Analysis Of Factors Affecting the Performance of Women Entrepreneurs Based on Food in Batu Aji District, Batam City

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ARTICLE INFO	ABSTRACT
  Keywords: Internal Factors, External Factors, Business Performance	The purpose of the research are: (1) to know and analyze the internal factors influence the performance of women entrepreneur based on food in Batu Aji district; (2) to know and analyze the external factors influence the performance of women entrepreneur based on food in Batu Aji district; (3) to know and analyze the external factors influence internal factors of the performance of women entrepreneur based on food in Batu Aji district. Total respondents are 77 which divided from four location in Batu Aji district. The sample technique uses purposive sampling. The analysis technique used structural equation modelling. The result indicates that: (1) internal factors which consist of human resource, marketing, finance, and production and operation have possitive affect to the performance of women entrepreneur; (2) external factors which consist of social and culture, business competition, and related institute role have possitive effect to the performance of women enterpreneur; (3) external factors of performance have possitive affect to internal factors of performance.

INTRODUCTION

Indonesia, as a developing country, is highly in need of workers who have high-quality work in all fields to achieve the success of nation-building. But now, the problem faced in the development of the state of Indonesia is the problem of employment, which is an imbalance between employment and the number of job seekers. This problem will lead to intense competition among job seekers. So, the problem of unemployment is a very important problem in a country, as well as in Indonesia.

Entrepreneurship makes a country able to erode poverty and unemployment, which became problems in the country. With the ability of the entrepreneur to read opportunities and transform resources into something worth reckoning with and becoming an economic value for himself, his family, and society.

According to Fadiati & Purwana (2013), the development of entrepreneurship in the homeland is not similar to that in developed countries. This is evidenced by the minimal number of entrepreneurs in our country, which is only 0.18 percent of the total population of Indonesia today. Whereas for a strong economy, it takes more than 2.5 percent of the total population of a country. The low number of entrepreneurs in Indonesia is motivated by several aspects, such as socio-cultural aspects (public perceptions), political aspects (not many political policies that lead to

the growth of entrepreneurship), and economic aspects (economic policies that have not fully stimulated entrepreneurial development) (not yet optimal utilisation of information technology for entrepreneurship).

The dynamics of the development of entrepreneurship in a country can not be separated from the participation and the role of women. Minniti, et al., (2006), found that the participation of women as entrepreneurs has risen quite sharply over the last decade and it turns out the more significant both in the developed and the developing countries, because of the participation of men nearly 75%, Minniti et.al (2006). According to Statistics Indonesia (BPS), as much as 64.5 percent of all MSMEs in Indonesia were managed by women as of 2021. The MSME sector is one of the biggest contributors to the country's GDP. Therefore, these women-owned businesses need to be fostered to allow for growth (www.thejakartapost)

In order for a nation's economy to grow, women entrepreneurs are essential. However, different cultures have different elements that influence how well women entrepreneurs do. In line with the findings of research conducted by Ali and khan (2019) the findings indicate that a number of elements, including administrative, legal, social, and economic, have a big impact on how well women entrepreneurs do. The current study will assist women entrepreneurs in learning about potential performance-affecting variables. Women entrepreneurs face challenges in raising capital for their enterprises, especially at the initial stage. The findings represent the need for the government to provide capital, land, and market access to women entrepreneurs to improve their performance. It will add to their motivation and encourage other women to also become entrepreneurs. Ultimately, it will have a positive impact on the sustainable development of SMEs, which will lead to economic growth in the country (Naser et al., 2009; Ekpe et al., 2010)

The existence of SMEs in Batam City can be a determinant of the level of economic growth in Batam. This is because SMEs are activities that can produce goods or services. The existence of Small and Medium Enterprises (SMEs) has a positive and significant effect on economic growth in Batam city. (Sari U, 2020). The Gross Regional Domestic Product has increased along with the production of goods and services. The Gross Domestic Product in the region will also rise. in order for economic growth to likewise rise. Additionally, SMEs will raise labor income, which will improve people's capacity to purchase the products and services that the firm produces. The business will grow. The existence of SMEs in Batam City can be a determinant of the level of economic growth in Batam. This is because SMEs are activities that can produce goods or services.

Batu Aji sub-district has a dense population compared to other sub-districts, 79,700 people with an area of 61,936 ha. This makes Batu Aji one of the areas in Batam city that is suitable for entrepreneurship. Batu Aji sub-district which is dominated by residential areas makes Batu Aji has the opportunity to create businesses, such as creating food-based businesses such as food stalls or food shops. The mindset of people who tend to be busy and like things that are fast and instant makes this food-based business the right choice for those who are busy and do not have time to prepare their food at home. The research objective is to identify and analyse the

influence of internal and external factors on the performance of food-based women's businesses in Batu Aji Sub-district, Batam City.

