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Encouraging Women's Leadership and Empowerment in SME Businesses within SOEs as an Implementation of Core Moral Values

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ABSTRACT

Background. Indonesian state-owned companies have the potential to increase Gross Domestic Product by USD 135 billion by 2025 if they can improve the status of gender equality in the world of work.

Purpose. The Ministry of SOEs seeks to increase women's representation in the Board of Commissioners, Management Board and one level below the Management Council, with a target of 15% in 2021 and 25% in 2023.

Method. The method used by researchers in this study is descriptive analysis and Analytic Hierarchy Process (AHP).

Results. The results obtained in this study are the leadership of women MSME owners who receive higher BUMN support than those who do not receive. While the novelty of this study is the leadership and empowerment of women in MSMEs within State-Owned Enterprises (MSMEs)

Conclusion. There has also been an increased focus on the representation of young people within the Board of Directors, and below levels, from state-owned enterprises to 5% in 2021 and 10% in 2023.

KEYWORDS

Gender Equality, Women in Leadership, Women Empowerment

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are one of the major contributors to Gross Domestic Produce (GDP) in Indonesia so that their existence is needed (Gursoy dkk., 2019). Micro, Small and Medium Enterprises, since 2020, have become the backbone of the economy in favor of the people. Where in that year, there was an outbreak that shocked the world, namely the Covid-19 outbreak (Baabdullah dkk., 2019). Although MSMEs are one of the backbones of the economy, there are also some MSMEs that cannot survive (Zhao dkk., 2019). According to Covid-19 has had an impact on various sectors, including Micro (Becker & Jaakkola, 2020), Small and Medium Enterprises, including a decrease in the number of sales.

Based on a survey conducted by Katadata on 206 MSME players in the Jakarta, Bogor, Tangerang, Bekasi (Jabodetabek) areas (Matarazzo dkk., 2021), it was found

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that around 82.9% of MSMEs in the region were negatively affected by the

Covid-19 outbreak, while 5.9% were positively affected so that the condition of MSMEs during the Covid-19 outbreak affected the delay in economic growth, this is because MSMEs are one of the very large job providers in Indonesia (Kumar dkk., 2019). So that several things become references as one of the drivers of the government towards the positive growth of MSMEs (Srijani, 2020).

The presence of women in micro, small and medium enterprises (MSMEs) activities in the 2000s was lower than that of men (Ulya & Wahyudi, 2022) women have the potential to carry out various positive and productive activities that can provide benefits to the family economy (Zhao & Bacao, 2020). This potential is believed to have an influence on improving the family economy Data from the Central Statistics Agency (BPS) in 2021, as many as 64.5 percent of the total MSMEs are managed by women.

This research was conducted to assess the impact of Covid-19 on MSMEs, identify MSME awareness regarding gender equality and inclusive business and assess MSME leadership.

Literature Review

Understanding the Role of Women

The role according to Soerjono Soekanto (2002: 243) is the dynamic aspect of position (status), if a person carries out his rights and obligations in accordance with, then he carries out a role. Women are human beings who are the opposite sex of men (Fernandes & Oliveira, 2021). Etymologically female comes from the word master which means "master", one who is proficient or powerful, the head of the upstream, the greatest, some say it means valued (Mehroli dkk., 2021). In general, it can be understood that the word woman is a term to express a group or type that distinguishes it from other groups (Hu dkk., 2019). Women are humans who have different physiological characteristics from men. Clear physical differences between men and women include the growth of height, breasts, hair, genitals, and other types of hormones that affect their physical and biological characteristics.

Understanding Economic Improvement

Improvement means progress, change, improvement. While the economy has the basic words "Oikos" which means household and "Nomos" which means rules, so the economy means rules that apply to meet the needs of life in one household (Anshari dkk., 2019). Thus, economics means the study of the principles of production, distribution and use of goods and wealth (as well as finance, industry and trade) (Zhao & Bacao, 2020). (Big Dictionary Indonesian, 2005:220) (Kaasinen dkk., 2020). From the above understanding, it can be concluded that economic improvement is an improvement in conditions from a weak economy to a better economy or progress than before.

