



# Boosting Business Performance: The Impact of Entrepreneurial Culture on Women Entrepreneurs' Behavior

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## ABSTRACT

Entrepreneurship has been extensively examined across various management disciplines, with significant attention given to women entrepreneurship, which has made considerable strides in recent years. Despite this positive trend, many women continue to face challenges in balancing their business responsibilities with household duties. These challenges often lead to role conflicts as women navigate the demands of both their professional and domestic roles. This research aims to evaluate the impact of adopting an entrepreneurial culture on shaping the entrepreneurial behavior of women entrepreneurs, with the ultimate goal of enhancing their business performance. The study involved 88 married women entrepreneurs and utilized partial least squares structural equation modeling (PLS-SEM) for analysis. Additionally, Importance-Performance Map Analysis (IPMA) was employed to elucidate the significance and impact of each variable. The findings highlight the crucial role of adopting an entrepreneurial culture in women entrepreneurship, demonstrating its substantial influence on both the transformation of entrepreneurial behavior and the enhancement of business performance. Consequently, to achieve superior business performance, it is recommended that entrepreneurs should focus on the cultivation and refinement of their entrepreneurial culture.

**Keywords:** Business Perception, Conflict Management, Culture, Entrepreneurship, Performance

**JEL Classifications:** J16, L26, D22

## 1. INTRODUCTION

Over the past few decades, scholars have rigorously examined the evolving role of women in the workforce, noting a significant increase in their participation (Kotikula et al., 2019; Winkler, 2018). This expansion is also evident in the growing involvement of women in global entrepreneurship (Jha et al., 2018), driven in part by the attractiveness of entrepreneurship as a means to achieve a balanced work-life dynamic (Machado et al., 2016; Patil and Deshpande, 2019). Nevertheless, women entrepreneurs frequently encounter substantial challenges, particularly role conflicts as they attempt to balance the demands of entrepreneurial ventures with household responsibilities (Teoh et al., 2016). These tensions are often exacerbated in socio-cultural contexts where traditional gender norms clash with entrepreneurial aspirations (Asriani and

Ramdlaningrum, 2019). Despite these challenges, many women successfully navigate dual roles, maintaining a balance between personal and professional responsibilities.

The rise of digital transformation has significantly reshaped business operations, with the adoption of technology becoming increasingly indispensable (Hoffman et al., 2021). However, research suggests that women often face distinct barriers to embracing technology, which perpetuate gender-based stereotypes (Corneliusson, 2021; Fauziah et al., 2023). Nevertheless, the integration of technology remains essential for achieving business strategy and securing a competitive advantage (Rust and Espinoza, 2006). Scholars have emphasized the importance of cultivating an entrepreneurial culture to enhance women's entrepreneurial behavior and, consequently, business performance (Huanga et al.,

2022; Senaweera et al., 2019). Key factors, including business perception (Helgesen et al., 2009), technological capital (Hakim et al., 2023), and conflict management (De Clercq et al., 2022), have been identified as pivotal in driving business outcomes (Taheri et al., 2023).

This study presents a comprehensive research model that seeks to evaluate the direct and indirect effects of entrepreneurial culture adoption among women entrepreneurs on business perception, technological capital, conflict management, and, ultimately, business performance.

## 2. LITERATURE REVIEW

The assessment of entrepreneurial performance requires a holistic approach that accounts for a variety of factors contributing to overall business success (Jha et al., 2018; Yıldız and Karakaş, 2012). Over the past decade, scholars have employed diverse metrics to evaluate entrepreneurial outcomes, often emphasizing profitability (Arbelo et al., 2020). However, it is widely acknowledged that entrepreneurial objectives extend beyond financial gains, encompassing broader dimensions such as market expansion, operational efficiency, and overall productivity (Taouab and Issor, 2019).

The role of culture in entrepreneurship is multifaceted, encompassing dimensions such as religion, values, ethnic diversity, and marital status, all of which shape entrepreneurial behavior (Chakraborty et al., 2016). Cultural contexts, particularly in regions like Indonesia, exert a significant influence on women's decisions to pursue entrepreneurship (Salmah et al., 2021). Despite facing cultural barriers, many women increasingly turn to entrepreneurial ventures as a sustainable means of livelihood (Zhang and Cain, 2017), indicating a gradual societal shift toward accepting women in entrepreneurial roles. This shift aligns with prior research that emphasizes the importance of universal entrepreneurial traits—such as creativity, innovation, and openness to change—which are crucial for fostering entrepreneurial success (Danish et al., 2019). These traits serve as catalysts for entrepreneurial efforts by promoting the generation of novel ideas and reducing resistance to organizational or strategic changes.

Entrepreneurial behavior, in this context, refers to the actions undertaken in the establishment and management of a business. This study focuses on three critical aspects of entrepreneurial behavior for women entrepreneurs: business perception, conflict management, and technology capital. Business perception refers to how women entrepreneurs view their competencies, directly influencing their confidence and ability to manage their ventures (Taheri et al., 2023). Conflict management involves their capacity to navigate and resolve conflicts, whether stemming from work-life balance issues or internal business challenges (De Clercq et al., 2022; Latip et al., 2022). Technology capital, on the other hand, refers to their proficiency in utilizing and integrating technological resources effectively into their businesses (Grigoriev et al., 2014).

