.

The results of this study are in line with the opinion of Kazumi (2017) who says institutional support has a positive effect on business performance.

# The Effect of Institutional Support and Entrepreneurial Self Efficacy on Business Performance

The results showed that Institutional Support and Entrepreneurial Self Efficacy had a positive and significant effect on business performance. With the coefficient value of Institutional Support Variable  $(X_1)$  has a coefficient  $(\beta_1) = 0.241 > 0$  with tcount (2,563) > ttable (1,671) and significance (0,013) < 0,05. And the value of Entrepreneurial Self Efficacy  $(X_2)$  has a coefficient  $(\beta_2) = 0.338 > 0$  with t count (4.358) > t table (1.661) and significance (0.000) < 0.05. This shows the simultaneous influence of Institutional Support and Entrepreneurial Self Efficacy on Business Performance. Thus the test shows Ha is accepted and Ho is rejected. From the table of determination coefficient test results, it is known that there is a contribution between Institutional Support and Entrepreneurial Self Efficacy on Business Performance of 77.0 percent and the remaining 33.0 percent is influenced by other variables not included in this study. In accordance with the results of the research data analysis, it can be concluded that if the Institutional Support and Entrepreneurial Self Efficacy method is carried out on female entrepreneurs in running a business and developing their business, it will improve the business performance of women entrepreneurs and of course will have a good impact in developing women's entrepreneurial businesses.

Based on the regression equation  $Y = 3.194 + 0.241X_1 + 0.338X_2$ , it shows that Institutional Support and Entrepreneurial Self Efficacy have an influence on Business Performance. From this research, it can be concluded that Institutional Support and Entrepreneurial Self Efficacy are important factors in improving business performance.

# **CONCLUSION**

Based on the results of the research, the conclusions that can be drawn are:

- 1. Institutional Support and Entrepreneurial Self-efficacy simultaneously significantly influence Business Performance on Women Entrepreneurs in Medan City.
- 2. Institutional support partially has a significant effect on Business Performance for Women Entrepreneurs in Medan City.
- 3. Entrepreneurial Self-efficacy partially has a significant effect on Business Performance on Women Entrepreneurs in Medan City.

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