

IMPACT OF SOCIAL CAPITAL AND ENTREPRENEURIAL ORIENTATION ON WOMEN ENTREPRENEURS' BUSINESS PERFORMANCE IN BOGOR

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Article history:

Received
6 September 2024

Revised
22 October 2024

Accepted
3 December 2024

Available online
24 January 2025

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Abstract:

Background: Women entrepreneurship is emerging as a significant catalyst for sustainable development and economic growth in urban and rural areas in Indonesia. Empirical evidence suggests that women entrepreneurs having rich social capital and strong entrepreneurial orientation tend to achieve positive business performance.

Purpose: This paper investigates the impact of social capital and entrepreneurial orientation on the business performance of women entrepreneurs in Bogor.

Design/methodology/approach: A survey was administered to a sample of 136 women-led enterprises in Bogor. The independent variable of social capital was operationalized as trust, norms, and networking, while entrepreneurial orientation was assessed in terms of innovativeness, proactiveness, and risk-taking. Profitability indicating business performance served as the dependent variable. Partial Least Squares-Structural Equation Modeling (PLS-SEM) analysis was performed to test the hypothesized subsequent relationships between the variables.

Findings/result: This paper reveals that social capital significantly enhances entrepreneurial orientation ($\beta = 0.52, p < 0.01$), and entrepreneurial orientation positively impacts the business performance of women-led enterprises ($\beta = 0.27, p < 0.01$). Furthermore, entrepreneurial orientation mediates the relationship between social capital and business performance, as indicated by a significant indirect effect ($\beta = 0.14, p < 0.01$).

Conclusion: This paper proves the importance of social capital (namely norms, trust, and networking) and entrepreneurial orientation (including risk-taking, proactiveness, and innovativeness) to enhance the profitability of women-led firms. Enhancing social capital can be encouraged through family support, networks, business community engagement, and stakeholder policies in improving entrepreneurial orientation in women, leading to improved business performance and economic growth in Bogor.

Originality/value (State of the art): This paper contributes to a better understanding how business performance of women entrepreneurs is influenced by subsequent relationships of social capital and entrepreneurial orientation, including the mediating role of entrepreneurial orientation.

Keywords: business performance, entrepreneurial orientation, social capital, small and medium enterprises, women entrepreneurship

How to Cite:

Putri A., Burhanuddin, & Etriya E. (2025). Impact of Social Capital and Entrepreneurial Orientation On Women Entrepreneurs' Business Performance in Bogor. Indonesian Journal of Business and Entrepreneurship (IJBE), 11(1), 185. <https://doi.org/10.17358/ijbe.11.1.185>

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INTRODUCTION

Entrepreneurship is a potential economic activity in catalyzing economic growth and development in Indonesia. This can be seen from the contribution of entrepreneurship that plays a role through job creation, increasing gross domestic product (GDP), poverty alleviation, and community welfare in the long run (Acs et al. 2017; Ogunlana, 2018). However, based on the 2022 economic census of the Central Statistics Agency (BPS), the proportion of Indonesian entrepreneurship compared to the total population is currently around 3.47% or 8.62 million entrepreneurs. This figure still needs to meet the target set out in Presidential Regulation No. 2 of 2022 on National Entrepreneurship Development to encourage the growth of entrepreneurs to reach 3.95 per cent of Indonesia's total population by 2024 to fulfil one of the prerequisites of becoming a developed country. More precisely, it is still necessary to grow new entrepreneurs by 1.5 million people so that Indonesia's entrepreneurship ratio level reaches this target. Currently, Indonesia's entrepreneurship ratio lags behind neighboring countries such as Thailand (4.26%), Malaysia (4.74%), & Singapore (8.76%).

The development of the number of entrepreneurs in Indonesia is not only dominated by men, but also by women. BPS (2021) revealed that 64.5% of the total MSMEs are managed by women. Reinforced by research from The Sasakawa Peace Foundation and Dalberg (2020), it was found that the percentage of women entrepreneurs in Indonesia reached 21%. This figure is higher than the global average of only eight per cent. This makes the role of women in entrepreneurship important and strategic in national economic development (Setyaningrum et al. 2023). Yet, they often encounter barriers such as limited access to finance and training, which can hinder their business performance (Hayati and Arini, 2023). Therefore, the wider role of women entrepreneurs in the national economy encourages stakeholders to support them, in providing access to finance, education, training, and infrastructure support (Sutiani dan Sutmasa, 2022).