Entrepreneurs who adopt an entrepreneurial culture, characterized by creativity, innovation, and openness to change, exhibit

greater adaptability when confronted with diverse challenges and opportunities (Calza et al., 2020). The adoption of such a culture fosters continuous learning, thereby enhancing their business acumen (Tokarčíková et al., 2020). By embracing this cultural orientation, women entrepreneurs are better positioned to manage the dual demands of personal and professional life, while simultaneously navigating conflicts that may arise. Additionally, their openness to change motivates them to remain current with technological advancements, empowering them to leverage innovations to enhance their business operations (Huang and Rey-Martí, 2019). Considering these factors, this study proposes the following hypotheses:

H1: Cultural adoption has a positive and significant effect on business perception among women entrepreneurs.

H2: Cultural adoption has a positive and significant effect on conflict management among women entrepreneurs.

H3: Cultural adoption has a positive and significant effect on technology capital among women entrepreneurs.

While both psychological and sociological frameworks offer valuable insights into business perception (Martínez-Martínez, 2022), this study specifically concentrates on the business perception of women entrepreneurs, emphasizing their knowledge, skills, and confidence in managing their ventures. Prior research indicates that increasing knowledge can significantly enhance business performance (Taheri et al., 2023), while skills and confidence are also critical factors that positively impact entrepreneurial success (Gerli et al., 2011). Given that business perception incorporates these crucial elements—improving decision-making and optimizing operational effectiveness—the following hypothesis is proposed:

H4: Business perception has a positive and significant effect on entrepreneurial performance among women entrepreneurs.

The study by Kengatharan (2015) found that role conflict negatively affects individual performance in entrepreneurial settings. This highlights how the challenges of managing multiple roles often lead to operational inefficiencies. Nevertheless, although role conflict can impede performance, effective conflict management skills can mitigate these negative effects. The key distinction is that role conflict pertains to the challenges faced by entrepreneurs, while conflict management refers to the capacity to resolve these challenges. Entrepreneurs with robust conflict management strategies are better equipped to handle role-related tensions, potentially transforming a negative factor into a positive one by fostering resilience, enhancing decision-making, and reducing operational bottlenecks. Thus, the ability to manage conflicts effectively is essential for improving business performance. Based on this, the following hypothesis is proposed:

H5: Conflict management has a positive and significant effect on entrepreneurial performance among women entrepreneurs.

In today's fast-paced business landscape, entrepreneurs face the ongoing challenge of rapid technological change, with many operations increasingly transitioning to digital platforms. Prior research has highlighted the critical role of technology in driving business performance (Santhosh, 2018). Thus, technology capital—defined as the ability to adapt to and effectively leverage

technological resources—becomes indispensable for maintaining competitiveness in the face of continuous technological advancement. Entrepreneurs who effectively utilize technological resources can streamline operations, reduce costs, and innovate more efficiently, thereby enhancing overall performance. Moreover, the ability to swiftly adopt new technologies allows businesses to stay ahead of competitors, respond to market demands more quickly, and expand their reach in a digital economy (Rani et al., 2022). These advantages highlight the crucial role of technology capital in driving sustained entrepreneurial success. Accordingly, the study posits the following hypothesis:

H6: Technology capital has a positive and significant effect on entrepreneurial performance among women entrepreneurs.

### 3. RESEARCH METHODOLOGY

In this study, a quantitative methodology was employed, utilizing a causal research approach to investigate the impact of entrepreneurial culture on entrepreneurial behaviors and firm performance. The quantitative method was chosen for its capability to quantify relationships between variables and establish causal links, which are essential for understanding how entrepreneurial culture influences performance metrics.

Data collection involved the use of a structured, self-administered questionnaire designed to capture detailed information on entrepreneurial culture and performance. The questionnaire was meticulously developed to ensure both validity and reliability, incorporating questions based on established scales and undergoing pilot testing to refine its accuracy.

Participants were female entrepreneurs affiliated with regional organizations in Medan, North Sumatera, Indonesia. To qualify as respondents, individuals needed to meet specific criteria: they had to be female SME owners, married, and have operated their businesses for a minimum of 5 years. This selection criterion was intended to include respondents with substantial business experience, which is crucial for a nuanced evaluation of the effects of entrepreneurial culture.

Questionnaires were distributed to 102 pre-selected SMEs that met these criteria. Efforts were made to ensure that each SME received the questionnaire and consented to participate. This distribution process was carefully managed to maximize response rates. Out of the 102 SMEs contacted, 88 completed the questionnaire, yielding a response rate of 86.27%. This high response rate reflects a robust level of engagement and enhances the reliability of the study findings.

Data analysis utilized multivariate techniques, including structural equation modeling, to test the proposed hypotheses. This approach allowed for an in-depth examination of the complex relationships among entrepreneurial culture, entrepreneurial behaviors, and firm performance. Statistical software was employed to ensure precise and reliable results. The research model, illustrating the hypothesized relationships, is presented below:

As depicted in Figure 1, this study investigates the impact of entrepreneurial culture adoption by women entrepreneurs on several

dimensions of their entrepreneurial behavior, including conflict management, business perception, and technological capital, with a particular emphasis on digital capabilities that facilitate entrepreneurial activities. The model assesses the performance of women-owned enterprises as the dependent variable, exploring both direct and indirect effects of entrepreneurial culture adoption on this performance. To ensure comprehensive measurement, the study employs a structured self-administered questionnaire designed to capture detailed information about the constructs under investigation.

