

The Impact of Women's Empowerment and Business Incubation Program on SMES Performance in Bandung Regency

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The development of a creative economy provides opportunities for the society whether male or female to utilise it through business activities on a micro, small, and medium scale. One of the programs that provide facilities in order to enhance entrepreneurial growth through facilities and infrastructure, is business incubation. The creative economy empowerment program for women implemented by the business incubator is considered suitable for women because the tutoring process is performed continuously with integrated guidance from all parties. With various training programs, it is integrated through business incubators; the program is expected to increase women's competitiveness; therefore the level of income will increase which lead to improvement in their support of their families' welfare. Therefore, the core of the research study is focused on one of the factors that influence the performance of SMEs, namely women's empowerment and business incubation. Based on this, the main problem revealed in this study is the impact of women's empowerment and business incubation on the performance of SMEs. This research was conducted on SMEs in the Bandung Regency. This study consisted of three variables, namely women's empowerment (X1), business incubation (X2) and SMEs Performance (Y). The method used in this study is a survey method in the form of an explanatory survey. Data collection techniques by means of questionnaires were used with Likert scale models, which were analysed using multiple regression. The respondents in this study were SMEs in the Bandung Regency. Based on the results of the study, it can be seen that women's empowerment and business incubation has a significant influence on the performance of SMEs in the Bandung Regency. Where women's empowerment and business incubation are proven to have a significant impact on the SME's performance.

Key words: *Women's Empowerment, Business Incubation, SME's Performance.*

Introduction

Indonesia's economic growth projection that are higher in 2016 and 2017 compared to economic growth in recent years, is expected to bring a positive contribution to the development of the creative economy. According to Iqbal, Agha, Ali, & Qureshi, (2016), the SME's sector consists of small businesses and medium-sized companies that contribute to an important part of the world economy, in developed countries and developing countries; the size of the small and medium economy as the best role is important. Small and medium enterprises (SMEs) form the potential economic backbone of many regions and make a greater contribution to jobs than large companies (Chin, Hamid, Rasli, & Tat, 2014). Small and medium enterprises (SMEs) have a greater influence on the economy in various regions compared to large companies (Chin et al., 2014). Parekraf 2014 displays that 17 percent of Indonesian household consumption is allocated for buying creative products and services with a 10.2% to 10.8% growth each year. In terms of inter-sectoral linkages, based on the creative economy input output table in 2010, it can be observed that culinary, fashion, and crafts are the largest sectors of the creative economy and the largest users are construction, wholesale and the retail trade, the manufacturing industry, and government and defence administration services. The manufacturing, construction, and wholesale and retail trade sectors were the largest sources of Indonesia's economic growth in the third quarter of 2016, with contribution to growth respectively of 0.96%, 0.55%, and 0.49% (BPS, 2016). The manufacturing industry is expected to grow by 5.3% in 2017, slightly higher than the growth in 2016, which is 5% (The Economist, 2016). Thus, it is expected in 2017 that the creative economy will grow slightly higher than in 2016. In the West java Province, the development of the creative industry is very fast. According to the data, the role of the creative industry on GDP (Gross Domestic Product) has increased significantly in the last five years. Rp.472,999 billion in 2010, Rp.526,999 billion in 2011, Rp.578,761 billion in 2012, Rp.641,815 billion in 2013 and Rp.716,695 billion in 2014.

Some of the important roles of SMEs in the Indonesian economy are its position as a major player in economic activities in various sectors, namely: the largest provider of employment, important players in developing local economic activities and community empowerment, new market creators and sources of innovation, and its contribution in maintaining the balance of payments through export activities. According to Chin, Hamid, Rasli, & Baharun, (2012) in today's increasingly globalised economy, small and medium enterprises (SMEs) are now regarded as the main sources of dynamism, innovation and flexibility in developing countries, as well as the economies of industrialised countries; they contribute greatly to economic development and job creation. With the aim of giving bigger impact and high economic value, creative industry must shifted to creative economy. The significantly

positive role played by small and micro-enterprises in eradicating poverty and creating vast employment opportunities, especially among emerging economies, has been highlighted by both policy makers and academics (Al Mamun, Ibrahim, Yusoff, & Fazal, 2018). Current policy regarding the development of the creative economy has also been included in the West Java Regional Development Priority. A thematic program like creative economy development and creative young entrepreneurs with excellent activities in the form of developing creative industrial areas, are now already listed under Common Goals.