LITERATURE REVIEW
Internal factors

According to Pearce and Robinson (2013), the internal environment is the business environment that is in the organization and usually has direct and specific implications for the business. Internal factors in the business include human resources, marketing, finance, production, and operations. The internal environment is the business environment that is in the organization and usually has direct and specific implications for the business. Internal factors in the business include human resources, marketing, finance, production, and operations. (Pearce & Robinson, 2013)

External Factors

According to Pearce and Robinson (2013), the external environment is a state that occurs outside of the business undertaken but also has the potential to affect the business. External factors such as social and cultural factors, business competition, and related institutions.

1. Social and cultural rights
    Society constantly changes from time to time. We once became a nation with prehistoric culture, then developed more advanced after becoming familiar with various external influences until finally being able to form an independent nation. Change does not stop until indefinitely as human needs increase.

2. Business competition
    Business competition that occurs in the world economy, such as trade, will focus on things such as grabbing the number of customers, while competition in the world of goods and services will be centered on seizing the source of raw materials sales area.

3. Related Institutions
    The role of related institutions in the effort to achieve business goals is also taken into account; hence, the institutions have their own role in helping entrepreneurs develop their businesses. Relevant institutions can be exemplified by the local government.

The term performance comes from job performance or actual performance (performance or achievements actually achieved by someone), or also work in quality and quantity to be achieved by an employee in carrying out their duties in accordance with the responsibilities given to him (Mangkunagara 2007). According to Mangkunegara (2010), performance is the result of work in quality and quantity achieved by a person in performing their duties in accordance with the responsibilities given to him. Business performance is defined as the initial ability to start a business and maintain business continuity.
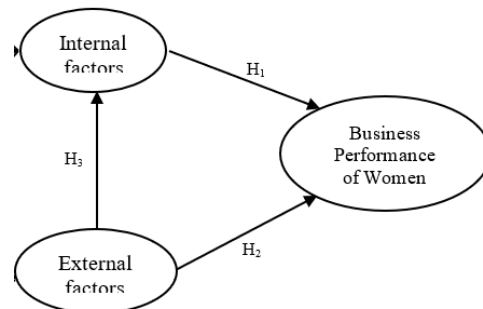
Research framework

Figure 1. Research framework

This research framework model adopts and develops from the research of Martauli, ED (2016), Munizu (2010), Nneka, A. (2015), Naser et.al (2015) on factors affecting women's business performance.

Hypothesis
1. Internal factors have a significant influence on the business performance of food-based women entrepreneurs in Batu Aji Sub-district, Batam City.
2. External factors have a significant influence on the business performance of food-based women entrepreneurs in Batu Aji Sub-district, Batam City.
3. External factors have an influence on the internal factors of the business performance of food-based women entrepreneurs in Batu Aji Sub-district, Batam City.

METHOD
Population and Sample
According to Sugiyono (2011), the population is a generalization region consisting of objects and subjects that have certain qualities and characteristics set by researchers to be studied and then drawn conclusions from. The population in this study were women who had business in the district with effort limits established for more than three years and had a monthly net income of at least Rp 3,000,000. The population is described in the following table:

Table 1. Data of Entrepreneurs of Women

No	Neighbourhood	Total
1	Kibing	36
2	Buliang	43
3	Bukit Tempayan	34
4	Tanjung Uncang	42
Total		**155**

In the sampling technique, the author uses the *purposive sampling method.* According to Sugiyono (2011), *purposive sampling* is a sampling technique with certain considerations. The sample for this research is Women entrepreneurs in Batu Aji District who were selected using the purposive sampling technique using the

Slovin formula. The sampling method used selects subjects based on specific criteria set by the researcher, including entrepreneurs who have established a business for more than three years and have an income of IDR 3,000,000 per month.

$$n = \frac{N}{1 + Ne^2}$$

Description
n = Number of Samples
N = Total Population
e = Significance Level

Table 2. Data Sample Entrepreneurial Women

No	Neighbourhood	Total
1	Kibing	18
2	Buliang	21
3	Bukit Tempayan	18
4	Tanjung Uncang	20
Total		**77**

The sample that the researchers get is based on the number of people that has been calculated using the Slovin formula, which is 77 people with an error rate of 5%.

Types and Data Collection Technique

Primary data, according to Sugiyono (2009), is direct data sources that provide data that directly provide data to data collectors. The data used is obtained directly from the original source (not through intermediaries). Secondary data, i.e., data obtained from the company in the form of organizational structure, and other data relevant to the analysis in this study. According to Sugiyono (2011), the technique of data collection is done by giving a set of questions or a written statement to the respondent to answer.