The success of women entrepreneurs is influenced by their ability to utilize social capital and entrepreneurial orientation. Social capital, which includes norms, trust and networking, strengthens interactions to achieve common goals, while entrepreneurial orientation includes risk-taking, proactiveness and innovativeness that enable adaptation to market changes (Putnam,

1995; Lumpkin and Dess, 1996). The combination of these two factors significantly improves business performance, both in financial and non-financial terms, such as profitability and business growth (Murphy et al. 1996).

Women entrepreneurship also plays an important role in the sustainable development goals (Primadhita et al. 2021). Furthermore, this is stated in the fifth target of "achieving gender equality and empowering all women and girls" specifically in point 5.5 which is "undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of ownership, financial services, inheritance and natural resources, in accordance with national laws." Moreover, this research can provide insights reinforcing policies and initiatives to advance women's entrepreneurship. This can be achieved by underscoring the significance of access to capital, training, and social networks, which can enhance women's businesses' performance and expand their economic role.

The role of women entrepreneurship, particularly in MSMEs, becomes more prominent in Indonesia. Stakeholders help to improve the potential of women entrepreneurs. Local governments and communities also pay attention of women entrepreneurship, by establishing the communities of women entrepreneurs, educating the members with various programs. Women entrepreneurs with their communities are available in Bogor. Women entrepreneurs contribute to improving the MSMEs quality in Bogor by creating value and jobs. Figure 1 demonstrates the proportion of MSMEs owned by gender.

Figure 1 shows that currently business ownership by women is more dominant than men in Bogor City. This indicates an increase in women's interest in Bogor City to build their businesses for various reasons. Increased interest in entrepreneurship can be based on internal factors such as self-confidence, expertise, and self-motivation and external factors such as family environment, social environment, and risk tolerance (Primadhita et al. 2018). In addition, Atun et al. (2020) classify the factors that influence women's interest in entrepreneurship, namely the independence factor, capital factor, family factor, and education factor, which simultaneously have a positive and significant effect.

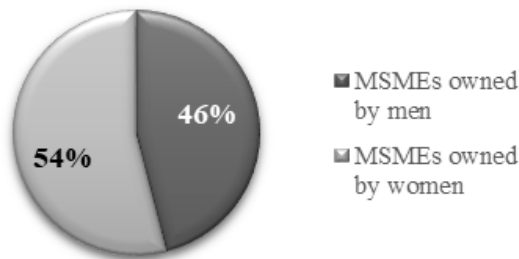


Figure 1. Gender-specific business ownership in Bogor City in 2022 (the Office of Cooperatives and MSMEs of Bogor City, 2023)

Previous studies of entrepreneurship have paid attention on the drivers and barriers of women entrepreneurship. Salassa et al. (2023) find that women entrepreneurs face various challenges, such as balancing their responsibilities in households and businesses, difficulties in accessing entrepreneurship training, digital technology, and financial capital. Primadhita et al. (2018) find that women's intention in entrepreneurship is influenced by expertise, confidence, and motivation, family and social environment, and risk. Furthermore, entrepreneurial orientation increases the performance of women-led enterprises. Primadhita et al. (2021) finds that entrepreneurial orientation mediated by business strategy enhances the firm performance of women entrepreneurs. Furthermore, Mozumdar et al. (2020) find that entrepreneurial orientation such as innovativeness, proactiveness, and risk-taking improve business performance by driving new ideas, anticipating market demands, and making bold investments. These traits help businesses gain competitive advantages, especially in resource-constrained environments.

On the other hand, social capital may affect firm performance of women entrepreneurs. Social capital in society exists in families, relatives, neighbors, and grows along with local traditions (Widodo, 2016). Social capital is widely used by women entrepreneurs to develop their businesses contributing to family income (Azizah, 2019). Social capital bonds the group members and connects women entrepreneurs with other business actors. Therefore, social capital may enhance the firm performance of women entrepreneurs (Lee, 2015). Social capital in terms of trust, norms, and networks help firms to be efficient by dealing with common problems in the business, such as improving product quality, sales, innovations, and ultimately increasing firm performance (Jamaluddin et al. 2019).

The creation of entrepreneurial orientation is closely related to the formation of the values of an entrepreneur. Furthermore, social capital has a role in shaping a person's self-values and habits, so there is an influence between self-values, social capital, and entrepreneurial orientation. This is align with research by Hmedan (2023) and Rodrigo-Alarcón et al. (2018), who found that higher levels of social capital determine entrepreneurial orientation. On the other hand, social capital can also benefit the growth of MSMEs (Hadi and Sutono, 2024). Therefore, research on factors that influence business performance in women entrepreneurs, such as social capital and entrepreneurial orientation, is attractive to conduct to understand further the issues women entrepreneurs face.