The development of the creative economy in Indonesia especially in West Java Province is inseparable from the contribution of women entrepreneurs. The number of women entrepreneurs in Indonesia has significantly increased. Currently the number of women entrepreneurs in Indonesia is 14.3 million. It has increased by 1.6 million from the previous number which is 12.7 million people. Other than entrepreneurs, women's participation rate has also increased from 48.87% to 55.04%. According to the Central Bureau of Statistics Indonesia (BPS), it noted that the number of Indonesian labour force in February 2017 was 131.55 million people. This number increased by 6.11 million people compared to August 2016, and rose by 3.03 percent or 3.88 million people compared to February 2016. There are 124.54 million people in residence who have worked in Indonesia in February 2017; this increased by 6.13 million people compared to the last semester and 3.89 million people compared to February 2017. Based on these facts, the empowerment of women is the need for Indonesia to improve the economic status of society. Women were not a burden or obstacle in the development, but they became one of the potential assets under construction. One way to increase women's empowerment is to make small and medium enterprise absorb the labour of the unemployed women, in addition to reducing the unemployment rate, which could increase the expertise or skill of these women (Setyaningsih, Rucita, Hani, & Rachmania, 2012).

The labour force participation rate (TPAK) is still dominated by men in February 2017 according to BPS. As a head of BPS, Suhariyanto stated that men TPAK in February was 83.05 percent; this is down compared to the same period last year which was 83.46%. Meanwhile, female TPAK is only 55.04 percent, but it increased from 52.71 percent compared to the same period last year. "But compared by the same period last year, female TPAK is actually increased by 2.33 percent, while male TPAK is actually experience a decreasing by 0.41 percent." (Suhariyanto in press conference at BPS Central Jakarta, May 5, 2017). To bridge this gap, a stimulus is needed to motivate women and increase their roles in family, community, and regional levels. One of them is by creative economic empowerment program for women through the business incubator program. Van Vuuren and Nieman, 1999; Ladzani & van Vuuren, 2002; Tahir, Mohamad, & Hasan, 2011 suggest that the performance of an entrepreneur is determined by a combination of motivation, entrepreneurial skills and business skills. Business incubation is a system and institutional

arrangement to help industrialised countries by developing the SME sector. This study found that company performance was greatly improved when the company used the incubation program. The incubation program helps the survival of the company even after graduating from the incubation program with other benefits such as profitability and sales' growth. The evidence from the review shows that participants in the incubation program have benefited greatly in the areas of corporate income and growth, patent applications, obtaining finance or capital and building alliances (Ayatse, Kwahar, & Iyortsuun, 2017).

One of the 17 Sustainable Development Goals launched on the United Nations 2030 Agenda for Sustainable Development is gender equality and the empowerment of women and girls (United Nations, 2018). Women's empowerment is closely related to economic development. On the one hand, economic development can improve the condition of women and reduce inequality between men and women. Moreover, literature supports the fact that women are disadvantaged due to gender-related discriminations, especially in developing countries occasioned by culture, and in the areas of distribution of social wealth such as education and health; yet women contribute to the economic development of their countries through their greater involvement in credit schemes and job creation through micro-enterprises and small and medium enterprises (SMEs) (Osman, Ho, and Galang 2011; Al Mamun & Ekpe, 2016). On the other hand, women's involvement in the economy is one of the keys to economic growth. When more women are employed, the economy will grow. Increasing women's participation in the workforce will lead to a reduction in the gap between women's and men's participation in employment. This phenomenon will be able to encourage faster economic growth. Empowering women in emerging economies will not only improve household welfare but will also positively impact the social and fiscal health of nations through better education, poverty reduction, and decreased violence (De Vita, Mari, & Poggese, 2014; Dolan & Scott, 2009; Scott, Dolan, Johnstone-Louis, Sugden, & Wu, 2012; Crittenden, Crittenden, & Ajjan, 2019). In other studies, improving gender equality can have a significant impact on economic growth through increased expansion of human capital stock and increased labour productivity. Gender equality will improve the quality of human capital; it can be done through formal and informal education. One of the forms of informal education is a business incubator program specifically provided for women.

The Bandung Regency has the largest area in West Java Province with 31 regencies. The total population of the Bandung Regency is currently 3,522,724 people. The population is 48.8 percent of women; by comparing the female population, this is certainly a great potential in contributing to economic development in the Bandung Regency. Referring to the explanation above and to solve the problem regarding SME's performance, it is important to conduct research on the effect of women's empowerment and business incubation on SME's performance.

Literature Review

Women empowerment

Empowerment is an individual's feelings about increasing power and capacity to influence the forces that affect one's life space, with little focus on changes in social structure (Pinderhughes, 1983; Browne, 1995; Setyaningsih, Rucita, Hani, & Rachmania, 2012). Empowerment is important to enable marginalised individuals to gain access to resources and to assess their own experiences (Babaei, Ahmad, and Gill, 2012; Crittenden, Crittenden, & Ajjan, 2019).