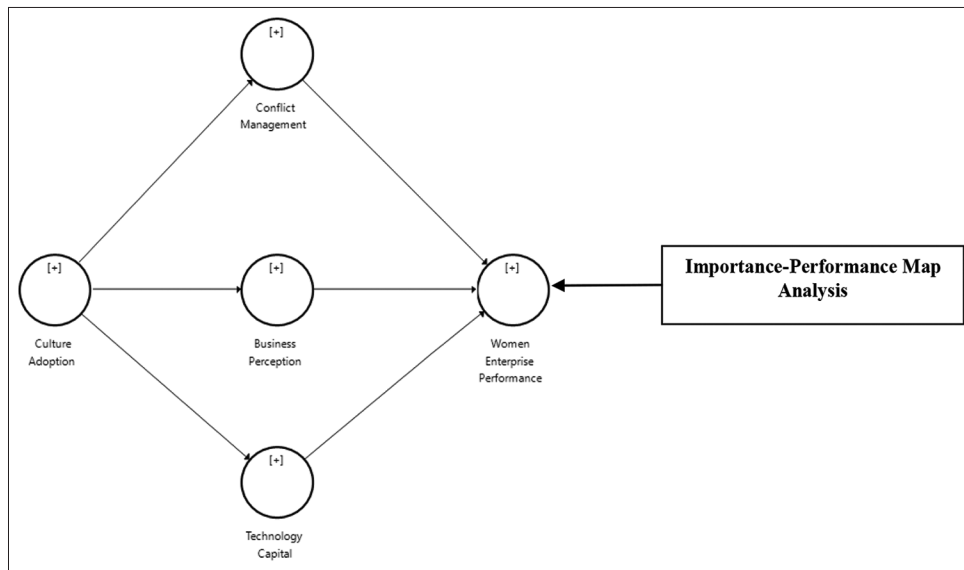
Perception of Business is operationalized as women entrepreneurs' self-assessment of their entrepreneurial value and skills. Items for this construct, adapted from Martínez-Martínez (2022), include: knowledge for entrepreneurship, required skills for entrepreneurship, and suitability for entrepreneurial activities. Technology Capital is defined as the capacity to implement technological advancements within the entrepreneurial context, with items based on Grigoriev et al. (2014) including: knowledge of using digital technologies to support business, possession of necessary equipment, and use of e-commerce to promote products. Culture Adoption reflects the extent to which entrepreneurial culture is integrated by women entrepreneurs, with items adapted from Danish et al. (2019), such as: openness to new ideas in business, willingness to try new approaches, consideration of different perspectives, and receptiveness to changes that support business. Women Entrepreneurs Performance measures business performance, with items from Murphy et al. (1996) including: revenue generation, sales achievement, market share, product production, and employee retention.

Each questionnaire item was rated on a five-point Likert scale. The internal consistency of the constructs was confirmed, with Cronbach's alpha values exceeding 0.700, indicating robust reliability. Furthermore, the validity of the measurement instruments was rigorously assessed to ensure precision in capturing the constructs relevant to the study. The detailed description of constructs and items is presented in Table 1, providing clarity and accuracy in the measurement framework.

In the final stage of model evaluation, this study employed Structural Equation Modeling (SEM) using SmartPLS, as detailed by Ringle et al. (2015). The choice of SmartPLS is supported by numerous studies recommending its use for constructing predictive models in social research contexts, particularly due to its robustness in handling complex models with relatively smaller sample sizes (Hair et al., 2014). Given the study's dataset, comprising 88 observations, SmartPLS is deemed particularly appropriate due to its tolerance for smaller sample sizes.

Furthermore, the study incorporated Importance-Performance Map Analysis (IPMA) to evaluate the relative contribution of each variable and to pinpoint areas for potential improvement based on their importance and performance levels (Tailab, 2020). The analysis was conducted at a 95% confidence level, with a significance threshold set at 0.05, leading to the rejection of the null hypothesis where applicable.

**Figure 1:** Research model for analysis



**Table 1: Constructs and measurement items**

Construct	Code	Items
Business perception	Perception1	I have knowledge about business.
	Perception2	I have the necessary skills for running a business.
	Perception3	I believe I am suitable for business activities.
Technology Capital	Tech_Capital1	I have the knowledge to use digital technologies to support my business.
	Tech_Capital2	I have the equipment needed to support my business.
	Tech_Capital3	I use e-commerce to promote my products.
Culture Adoption	Culture1	I am open to new ideas in business.
	Culture2	I like to try new approaches to improve my business.
	Culture3	I often consider other perspectives to improve my business.
	Culture4	I am open to changes that support my business.
Conflict Management	Conflc_M1	I can separate business problems from family issues.
	Conflc_M2	I avoid bringing business problems into family matters.
	Conflc_M3	I avoid bringing family issues into my business.
	Conflc_M4	I manage my time to balance business and family.
Women Entrepreneurs' Performance	WE_Performance1	My business generates more revenue than before.
	WE_Performance2	My business generates more sales than before.
	WE_Performance3	I believe my business has a greater market share than before.
	WE_Performance4	My business produces more products than before.
	WE_Performance5	My employees choose to work with me in my business.