This paper addresses the following research question: "Do social capital and entrepreneurial orientation enhance business performance in women entrepreneurs?" This paper investigates the subsequent relationships between social capital, entrepreneurial orientation, and business performance of women entrepreneurs in Bogor.

METHODS

The research was conducted in Bogor with a specific location in Tanah Sareal Sub-district. Tanah Sareal Sub-district was chosen because it has the largest population of women entrepreneurs in Bogor, representing the population of women entrepreneurs in Bogor. Data collection and processing were conducted for two months, from May to June 2023.

A survey was conducted by interviewing respondents to answer the questionnaires. The data collection technique used a survey method through direct interview techniques guided by a prepared questionnaire. The questionnaire is used as primary data with Likert scale measurements. For this study using a 7-point Likert scale because it can minimize measurement errors and make the data more precise (Munshi, 2014).

The population of the survey was women entrepreneurs in MSMEs in Bogor, operating in agribusiness sector, based on the list provided by the Office of Cooperatives and MSMEs of Bogor in 2022. The total population of women entrepreneurs in agribusiness sector in Bogor was 721 firms, located across six sub-districts. With the largest population was in Tanah Sareal sub-district.

Therefore, Tanah Sareal sub-district was selected due to the largest population of women entrepreneurs in agribusiness, representing the population in Bogor. The respondents were chosen using a nonprobability sampling technique, specifically convenience sampling. This method was conducted based on their accessibility and availability, where easily accessible women entrepreneurs in predetermined locations were selected. While this technique does not provide an equal opportunity for each individual to be selected, thus limiting the ability to generalize the findings to the entire population, it was deemed appropriate given the time, budget, and accessibility constraints of the pre-registered respondents. Although this approach has the potential to introduce bias, it allows for the collection of relevant data under conditions of practical limitations, as well as ensuring that the sample drawn can reflect the characteristics of the target population within certain limitations. Determination of the number of samples studied is based on Gefen et al. (2000) statement that the minimum sample for PLS analysis is at least 10 times the number of indicators on a latent variable that has the largest number of indicators (10 indicators). Therefore, the minimum sample size is 100 people. The number of respondents used was 136 respondents.

The research data were analyzed quantitatively using descriptive statistical analysis and PLS-SEM to test the hypotheses. Descriptive statistics were used to analyze the demographic characteristics of women entrepreneurs in Bogor. Furthermore, PLS-SEM was used to analyze the influence of social capital and entrepreneurial orientation on women entrepreneurs'

business performance in Bogor. PLS-SEM can handle complex models with multiple constructs and relationships, especially when dealing with small samples and non-normal data distribution. PLS-SEM has two models: the measurement model (outer model) and the structural model (inner model). The measurement model describes the relationship between all manifest variables or indicators (observed items) and latent variables through convergent validity, discriminant validity, and composite reliability. The structural model explains the relationship between latent variables through the R-square value and parameter coefficients and the significance value of the t-statistic obtained through the bootstrapping procedure (Hair et al. 2019). The variables used in the study consisted of social capital, entrepreneurial orientation, and business performance. Table 1 posits the measurement of the variables.

Entrepreneurial orientation is the key to enhancing a firm's competitive resilience and consists of three main dimensions: innovative, proactive, and risk-taking (Covin and Dennis, 1989). Furthermore, entrepreneurial orientation is influenced by one's self-value (Nature et al. 2015). Meanwhile, social capital also influences shaping the self-worth of business actors, so there is a link between self-worth, social capital, and entrepreneurial orientation. Prior research has also evidenced a substantial correlation between social capital and entrepreneurial orientation (Prakasa, 2018). Therefore, the first hypothesis in this study is, H1: Social capital will increase entrepreneurial orientation of the firms women entrepreneurs.

Table 1. Variable operationalization

Variables	Operational Definition	Dimension	Scale
Social Capital	Social capital is a feature of social organisation, which includes networks, norms, and trust that facilitate coordination and cooperation for benefits (Putnam, 1993)	Trust, norms, and networking (Coleman, 1988; Putnam, 1993; Fukuyama, 1995)	Likert (1-7)
Entrepreneurial Orientation	Entrepreneurial orientation is defined as a behaviour and attitude that focuses on identifying, exploiting, seizing, and making opportunities for market developments in making entrepreneurial decisions to increase knowledge and experience (Covin and Slevin, 1989; Li et al. 2020)	Innovativeness, proactiveness, and risk-taking (Miller, 1982; Covin and Slevin, 1989; Kreiser et al. 2002)	Likert (1-7)
Business Performance	Performance is defined as a measure of the level of success in carrying out an effort to achieve the objectives to be achieved in a certain period (Rifai, 2005; Tajidan, 2013)	Profit (Suhardi, 2012)	Ratio (000 IDR)