Women empowerment is women's capacity to reduce socio-economic vulnerability and their dependence on male household members, increase involvement and control of household decisions, economic activities and resources, contribute to household expenditure, increase self-confidence and awareness of social problems (Banu, Farashuddin, Hossain and Akter, 2001; Al-Mamun, Wahab, Mazumder, & Su, 2014).

Women's empowerment is very closely related to economic development. On the one hand, economic development can improve the condition of women and reduce inequality between men and women. On the other hand, women's involvement in the economy is one of the keys to economic growth. When more women are employed, the economy will grow. An increase in women's participation in the workforce will lead to a reduction in the gap between the participation of women and men in the workforce. This in turn will be able to encourage faster economic growth.

Table 1: Dimensions of Women's Empowerment

Authors	Dimensions
(Spreitzer, 1995)	<ul style="list-style-type: none"> • Mean • Competence • Self Determination • Impact
(Menon, 1999, 2001)	<ul style="list-style-type: none"> • Internationalisation of targets • Perception Control • Perception of competence
(Chiang & Hsieh, 2012)	<ul style="list-style-type: none"> • Mean • Competence • Self Determination • Impact
(Crittenden et al., 2019)	<ul style="list-style-type: none"> • Internalisation of objectives • Perception of control • Competence • Impact

From the research referring to (Chiang & Hsieh, 2012), and (Crittenden et al., 2019), the dimensions of women's empowerment can be concluded, namely: 1) Competencies that include competencies to work effectively in direct sales, skills and abilities to perform direct sales' tasks well, and to sponsor / guide other women who may be interested in direct sales; 2) Perception of control which includes the authority to engage in direct sales, freedom to determine how to run a direct sales' business; 3) Internalising objectives which include being inspired by the goals of direct sales, enthusiastic about working towards the goals of direct sales and inspired by what others are doing in direct selling; and 4) Impacts that include the impact it has on the direct sales' business, affect the way other women are involved in direct sales, and have a large control over what happens in the direct selling business.

Business Incubation

Business incubation is a policy tool that facilitates entrepreneurship development by creating and implementing programs that focus on providing targeted resources and services (Ayatse et al., 2017). This service, which is designed to add value to entrepreneurial ventures, is structured to provide targeted and specific benefits for incubated businesses. Business incubation is a tool that encourages entrepreneurial development by creatively starting and implementing programs that focus on providing targeted resources and services for companies. This concept is based on the premise of increasing the company's survival and growth by developing mechanisms that will ensure early identification of companies that

have great potential for success but are constrained by resources (Iyortsuun, 2017). "Business incubation is the process of starting and developing a company, providing entrepreneurs with the skills, networks and tools they need to make their business successful" (Gozali, Masrom, Haron, & Zagloel, 2015). Business incubation is the fostering process for small businesses and / or new product development carried out by business incubators in terms of providing business facilities and infrastructure, business development and management and technology support (Idris, 2012). Business incubation is the process of providing integrated physical and non-physical services for business development for SMEs and Startups. Incubation is used as a tool to encourage SMEs and Startups to develop their businesses in order to survive, so that they can ultimately be independent both financially and non-financially.

Table 2: Dimensions of Business Incubators

Authors	Dimensions
(Hackett & Dilts, 2008)	<ul style="list-style-type: none"> • Incubator selection performance • The intensity of business assistance • Resource allocation • Professional management services
(Iyortsuun, 2017)	<ul style="list-style-type: none"> • Incubator selection performance • The intensity of business assistance • Resource allocation • Professional management services
(Khalid, Gilbert, & Huq, 2014)	<ul style="list-style-type: none"> • Incubator selection performance • The intensity of business assistance • Resource allocation • Professional management services

From the previous researches referring to (Khalid et al., 2014), and (Iyortsuun, 2017), the business incubation dimensions can be concluded, namely: 1) Performance of incubator selection which includes companies which will act on suggestions received from the incubator manager, the company receives business-related information from the incubator, the incubator's ability to suggest controls on financial controls / decisions, providing access to capital resources, consultants, specialists, etc., and get the maximum benefit by participating in the incubation program; 2) The intensity of business assistance which includes the capacity of the incubator to provide strategic planning and implementation, the potential of the incubator's advice to foster business success, the company survives and grows profitably by participating in incubation, and the company achieves good cash flow; 3) Resource allocation which includes the uniqueness and competitive potential of the company's products, size and growth potential of the company's target market, previous work and management experience, incubator managers devote sufficient time to help the company,

and incubator managers ensure quality services to the company; and 4) Professional management services which include the company's profit potential and potential to attract investors, improve services provided to the company, adequate interaction and reduce the possibility of expensive decisions, and the ability of the incubator to provide human resource advice to the company.