In alignment with the use of structural equation modeling, both the outer model and the inner model were meticulously assessed (Sarstedt et al., 2019). The outer model evaluation focused on verifying the reliability and validity of reflective constructs, ensuring that they effectively measure the intended variables within the structural model. Concurrently, the inner model analysis examined key metrics, including R-squared, f-squared, and path coefficients, to evaluate the model's predictive power and structural relationships. IPMA was utilized to further dissect the performance and significance of each variable in predicting the performance of women entrepreneurs, providing a nuanced understanding of their relative impact.

## 4. RESULTS AND DISCUSSION

The initial stage of the analysis encompasses both descriptive statistics and the evaluation of the outer model. Descriptive statistics, including mean values and standard deviations, were

calculated to provide an overview of each indicator's central tendency and dispersion. This preliminary analysis establishes a foundational understanding of the data characteristics.

### 4.1. Outer Model Analysis

The outer model analysis was conducted to assess construct validity, reliability, and discriminant validity. This phase is crucial for ensuring that the measurement instruments accurately reflect the constructs they are intended to measure and that the constructs are distinct from one another. The outcomes of these evaluations are comprehensively summarized in Table 2, offering a detailed account of the construct performance and measurement integrity.

The items employed in this study were assessed using a five-point Likert scale, where respondents rated their level of agreement with various statements ranging from strongly disagree (1) to strongly agree (5). The analysis revealed that the mean scores

**Table 2: Descriptive result and outer model analysis**

Construct	Items	Mean	SD	Loading	Cr. Alpha	rho ( $\rho_A$ )	CR	AVE
BP		4.538	0.500	-	0.824	0.862	0.894	0.739
	Perception1	4.591	0.494	0.912				
	Perception2	4.580	0.496	0.902				
	Perception3	4.443	0.500	0.756				
TC		4.477	0.530	-	0.901	0.904	0.938	0.835
	Tech_Capital1	4.568	0.542	0.903				
	Tech_Capital2	4.398	0.492	0.887				
	Tech_Capital3	4.466	0.546	0.950				
CA		4.477	0.584	-	0.852	0.857	0.901	0.694
	Culture1	4.534	0.566	0.896				
	Culture2	4.477	0.606	0.814				
	Culture3	4.432	0.603	0.768				
CM		4.466	0.566	0.851	0.948	0.953	0.963	0.865
	Culture4	4.517	0.539	-				
	Conflc_M1	4.568	0.542	0.948				
	Conflc_M2	4.511	0.547	0.948				
WPE	Conflc_M3	4.500	0.525	0.888	0.915	0.935	0.938	0.753
	Conflc_M4	4.489	0.547	0.935				
		4.495	0.536	-				
	WE_Performance1	4.466	0.606	0.759				
	WE_Performance2	4.500	0.525	0.951				
	WE_Performance3	4.511	0.503	0.926				
	WE_Performance4	4.466	0.524	0.735				
WE_Performance5	4.534	0.524	0.941					

for all items surpassed 4.20, indicating a predominantly positive perception among the respondents. Specifically, the average ratings demonstrated a robust entrepreneurial culture (mean = 4.477), a favorable business perception (mean = 4.538), significant technological capital (mean = 4.477), effective conflict management skills (mean = 4.517), and strong entrepreneurial performance (mean = 4.495). These consistently high ratings across all constructs highlight the respondents' positive engagement and perceptions regarding the aspects under investigation.

The content validity of the outer model was evaluated by examining the loading factors of items in relation to their corresponding variables. As demonstrated in Table 2 and Figure 2, the items used in the proposed model all exhibited loading factors exceeding 0.708. This confirms that the items are valid measures of their respective variables. Additionally, Figure 2 displays the R-squared values for each construct, further illustrating the explanatory power of the model.

For the assessment of internal consistency, the study employed Cronbach's alpha, composite reliability (CR), and Dijkstra–Henseler's rho ( $\rho_A$ ). All three metrics were evaluated against a threshold value of 0.700. The results, as shown in Table 2, indicate that CR, Cronbach's Alpha, and Dijkstra–Henseler's rho ( $\rho_A$ ) values all exceed this threshold, confirming the reliability of the constructs (Hair et al., 2014).

Convergent validity was assessed through the average variance extracted (AVE), with a criterion of 0.500. Table 2 reveals that all variables in the model have AVE values greater than 0.500, thus meeting the standard for convergent validity.

Discriminant validity was further scrutinized to ensure the validity of the inner model analysis. This was accomplished using the

Fornell-Larcker Criterion and the Heterotrait-Monotrait Ratio (HTMT). These measures evaluate the distinctiveness of constructs by analyzing the relationships between variables. The results of this discriminant validity assessment are summarized in Table 3, providing a comprehensive view of the model's validity.

Table 3 illustrates that the diagonal values of the Fornell-Larcker criterion exceed the correlations between variables, confirming that the items for each construct are appropriately valid for measuring the proposed model. The Fornell-Larcker criterion assesses discriminant validity, where the square root of the average variance extracted (AVE) for each construct should be greater than the correlations between that construct and other constructs. This ensures that each construct explains its own variance better than the variance of other variables.