Entrepreneurial orientation has three dimensions: innovative, risk-taking, and proactive (Miller, 1983; Covin and Slevin, 1989; Rauch et al. 2009). Based on several previous empirical findings show that entrepreneurial orientation affects business performance, especially in the context of MSMEs (Ranto, 2016). Furthermore, Nezhad (2024) and Khan et al. (2024) also found that business performance is significantly influenced by entrepreneurial orientation. This finding suggests that business performance can be improved if business actors have an entrepreneurial-oriented character. Therefore, the second hypothesis can be formulated as follows, H2: Entrepreneurial orientation will improve business performance of women entrepreneurs.

The influence of social capital only sometimes directly affects business performance. Walenta (2019) found that social capital does not significantly affect business performance. Meanwhile, Prakasa (2018) researched the effect of social capital on business performance through the mediating variable, entrepreneurial orientation. This is because social capital is considered essential in forming self-value and entrepreneurship of business actors. Therefore, the third hypothesis in this study arises, namely, H3: Entrepreneurial orientation will mediate the relationship between social capital and business performance of women entrepreneurs.

The research focuses on the object of women entrepreneurs, which is currently one of the things developed in Indonesia, including Bogor City.

This study analyzes the effect of social capital and entrepreneurial orientation on women entrepreneurs' business performance in Bogor City. The variables used in this study consist of social capital, entrepreneurial orientation, and business performance. The dimensions used in social capital refer to Putnam (1993): trust, norms, and social networks. Furthermore, the dimensions used in entrepreneurial orientation refer to Miller (1982): innovative, risk-taking, and proactive. Finally, profit calculation is used for business performance. Research framework in Figure 2.

RESULTS

Respondents in this study are women entrepreneurs who own their own businesses and are located in Tanah Sareal. The demographic characteristics of the 136 respondents are presented in Table 2. The respondents were categorized by age, education level, business employment status, and business experience. In terms of age, 35 respondents (25.70%) were aged 16-25 years, 37 respondents (27.25%) were aged 26-35 years, 23 respondents (16.90%) were aged 36-45 years, and 41 respondents (30.10%) were aged above 45 years. Regarding education level, the majority of respondents, 67 individuals (49.30%), had a high school education or its equivalent, followed by 36 respondents (26.50%) with junior high school education. A smaller portion of respondents had primary education (12.50%), a diploma (8.10%), a bachelor's degree (2.90%), and postgraduate education (0.70%).

