

# The Role of Family Support in Enhancing Self-Confidence and Business Performance in Women Entrepreneurs: A Conceptual Framework and Empirical Evaluation

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## ABSTRACT

The performance of businesses owned or operated by women entrepreneurs encompasses the results and accomplishments of these ventures. Evaluating the success and positive impact of women entrepreneurs' managed businesses involves using various metrics and indicators. Factors like self-confidence and family support are potential influencers in shaping women entrepreneurs' business performance. This study explores the interconnection between family support, self-confidence, and business performance among women entrepreneurs. The empirical analysis involved 197 women entrepreneurs surveyed online. After ensuring reliability and validity through tests, the data underwent analysis using partial least squares structural equation modeling. The research findings reveal a significant positive direct impact of family support on self-confidence. Additionally, family support exhibits a notable positive direct influence on business performance. Moreover, self-confidence emerges as a significant positive factor directly affecting business performance.

**Keywords:** Family Support, Self-confidence, Business Performance, Women Entrepreneurs.

## INTRODUCTION

The essential role of entrepreneurship in driving a country's economic and social development has gained widespread acknowledgment (Hamid, 2022; Hamid et al., 2023). Recently, women entrepreneurs' increasingly recognized significance in contributing to economic development and sustainability is evident. Nevertheless, despite this acknowledgment, there remains a gap in comprehending the factors that impact the success of women entrepreneurs.

While numerous studies have focused on the role of family support, a more thorough investigation into its influence on self-confidence and business performance is warranted. The significance of women in entrepreneurship and business is steadily growing as an increasing number of women engage in diverse ventures and businesses across various sectors. These women have demonstrated remarkable potential in managing enterprises and actively contributing to the development of the global economy. Anderson and Ojediran (2022) state that female entrepreneurs have significant potential to support economic development.

Moreover, self-confidence is a pivotal factor in bolstering the business performance of female entrepreneurs. When a female entrepreneur has high self-confidence, she is more likely to face challenges

and take risks in managing her business. Strong self-confidence can enhance the ability to make sound decisions and provide an extra boost to overcome potential obstacles. According to Oladipo et al. (2023), women can reduce the performance disparity by running their businesses from home, giving them greater flexibility to manage their time. This situation suggests that women entrepreneurs are confident in their business activities.

Several findings from previous research on the relationship between family roles, self-confidence, and business performance have generated diverse information. There is still a gap in these findings. Khan et al. (2021) state that women's entrepreneurial self-confidence significantly impacts business performance. Additionally, as indicated by Welsh, Memili and Kaciak (2016), moral support from family significantly influences the skills and knowledge of business management in women entrepreneurs. In contrast to the results reported by Aldás-Manzano et al. (2011), women tend to exhibit low self-confidence in business management. Notably, self-confidence has been identified as exerting a significant impact on business performance (Maryatmi, 2018).

Furthermore, Neneh and Welsh (2022) emphasize the crucial role of family support in enhancing business performance among women

entrepreneurs. However, in contrast, Anggraeni et al. (2023) discovered that family support may not substantially support business decision-making. This study investigates the interrelationships among family support, self-confidence, and business performance in women entrepreneurs to contribute a more profound understanding of this research domain.

### METHODS

The study focuses on women entrepreneurs in North Luwu Regency. Due to the unknown overall sampling framework and the challenge of identifying the number of potential respondents, applying probability sampling, aiming for a random and representative sample, is not feasible. Given these circumstances, this research employs non-probability sampling for data collection. Latan et al. (2020) recommend using non-probability samples when dealing with a large, indeterminate number of respondents. Respondents were identified through the snowball sampling method facilitated by social media, resulting in a total of 280 respondents who agreed to participate in the research survey. From the total number of returned and accepted questionnaires, 235 met the criteria, while 38 were excluded due to

incompleteness. The overall number of valid questionnaires is 197, yielding a response rate of 70.35%. According to (Baruch and Holtom, 2008), a response rate exceeding 15% is generally considered acceptable in surveys.

This study incorporates measurement items from prior empirical research (refer to Table 1). An online questionnaire is employed and distributed to respondents via social media, utilizing snowball sampling techniques to gather data. The constructs of innovation orientation, marketing communication, and marketing performance are assessed using twelve measurement items, employing a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Hypothesis testing, as depicted in Figure 1, is conducted through Structural Equation Modeling (SEM) employing the Partial Least Squares (PLS-SEM) technique. SmartPLS 4.0.9.8 is utilized as the software package for this purpose. PLS-SEM is chosen for its suitability in theory development and handling complex models. Additionally, this technique proves effective in estimating causal relationships within theoretical models based on empirical data, as emphasized by Hair et al. (2018).