Furthermore, the Heterotrait-Monotrait (HTMT) Ratio values are all below the threshold of 0.900, indicating that there is no significant issue with the overlap between the measured constructs. The HTMT Ratio serves as a measure of discriminant validity, confirming that the constructs being measured are distinct and not substantially overlapping with each other.

These findings collectively affirm the validity of the outer model, ensuring that each construct is measured accurately and independently, thereby reinforcing the reliability of the research results and the validity of the proposed model.

## 4.2. Inner Model Analysis

Prior to addressing the research problem, the quality criteria of the model were rigorously evaluated using several key benchmarks: Standardized Root Mean Square Residual (SRMR), Chi-Square, Normed Fit Index (NFI), and Variance Inflation Factor (VIF) (Benitez et al., 2020; Sarstedt et al.,

Figure 2: Outer model analysis

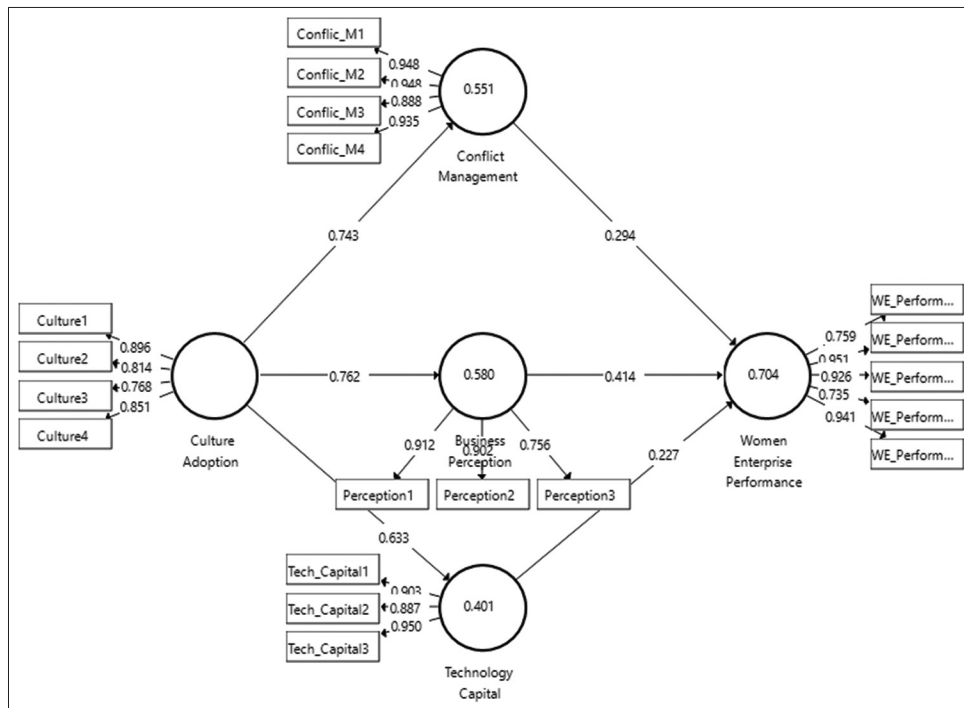


Table 3: Discriminant validity model

Discriminant validity	Construct	BP	CM	CA	TC	WEP
Fornell-Larcker Criterion	BP	0.860				
	CM	0.739	0.930			
	CA	0.762	0.743	0.833		
	TC	0.729	0.593	0.633	0.914	
	WEP	0.796	0.734	0.779	0.702	0.868
Heterotrait-Monotrait (HTMT) Ratio	BP	-				
	CM	0.810	-			
	CA	0.887	0.822	-		
	TC	0.848	0.643	0.720	-	
	WEP	0.892	0.778	0.871	0.780	-

CA: Culture Adoption, BP: Business Perception, CM: Conflict Management, TC: Technology Capital, WEP: Women Entrepreneur Performance

2020). SRMR assesses the average discrepancy between the observed and predicted covariance matrices, with values below 0.08 indicating a good model fit. The Chi-Square test compares the observed and predicted covariance matrices, where a non-significant result suggests a good fit, although it is sensitive to sample size and model complexity. The NFI evaluates how well the specified model fits compared to a baseline model, with values approaching 1 indicating a better fit; a threshold of 0.90 is generally considered acceptable. VIF measures multicollinearity among predictors, with values exceeding 10 signaling problematic collinearity that may affect the stability of the regression coefficients.

Furthermore, to evaluate the robustness of the relationships within the model, bootstrap analysis was performed. This analysis generated a total of 10,000 sub-samples to accurately estimate the significance of the relationships between variables. The results of this analysis are presented in Figure 3. This extensive bootstrap procedure ensures the reliability of the results by providing a thorough assessment of the model's predictive accuracy and the robustness of the parameter estimates.

This study assessed collinearity to ensure unbiased interpretation of the proposed model's relationships. The ideal model should have a VIF of less than 3.0. Table 4 indicated no collinearity problem within the proposed model. Additionally, regarding the quality criteria, this study evaluated an SRMR value of 0.079, indicating good model fit, an NFI value of 0.737 (marginal fit), and a Chi-Square of 522.81 (also marginal fit). Thus, the study concluded that the proposed model had passed quality assessment with a marginal fit and proceeded to evaluate the regression model.

