



## A Conceptual Framework for Entrepreneur Competence and Entrepreneur Performance: The Role of Gender

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Received: 04.04.2020

Accepted: 13.05.2020

Published: 25.06.2020

### Abstract

This study examines the impacts on Entrepreneur Performance (EP) of Entrepreneur Competence (EC) aspects. The EC dimension identified are opportunities competencies, organizing competencies, strategic competencies, relationships competencies, commitment competencies and conceptual competencies. This essay attempts to describe how the EC and measurements affect the success of entrepreneurs with gender as moderator. The EC-SMEs Performance relation has proven as indicated by using the Structural Equation Model (SEM). Therefore, the inference may be made dependent on the concept of the suggested work and literature review. That entrepreneurial success would especially promote entrepreneurial development in Indonesia, so that unemployment is projected to be reduced and competitiveness improved. An additional gain of efficiency and productivity development.

**Keywords:** Entrepreneur, Performance, Competence, Opportunities, Organizing, and Strategic

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### INTRODUCTION

Throughout every nation like Indonesia, entrepreneurship has become an important feature. Its not only leads to the gdp of the nation, as well as to the well-being of population. The emergence of entrepreneurship makes a big contribution to society. Every year many employees to be fired from their companies, entrepreneurship becomes one solution for helping people with economic problems. Since of this trend many people move from being an employee to becoming an entrepreneur. As a micro, small or medium-sized enterprise (MSME), they strive to create their own business, raise income from it, and even do research against society (Iskanto et al., 2019). Each year the number of MSMEs is getting higher and higher. In Indonesia also entrepreneurship is becoming a phenomenon. Of many factors, such as becoming depressed to be busy, having to get flexible time, their interest, fashion, financial, etc., many people switch to entrepreneurship. Expertise is the biggest issue with businessmen, many businessmen don't have the expertise as entrepreneurs who can manage a company, so many businesses struggle. This failure creates damages which both material and moral entrepreneurs would suffer. In fact, an entrepreneur has trouble achieving success in company administration without sufficient competence. This paper aims to explore conceptually the impact of competency with gender as moderator on results.

### LITERATURE REVIEW

#### Entrepreneur Competence

Competencies are defined, according to Baum et al. (2001), as human features such as the abilities, experience and expertise required to fulfill a given mission. Man et al. (2008) claimed

entrepreneurial skills are a collection of higher-level traits including characteristics of personality, talents, and knowledge. This can be seen as the business person's overall capacity to successfully execute his / her role. Key features such as basic awareness, motivations, attitudes, self-images, social function and capacity contributing to the birth, success and/or development of projects are classified as competencies (B. Bird, 1995). As per We (2017) Competency described as a cluster of related abilities, responsibilities, knowledge and skills that allow a person (or organization) to function in a job or circumstance efficiently. Apply to Laguna et al. (2012) Differentiated skills as: Technical skills are those related to the field in which the business works and the technological knowledge it needs, and Common skills apply to managerial skills that are outside of the business background, such as oral speaking abilities, resource usage and decision-making skills. It is assumed that basic skills of the founders are strong indicators of venture success, while general skills have major indirect effects. It is believed that the founders 'fundamental skills are clear drivers of company success while general skills have major indirect impact.

Competencies for small and medium-sized companies mean the capacity of businessmen and their staff to procure, use and grow skills in the particular sense in which the firm works for their business purposes (Mitchelmore & Rowley, 2013). Several major studies were described, and various approaches to assessing entrepreneurship skills were expressed in previous research. The definitions given to the competency principle or skills obtained from the management and entrepreneurship literature are extended in a number of ways, from very general to more detailed. Baum et al. (2001) split into two,

including special skills and general skills. Relevant skills include business expertise and engineering knowledge, and general qualifications include management abilities and identification expertise for openings. Sanchez (2012) claimed that the impact of entrepreneurship skills (EC) on small business success is competencies of ability, partnership, analytical, creative, organizational, individual, political, engagement, learning and personal strength. Although Wickramaratne et al. (2014), who published work at tea manufacturing companies in Sri Lanka, followed a analysis (Man, Lau, & Chan, 2002) in which Entrepreneurship Skills: Incentive Skills, Planning Skills, Strategy Skills, Communication Skills and Engagement Skills. Laguna et al. (2012) stipulating that SME's effectiveness relies on individual expertise, individual expertise, both general and special competencies. Researcher in five European countries had found that general skills organizational skills, opportunity-taking skills) have a major indirect effect on business development, while particular skills (industrial and technological skills) have a major direct impact on business performance. Man et al. (2002) claimed that six main job skills will make good entrepreneur's resources, organization, political, partnership, commitment and analytical skills.