AHP

According to (Imron, 2019) AHP is one of the tools (processes) in decision making developed by Thomas L Saaty in the 70s. This procedure is so powerful that it has been widely applied to important decision-making processes. AHP can be believed to be effective, because each priority is arranged from a variety of choices that may be criteria that have been previously described first, so that priorities are determined based on a structured and reasonable process (Kim dkk., 2019). AHP basically helps to overcome complex problems by arranging a hierarchy of criteria, subjectively assessed by stakeholders, then drawing various considerations to develop weights or priorities

According to (Malik & Haryanti, 2018) AHP is a method that pays attention to subjectivity factors such as perception, preferences, experience and intuition (Makarenko dkk., 2022). AHP is a mathematically based procedure for evaluating these criteria. AHP also pays attention to the validity

of data with tolerance limits for inconsistencies in various selected criteria. According to (Sari, 2018) Determining the probability of AHP uses the following basic principles (Syazali dkk., 2019):

Decomposition

Through this principle, complex problem structures are divided into parts hierarchically. Goals are defined from general to specific. In very simple terms the structure will be compared objectives, criteria and alternative levels (Boone, 2019). Each alternative set may be further divided into more detailed levels, covering more criteria. The highest level of the hierarchy is a goal consisting of one element (Pantelic dkk., 2019). Later levels may contain several elements, where they can be compared, having almost the same importance. Problem description is the stage of a predetermined goal, then described into a systematic structure, compiling a series of systems so that the goal can be achieved reasonably (Muslimin dkk., 2020). That is, a complete goal, broken down into its constituent elements (Ferdiansyah dkk., 2022). If these elements are the chosen criteria, then it should cover all important aspects related to the goals to be achieved (Andriyandi dkk., 2020). But it is important to take into account that the recovered criteria actually give meaning in supporting the decision and do not have the same meaning (Choudhury dkk., 2019), so that although the selection criteria are few, they have great significance for the goals to be achieved. After determining the criteria, the next step is to determine alternative solutions to the problem.

Source:



Figure 1. Hierarchy section

The main hierarchy (Hierarchy I) is the goal to be achieved or the solution of the problem / problem studied (Wani dkk., 2020). The second level hierarchy (Hierarchy II) is what must be fulfilled by all solutions to be worthy of being the ideal choice, and Hierarchy III is the choice of problem solving. The establishment of hierarchy is something that depends very much on the problem at hand. For more complicated problems (Jaoua dkk., 2022), several hierarchies must be arranged, based on the results of the decomposition that has been carried out, consider the following example of hierarchy. Source: (Sari, 2018)



Figure 2. Decomposition

Comparative judgments

With this provision, a pairwise comparison will be made against all existing elements with the intention of producing a scale of relative importance of the elements. Assessment produces a rating scale in the form of numbers (Guerra-Bustamante dkk., 2019). Comparison in pairs in the form of a

matrix when combined will produce priority. For this reason, (Saaty, 2008) sets a quantitative scale (1 to 9) to assess the importance of one element to other elements.

Table 1. Basic Scale of Paired Comparison

Intensitas Kepentingan	Definisi
1	Sama pentingnya dibanding dengan yang lain
3	Sedikit lebih penting dibanding yang lain
5	Cukup penting dibanding dengan yang lain
7	Sangat penting dibanding dengan yang lain
9	Ekstrem pentingnya dibanding yang lain
2, 4, 6, 8	Nilai diantara dua penilaian yang berdekatan
Resiprokal	Jika elemen I memiliki salah satu angka di atas dibandingkan elemen j, maka j memiliki nilai kebalikannya ketika dibanding dengan i

Synthesis of Priorities (Determining Priorities)

Multiplication of local priorities by the priority of the corresponding criterion at the level above, and including them in each element affected by the criterion is a way of performing a priority synthesis. The result is a combination or known as global priorities which are then used to weight the local priorities of elements at the lowest level according to their criteria. Setting the priority of each component of the criterion can be thought of as the weight/contribution of that element to the decision-making objectives. AHP performs an element priority analysis with a pairwise comparison method between two elements so that all existing elements are covered. This priority is determined based on the views of experts and interested parties on decision making, both directly (discussion) and indirectly (questionnaire).