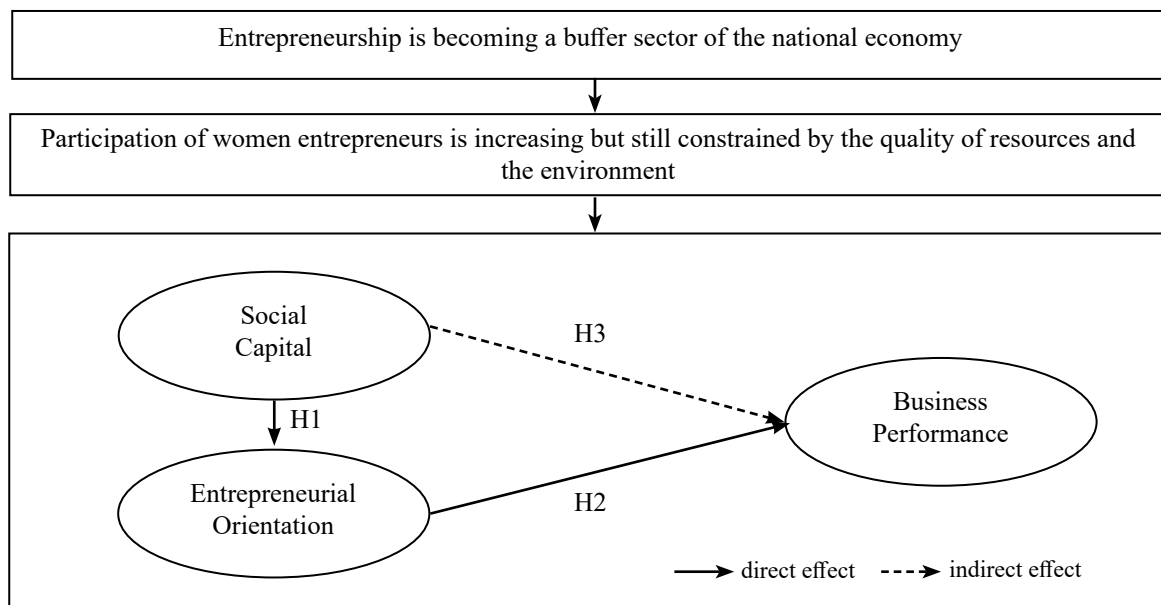


Figure 2. Research framework

Table 2. Characteristics of respondents

Characteristics of respondents	Sum (n = 136)	Percentage (%)
Age		
16 – 25 years old	35	25.70
26 – 35 years old	37	27.25
36 – 45 years old	23	16.90
> 45 years old	41	30.10
Education level		
SD/Equivalent	17	12.50
SMP/ Equivalent	36	26.50
SMA/ Equivalent	67	49.30
Diploma	11	8.10

Characteristics of respondents	Sum (n = 136)	Percentage (%)
Bachelor	4	2.90
Postgraduate	1	0.70
Business employment status		
Main job	124	91.18
Side job	12	8.82
Business experience		
< 1 year	28	20.59
1 – 5 years	75	55.15
6 – 10 years	16	11.76
> 10 years	17	12.50

In terms of business employment status, 124 respondents (91.18%) reported that entrepreneurship was their main job, while 12 respondents (8.82%) treated it as a side job. As for business experience, 75 respondents (55.15%) had between 1 and 5 years of experience, 28 respondents (20.59%) had less than one year of experience, 16 respondents (11.76%) had between 6 and 10 years of experience, and 17 respondents (12.50%) had over 10 years of business experience.

The next part identified was the characteristics of businesses owned by women entrepreneurs in Bogor. The characteristics of the 136 respondents' businesses are summarized in Table 3. Most respondents (84.60%) were involved in the food and beverage sector, with smaller percentages in agriculture, livestock, fisheries, and ornamental plants. The majority of businesses were located in Kelurahan Kedung Badak, Kencana, and Mekar Wangi. In terms of business age, most had been operating for 1–5 years. Regarding monthly income, over half of the respondents earned between 1,000,000 and 5,000,000 Rupiah, while a smaller portion earned either below 500,000 or above 10,000,000 Rupiah.

Descriptive Analysis

Table 4 provides the average scores for each indicator related to social capital, entrepreneurial orientation, and business performance. In terms of social capital, network scored the highest at 5.81, categorized as “high,” followed by norms at 5.40 (“high”) and trust

at 5.25 (“moderately high”). For entrepreneurial orientation, all three indicators innovativeness, risk-taking, and proactiveness scored in the “moderately high” range, with risk-taking receiving the highest score at 5.34. Lastly, the business performance, measured by average profit, is reported at IDR12,875,000.

Social Capital of Women Entrepreneurs in Bogor

In society, social capital is embraced as a reference in behavior and action (Putnam, 1993). The role of social capital contributes to building networks, trust, norms, and various leadership and solidarity values (Widodo, 2016). Therefore, the social capital of women entrepreneurs in Bogor is seen through three variables, namely trust, norms, and networking. The assessment of the level of social capital of women entrepreneurs is based on the agreement of business actors regarding their social capital.

The trust factor in women entrepreneurs in Bogor is a strong component in building social capital. This is in line with Effendy (2018) who stated that strong social capital can be formed through a high level of trust between business actors so that social networks can be formed in the community. Furthermore, Batoa dan Limi (2018) also found that the relationships built by women entrepreneurs through a strong foundation of trust to run their businesses are supported by an attitude of trust in the information provided by the surrounding environment, trust in consumers, and trust in their own abilities.

Table 3. Characteristics of business

Characteristics of respondents	Sum (n = 136)	Percentage (%)	Characteristics of respondents	Sum (n = 136)	Percentage (%)
Business type			Business age		
Food and beverage	115	84.60	< 1 year	12	8.82
Agriculture	12	8.80	1 – 5 years	85	62.50
Livestock	3	2.20	6 – 10 years	19	13.97
Fisheries	3	2.20	> 10 years	20	14.71
Ornamental plants	3	2.20	Monthly income (IDR)		
Business address			< 500,000	10	7.40
Kel. Cibadak	12	8.80	500,000 – 1,000,000	24	17.60
Kel. Kayu manis	14	10.30	1,000,000 – 5,000,000	69	50.70
Kel. Kebon pedes	12	8.80	5,000,000–10,000,000	18	13.20
Kel. Kedung badak	26	19.10	> 10,000,000	15	11
Kel. Kencana	25	18.40			
Kel. Mekar wangi	25	18.40			
Kel. Sukadamai	2	1.50			
Kel. Sukaresmi	20	14.70			