**Table 1. The Characteristics of EC by Man et al. (2002)**

EC Dimensions	Charateristic
Opportunities Competencies	Recognition and growth associated with several business possibilities.
Organizing Competencies	Linked to the organisation of numerous human, social economic and technical properties inside and outside, including team development, organizationa leadership, preparation and oversight
Strategic Competencies	Linked with developing, reviewing and enforcing the policies of the organization.
Relationships Competencies	Linked to people-to-people or group relationships, management and leadership abilities, convincing ability.
Commitmet Competencies'	Competencies that push the company forward
Conceptual Competencies	Regarding to specific intellectual skills expressed in the actions of the businessman, such as the ability to make choices, to consume and appreciate complex data and creativity, and to take chances.

### Entrepreneurial Performance

Dijkhuizen et al. (2018) Cited that business or corporate success can be described as "the value of the entity delivers to consumers and delivers to other stakeholders" and "how well the enterprise is well run" and yet the success is linked to the achievement of stakeholder / investor interests. Company performance can be described as a customer winning organization with equal or equal results, and industry performance is a learning process while at the same time being a multidimensional and dynamic process. Additionally, success can also be viewed as an organization's capacity to achieve appropriate behavior and outcomes (Iskamto et al., 2020; Lee et al., 2011; We, 2017). Micro Company Success is the potential and willingness of beginning, increasing and sustaining companies or firms to contribute to prosperity and job growth. Quality is a metric for calculating how well an organization can make effective use of its capital to produce income from its main or early mode of operation in others (Laguna et al., 2012; Xiang, 2009). Efficiency, then, as one of the market or expenditure targets of the organization over a given time (Pollack et al., 2015). According to Hornby (2000), define efficiency as an achievement and behavior that is regarded similar to how good businesses are doing. Looking at the success concept Shane (2003), it is inferred that excellence is associated with achievement in all fields of endeavor.

Global Entrepreneurship Monitor (2013) Stated that the result is an act of effectively completing something; doing well; using information

as distinct from pure possession. However, success needs to be conceptualized, operationalized, and the various methods of making cross-comparison challenging are calculated. Work by Cho and Lee (2018) in Korea by conducting a survey of 180 newly born Korean entrepreneurs with a median of seven years of experience reveals that the factors affecting non-financial entrepreneurial success are increasingly creative, while risk-taking patterns do not influence both financial performance with non-financial market results.

Education to entrepreneurship often has no association with market orientation or results. Training is not as successful for students as it is for experienced businessmen. Non-financial market success is tied to long-term priorities and prospects for growth. Proactive affects non-financial business efficiency. Therefore, businessmen need to look at ways to encourage their creative approach.

### Relationship About Entrepreneur Competencies and Entrepreneur Performance

In analysis, success is generally linked to small to medium-sized business management and the concept and structure is never clear so justifiable; and it is strongly unquestionable so significantly presumed instead of the nature of the business in what form it does not matter (Abdullahi et al., 2015; Ahmad et al., 2018; Fang & An, 2017). Lee et al. (2011 and Watson et al. (2003). He emphasized that operational success provided three distinct business results such as financial performance (investment returns, income, asset returns, and so on); shareholder returns (economic added value, overall shareholder returns, and so on); and market performance (sales, market share, and so on).

Besides other literatures, it has been pointed out that some organizations with higher levels of human and social resources do more well and have greater operational efficiency (Watson et al., 2003). Good increased organizational efficiency requires the secure and productive utilization of corporate capital to achieve sustainable competitive advantage (Burton et al., 2016). This includes a strategic aspect of corporate planning which creates and enhances the organization's effectiveness and competitive advantage in achieving overall performance goals. Therefore, choosing the best performance measure is difficult to assess organizational success because success applies to multiple organizational outcomes. Quality assessment is a controversial concern in both academia and the business world (Wegelius-Lehtonen, 2001).