Operational Variable

Table 3. Operational Variable

Variables	Latent Variable
Internal factors (Exogenous)	1. Human Resources 2. Marketing 3. Finance 4. Production and Operations
External factors (Exogenous)	1. Social and Cultural 2. Business Competition 3. Related Institutions
Business Performance (Endogenous)	1. Satisfaction 2. Loyalty 3. Market Share

Variables	Latent Variable
	4. Profitability

Data Analysis Method

The methods used in this research are descriptive statistical analysis and inferential statistical analysis. Descriptive statistics describe the facts or characteristics of the data that has been collected, classified, and interpreted so as to provide a clear picture of the study. In this study, we used inferential statistical analysis. Inferential statistical analysis is a technique used to analyze sample data whose results are applied to the population (Sugiyono, 2015). Inferential statistical analysis in this study uses smart PLS (partial least squares) software, starting with model measurement (outer model), model structure (inner model), and hypothesis testing. Hypothesis testing in this study uses the Structural Equation Model Partial Least Square (SEM-PLS) method. SEM is one type of multivariate analysis in social science. Multivariate analysis is the application of statistical models to analyze several research variables simultaneously (Sholihin et al., 2013). According to Jogiyanto (2011), the PLS method is a variant-based structural equation analysis (SEM) that can simultaneously test the measurement model as well as the structural model.

RESULTS AND DISCUSSION
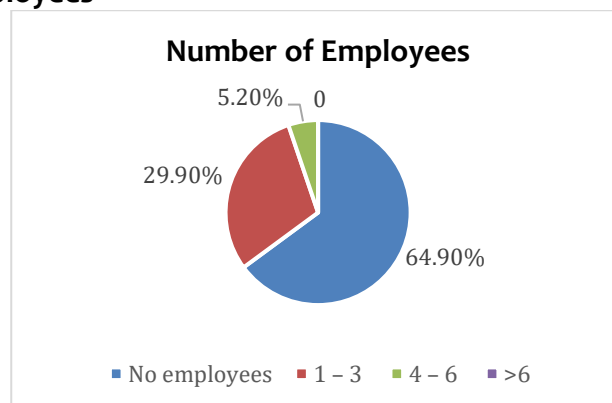
1. Number of employees

Figure 2. Number of Employees

Based on the research data above, women entrepreneurs in Batu Aji Subdistrict are dominated by entrepreneurs who do not have employees, with a percentage of 64.9%, totaling 50 people. While for women entrepreneurs who have employees, 1–3 people have a percentage of 29.9%, a total of 23 people, for entrepreneurs who have employees, 4–6 people have a percentage of 5.2%, a total of 4 people, and for female entrepreneurs who have employees> 6 people, there are none.
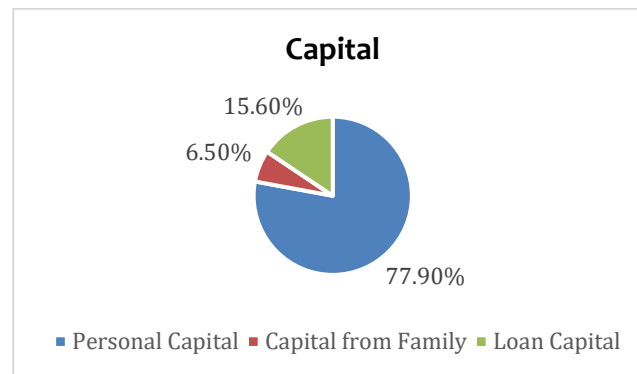
2. Capital

Figure 3. Capital

Based on the research data above, female entrepreneurs in Batu Aji Subdistrict mostly obtain business capital from personal capital, with a percentage of 77.9%, totaling 60 people. Meanwhile, female entrepreneurs who obtained capital from family had a percentage of 6.5%, totaling 5 people, and female entrepreneurs who obtained capital from loans had a percentage of 15.6%, totaling 12 people. This shows that women entrepreneurs open their businesses using personal capital. Entrepreneurs have to rely on loan capital, which will be difficult to get because of the many requirements and the absence of goods that can be collateralized because most women entrepreneurs in Batu Aji sub-district, Batam City, are migrants, and many do not have their own residence or place of business.
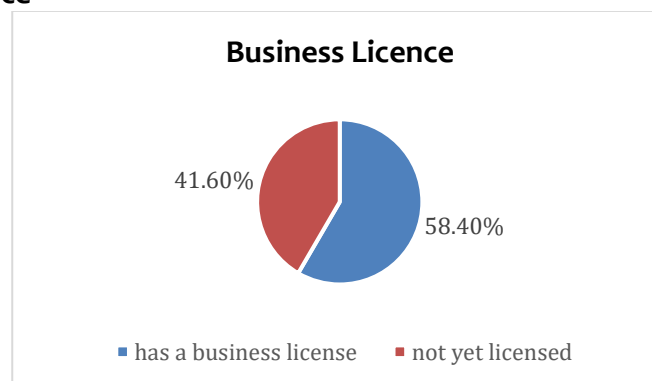
3. Business Licence