Table 4. The average score of each indicator in the variable

Indicator	Score	Criteria
Social capital		
Trust	5.25	Moderately high
Norms	5.40	High
Network	5.81	High
Entrepreneurial orientation		
Innovativeness	5.09	Moderately high
Risk-taking	5.34	Moderately high
Proactiveness	5.24	Moderately high
Business performance		
Average profit		IDR12,875,000

The existence of norms in running a business in Bogor can be seen from norms, customs, and habits in the community. This is in line with Batoa dan Limi (2018) which found that the role of social norms is high due to norms, customs, and habits in the environment such as women entrepreneurs starting their activities early so that their businesses also open early, not being selfish, and getting used to reading prayers when leaving the house.

For women entrepreneurs in Bogor, the value of social networks falls into a very high category. This indicates that social networks are an important aspect for women entrepreneurs in running their businesses. Furthermore, the implications of social network formation can be

seen from various aspects. Kim and Sherraden (2014) argue that social networks are composed of both strong and weak ties. It is important to note that the distinction between strong and weak ties is a fundamental concept in social network analysis. Strong ties are formed through frequent interactions, reciprocal exchanges, and close relationships with friends and family. Weak ties, on the other hand, are characterized by infrequent interactions and are limited to one type of relationship, such as those with business partners and acquaintances. In the context of women entrepreneurs, the formation of this social network can be seen from good relations with the local government, business partners, and willingness to cooperate (Prabawanti and Rusli, 2022).

Entrepreneurial Orientation of Women Entrepreneurs in Bogor

Entrepreneurial orientation owned by women entrepreneurs in Bogor is seen through three variables, namely innovativeness, risk taking, and proactiveness. The innovative variable is measured using 10 indicators. Overall, the average score of indicators on innovative variables is in the rather high category (Table 4). The indicator with the highest average score is I7 (I try to create unique product variations). Meanwhile, the indicator of the innovative variable that has the lowest average score is I1 (I create new products with different types than before). It can be concluded that the innovative attitude of women entrepreneurs in Bogor is reflected in the form of making varied products. The more varied the products created will increase the competitive advantage of a business. This is in line with the findings of (Fajari and Purnama, 2023), who found that product variety significantly influences competitive advantage.

Furthermore, the risk-taking variable is measured using 8 indicators. Overall, the average indicator score on the risk-taking variable is in the rather high category. The indicator with the highest average score is PR5 (I dare to accept product requests according to consumer desires. Meanwhile, the indicator of the risk-taking variable that has the lowest average is PR2 (I take financial risks to obtain higher profits). It can be concluded that female entrepreneurs in Bogor are classified as taking risks, especially in fulfilling consumer desires. The proactive variable is measured using 7 indicators. Overall, the average indicator score on the proactive variable is in the high category. The indicator with the highest average score is P7 (I always want to find out potential strategies to obtain high profits). Meanwhile, the indicator of the proactive variable that has the lowest average is P3 (I collaborate with other entrepreneurs to develop products). It can be concluded that female entrepreneurs in Bogor already have a proactive character.

This is in line with the findings of previous studies, which show that women entrepreneurs in the context of MSMEs tend to have the courage to take risks. Khan et al. (2021) found that entrepreneurial women tend to take more risks in business decisions that significantly affect their performance and success. It can be concluded that

women entrepreneurs are able to take the risks needed to succeed in doing business, even in challenging environments. Furthermore, Ghouse et al. (2023) found that women entrepreneurs with higher education levels contribute to better risk assessment and tend to be more courageous in making strategic decisions.

Business Performance of Women Entrepreneurs in Bogor

Business profits for women entrepreneurs in Bogor averaged IDR12,875,000 with the largest profit of IDR20,000,000 and the smallest of IDR5,000,000. Respondents in this study are classified as less varied because the standard deviation value is smaller than the average value of profits. This is because this research is limited to agribusiness businesses, especially in food and beverages, which have profits that are not so different from others.

PLS-SEM Analysis

The data obtained were analyzed using Structural Equation Modeling with the Partial Least Square (PLS-SEM) approach and further processed using SmartPLS 3 software. In conducting PLS-SEM analysis, there are two submodels, namely the outer model (measurement model) in two stages and the inner model (structural model). Evaluation of first order constructs is done with convergent validity, discriminant validity, and composite reliability. An indicator is declared valid if it has a loading factor value above 0.6 with an AVE value above 0.5 (Ghozali and Latan, 2015). Meanwhile, a model is declared reliable if it has a composite reliability value and Cronbach alpha above 0.70 (Hair et al. 2019). The results of the first order construct evaluation can be seen in Table 5.