The model's quality was further evaluated by employing both the coefficient of determination (R<sup>2</sup>) and effect size (f<sup>2</sup>) approaches. According to Sarstedt et al. (2019), R<sup>2</sup> values of 0.75, 0.50, and 0.25 are classified as substantial, moderate, and weak variance explained, respectively. The findings demonstrated that culture adoption accounted for 76.2% of the variance in business perception, indicating a substantial effect. Similarly, culture adoption explained 74.3% of the variance in conflict management and 63.3% in technological capital, reflecting moderate effects in both cases. Furthermore, the combined influence of business perception, conflict management, and technological capital

explained 70.4% of the variance in women entrepreneur performance, also indicating a moderate effect.

In addition, the effect size ( $f^2$ ) was assessed using the cutoff values established by Hair et al. (2014), where 0.02, 0.15, and 0.35 represent small, medium, and large effect sizes, respectively. As outlined in Table 5, culture adoption exerted a large effect on business perception, conflict management, and technological capital, as evidenced by  $f^2$  values exceeding 0.35. Regarding women entrepreneur performance, business perception ( $f^2 = 0.188$ ) and conflict management ( $f^2 = 0.131$ ) demonstrated medium effects, while technological capital had a small effect ( $f^2 = 0.080$ ).

Hypothesis testing, as presented in Table 5, was conducted using one-tailed tests to account for the expected directional

relationships of each path coefficient. The results indicated that entrepreneurial culture adoption had a positive and significant impact on business perception ( $\beta = 0.762, p = 0.000$ ), conflict management ( $\beta = 0.743, p = 0.000$ ), and technological capital ( $\beta = 0.633, p = 0.000$ ) among female entrepreneurs, providing strong support for H1, H2, and H3. Moreover, business perception positively and significantly influenced women entrepreneur performance ( $\beta = 0.414, p = 0.005$ ), and conflict management also had a positive and significant effect on performance ( $\beta = 0.294, p = 0.034$ ). Additionally, technological capital exhibited a positive and significant relationship with women entrepreneur performance ( $\beta = 0.227, p = 0.011$ ), supporting H4, H5, and H6. This rigorous analysis confirms the hypothesized relationships and underscores the model's validity in explaining entrepreneurial dynamics among women.

Figure 3: Bootstrap analysis

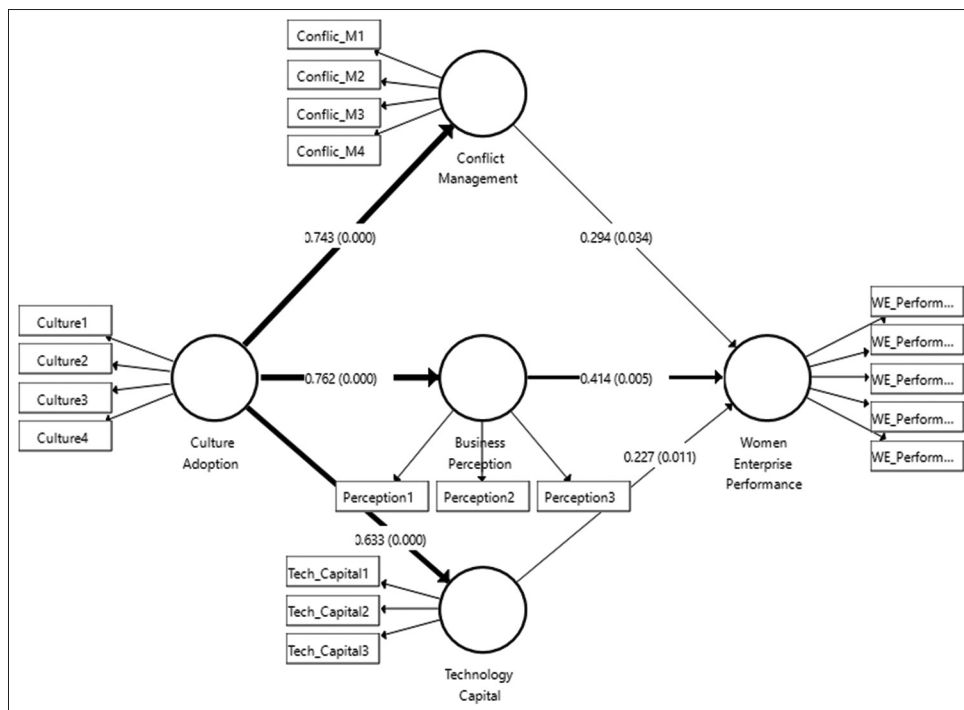


Table 4: Quality Criteria Structural Model

Variance Inflation Factor (VIF)	WEP	BP	CM	TC	CA
BP	2.089				
CM	2.233				
CA		1.000			
TC	2.161		1.000		1.000
WEP					

CA: Culture Adoption; BP: Business Perception; CM: Conflict Management; TC: Technology Capital; WEP: Women Entrepreneur Performance.