Figure 4. Business Licence

Based on the research data above, women entrepreneurs in Batu Aji Subdistrict are dominated by businesses that already have a business establishment permit, with a percentage of 58.4%, totaling 45 businesses. While female entrepreneurs whose businesses do not yet have a business permit have a percentage of 41.6%, totaling 32 people, This shows that half of all women entrepreneurs in the Batu Aji sub-district already have a business license.
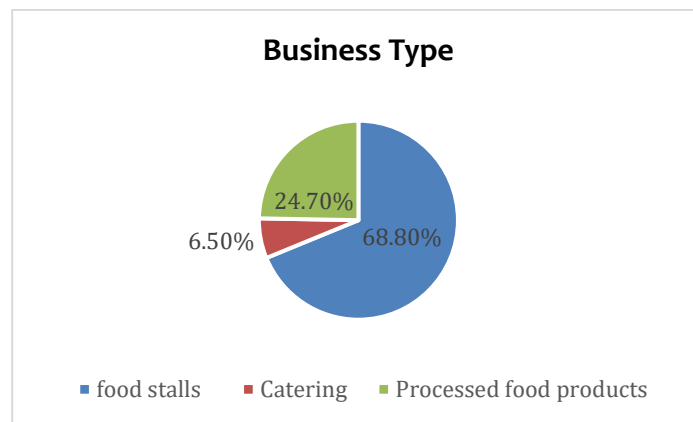
4. Business Type

Figure 5. Business Licence

Based on the research data above, women entrepreneurs in Batu Aji Subdistrict are dominated by the type of shop business, with a percentage of 68.8%, totaling 53 people. While female entrepreneurs with the type of catering business have a percentage of 6.5%, totaling 5 people, and female entrepreneurs with the type of processed product business have a percentage of 24.7%, totaling 19 people, This shows that women entrepreneurs in Batu Aji Subdistrict are dominated by stall-type businesses because many people today prefer to buy ready-made food, which makes many women decide to open a stall-type business.

Validity and Reliability
1. Evaluating the Measurement Model (Outer Model)
a. Test of Construct Validity

The construct validity test can generally be measured by score loading parameters in our model (Rule of Thumbs> 0.7), but to study at an early stage, if there is a value that is above 0.5 or 0.6, it is still considered adequate and can be used (Ghozali, 2014) using the parameters Average Variance Extracted (AVE)> 0.50 and Community > 0.50. The results of the correlation output between indicators with complete construction can be seen in the table below:

Table 4. Loading Factors Indicator

Construct	Item	Indicator	Loading Factors
Internal factors (Fi)	Fi.1	Human Resources	0,842
	Fi.2	Human Resources	0,526
	Fi.3	Human Resources	0,832
	Fi.4	Human Resources	0,629
	Fi.5	Human Resources	0,697
	Fi.6	Human Resources	0,860
	Fi.7	Marketing	0,641
	Fi.8	Marketing	0,716

Construct	Item	Indicator	Loading Factors
	Fi.9	Marketing	0,586
	Fi.10	Marketing	0,639
	Fi.11	Finance	0,820
	Fi.12	Finance	0,798
	Fi.13	Finance	0,676
	Fi.14	Finance	0,551
	Fi.15	Production & Operation	0,869
	Fi.16	Production & Operation	0,524
	Fi.17	Production & Operation	0,839
	Fi.18	Production & Operation	0,697
	Fi.19	Production & Operation	0,806
External factors (Fe)	Fe.1	Social & Culture	0,835
	Fe.2	Social & Culture	0,729
	Fe.3	Social & Culture	0,669
	Fe.4	Business Competition	0,862
	Fe.5	Business Competition	0,735
	Fe.6	Business Competition	0,656
	Fe.7	Business Competition	0,693
	Fe.8	Related Institution	0,554
	Fe.9	Related Institution	0,540
	Fe.10	Related Institution	0,876
Business Performance (Ki)	Ki.1	Satisfaction	0,789
	Ki.2	Satisfaction	0,893
	Ki.3	Satisfaction	0,612
	Ki.4	Loyality	0,722
	Ki.5	Loyality	0,776
	Ki.6	Market Share	0,892
	Ki.7	Market Share	0,797
	Ki.8	Market Share	0,633
	Ki.9	Profitability	0,858
	Ki.10	Profitability	0,826

Based on the above table, it can be concluded that 39 items have a value> 0.50, so all items displayed in the table are declared valid. Consisting of 19 items from the internal factor (Fi) variable, 10 items from the external factor (Fe) variable, and 10 items from the business performance (Ki) variable.

b. Convergen Validity

Convergent validity tests can be seen from the AVE and community score scores; each must be above 0.50. Here is the score value for AVE and *community* for each construct:

Table 5. Scores AVE and *Communality*

Construct	AVE	*Communality*
Internal factors (Fi)	0,522	0,522
External Factor (Fe)	0,523	0,523
Business Performance (Ki)	0,617	0,617

c. Discriminant Validity

Discriminant validity tests are assessed on the basis of cross-loading measurements with their constructs. If the correlation of the construct with the measurement item is greater than the size of the other construct, then it indicates that the latent construct predicts their block size better than the size of the other block. In addition to the value of *cross-loading,* other methods used to assess the discriminant validity are to compare the value of the root of AVE for each construct with the correlation between the construct and other constructs in the model (Jogiyanto, 2011). The table below will give you an idea of both things:

Table 6. Comparison of Root AVE Latent Variables and Correlation

Construct	AVE Root	Latent Variable Correlation		
		External Factor (Fe)	Internal Factor (Fi)	Business Performance (Ki)
External Factors (Fe)	0.724	1,000		
Internal Factor (Fi)	0.722	0.610	1,000	
Business Performance (Ki)	0.819	0.698	0.637	1,000

Based on Table 7, it can be concluded that the AVE root value is almost entirely higher than the correlation value between constructs with other constructs, and it shows all constructs in the model that are estimated to meet the criteria of discriminant validity. The value of AVE from business performance (Ki) in table 6 is 0.617, so its root value is 0.819. This value is higher than the correlation between external factors (Fe) and business performance (Ki), which is 0,698 and 0,637 with internal factors (Fi). That means the model is good, as is the other AVE root.

After testing, the outer models showed that all items have a valid statement that *the loading* factor > 0.50, RD> 0.50, and *community* > 0.50, so that the results can be analyzed further. Here is a picture of the structural model that is executed using the PLS algorithm:
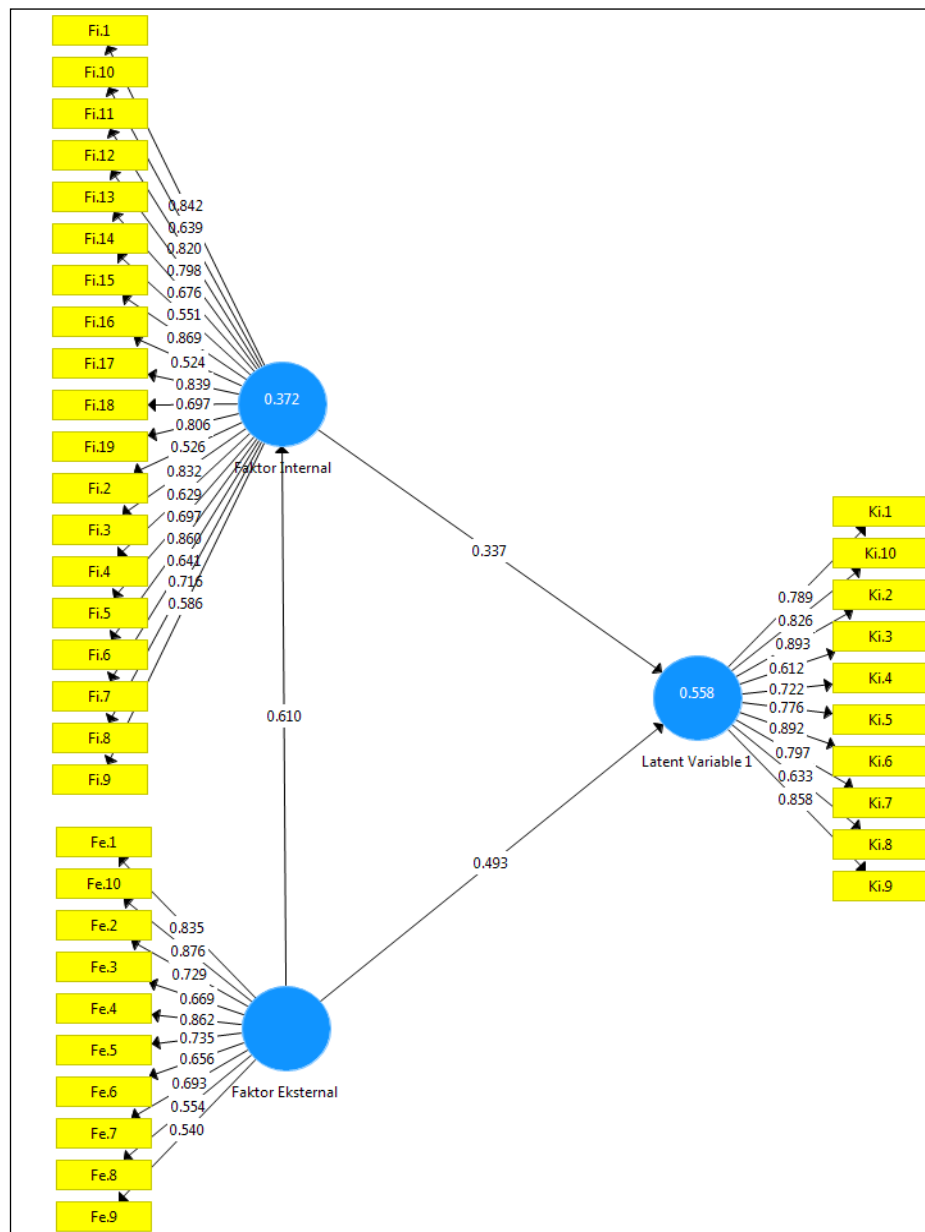
Figure 6. PLS *Algorithm* Display Results

d. **Reliability Test**

Cronbach Alpha and the composite reliability value show the results of the reliability test. According to Ghozali (2014), a construct can be deemed dependable if its Cronbach Alpha value is greater than 0.6 and its composite reliability value is greater than 0.7. The table below compares the values of composite reliability and Cronbach alpha:

Table 7. Cronbach Alpha & Composite Reliability

Construct	Cronbach Alpha	Composite Reliability
Internal Factor (Fi)	0,947	0,953
External Factor (Fe)	0,897	0,915
Business Performance (Ki)	0,929	0,941

The aforementioned table demonstrates that all constructs had Cronbach Alpha values above 0.6, with the variable internal factor (Fi) having the greatest value at 0.947 and the variable external factors (Fe) having the lowest value at 0.897. In contrast, the business performance variable value (Ki) is 0.929. Every construct's value of composite reliability is more than 0.7, meaning that every construct in the model that was estimated with reliability satisfies the requirements. At variable external factors (Fe), the composite reliability rating was at its lowest, 0.915, while at variable internal factors (Fi), it was at its best, 0.953. The value of the business performance (Ki) variable for composite reliability is 0.941.

2. Evaluating Structural Model
Inner Model

The link between the constructs, the significant value, and the R square of the research model was examined by testing of structural models, or inner models. The relevance of antarkonstruk in the structural model was tested by constructing a dependant, or t-coefficient value, for each track in the structural model evaluation process using R Square. We start to observe R squares for each dependent latent variable when we evaluate the structural model using PLS. The table below displays the R square dependent latent variable estimate results:

Table 8. R *Square Value*

Construct	R *Square*
Internal Factor (Fi)	0,372
Business Performance (Ki)	0,558

The above table shows that the value of R *squared* on the variable internal factor (Fi) is equal to 0.372. This indicates that 37.2% of internal factor (Fi) variables can be influenced by external factor variables (Fe), while the remaining 62.8% are influenced by other variables outside of the study. R *square* for business performance variables (Ki) is equal to 0.558. This means that 55.8% of business performance variables can be influenced by internal factors (Fi) and external factors (Fe), while the other 44.2% are influenced by other variables outside of the study.

Hypothesis Testing

The significance of the estimated parameters provides very useful information on the relationship between research variables. According to the table 9, it can be concluded that the first hypothesis is supported as the T-score statistics are 3,140 above the value of the T-table. That is, the internal factors positively affect the performance of the business. Similarly, the second and third hypotheses are supported because the score is above 1.64, which means that external factors positively influence the performance of the business and external factors positively influence internal factors.

Table 9. Results Coefficient Line & T Statistics

		T- *Table*	T- *Statistics*
Internal factors (Fi)	-> Business Performance (Ki)	1,64	3,140
External factors (Fe)	-> Business Performance (Ki)	1,64	4,572
External factors (Fe)	-> Internal Factors (Fi)	1,64	9,483

a. Effect of Internal Factors (Fi) on the Business Performance (Ki)
   Based on Table 10, it shows that the relationship between internal factors (Fi) and the performance of the business (Ki) is significant with T-statistics above a value of 1.64, which is equal to 3.140. The value of the original sample estimate (which can be seen in the appendix) was positive in the amount of 0.610, which indicates that the relationship between internal factors (Fi) and the performance of the business (Ki) is positive. Thus, the first hypothesis in this study, which states that "the internal factors have a significant influence on the business performance of food-based women entrepreneurs in the district of Batu Aji Batam," H1 accepted.

b. Influence of External Factors (Fe) on Business Performance (Ki)
   Based on Table 10, it shows that the relationship between external factors (Fe) and the performance of the business (Ki) is significant, with the T-statistics above a value of 1.64, which is equal to 4.572. The value of the original sample estimate (which can be seen in the appendix) was positive in the amount of 0.493, which indicates that the relationship between external factors (Fe) and the performance of the business (Ki) is positive. Thus, the second hypothesis in this study, which states that "external factors have a significant influence on the business performance of food-based women entrepreneurs in the district of Batu Aji Batam," H2 was accepted. Influence of External Factors (Fe) on Internal Factors (Fi)

c. Influence of External Factors (Fe) on Internal Factors (Fi)
   The relationship between external factors (Fe) and internal factors (Fi) is significant, with the T-statistics being above a value of 1.64, which is equal to 9.483. The sample original value estimate (which can be seen in the appendix) was positive in the amount of 0.337, which indicates that the relationship between external factors (Fe) and internal factors (Fi) is positive. Thus, the second hypothesis in this study, which states that "external factors have an influence on the internal factors of business performance among food-based women entrepreneurs in the district of Batu Aji Batam," H3, was accepted.

The following table summarizes the test for this hypothesis.