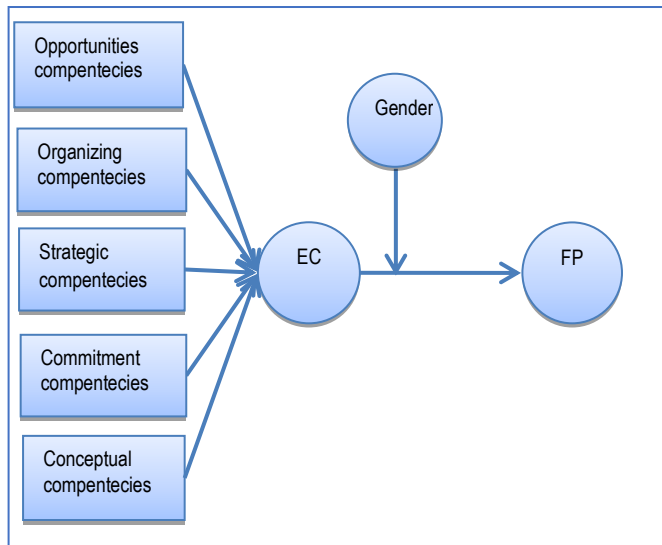
### The Role of Gender on the Relationship of Entrepreneur Competence and Firm Performance

Njeru & Bwisa (2012) Reportedly, male entrepreneurs dominated the economy and the global market in recent decades. While Aliyu (2013) Aliyu (2013) has recently joined the global market as well as the female entrepreneurs and studies show they are doing well enough. Hoque & Awang (2019) said the world's number of female entrepreneurs is less than the proportion of male entrepreneurs. Aliyu (2013) reported that female entrepreneurs face more hurdles than male entrepreneurs when engaged in entrepreneurial activities, thereby accounting for their limited contribution to firm success.

GEM (2009) Recorded that in entrepreneurial actions in South Africa men are 15 times more concerned than women. The gap between men and women in entrepreneurial movement remains diminishing for several Latin American countries like Peru, Brazil, and Argentina. Barbara Bird & Brush (2017) reported that women businessmen are more likely to avoid growth in industry. Male entrepreneurs are therefore more likely to identify success in terms of income or growth, while female entrepreneurs are more likely to interpret success in a more personal way and rely more on treatment and justice.

## Proposed Model

The research framework suggested intends to examine the output variables of MSEs in Indonesia. This pattern was seen in Figure 1. The theories below have been developed for research. Such theories will be mentioned, based on the numbering scheme of H1 as per the reference analysis. This statement type hypothesis is selected because of the complexity of answering hypotheses using Structural Equation Modeling (SEM) method.



## Research Hypothesis

The following hypothesis is, therefore proposed:

H1: Entrepreneur competence has a significant positive effect on firm performance.

H2: Gender plays the moderating variable role in the relationship between entrepreneur competence and firm performance.

## METHODOLOGY

The unit of research in this study is Indonesians MSEs at Pekanbaru. The corporation was founded for at least one year, has a capacity of 10 employees and has a gross annual revenue of three hundred million rupiah (Rp.300,000,000) (Republic of Indonesia Act, 2008).

CB-SEM methods used to carry out survey information involve statistical analysis. Exploratory factor analysis, reliability analysis, and confirmatory factor analysis is to test for construct validity, reliability, and measurement loading was performed (Ghazali et al., 2012). Having analyzed the measurement model, the structure model was then tested and confirmed (Afthanorhan, 2012; Awang, 2015; Hair et al., 2014). The Statistical Package for the Social Sciences (SPSS) version 23 was used to analyze the preliminary data and provide descriptive analyses about thesis sample such as means, standard deviations, and frequencies and to test the measurement model of Structural Equation Modelling (SEM).

## CONCLUSION

The aim of this study was to evaluate the factors of entrepreneurial competence which influence business success. Company efficiency is supposed to be higher for such fixed variables. At the other hand, the aim of this study is to link Micro, and Small, Enterprises (MSEs) in Indonesia among Entrepreneur Competence and Quality in hopes of better outcomes. In this analysis, the survey will be used to get the outcomes of the research.

## ACKNOWLEDGMENT

This paper has been presented at International Conference on Business Management (ICBM), December 18-19, 2019. Faculty of Business and Management, Universiti Sultan Zainal Abidin, Gong Badak Campus, Kuala Nerus, Terengganu, Malaysia.

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