SRMR=0.079 (Good Fit); NFI=0.737 (Marginal); Chi-Square=522.81 (Marginal)

Table 5: Hypothesis testing

Path	( $\beta$ )	p-value	Variance Explained (R <sup>2</sup> )	Effect Size ( $f^2$ )
CA→BP	0.762	0.000	0.580	1.382
CA→CM	0.743	0.000	0.551	1.229
CA→TC	0.633	0.000	0.401	0.668
BP→WEP	0.414	0.005	0.704	0.188
CM→WEP	0.294	0.034		0.131
TC→WEP	0.227	0.011		0.080

CA: Culture Adoption; BP: Business Perception; CM: Conflict Management; TC: Technology Capital; WEP: Women Entrepreneur Performance

### 4.3. Importance-Performance Matrix Analysis (IPMA)

The Importance-Performance Matrix Analysis (IPMA) was employed to assess the significance and performance of each variable in predicting women entrepreneurs' performance. The analysis revealed two pathways for predicting entrepreneurial performance. The first pathway identified variables with a direct impact on performance, namely business perception, conflict management, and technology capital. The second pathway involved an indirect effect from culture adoption, suggesting that culture adoption influences these three direct predictors.

To evaluate the performance level of each variable, the total effect was calculated, reflecting the contribution of each variable in predicting women entrepreneurs' performance. Unstandardized effect values were utilized for this assessment, as these are considered more effective for estimating causal relationships while controlling for other variables. The performance levels were measured on a scale from 1 to 5, representing the current state of each variable, with 1 indicating the lowest and 5 the highest performance. The findings from the IPMA are summarized in Table 6.

Table 6 indicates that the performance levels of all exogenous variables are notably high, with each construct surpassing 80%. While these variables are currently performing well, future improvements—although challenging—are achievable. There is an estimated potential for enhancement of approximately 10–15% across each variable.

In terms of importance, despite culture adoption having only an indirect effect on women's entrepreneurial performance, it emerges as the most critical factor for enhancing performance, with a total effect of 0.648. Among the entrepreneurial behaviors, business perception has an importance level of 0.447, followed by conflict management at 0.272, and technology capital at 0.219. These findings are visually summarized in the IPMA map presented in Figure 4.

To elevate women's entrepreneurial performance, Figure 4 highlights that the top priority is enhancing entrepreneurial culture adoption within women-led enterprises, as it holds the greatest importance but exhibits relatively low performance. This underperformance suggests that the variable is poised for improvement with appropriate adjustments. Among the entrepreneurial behaviors examined, business perception emerges as having the highest importance and the greatest performance level, whereas technology capital, despite being the least important, also shows the lowest performance. Notably, since the performance levels of the variables are close to one another on a 0 to 100 scale, prioritization should be based on importance.

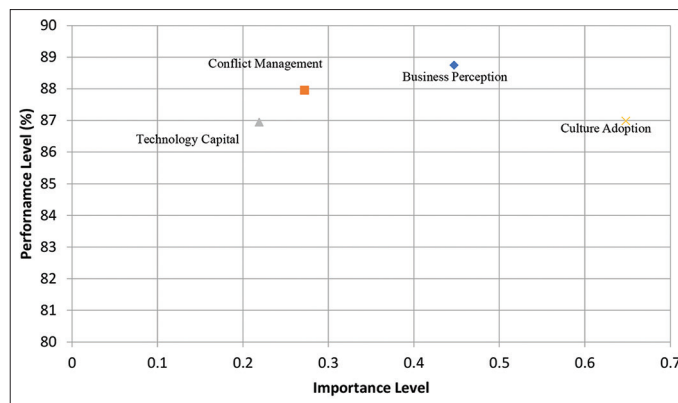
This study investigates the role of entrepreneurial culture adoption in shaping women's entrepreneurial behavior and its subsequent impact on entrepreneurial performance. The findings demonstrate a positive and significant relationship between culture adoption and each entrepreneurial behavior, with strong effect sizes observed across these relationships. Therefore, the study concludes that

**Table 6: Importance-Performance Level of Women Entrepreneur Performance**

Construct	WEP	
	Importance	Performance
BP	0.447	88.748
CM	0.272	87.955
TC	0.219	86.951
CA	0.648	86.985

CA: Culture Adoption; BP: Business Perception; CM: Conflict Management; TC: Technology Capital; WEP: Women Entrepreneur Performance

**Figure 4: Importance-Performance Map Analysis visualization of women entrepreneurs' performance**



entrepreneurial culture adoption plays a critical role in fostering entrepreneurial behaviors among women.

Entrepreneurial culture entails embracing creativity, openness, innovation, and a willingness to adapt to change to support business ventures. As shown by the results, for women entrepreneurs, embracing change is essential to improving business operations (Farida and Setiawan, 2022; Ramosaj et al., 2014). This cultural mindset enables women to advance their entrepreneurial skills and knowledge, boosting their confidence in their business ventures. Moreover, the adoption of a strong entrepreneurial culture is expected to enhance the business perception of women entrepreneurs.

Additionally, entrepreneurial culture adoption positively influences conflict management. Conflict management, in this context, refers to the ability to effectively resolve conflicts in business management. In Indonesia, traditional gender roles have historically positioned men as the primary breadwinners and women as caregivers. Although these norms are shifting, women are still expected to fulfill domestic responsibilities. As a result, women who contribute to the household income often face the challenge of balancing work with domestic duties, which can lead to work-family conflicts for many women entrepreneurs or employees.