Table 10. Summarizes Hypothesis Test

Hypothesis	T-*Statistics*	Result
Internal factors have a significant influence on the business performance of food-based women entrepreneurs in the district of Batu Aji Batam.	3,140	H₁ accapted
External factors have a significant influence on the business performance of food-based women entrepreneurs in the district of Batu Aji Batam.	4,572	H₂ accepted
External factors have an influence on the internal factors of business performance among food-based women entrepreneurs in the district of Batu Aji Batam.	9,483	H₃ accepted

Here is a picture of the structural model that is executed using Bootstrapping SmartPLS. This is a picture of the structural model that is executed using Bootstrapping SmartPLS.
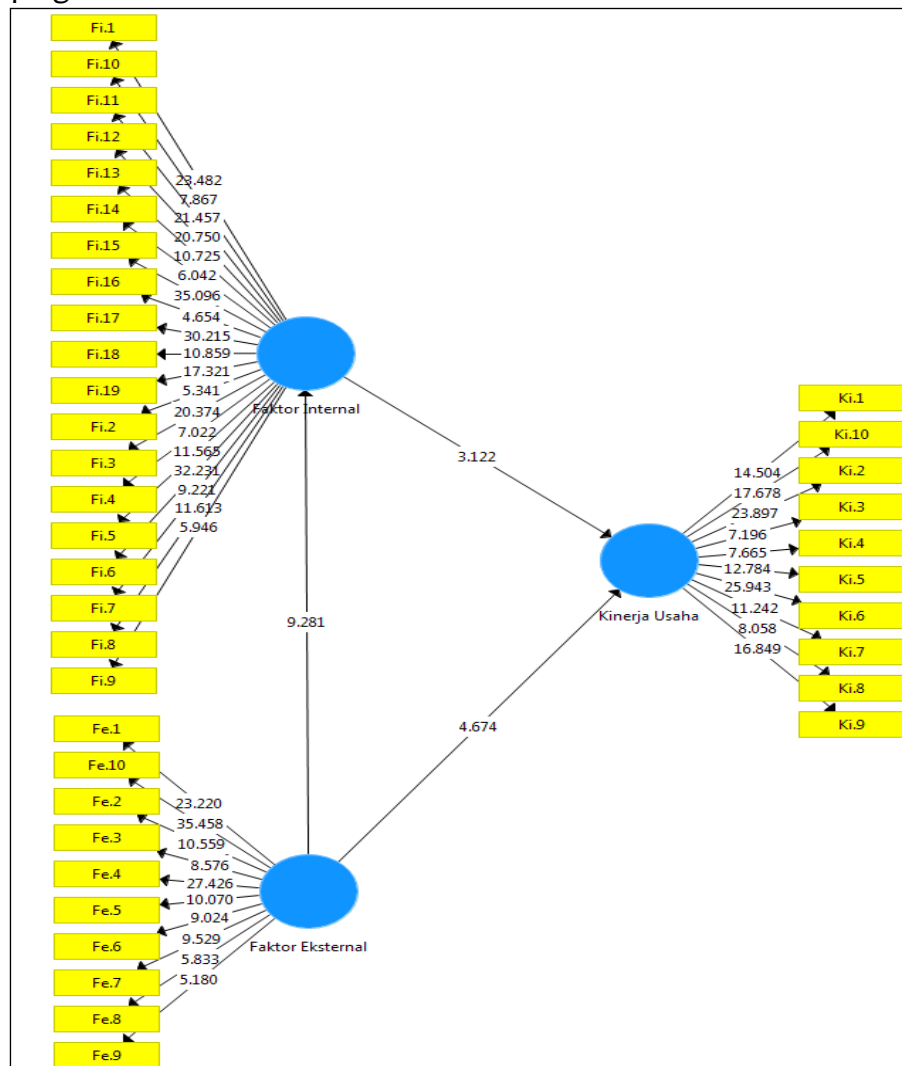

Figure 7. Bootstrapping Display Results

Discussion

1. Internal factors Positively Impact Business Performance Against Women Entrepreneurs

The test findings support hypothesis 1 that internal variables have a beneficial impact on women entrepreneurs' company performance. In other words, the entrepreneur will boost company performance in proportion to their level of education and expertise, which will be adequate to supply entrepreneurs. According to the respondent's response to the description of the respondents, sixty respondents have completed more education than high school, and most of them believed that a formal education is sufficient to manage a firm. Entrepreneurs must also be capable of managing and maintaining their companies' resources. Surveys were completed by up to 27 respondents, whose companies employ anything from one to six people. Additionally, responders have strong personnel management skills. The test findings support hypothesis 1 that internal variables have a beneficial impact on women entrepreneurs' company performance. In other words, the entrepreneur will boost company performance in proportion to their level of education and expertise, which will be adequate to supply entrepreneurs. According to the respondent's response to the description of the respondents, sixty respondents have completed more education than high school, and most of them believed that a formal education is sufficient to manage a firm. Entrepreneurs must also be capable of managing and maintaining their companies' resources.