RESEARCH METHODS

Quantitative methods are implemented to discuss research findings scientifically and systematically, as well as explore the situation that occurs. Quantitative research is aimed at exploring theoretical concepts that fit with correlations to hypotheses. The quantitative method that the author uses in this study is the Analytic hierarchy process (AHP).

Research steps:

1. Identify the Problem

Identifying a problem is the initial stage of the research process. This stage is reviewed based on the formulation of the problem based on the background of the problem. The problem found is how to find out the influence of women on MSMEs using the Analytical Hierarchy Process method.

2. Literature Study

Done by studying and understanding the theories used, including the Analytical Hierarchy Process Method and data collection methods. All data is obtained through literature studies from books, articles in scientific journals, and exploration of literacy on the internet related to the subject matter in the research.

3. Data Collection

This stage is a way of collecting data which is done by giving questionnaires to respondents. The number of questionnaires distributed using the paper-based method as many as five pieces were shown to the public.

4. Research Data

In this study, the data needed was divided into two, namely primary and secondary data.

5. Data Analysis

Data analysis in this study uses the Analytical Hierarchy Process method which is carried out quantitatively, namely research methods that are descriptive and use more analysis. This research is carried out by collecting data and analysis results to obtain information that must be concluded.

6. Data Analysis Results

After the data analysis stage using the Analytical Hierarchy Process method, an analysis result is produced which is the result of a research process carried out.

7. Conclusion and Advice

Conclusions and suggestions are the final stages of the description of the research process by concluding existing problems.

RESULTS AND DISCUSSION

Respondent Demographics

Based on the results of research on respondents with the following conditions:

1. This study was conducted on a number of respondents with a percentage of men as much as 24.3% and women as much as 75.66%, this can be seen from the following figure

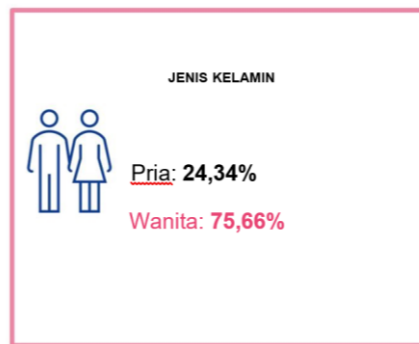


Figure 3 Respondent Demographics by Gender

2. The locus of this study is in Indonesia, with the highest location outside Java and Bali, which is 55.9%. While Java and Bali have a percentage of 44.1%.

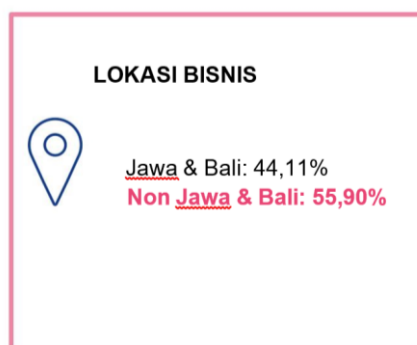


Figure 4 Respondents' Demographics by Business Location

AHP Discussion

To determine the criteria for MSMEs, researchers conducted a survey of representatives of women who own MSME businesses, so it consists of two criteria, namely based on sector and product. So that the following data is produced