Table 5 reveals that several categories are invalid based on the established criteria. The evaluation of convergent validity indicates that four indicators (two indicators on the trust variable and two on the social network) have a loading factor of less than 0.6. This suggests that these indicators need to meet the minimum standards for validity. To address this issue, items with low loading factors were re-evaluated, and insignificant indicators were removed. After that, the model was retested to ensure validity and conformity with the set criteria.

The second order construct evaluation was conducted on the constructs of social capital, entrepreneurial orientation, and business performance. The evaluation criteria are the same as the evaluation of first order constructs because the model used is a reflective model. The results of the second order construct evaluation can be seen in Table 6. Convergent validity is confirmed as all indicators have a loading factor above 0.6 and AVE values greater than 0.5, indicating strong correlations within constructs. Discriminant validity is supported by the fact that the square root of the AVE for each construct exceeds the correlations between constructs, ensuring they are distinct. Composite reliability (CR) values are above the 0.70 threshold, demonstrating consistent and reliable measurements. Overall, these results validate the model's robustness in measuring the intended constructs effectively.

Inner Model

After evaluating the measurement model, the next thing to do is evaluate the structural model. The criteria that become evaluators in this model are R-Square and significance results through the path coefficient results. The R-Square criterion is used to see the level of change in the independent variable on the dependent variable. Table 7 is the result of the R-Square calculation obtained from bootstrapping.

Based on the analysis results of Table 7, the R-Square value for the entrepreneurial orientation variable is 0.26 and the business performance variable is 0.61. This means that the entrepreneurial orientation variable

can be explained by the social capital variable by 26 percent and the business performance variable can be explained by the entrepreneurial orientation and social capital variables by 61 percent.

The next criterion for evaluating the structural model is to see the significance level of the influence of social capital and entrepreneurial orientation on business performance by observing the path coefficient value through bootstrapping calculations. This procedure is employed to ascertain each path's significance level within the model based on the t-statistic and p-value. Table 8 illustrates the hypotheses of this study.

The results analysis show that social capital has a positive and significant influence on entrepreneurial orientation. These results are in line with Prakasa (2018) which examines the influence of social capital on entrepreneurial orientation and business performance. Prakasa found that social capital significantly influences entrepreneurial orientation in MSME actors. Furthermore, Mursid et al. (2018) also found that social norms and social networks were found to significantly influence the innovative performance of agribusiness MSMEs in Bogor Regency. Social norms play an important role in increasing innovation among business actors, as reflected in the willingness to help each other, the ease of getting help, and the willingness to share information. In addition, more extensive social networks provide access to important information that can help to promote opportunities for innovation. However, there is no significant effect of social network trust upon innovation performance.

Table 5. Evaluation results of first order constructs

Outer Model Evaluation	Criteria	Category
Convergent validity	Loading factor > 0.6	Some are not valid
	AVE > 0.5	Valid
Discriminant validity	Root Square AVE	Valid
Composite reliability	CR > 0.70	Reliable

Table 6. Evaluation results of second order constructs

Outer Model Evaluation	Criteria	Category
Convergent validity	Loading factor > 0.6	Valid
	AVE > 0.5	Valid
Discriminant validity	Root Square AVE	Valid
Composite reliability	CR > 0.70	Reliable

Table 7. R-Square value

Latent Variable	R-Square	Percentage (%)
Entrepreneurial orientation	0.26	26
Business performance	0.61	61

Table 8. Hypothesis test results

Path of influence	T-statistic	P-value
Social Capital → Entrepreneurial Orientation	7.192	0.000
Entrepreneurial Orientation → Business Performance	4.857	0.000
Social Capital → Business Performance	0.227	0.056
Social Capital → Entrepreneurial Orientation → Business Performance	3.442	0.001
Age → Business Performance	0.280	0.779
Education → Business Performance	1.169	0.243
Length of Business → Business Performance	2.216	0.027

Further results obtained that entrepreneurial orientation has a positive and significant influence on business performance. This is in line with research from Layoo and Rahman (2019) which found that entrepreneurial orientation has a positive and significant effect on the performance of MSEs which is reflected through innovative attitudes, proactivity, courage to bear risks, autonomy, and competitive aggressiveness. Furthermore, Aryani dan Tuti (2023) also found that their results can be quantified as business performance to provide an overview for entrepreneurs to evaluate are determined by the entrepreneurial orientation of the food and beverage MSME actors.