SMEs Performance

Traditional performance measurement is strongly influenced by financial reporting, which results in the development of various financial measures. The most commonly used financial measures include return on assets (ROA), return on equity (ROE), return on investment (ROI), profit margins, earnings per share, value per employee, etc. (Hernaus, Bach, & Vuksic, 2012). Even though it used to be very popular, these traditional financial measures are no longer seen as an adequate means for carrying out management control. Changes in perspective occurred in the mid-1980s. Performance measurement moves away from purely financial focus and organisations begin to apply increasingly non-financial performance measures such as customer retention, customer satisfaction, employee turnover, and a number of new products developed (Hernaus et al., 2012). Financial and non-financial measures are used as indicators of organisational performance (Tseng & Lee, 2012).

Organisational performance consists of financial and non-financial measures. Organisational financial measures consist of profit and growth, while non-financial organizational measures consist of innovation, customer satisfaction, quality, and flexibility in the utilisation of resources (Daud & Yusoff, 2011). Organisational performance consists of financial and non-financial measures; the most widely used financial measures are asset return (ROA), return on investment (ROI), return on equity (ROE), market share, sales growth, and profitability, non-performance measures finance such as client satisfaction, employee satisfaction, innovation ability, efficiency of internal business processes, and increased performance of intangible assets (Ha, Lo, & Wang, 2016).

Table 3: Performance Dimensions

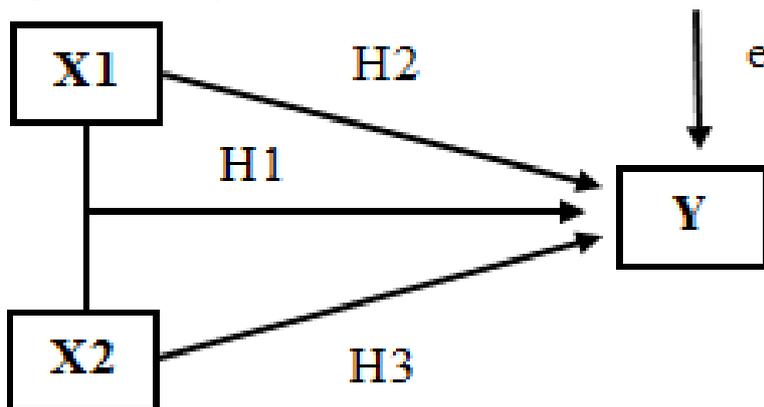
Authors	Dimensions
(Ha et al., 2016)	Non-financial performance, Financial performance
(Daud & Yusoff, 2011)	Non-financial performance, Financial performance
(Hernaus et al., 2012)	Non-financial performance, Financial performance
(Tseng & Lee, 2012)	Non-financial performance, Financial performance
(Alaarj, Abidin-Mohamed, & Binti Ahmad Bustamam, Salwa, 2016)	Non-financial performance, Financial performance

For the purpose of this study, the two dimensions according to (Ha et al., 2016), (Daud & Yusoff, 2011) and (Hernaus et al., 2012) where non-financial and financial performance are used to measure organisational performance because both must be seen as complementary to each other. The financial dimensions include company profitability, return on assets (ROA), and value added; 2) Non-financial dimensions include retaining existing clients and attracting new ones, number of customer complaints, company reputation, supplier relationships, trust between companies and suppliers, product / service quality, income fluctuations, employee productivity, special commitment to the organisation, absence, response time to customer complaints and service.

Conceptual Framework

In line with the broad review of previous research, the research design can be described and made a regression equation as follows:

Figure 1. Conceptual Framework



The regression equation of the research design is as follows.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

α = Constant

β = Coefficient

e = Residue

X1 = Women's Empowerment

X2 = Business Incubation

Y = SMEs Performance

→ = The line describes the influence

So based on the above conceptual framework, the authors propose the following hypothesis:

- H1:** Women's empowerment and business incubation have a positive and significant effect on SME's performance.
- H2:** Women's empowerment has a positive and significant effect on SME's performance.
- H3:** Business incubation has a positive and significant effect on SME's performance.

Methods

Research Method

Based on the type of research, which is quantitative descriptive carried out through data collection in the field, the research method used is the explanatory survey method with the aim to explain the relationship between the variables studied by testing the hypothesis through statistical data processing and testing. According to (Silalahi, 2017), explanatory research is a research whose main purpose is to explain the reason for the occurrence of the event and to form, deepen, develop, or test the theory. This study uses a questionnaire survey approach to collect data to test research hypotheses. The population for this study consisted of SMEs in the Bandung Regency. Sampling for this study consisted of 41 SMEs from the women's business incubation program. The initial survey instrument was tested before by 20 SMEs and the reliability of the instrument was estimated using Cronbach's Alpha. The results with Cronbach's Alpha show that the instrument has acceptable reliability (more than 0.7).

