



Emotional Intelligence and Performance of MSME Women Enterprises (Case Study in Cangkringan District, Sleman Regency) in 2022

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Abstract

Emotional intelligence such as self-awareness, motivation, empathy, and social skills are used to understand individual abilities in a social environment. Women in this case are considered to have a high level of emotionality compared to men, so that the success of a business and the decisions taken use more feelings. The research aims to measure the relationship between self-awareness, self-control, self-motivation, social awareness, and social skills on business performance. female entrepreneurs. The total population in this study was 248 businesses. The sampling technique in this research is Systematic Random Sampling. The sample in the study was 71 people with an interval of 3. The analysis used in this research used several PLS methods which included several analyzes including: Factor Analysis, Designing a Structural Measurement Model (Inner Model), Designing a Measurement Model (Outer Model), and Hypothesis Testing. The influence of self-awareness on the performance of MSMEs shows a coefficient value of 0.435. The effect of self-control on the performance of MSMEs shows a coefficient value of 0.054. The influence of self-motivation on the performance of MSMEs shows a coefficient value of 0.273. The influence

of social awareness on the performance of MSMEs shows a coefficient value of 0.048. The influence of social skills on the performance of MSMEs shows a coefficient value of 0.246. This research shows that self-awareness has a positive and significant effect on MSME performance, and self-control has a positive and significant effect on MSME performance. Self-motivation has a positive and significant effect on MSME performance, social awareness has a positive and significant effect on MSME performance and social skills have a positive and significant effect on MSME performance.

Keywords: Emotional Intelligence, PLS, Female Entrepreneurs

1. Introduction

Yogyakarta Special Region is in 8th place which has the highest entrepreneurial ratio with a total of 3.37% above the national ratio. This shows that MSMEs in the Special Region of Yogyakarta Province are developing well.¹ The development of the national and provincial entrepreneurship ratio can show that there is an increase in business productivity as measured by the performance of each business being run. One way of improving business performance is marked by the number of product innovations from each business. Developing innovation is also driven by increasingly better business and technological developments in Indonesia. Sleman Regency is the region with the highest number of MSMEs per year compared to the other four regions.² Business and industrial volatility has decreased since the Covid-19 pandemic occurred in 2020.³ Several businesses had to close their businesses due to lack of capital and difficulty finding raw materials, several businesses that continued

¹ Dadan Ramadhan and Lilies Setiartiti, "Analysis of Financial Literation Levels of Micro Enterprises in Kulon Progo District, Special Region of Yogyakarta," *Journal of Economics Research and Social Sciences* 4, no. 2 (2020): 163–71, <https://doi.org/10.18196/jerss.v4i2.10101>.

² Marselina Endah Hiswati et al., "Model of MSME Digital Marketing through for Biopharmaceutical Products," in *Proceeding of International Conference on Information Science and Technology Innovation (ICoSTEC)*, vol. 2, 2023, 199–203.

³ Yarmaliza Yarmaliza et al., "Literature Review of Epidemiological Phenomena: Corona Virus Disease Pandemic 2019," *European Journal of Medical and Health Sciences* 2, no. 3 (2020): 1–6, <https://doi.org/10.24018/ejmed.2020.2.3.281>.

to operate experienced decreased productivity and poor performance.⁴ The Covid-19 pandemic has caused changes that force every individual to survive, besides that in this condition several women business actors are taking part to overcome the economic shock. Women are considered to be more responsive to current situations, so that the success of businesses run by women is related to their emotional intelligence. Previous research explains that women can coordinate internally, this is an internal strength for MSMEs to improve their business performance. Women indicated that the main motivation for starting a business was to generate income and spend their free time. Erlangga conducted research on small business actors in the city of Bandung who were still surviving, but he saw no progress in performance both in terms of productivity and turnover.⁵ The fact from the field that he found regarding small business actors was a lack of knowledge to develop their business both in terms of business creativity, technological literacy, and mastery of business networks, these deficiencies lead to poor management of emotional intelligence. Emotional intelligence identifies five main components for knowing one's emotions, managing emotions, motivating oneself, recognizing the emotions of others, and handling relationships.⁶ Emotional intelligence such as self-awareness, motivation, empathy, and social skills are used to understand individual abilities in a social environment.⁷

2. Literature Review

2.1 Dimensions of Emotional Intelligence

According Singh, as he quoted the opinion of (Goleman,1998) states that there are 5 dimensions of emotional intelligence, including: self-awareness, self-control, self-motivation, social awareness, and social skills. Self-awareness

⁴ Reazi Agusman and Jangkung Handoyo Mulyo, "The Impact of the Covid-19 Pandemic on Stock Prices and Stock Price Volatility in Agricultural Companies on the Indonesia Stock Exchange," in *3rd International Conference on Sustainable Agriculture for Rural Development (ICSARD 2022)* (Atlantis Press, 2023), 275–83.