This study evaluates conflict management as a key behavior exhibited by women entrepreneurs for effectively separating business and family obligations. The results indicate that a higher level of entrepreneurial culture adoption is associated with improved conflict management capabilities among these entrepreneurs. These findings are consistent with prior research, which highlights the critical role of culture in conflict management



(Arias-Aranda and Bustinza-Sánchez, 2009; Tabassi et al., 2019). To effectively develop the ability to compartmentalize business and personal issues, it is essential to cultivate an entrepreneurial culture and enhance conflict management skills.

Capital, encompassing both tangible and intangible assets, is vital for supporting business activities. This study specifically addresses technology capital, defined as the entrepreneurs' ability to leverage digital technology to advance their business operations. The study assesses entrepreneurs' proficiency with digital technologies, equipment, and their application in business contexts. The results show that a greater adoption of entrepreneurial culture correlates with stronger technology capital. Prior studies have demonstrated that cultural factors influence technological capabilities (Gebrekidan et al., 2023; Orser et al., 2019), and this study corroborates these findings. It underscores the significance of entrepreneurial culture in enhancing technology capital. As entrepreneurs become more open to change and innovation, they are better equipped to integrate the latest technologies, thereby increasing their technology capital.

Entrepreneurial behavior, as reflected in business perception, technology capital, and conflict management, serves as a predictor of women entrepreneurs' performance according to the proposed research model. The research results indicate that each of these variables positively and significantly impacts entrepreneurial performance. However, the effect size analysis reveals that the impact of technology capital is relatively modest compared to business perception and conflict management. Business perception emerges as the most influential factor in improving women entrepreneurs' performance, followed by conflict management, while technology capital has the least impact. The performance of women entrepreneurs, as measured in this study, includes various dimensions such as revenue growth, sales, market share, productivity, and employee turnover. These findings align with previous research suggesting that entrepreneurial skills are critical for enhancing business performance (Tokarčíková et al., 2020). This highlights the importance of not only acquiring entrepreneurial skills but also developing the confidence to apply them effectively. Given its substantial direct effect, enhancing business perception among entrepreneurs, particularly women entrepreneurs, is essential for improving business performance. As entrepreneurs enhance their skills and confidence, their business performance is likely to improve.

As previously noted, conflicts may arise for women entrepreneurs who often balance roles as both business leaders and homemakers (Kengatharan, 2015). Prior studies have shown that conflicting roles can negatively affect performance across various domains (Regen et al., 2022). Effective entrepreneurial behavior requires the ability to distinguish between business and personal issues. This study demonstrates that managing role conflicts effectively, thereby preventing them from escalating, is crucial for supporting business performance. Consequently, the ability to manage role conflicts is a key factor in enhancing overall business performance.

Technology capital, although exhibiting the least significant direct effect, still plays a meaningful role in enhancing women

entrepreneurs' performance. This variable demonstrates a relatively small effect size in predicting entrepreneurial performance. Nonetheless, substantial evidence supports the importance of technology capital in women entrepreneurship, highlighting its significant contribution to business performance. Numerous studies have underscored the positive impact of technology on business outcomes (Junejo, 2020; Löfsten, 2019). Technology facilitates business operations by improving process efficiency and effectiveness, thereby bolstering overall business performance. The ability of women entrepreneurs to effectively leverage digital technologies and equipment is crucial for enhancing their performance.

Finally, there is an indirect effect of entrepreneurial culture adoption on business performance. As previously discussed, the adoption of an entrepreneurial culture significantly influences each aspect of entrepreneurial behavior, demonstrating a substantial effect size. When evaluating the model, the total indirect effect resulting from culture adoption emerges as the most significant predictor of business performance. Thus, it is crucial to highlight that fostering an entrepreneurial culture among women entrepreneurs has the most pronounced impact on their business performance. Entrepreneurs who embrace entrepreneurial culture, including creativity and innovation, are more likely to drive business success (Danish et al., 2019; Hakim et al., 2023). By welcoming change and new ideas, women entrepreneurs can significantly enhance their business performance.

## 5. CONCLUSION

This research significantly enhances our understanding of entrepreneurial activities and their effects on performance, with a particular emphasis on the role of cultural adoption. The findings reveal that entrepreneurial culture is a critical factor in reshaping the behaviors of women entrepreneurs and improving overall business performance. This culture promotes creativity, innovation, and adaptability—essential traits that enrich various aspects of entrepreneurial behavior. These traits include the ability to recognize business opportunities, understand the complexities of business operations, and build confidence in entrepreneurial endeavors. Furthermore, entrepreneurial culture bolsters the ability to manage role conflicts effectively and supports the adoption of technology capital among entrepreneurs. The influence of cultural adoption also indirectly benefits business performance.

A key determinant of enhanced business performance is a deep comprehension of business dynamics, as reflected in business perception. Entrepreneurs who are adept at managing role conflicts tend to achieve better business outcomes. It is crucial to acknowledge that challenges within the business sphere should not encroach upon personal life.

Nevertheless, the study's focus on women entrepreneurs represents a limitation, and the findings may not be generalizable to all entrepreneurs. Future research should aim to broaden the scope by including a more diverse sample that encompasses entrepreneurs of all genders. Historically, while men have often been seen as the primary providers for the family, they also engage significantly

in caregiving roles. As a result, role conflicts are likely to affect both male and female entrepreneurs, though potentially in different ways.

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