Measurement of Variables

The validity test that will be used is the product moment correlation technique by Pearson. If the instrument is valid, then the item can be used in the research questionnaire. The validity and reliability test calculation is performed using the help of IBM SPSS 23. Then, r_{count} is compared with the value of r_{table} with a real level (α) = 0.05 at a 95% confidence level with $db = n-2$. Reliability testing used was the Cronbach's Alpha formula. It is based on $r_{\text{count}} > r_{\text{table}}$ = valid and reliable.

Business incubation was measured using 18 items adapted (Iyortsuun, 2017) using the five point Likert scale varying from 1 "strongly disagree to" 5 strongly agree, which consists of four dimensions 1) incubator selection performance; 2) business assistance intensity; 3) resource allocation; 4) professional management. Based on table 1, it is found that out of the 18 statement items all are valid because $r_{\text{count}} > r_{\text{table}}$ = valid, then the statement items used to collect business incubation data are 18 statement items. The results with Cronbach's Alpha show that the instrument has acceptable reliability ($\alpha = 0.760$).

Empowerment was measured adapted from (Crittenden et al., 2019) using the five point Likert scale varying from 1 "strongly disagree to" 5 strongly agree and was measured using

11 items consisting of four dimensions 1) competence; 2) perceived control; 3) goal internalisation; 4) impact. Based on table 1, it is found that out of the 11 statement items all are valid because $r_{\text{count}} > r_{\text{table}} = \text{valid}$, then the statement items used to collect empowerment data are 11 statement items. The results with Cronbach's Alpha show that the instrument has acceptable reliability ($\alpha = 0.769$).

Firm performance was measured using 15 items adapted (Hernaus et al., 2012) using the five point Likert scale varying from 1 “strongly disagree to” 5 strongly agree consisting of two dimensions - financial performance and non-financial performance. The results showed that this scale has a high validity and reliability to measure empowerment, business incubation, and firm performance. Based on table 1, it is found that out of the 11 statement items all are valid because $r_{\text{count}} > r_{\text{table}} = \text{valid}$, then the statement items used to collect empowerment data are 11 statement items. The results with Cronbach's Alpha show that the instrument has acceptable reliability ($\alpha = 0.747$).

Table 4: Validity Analysis

Measurement Items	r_{count}	r_{table}	Explanation
<i>Business Incubation (Iyortsuun, 2017)</i>			
<i>Incubator Selection Performance</i>			
Company's likelihood to attain financial break-even; good cash flow.	0.878	0.444	Valid
Uniqueness and competitive potential of company's product.	0.858	0.444	Valid
Size and growth potential of company's target market to enter.	0.817	0.444	Valid
Prior work and management experience of management team.	0.521	0.444	Valid
Profit potential of company and the potential to attract investors.	0.660	0.444	Valid
<i>Business Assistance Intensity</i>			
Incubator manager devotes sufficient time to assist company.	0.622	0.444	Valid
Incubator manager ensures quality service to company.	0.878	0.444	Valid
Incubator's continuous improvement of services provided to company.	0.858	0.444	Valid
Interaction is sufficient and reduces likelihood of costly decisions.	0.817	0.444	Valid
<i>Resource Munificence</i>			
Company will act on advice received from the incubator manager.	0.521	0.444	Valid

Company receives business-related information from incubator	0.750	0.444	Valid
Provision of access to sources of capital, consultants, specialist, etc.	0.567	0.444	Valid
Benefitting maximally by participating in the incubation program.	0.659	0.444	Valid
Potential of the incubator's advice to nurture business to success.	0.750	0.444	Valid
<i>Professional Management Services</i>			
Incubator's capability to advise control on financial controls/decisions.	0.580	0.444	Valid
Incubator's capacity to provide strategic planning and implementation.	0.709	0.444	Valid
Incubator's capability to provide human resource advice to company.	0.713	0.444	Valid
Incubator's capacity to advise on development of marketing strategy.	0.603	0.444	Valid
<i>Empowerment (Crittenden et al., 2019)</i>			
<i>Competence</i>			
I have the competence to work effectively in direct selling.	0.652	0.444	Valid
I have the skills and abilities to do my direct selling tasks well.	0.702	0.444	Valid
I believe I could sponsor/mentor other women who might be interested in direct selling.	0.719	0.444	Valid
<i>Perceived control</i>			
I have the authority to engage in direct selling the way I see best.	0.719	0.444	Valid
I have the freedom to determine how I run my direct selling business.	0.754	0.444	Valid
<i>Goal internalisation</i>			
I am inspired by the goals of the direct selling organisation I am affiliated with.	0.773	0.444	Valid
I am enthusiastic about working toward my direct selling organisation's objectives.	0.680	0.444	Valid
I am inspired by what others in direct selling are trying to accomplish.	0.563	0.444	Valid
<i>Impact</i>			
The impact I have on my direct selling business is large.	0.842	0.444	Valid