⁵ Heri Erlangga, Yanti Purwanti, and Yayan Mulyana, "Entrepreneurial Spirit of Domestic Business Actor Digital Marketing for MSMEs in Bandung City," *Jurnal Administrare: Jurnal Pemikiran Ilmiah Dan Pendidikan Administrasi Perkantoran* 8, no. 2 (2022): 539–48.

⁶ Daisy Grewal, Marc Brackett, and Peter Salovey, "Emotional Intelligence and the Self-Regulation of Affect.," 2006.

⁷ Sharif Mustafa et al., "Emotional Intelligence, Skills Competency and Personal Development among Counseling Teachers," *Procedia-Social and Behavioral Sciences* 93 (2013): 2219–23.

is the basis of emotional intelligence.⁸ Goleman, further said that self-awareness means knowing what we feel at any given time and using it to guide our own decision-making. (Lazarus,1976) explained that self-control describes individual decisions through cognitive considerations to control behavior in order to improve certain results and goals, as desired. According to, what is classified as a motivational factor includes a person's work, success achieved, opportunities for growth, progress in career and recognition from others. Business actors will be faced with many challenges, both internal and external, in dealing with markets and consumers. Business actors are inevitably required to understand the conditions of their respective consumers to create a sustainable business. Goleman also said that empathy means taking part in struggles in the arena of life, including being a business actor. Social skills occur when you can read the situation well. Interacting smoothly with other people, will be used to influence, lead, and resolve disputes that occur in building cooperation with other people and with the team.

2.2 MSME Performance

Businesses will experience development because there are several factors, namely entrepreneurial characteristics, business capital, and marketing strategies Purwanti (2012). Capital is the main factor in building and developing a business. Capital is considered the foundation of a business because the size of the business depends on the capital owned by the entrepreneur. Meanwhile, according to Rose (2006) business development depends on the skills and training of its employees. The skills here are the skills of an entrepreneur in carrying out business and marketing strategies. Entrepreneurial skills are one of the main factors in the business journey.

Factors that influence business performance include: Entrepreneurship aspects, according to Taormina, state that business success is determined by the characteristics of each individual/business actor,⁹ while Entriagol states that the personal success of individuals from MSMEs is their business organization.

⁸ Shailendra Singh, "Development of a Measure of Emotional Intelligence," *Psychological Studies-University of Calicut* 49 (2004): 136–41.

⁹ Robert J Taormina and Sammi Kin-Mei Lao, "Measuring Chinese Entrepreneurial Motivation: Personality and Environmental Influences," *International Journal of Entrepreneurial Behavior & Research* 13, no. 4 (2007): 200–221.

human resource competence, competence between individuals and organizations between the two is different, in organizations requires a new face of change to increase competition in the market Deeter stated that emotional intelligence has a role in measuring employee performance in achieving goals such as sales and customer service in the production process, employee performance is part of the assessment that determines the quality of human resources employed, they also said that emotional intelligence is an important characteristic in sales success. Competence is to increase performance, such as: expertise supported by skills and knowledge. Individual performance is based on understanding knowledge, habits, and skills Armstrong .¹⁰ Innovation, according to Rolstadås argues that innovation is a key element in maintaining and improving the performance of an organization.¹¹ Product creativity and use of technology are also indicators that MSMEs can produce innovation and competence for workers. Sustainability, sustainability is an important factor in business performance, which includes growth and profits. Business growth will produce greater output so that the profits obtained will increase, because the goal of every company is to make a profit Delmar (2002).¹²

3. Method

3.1 Population and Sample

This research uses female business actors in Cangkringan District as a population with population selection criteria including; businesses established from 2010 – 2022, businesses in the business sector engaged in the Processing Industry, Wholesale and Retail Trade; Car and Motorbike Repair, Provision of Accommodation and Food and Drink, location taken in the Cangkringan District area. This research used a sample of 71 people using the sampling technique in this research, Systematic Random Sampling. Systematic random sampling method with a certain distance, 3 intervals. The data collection method is carried out using a checklist or list of questions that has been prepared and arranged in such a way as to be filled in by potential respondents.