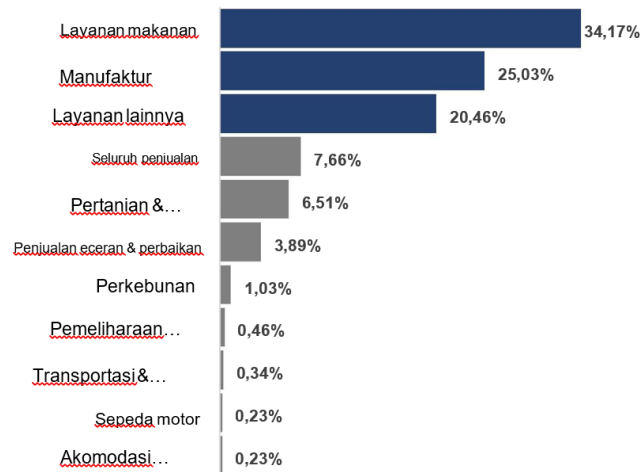


Figure 5 alternative criteria based on sectors

Based on the picture above, it can be explained that food service is the highest alternative to the alternatives presented on sector-based criteria. While the alternative that is considered not too significant is accommodation. Thus, food services are the main focus that will be maintained on the MSME sector. Meanwhile, alternatives that are below 1% will be sought to increase.

While in the business product sector, the following results were obtained:

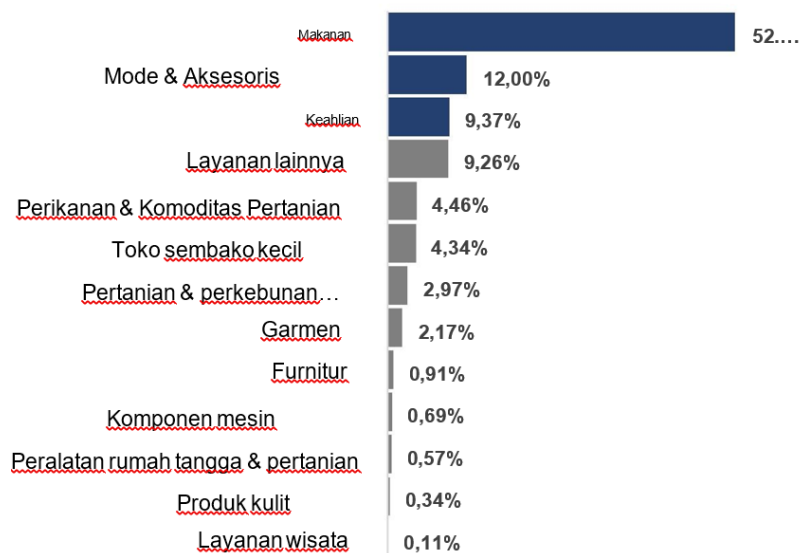


Figure 6 alternatives on business product criteria

In the criteria of business professors, food is the highest alternative to other alternatives presented by researchers. This can be seen in the percentage which is worth 52%. While tourism services are the lowest alternative, with a value of 0.11%. This is based on tourism services being an alternative that has been greatly affected due to the Covid-19 pandemic. The establishment of large-scale social restrictions is one of the stipulations set by the government, which has an impact on decreasing tourism rates in Indonesia, both domestic and foreign tourism.

MSME Recovery Process

How Covid-19 affects MSMEs

Most MSMEs have experienced a decrease in demand and income by 20-50% over the last two years (since 2020 until now). If we compare this condition by gender, female owners are found to have more reductions above 20% while male owners are more found to have reductions below 20%,

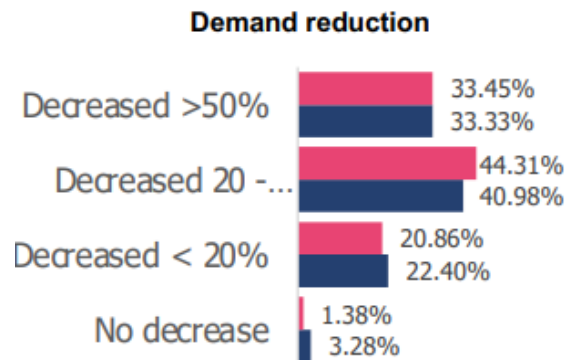


Figure 7 Demand reduction

The decline in demand and income for MSMEs during the pandemic forced MSMEs to give up their assets and experience lower profits compared to before the pandemic. However, the decline in asset value is not as bad as the decline in profits because more than 25% of reported MSMEs have not experienced it. The downward trend in profits was found to be similar to demand and income conditions, which is around 20-50%