I can influence the way other women engage in direct selling.	0.859	0.444	Valid
I have a great deal of control over what happens in my direct selling business.	0.871	0.444	Valid
<i>Business Performance</i> (Hernaus et al., 2012)			
<i>Financial performance</i>			
Profitability of the firm increases faster compared to industry average.	0.532	0.444	Valid
Return on assets (ROA) of the firm is significantly higher than the industry average.	0.544	0.444	Valid
Value added per employee is significantly higher than the industry average.	0.608	0.444	Valid
<i>Non-financial performance</i>			
We retain existing clients and manage to attract new ones.	0.611	0.444	Valid
The number of customer complaints within the last period has increased strongly.	0.635	0.444	Valid
Reputation of our company in eyes of the customers has improved.	0.499	0.444	Valid
We consider our relations with suppliers to be excellent because we maintain genuine partnerships with them.	0.574	0.444	Valid
There is a mutual trust between our company and our suppliers.	0.614	0.444	Valid
The quality of our products is well above the industry average.	0.634	0.444	Valid
The net fluctuation of employees is very high within our company.	0.546	0.444	Valid
Productivity of employees is much higher than the industry average.	0.674	0.444	Valid
Employees do not feel special commitment to the organisation.	0.553	0.444	Valid
Absenteeism is in our company (relative to competition) very high.	0.548	0.444	Valid
Response time to customer complaints is well above industry average.	0.502	0.444	Valid
Service error level (waste level) is much lower than our competitors.	0.711	0.444	Valid

Table 5: Reliability Analysis

No	Variable	Cronbach's Alpha	r _{table}	Explanation
1	Business Incubation	0.760	0.444	Reliable
2	Empowerment	0.769	0.444	Reliable
3	Business Performance	0.747	0.444	Reliable

Data Analysis Technique

The multiple regression model was used to analyse data in order to determine the hypotheses for the study. Collected data was checked for possible violations of regression assumptions with the help of the SPSS software tool. Based on these guidelines, the authors will make observations to obtain research data in accordance with the research objectives, namely to describe and analyse the influence of empowerment and business incubation on the SME's Performance in the Bandung Regency.

The significance test of the regression coefficient is done by the t test. The results of the regression significance test determine whether the researcher must make a decision to reject the hypothesis or accept the hypothesis after comparing the results of the t test (empirical) and t-table (theoretical): (a) If $p < 0.05$ or $t \text{ count} < t \text{ table}$ then the hypothesis is not rejected; and (b) If $p > 0.05$ or $t \text{ count} > t \text{ table}$ then the hypothesis is rejected.

Results and Findings

Testing the Assumption of Multiple Linear Regression

Normality Test

Data normality is tested to find out whether the data used is normally distributed or not. In this study the normality test uses the Kolmogorof Smirnov test because the test is an approach of the Lilefors test. For this test the level of significance is $\alpha = 0,05$. The statistical hypothesis tested is stated as follows.

Table 6: One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		41
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	5.89658679
Most Extreme Differences	Absolute	.099
	Positive	.099
	Negative	-.050
Test Statistic		.099
Asymp. Sig. (2-tailed)		.200 ^{c,d}

Based on the results of the normality test it is known that the significance value is $0.200 > 0.05$, and it can be concluded that the residual value is normally distributed.

Multicollinearity Test

The multicollinearity test is performed to determine whether there are independent variables that correlate with each other or not. To test the existence of multicollinearity can be seen through the value of the Variance Inflation Factor (VIF) and tolerance value for each independent variable. If the tolerance value is above 0.10 and VIF is less than 10 then it is said there are no symptoms of multicollinearity.

Table 7: Multicollinearity test results

Model	Collinearity Statistics		Explanation
	Tolerance	VIF	
Women's Empowerment	0.562	1.781	No multicollinearity
Business Incubation	0.562	1.781	No multicollinearity

Based on the results in table 7, it is found that the tolerance value of each independent variable is above 0.1. Likewise, the value of VIF from each independent variable is less than 10. Whereas for women's empowerment has a tolerance value of 0.562 and a VIF of 1.781, and business incubation has a tolerance value of 0.562 and a VIF of 1.781. This shows that there is no correlation between the independent variables in the regression model and it can be concluded that there is no multicollinearity problem among the independent variables in the regression model that is formed.