Financially, the privately owned capital of entrepreneurs is able to stabilise operations and the flow of income and expenditure to stabilise the economy of effort. In order to improve the company's financial performance and profitability in the NPM, ROA, and ROE, it is necessary to reduce operating costs and implement efficient capital management. It is also indicated in the district of Batu Aji by entrepreneurs through responses to questionnaires on indicators of profitability (profit), namely that the point of advantage gained by entrepreneurs tends to increase. Entrepreneurs are also able to control the raw materials business and use production tools that meet the needs of production each day. (Hati SW et.al.,2015)

Based on respondents' answers, good marketing activities, such as promotion and distribution channels, the use of capital and financial management, access to raw materials, and a smooth production process, will support the smooth running of a business, which will eventually lead to better entrepreneurial performance. This study is in line with research conducted by Munizu (2010), which states that the internal factors that consist of human resources, financial aspects, aspects of production and operation, and marketing aspects have a positive and significant effect on the performance of the business.

2. External Factors Positively Impact Business Performance

The result of two significant hypothesis tests proved that external factors positively affect the business performance of women entrepreneurs. This suggests that external factors such as policies that support the business activities undertaken by women entrepreneurs, such as assistance from relevant agencies, social and

cultural factors, and business competition, will be able to facilitate the activities of women entrepreneurs so that their business performance will improve from time to time. In social and cultural terms, entrepreneurs must have interpersonal skills by being able to be kind to every community in the environment around their potential business customers. Meanwhile, the entrepreneur also has a different variety of flavours and different ways to attract customers to the business. The results of two significant hypothesis tests proved that external factors positively affect the business performance of women entrepreneurs. This suggests that external factors such as policies that support the business activities undertaken by women entrepreneurs, such as assistance from relevant agencies, social and cultural factors, and business competition, will be able to facilitate the activities of women entrepreneurs so that their business performance will improve from time to time. In social and cultural terms, entrepreneurs must have interpersonal skills by being able to be kind to every community in the environment around their potential business customers. Meanwhile, the entrepreneur also has a different variety of flavours and different ways to attract customers to the business.

A total of 45 respondents already have a business licence; this proves that most of the entrepreneurs already understand the policy of a business carried on by that one with a business license. From this, we can conclude that in order for women entrepreneurs to be motivated to develop their businesses, it needs to be supported by policies that support the development of entrepreneurial ventures by women themselves, as well as proven policies that support business growth by women entrepreneurs to facilitate the activities of women entrepreneurs so that their business performance will be better than it is from time to time.

The results are consistent with research by Munizu (2010), which stated that external factors consisting of aspects of government policy, socio-cultural and economic aspects, and aspects of the role of relevant institutions have a positive influence on the performance of the business and signifikan.

3. External Factors Influencing Positively Internal Factors

The result of three significant hypothesis tests proved that external factors positively influence the internal factors of business performance. This suggests that if what turned out to be an internal condition within a business goes well, it would require a supportive external environment for internal activities. In their opinion, Crijns and Ooghi (2000) revealed that every stage of business growth is the result of two environments in which companies do business: the external and internal environment.

The results of this study are also consistent with the results of research conducted by Munizu (2010). External factors, which consist of aspects of government policy, socio-cultural and economic aspects, and aspects of the role of relevant institutions, have a significant and positive influence on the internal factors in the business or the way the business is run.

CONCLUSION

Based on the results of research on the factors that affect the business performance of women entrepreneurs in the district of Batu Aji, it can be deduced that, in accordance with the formulation of the problem as follows:

1. Internal factors positively affect the business performance of women entrepreneurs in the district of Batu Aji. This means that factors that are directly in contact with women entrepreneurs, such as business resource management, business marketing, financial management, and production processes and operations, have an impact on the performance improvement of women entrepreneurs.

2. External factors positively influence the performance of women entrepreneurs in the district of Batu Aji. This suggests that factors do not directly intersect or are outside the business environment. Such factors as social and cultural conditions in the area around the place of business, competition from similar businesses, and the role of government or local institutions have also contributed to improving the business performance of women entrepreneurs.

3. External factors have a positive influence on the internal factors of the business performance of women entrepreneurs in the district of Batu Aji. The role of external factors in the business environment has a positive impact on the factors that are in the business internally.

RECOMMENDATION

Recommendations based on research results

1. Entrepreneurial women should pay attention to their formal educational background, level of conformity ability, possessed knowledge and skills to apply to their business, and also improve their ability to manage business resources.

2. Women entrepreneurs should apply entrepreneurial experience that has been acquired and the managerial capabilities of courses or training that have been followed to improve their business performance.

3. Women entrepreneurs should be consistent in promoting business growth through capital increases, net income or profit earned, and product sales.

4. Entrepreneurship should be able to understand all government policies to encourage the development of business and be sensitive to the social impact of culture and the role of institutions in developing their businesses.

5. Women entrepreneurs should be able to adapt to changes in existing government policies.

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