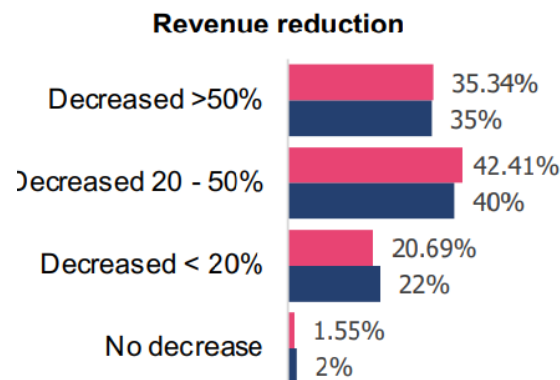


Figure 8 Revenue reduction

Challenges During Covid

Difficulties in promoting their business products, decreasing product demand and increasing raw material prices are operational challenges faced by MSMEs during the pandemic. Meanwhile, accounts payable, miscellaneous spending, and fixed operating expenses were most chosen by respondents as their financial challenges. There are significant differences in operational and financial challenges between women and men who own MSMEs during the pandemic

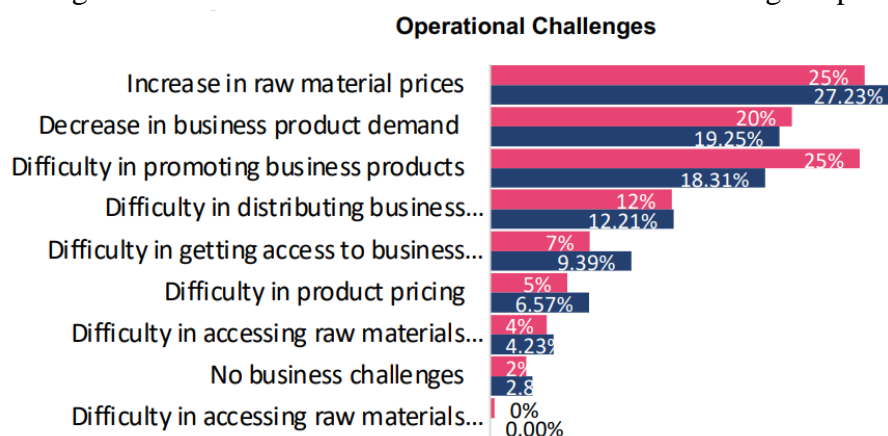


Figure 9 Operational Challenges

SOE Support for MSMEs

More than 70% of the sample received support from SOEs and financial aid was reported as the most support they received. Almost a quarter of them received financial and non-financial aid and only less than 7% received non-financial assistance.

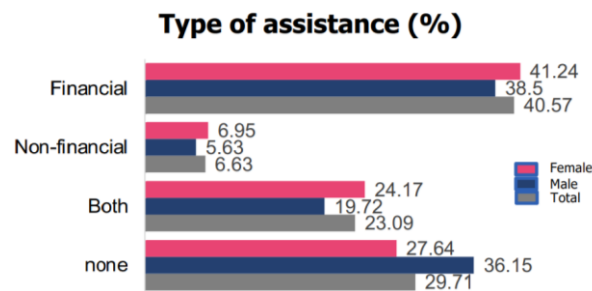


Figure 10 Type of Assistance (%)

In the picture, it is clear that the highest type of assistance provided by State-Owned Enterprises is finance with a percentage value of 41.24%. And the financial assistance is given the highest to MSMEs led by women. The type of financial assistance received by most MSMEs is capital to run their business, while for non-financial types it is business training and business assistance. There was no significant difference in the type of financial assistance received by men and women MSME owners. Conversely, for non-financial assistance, female owners receive more business training than men, while men get more business assistance.

Gender Equality and Inclusive Business Practices

Although most respondents showed commitment to gender equality and inclusive practices in their business (policies), more than 30% of MSMEs still do not implement these practices. Having a policy of flexible work arrangements especially for mothers with children and a specific policy for the recruitment of women are two of the most common policies implemented by them. Their commitment is something that has the potential to be used as a foundation to encourage the implementation of gender equality and inclusivity business practices more broadly.