¹⁰ Michael Armstrong, *How to Be an Even Better Manager: A Complete AZ of Proven Techniques and Essential Skills* (Kogan Page Publishers, 2011).

¹¹ Asbjørn Rolstadås et al., “The Innovation Process,” *Manufacturing Outsourcing: A Knowledge Perspective*, 2012, 129–44.

¹² Your Footnote Here

3.2 Variable Operations

The dependent variable in this research is the performance of businesses run by female entrepreneurs. The measure of business performance uses the turnover of production output run by women entrepreneurs. The independent variable is formed from five measures of emotional intelligence, including self-awareness, self-control, self-motivation, social awareness, social skills, where the measurements are for each aspect of emotional intelligence.

3.3 Data Analysis Technique

Analisis yang digunakan dalam penelitian ini menggunakan beberapa metode PLS yang meliputi beberapa analisis antara lain: Metode analisis deskriptif dengan tujuan untuk memudahkan pembaca dalam menafsirkan hasil observasi. Faktor analisis untuk menjelaskan bagian dari variasi dalam sebuah mpulan variabel yang diamati beberapa dimensi. Merancang inner model untuk melihat hubungan kausalitas antar variabel. Merancang outer model untuk menilai validitas dan reliabilitas model. Pengujian Hipotesis.

4. Result and Discussion

1.1 Test Outer Model

a) Intrument Research Validity

What was done before showing that all the statement indicators were worthy of being used as research instruments was to carry out a large sample test of 71 respondents. The significance level is 5% if $r \text{ count} > r \text{ table}$ then the statement is valid. Meanwhile, if $r \text{ count} < r \text{ table}$ then the statement is invalid. The following are the results of the validity test:

Variabel	Indikator	r hitung	R tabel
Kesadaran Diri	1	0.772	0.230
	2	0.729	0.230
	3	0.775	0.230
	4	0.760	0.230

Variabel	Indikator	r hitung	R tabel
Kontrol Diri	1	0.499	0.230
	2	0.500	0.230
	3	0.469	0.230
	4	0.513	0.230
Motivasi Diri	1	0.861	0.230
	2	0.768	0.230
	3	0.828	0.230
	4	0.768	0.230
Kesadaran Sosial	1	0.468	0.230
	2	0.469	0.230
	3	0.489	0.230
	4	0.507	0.230
Keterampilan Sosial	1	0.827	0.230
	2	0.839	0.230
	3	0.761	0.230
	4	0.840	0.230
Kinerja UMKM	1	0.846	0.230
	2	0.851	0.230
	3	0.849	0.230
	4	0.878	0.230

b) Reliability

Reliability PLS uses Cronbach's Alpha and Composite Reliability values, it is declared reliable if the Composite Reliability value is above 0.7 and the recommended Cronbach's Alpha value is above 0.70.

Table 2. Reliability Test

Variable	Cronbach's Alpha	Composite Reliability
Self-awareness	0.811	0.876
Social Awareness	0.939	0.957

Variable	Cronbach's Alpha	Composite Reliability
Social Skills	0.877	0.916
MSME performance	0.909	0.936
Self control	0.890	0.924
Self-motivation	0.885	0.920

1.1 Test the Inner Model

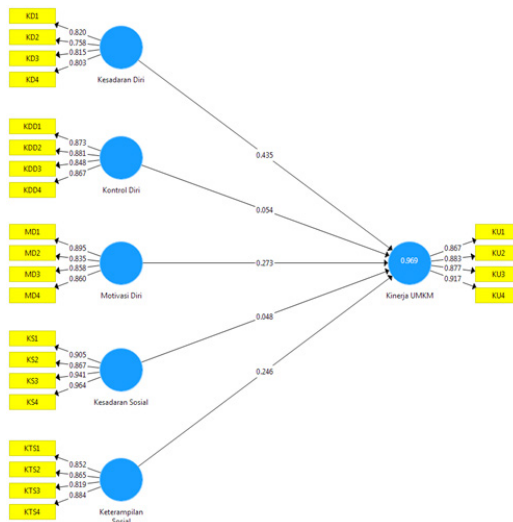


Figure 1. Structural Model

Testing of the inner model or structural model is carried out to see the relationship between constructs, significance values and R-Square of the research model.