Then the results also show that social capital has no significant effect on business performance. This is in line with research from Walenta (2019) which found that social capital does not significantly affect the performance of MSMEs in restaurants. This paper finds that the effect of social capital on business performance is mediated by entrepreneurial orientation. These results are in line with Prakasa (2018) which found that the influence of social capital has a greater influence on business performance through entrepreneurial orientation as an intermediary variable.

The control variables in this study are age, years of education, and length of business. These variables were then tested for their influence on business performance in women entrepreneurs in Bogor and found mixed results. The length of business establishment is a variable that has a positive and significant effect on business performance. This indicates that the longer the business is established, the better the business

performance will be. In line with Furqon (2018) which found that length of business has a positive and significant effect on entrepreneur income. The length of time a business has been established can lead to a person's business experience through observation in behavior (Sukirno, 2009).

Furthermore, this paper finds that the age variable had no effect on business performance. This indicates that the older the age of the business actor, the better the business performance. This is in line with Aprilyanti (2017) which found that the variables of age and length of work had no effect on productivity. Those who are in the productive period will usually have high productivity compared to those who are old because their physical abilities tend to weaken. Then the last variable that has no significant effect is the length of education. This indicates that the length of time a person takes formal education (education level) does not necessarily mean that his business performance is getting better. In line with Mozumdar et al. (2020) which found that the level of education has no significant effect on business performance in the women entrepreneurs' context. In running their business, business actors do not fully use the knowledge gained from formal education but from non-formal education and experience from other business actors.

Managerial Implications

This paper shows that social capital enhances entrepreneurial orientation and business performance of women entrepreneurs in Bogor. To better support women entrepreneurs, these findings can serve

as a basis for various stakeholders, including the government, non-governmental organizations and the private sector, to design relevant intervention programs. The government can develop policies that support the formation of women's business communities that encourage collaboration and resource sharing. The private sector can contribute by providing digital platforms facilitating access to markets and broader business networks. Non-governmental organizations can also be essential in providing training and mentoring to improve entrepreneurial skills and build women entrepreneurs' confidence in facing business challenges. It is the intention of this research that the results and findings will be utilized by various parties in order to facilitate collaboration with the goal of creating a conducive environment for the empowerment of women entrepreneurs that will encourage inclusive and sustainable economic growth.

In addition, it was also found that length of business has a positive effect on business performance. This suggests that there is a need for special mentoring programmes for new businesses so that they can grow. Furthermore, this study found that age and formal education did not significantly affect business performance, so it is necessary to strengthen relevant informal education, such as technical and managerial skills development training for business actors, to implement them directly in their businesses. Therefore, the findings and suggestions generated from this research are expected to serve as a reference for the government to develop business development programmes for women entrepreneurs that are by the needs so that they can support economic growth.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

This research provides valuable insights into the demographic and business profiles of women entrepreneurs, revealing that the entrepreneurial landscape is diverse in terms of age and education level, with most entrepreneurs considering their business as their primary occupation. The study also highlights that the food and beverage sector dominates the types of businesses women operate in the region. Furthermore, the results offer empirical evidence of the significant relationship between social capital and entrepreneurial

orientation and their combined impact on business performance. Social capital is a critical factor that positively influences entrepreneurial orientation, enhancing business performance. Additionally, the study confirms that entrepreneurial orientation mediates the effect of social capital on business outcomes, suggesting that strong social networks and entrepreneurial capabilities are critical to improving business performance among women entrepreneurs in Bogor.

Recommendations

For women entrepreneurs in Bogor, it is necessary to increase the social capital they already have. Family support, network connections, and involvement in the business community can potentially facilitate access to wider resources and opportunities. In addition, policy support from government, non-governmental organizations and other stakeholders also plays an important role in facilitating social capital through funding, training and intensive coaching. With the development of social capital, it is expected to encourage the formation of entrepreneurial orientation in women entrepreneurs so that it can have practical implications for the development of policies, programs and support aimed at improving the business performance of women entrepreneurs. Further implications are expected to contribute to job creation, women's economic empowerment, and encourage inclusive economic growth.

This study has limitations due to the small number of samples and may not represent the population of women entrepreneurs in Bogor due to time, cost, and information factors. Future research should increase the number of samples and use a more comprehensive sampling method. In addition, limited data related to business performance, such as the amount of sales, costs, and profits, makes the calculation less accurate, so it is hoped that future research can collect more quantitative data for better analysis.

FUNDING STATEMENT: This research did not receive any specific grant from public, commercial, or not-for-profit funding agencies.

CONFLICTS OF INTEREST: The author declares no conflict of interest.

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