Heteroscedasticity Test

Heteroscedasticity test is performed to detect the variance inequality of the residual regression model on one observation. Heteroscedasticity test in this study used the Glejser

test. This test compares significantly from this test if the results are $\text{sig} > 0.05$ or 5%. If it is significant above 5%, it can be concluded that the regression model does not contain heteroscedasticity.

Table 8: Heteroscedasticity test results

Model		Unstandardised Coefficients		Standardised Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.870	3.620		2.174	.036
	Women's Empowerment	.026	.068	.082	.388	.700
	Business Incubation	-.090	.078	-.245	-1.156	.255
a. Dependent Variable: Abs_Res						

Based on the results in the table above, it is found that the significant value of the independent variable is greater than 0.05 where for the variable of women's empowerment a significant value of 0.700 is obtained, and the business incubation variable obtained a significance value of 0.255. This shows that there are no statistically significant independent variables in influencing the dependent variable absolute unstandardised residual (Absu) value. So, it can be concluded that the regression model does not have symptoms of heteroscedasticity.

Interpretation of Descriptive Results

Women's Empowerment in the Bandung Regency

Women's empowerment in the Bandung Regency is measured using four dimensions, namely the 1) competence; 2) perceived control; 3) goal internalisation; 4) impact. Based on the calculation, the results are as the table below:

Table 9: Women's empowerment in Bandung Regency

Category	Score Range	f	Percentage (%)
Very good	> 84	0	0
Good	64 - 84	25	61
fair	43 - 63	15	37
Not good enough	21 - 42	1	2
Not good	> 21	0	0
Total		41	100

The above table shows that women's empowerment in the Bandung Regency has been running at good at 61%.

Business Incubation in the Bandung Regency

Business incubation in the Bandung Regency is measured using four dimensions, namely the 1) incubator selection performance; 2) business assistance intensity; 3) resource allocation; 4) professional management; the results are as the table below:

Table 10: Business Incubation in Bandung Regency

Category	Score Range	f	Percentage (%)
Very good	> 84	0	0
Good	64 - 84	1	2
Fair	43 - 63	18	44
Not good enough	21 - 42	21	51
Not good	> 21	1	2
Total		41	100

The above table shows that Business Incubation in the Bandung Regency has been running not good enough at 51%.

SME's Performance in the Bandung Regency

SME's performance in the Bandung Regency is measured using four dimensions, namely the 1) financial performance; and 2) non-financial performance; the results are as the table below:

Table 11: SMEs Performance in Bandung Regency

Category	Score Range	f	Percentage (%)
Very good	> 84	0	0
Good	64 - 84	1	2
Fair	43 - 63	23	56
Not good enough	21 - 42	16	39
Not good	> 21	1	2
Total		41	100

The above table shows that SME's Performance in the Bandung Regency has been running fair at 56%.

Interpretation of the Regression Model

The statistical analysis used in this study is multiple linear regression. This analysis is used to determine the magnitude of the influence of the independent variables, namely Women's Empowerment and Business Incubation on the dependent variable, namely SME's

Performance. The magnitude of the influence of the independent variables with the dependent are simultaneous and also partial. The results of the calculations were differentiated using the help of IBM SPSS 23 software; the results obtained are as follows in the Table.

Table 12: Regression Analysis Results

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.901	6.226		.305	.762
	Women's Empowerment	.417	.118	.493	3.546	.001
	Business Incubation	.335	.135	.346	2.491	.017
a. Dependent Variable: SMEs Performance						

With the calculation of multiple regression between women's empowerment, business incubation and SME's performance produces a regression equation $Y = 1,901 + 0.417X_1 + 0.335X_2$. The above regression equation can be explained as follows:

- A Constant value of 1.901 indicates that if the independent variable namely Women's Empowerment and Business Incubation is zero then SME's Performance is 1.901.
- The influence of women's empowerment variables on SME's performance is significant, and has a positive direction. This is indicated by the significance value of the significance $\text{sig} < \alpha$ that is $0.001 < 0.05$ which indicates the rejection of H_0 . Because the coefficient of the positive women's empowerment variable is 0.417, this indicates that any 1% increase in the women's empowerment will result in an increase in the SME's performance by 0.417 units assuming other variables are constant. So, it can be concluded that the variable of women's empowerment has a positive effect on SME's performance.
- The effect of business incubation variables on SME's performance is significant, and positively directed. This is indicated by the significance value of the significance $\text{sig} < \alpha$ that is $0.017 < 0.05$ which indicates the rejection of H_0 . Because the coefficient of the positive business incubation variable is 0.335, this indicates that any 1% increase in business incubation will result in an increase in SME's performance by 0.335 units assuming other variables are constant. So, it can be concluded that the business incubation variable has a positive effect on SME's performance.