a) R-Square Test

Table 3. R-Square Test

Variable	R-Square	R-Square Adjusted
MSME performance	0.969	0.967

Based on table 4.14 above, it shows that the R-Square value of the MSME

Performance variable is 0.969, this value means that the MSME Performance variable can be explained by the independent variable of 96.9% and the remaining 03.1% can be explained by other variables not included in this research.

b) **Predictive Relevance (Q Square)**

Table 4. Predictive Relevance Test

Variable	Q ² (=1-SSE/SSO)	Information
MSME performance	0.748	Has predictive relevance value

Based on the data presented in the table above, it can be seen that the Q square value for the dependent variable is > 0. By looking at this value, it can be concluded that this research has a good observation value because the Q square value is > 0 (zero).

1.2 Hypothesis Test

Table 5. Hypothesis Testing

Variable	Indicator	T Statistics (O/STDEV)	P Values
Self Awareness -> MSME Performance	0.435	5,098	0,000
Self Control -> MSME Performance	0.054	2,806	0.005
Self Motivation -> MSME Performance	0.273	2,740	0.006
Social Awareness -> MSME Performance	0.048	2,128	0.034
Social Skills -> MSME Performance	0.246	2,495	0.013

Testing the structural relationship model is to explain the relationship between the variables in the research. Structural model testing was carried out through tests using PLS software. The basis used to test the hypothesis directly is the image output and the values contained in the pathcoefficients output. The basis used to test the hypothesis directly is if the p value < 0.05 (significance level = 5%) and the T statistic value > 1.960, then it is stated that there is a significant influence of the exogenous variable on the endogenous variable. . research

concluded that self-control has a positive effect on performance.¹³ Laia (2022) who in her research concluded that motivation has a positive and significant effect on business performance.¹⁴ Siswandono who in her research stated that social awareness which is part of emotional intelligence affects performance.¹⁵ Nugraheni (2022), in his research, stated that social skills influence business performance.

5. Conclusion

- a. Self-awareness of MSME performance shows a coefficient value of 0.435, p-values of $0.000 < 0.05$ and t-statistics of $5,098 > 1.960$. These results show that self-awareness influences the performance of MSMEs, so that there is a positive association between self-awareness and the business performance of women in MSMEs.
- b. Self-control on MSME performance shows a coefficient value of 0.054, p-values of $0.005 < 0.05$ and t-statistics of $2,806 > 1.960$. These results show that self-control influences the performance of MSMEs, so that there is a positive association between self-control and the business performance of women in MSMEs.
- c. Self-motivation on MSME performance shows a coefficient value of 0.273, p-values of $0.006 < 0.05$ and t-statistics of $2,740 > 1.960$. These results show that self-motivation influences the performance of MSMEs, so that there is a positive association between self-motivation and the business performance of women in MSMEs.
- d. Social awareness of MSME performance shows a coefficient value of 0.048, p-values of $0.034 < 0.05$ and t-statistics of $2,128 > 1.960$. These results show that social awareness influences the performance of MSMEs, so that there is a positive association between social awareness and the business performance of women in MSMEs.

¹³ Catarina Cori Paramitha and Ira Wahyuni, "Pengaruh Cyberloafing Dan Komitmen Organisasional Terhadap Kinerja Pegawai Dengan Self Control Sebagai Variabel Moderating," *Journal For Business And Entrepreneurship* 5, no. 1 (2021).

¹⁴ Sri Intan Laia, "Pengaruh Efikasi Diri Dan Motivasi Terhadap Kinerja Usaha Di Teluk Dalam (Studi Kasus Pada Pelaku Usaha Onlineshop Di Kelurahan Pasar Teluk Dalam)," *Jurnal Ilmiah Mahasiswa Nias Selatan* 5, no. 1 (2022): 67–79.

¹⁵ Ajar Siswandono, "Pengaruh Kecerdasan Intelektual, Kecerdasan Emosional Dan Kecerdasan Spiritual Terhadap Kinerja Karyawan 'Key Talent,'" *KINERJA* 18, no. 2 (2021): 296–303.

- e. Social skills on the performance of MSMEs shows a coefficient value of 0.246, p-values of $0.013 < 0.05$ and t-statistics of $2,495 > 1.960$. These results show that social skills influence the performance of MSMEs, so that there is a positive association between social skills and the business performance of women in MSMEs.

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