Lack of awareness is a challenge faced by most MSMEs that implement gender equality and inclusive business practices. Meanwhile, this challenge comes second to those who don't implement it. Surprisingly, we found there were no barriers for most MSMEs that did not implement these practices. This is solely because these issues are not their priority in running their business. They still haven't seen the long-term benefits of implementing this practice in a brand's business.

Consistent with the challenges experienced by most MSMEs in implementing gender equality and inclusivity business practices, namely lack of awareness, they chose the expansion of information through online media as the main support needed to help them implement the policy. All relevant stakeholders need to continue campaigning for the benefits of gender equality and business practices.

MSME Leadership

Researchers found that male MSME owners had higher scores on these statements compared to female owners. These results are in line with many studies showing there is a gender gap in self-evaluation or men have a tendency to recognize their strengths more than women. The study by Exley and Kessler (2022) also found that self-evaluation of the gender gap exists even though there is no reward associated with it.

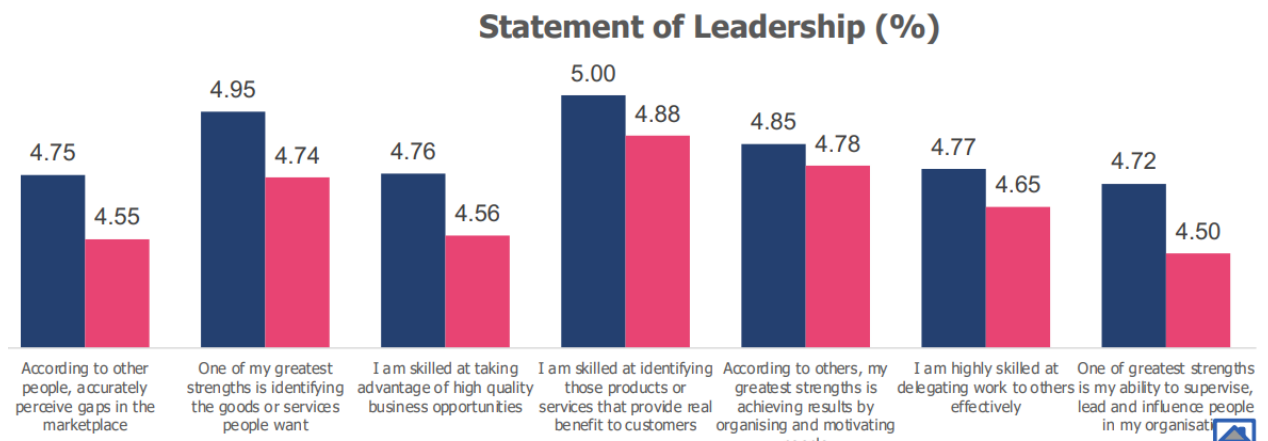


Figure 11 Statement of Leadership (%)

This means that the leadership level of women MSME owners who receive BUMN support is higher than those who do not receive. In addition, based on additional data collected from SOEs, there are several additional supports provided to MSMEs by several SOEs to improve their leadership. For example, in addition to financing and training support, MSMEs also get motivational talks, women's empowerment activities, and business mentoring and mentoring.

CONCLUSION

Based on the results of the analysis and the objectives of this study, it can be concluded that:

MSMEs are one of the driving forces of people's lives, especially during the Covid-19 pandemic

In the sector criteria, food services are an alternative that affects MSMEs during the Covid-19 outbreak, while accommodation is an alternative that is considered less influential on MSMEs. In the criteria of business products, food is an alternative that has an influence on increasing MSMEs, tourism services are considered to have no influence on increasing MSME income.

The government through the Ministry of State-Owned Enterprises (BUMN) provides assistance, namely financial (financial) which is useful for the sustainability of MSMEs, the amount of financial facilities provided is higher to MSMEs established by women compared to men

Based on the results of the study, it also answers the research problem, namely that gender problems are currently not a mistake for the state in providing assistance

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