The three variables were used to measure SME's performance, and it was found that women's empowerment was most influential on SME's performance because it obtained a constant of 0.417, then business incubation of 0.335.

F test

The F statistical test basically shows whether all independent variables entered in the model have a joint influence on the dependent variable. To find out whether the regression model used is a fixed model can be done by comparing the value of F table and F calculated or comparing between sig and $\alpha = 0.05$. Based on the results of calculations using the IBM SPSS 23 application, the following results are obtained:

Table 13: Test F

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1986.235	2	993.117	27.135	.000 ^b
	Residual	1390.789	38	36.600		
	Total	3377.024	40			
a. Dependent Variable: SMEs Performance						
b. Predictors: (Constant), Women's Empowerment, Business Incubation						

The *F* value is 27.135 with a significance value of 0,000 <0.05. This shows that the independent variables (women's empowerment and business incubation) influence together or simultaneously in explaining their effects on the dependent variable (SME's performance).

Test of Coefficient Determination

In addition, to find out how much the percentage of the influence of these two variables simultaneously on the Y variable is to use a test with the coefficient of determination (R^2). From the test results obtained the coefficient of determination (R^2) of the regression equation is equal to 0.588 (R-Square value in the Model Summary table), as is shown below:

Table 14: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.767 ^a	.588	.566	6.04977
a. Predictors: (Constant), Women's Empowerment, Business Incubation				

Simultaneously the variables of Women's Empowerment (X_1) and Business Incubation (X_2) had an effect of 58.8% on SME's Performance (Y). The figure of 58.8% here means that every change in SME's performance (Y_2) of 58.8% is influenced by Women's Empowerment (X_1) and Business Incubation (X_2). The remaining 41.2% is caused by other variables outside of the two variables not included in this study.

Conclusion and Recommendation

Based on the results of hypothesis testing, this shows that business incubation and empowerment have a significant influence on the performance of SMEs, meaning that if women's empowerment and business incubation are high then the performance of SMEs will be high and vice versa, if business incubation and empowerment are low then the performance of SMEs will be low. This result is in line with previous research (Iyortsuun, 2017) and (Ayatse et al., 2017) which states that business incubation has a significant effect on the performance of SMEs. Both academics and practitioners have advocated empowerment practices as the "best practice" for enhancing firm performance (Maynard et al., 2012; Yin, Wang, & Lu, 2019). Entrepreneurship is not enough without empowerment as the later will attract women entrepreneurs, especially that engage in micro & small industries, so they can develop their business. It is hoped that mentality and confidence can be built. The business incubator is meant as a process that can transmit the entrepreneurship with higher skill and broader knowledge for women. This impact leads to how women can handle their business well and more manageably.

Based on the conclusions from the discussion of multiple regression results, the authors convey some suggestions to the company and to other researchers to examine the empowerment of women, business incubation variables and the performance of SMEs as described as follows: 1) To improve the performance of SMEs, companies must pay attention to and improve the quality of empowerment of women and business incubation, because based on this study empowerment of women and business incubation variables have a positive and significant influence on the performance of SMEs; 2) In this study there are other independent variables that might influence the performance of SMEs that were not included in this study, so that for the next researcher other variables could be examined; 3) Women's empowerment should be undertaken and directly intervened by local planning government agency policy that is targeted and promoted, at least, into medium term development planning to have sustainability; 4) There has to be the engagement of women's institutions/NGOs to do many jobs especially that stimulate and generate advocacy and communication; and 5) Local government leaders must issue a regulation that protects and supports women's participation in order to accelerate the development of SMEs, especially in the creative economy sector.

Theoretically the usefulness of this research is as a means to add references and study material in the repertoire of knowledge, especially in the field of management. Practically, the usefulness of this research is (1) as information material for SMEs regarding empowerment of women and business incubation for improving performance; (2) as input material for preliminary studies for further researchers to understand the impact of empowerment of women and business incubation on performance.



However, this study has several limitations: (1) the number of respondents is only obtained in one city, namely SMEs in the Bandung Regency, which of course is likely to be different from other cities; (2) The variables studied only reveal the effect of empowerment of women and business incubation on performance, while many other factors affect performance that have not been revealed in this study. Of course, this will be an input for further researchers to uncover other factors that affect performance.

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