**Table 1. Measurement Items**

Construct	Loadings
Family support (FS). Adapted from (Hendro, 2011; Anggraeni et al., 2023); alpha = 0.826, CR = 0.816, AVE = 0.622.	
Emotional support (ES1)	0.824
Instrumental support (ISTS2)	0.723
Informational support (IFTS3)	0.746
Self-confidence. Adapted from (Khan et al., 2021) (Pisicchio & Toaldo, 2021); alpha = 0.812, CR = 0.827, AVE = 0.624.	
I feel at ease (SC1)	0.624
I am confident that I will perform well in his business; take care (SC2)	0.862
I am concerned about these competitors in the market (SC3)	0.834
Business performance. Adapted from (Khan et al., 2021), alpha = 0.842, CR = 0.742, AVE = 0.582.	
My business is offering high-quality products and services (MP1)	0.786
More than 50% of the profit is reinvested in the business (MP2)	0.826
Profits of my enterprise tend to increase (MP3)	0.752

### RESULT AND DISCUSSION

#### Respondent Characteristics

Examining the characteristics of the sample information (see Table 2), it is observed that, about the educational background, a predominant proportion holds a senior high school level (98%),

surpassing those with a Bachelor of Science degree (34.52%), junior high school education (9.14%), and elementary school education (6.60%). Additionally, concerning business turnover, the most prevalent category is the range of 1,000,000–5,000,000 million (49.24%), followed by a turnover

of less than 500,000 thousand (28.43%), a turnover of 6,000,000–10,000,000 million (16.24%), and a turnover exceeding 11,000,000 million (6.09%). Finally, based on the type of business, the culinary

sector dominates compared to basic trading (57.73%), manufacturing (clothing) (36.08%), and services (18.56%).

**Table 2. Description of respondents**

Variable	Cases (%)	Variable	Cases (%)
Business Turnover		Type of business	
< 500,000 thousand	56 (28.43%)	Culinary	88 (90.72%)
1,000,000 – 5,000,000 million	97 (49.24%)	Basic Trading	56 (57.73%)
6,000,000 – 10,000,000 million	32 (16.24%)	Manufacture (clothing)	35 (36.08%)
> 11,000,000 thousand	12 (6.09%)	Services	18 (18.56%)
Education			
Elementary School	13 (6.60%)		
Junior High School	18 (9.14%)		
Senior High School	98 (49.75%)		
Bachelor of Science	68 (34.52%)		

### Outer Model

The evaluation criteria for the structural model (outer model) using SEM-PLS encompass (i) convergent validity, which is discernible through factor loading values and average variance extracted (AVE); (ii) discriminant validity, which is evident from the square root of AVE and correlations among latent constructs; and (iii) reliability testing, which is appraised through composite reliability and Cronbach's alpha values.

### Convergent Validity and Discriminant Validity

Convergent validity is associated with the concept that a construct's measures (manifest variables) should exhibit strong correlations. This validity is assessed by examining factor loading values and comparing them to the recommended threshold (> 0.60). Additionally, consideration is given to average variance extracted (AVE) values, which should exceed the rule of thumb (> 0.50). Evaluating discriminant validity involves comparing the square root of AVE with the correlations among latent constructs, following the guideline that the square root of AVE should surpass the correlations among latent constructs (Hair et al., 2011; Ghazali & Latan, 2015).

From the results of the convergent validity test (refer to Table 1), the factor loading values for each

construct are as follows: family support, comprising three measurement indicators with values of (FS1 = 0.824; FS2 = 0.723; and FS3 = 0.746); self-confidence construct (SC1 = 0.624; SC2 = 0.862; and SC3 = 0.834); and business performance construct (BP1 = 0.786; BP2 = 0.826; and BP3 = 0.752). All these values exceed the recommended threshold (> 0.60). Moreover, the AVE values for each construct—family support = 0.622, self-confidence = 0.624, and business performance = 0.582—are also higher than the suggested threshold (> 0.50).

We applied two criteria to assess discriminant validity. Initially, we utilized the Fornell & Larcker (1981) criterion, which stipulates that the square root of the AVE (average variance extracted) for a variable should exceed its correlation with other variables. Additionally, we examined the heterotrait-monotrait ratio (HTMT) of correlations, following the guidance of (Henseler, Ringle, & Sarstedt, 2015), who argue that HTMT is more sensitive to the lack of discriminant validity compared to other criteria. The HTMT between two constructs should be below 0.90 to establish discriminant validity. Both of these criteria affirm the presence of discriminant validity for all our variables (refer to Table 3).

**Table 3. Reliability, convergent and discriminant validity**

Constructs	1	2	3
Family support (1)	<b>0.622</b>	0.112	0.126
Self-confidence (2)	0.226	<b>0.624</b>	0.284

Constructs	1	2	3
Business Performance (3)	0.218	0,142	<b>0.528</b>

Note: The bold diagonal values correspond to each factor's square root of the Average Variance Extracted (AVE). Below the diagonal, you find the correlations between the factors, and above the diagonal, the values represent the HTMT ratios.

1 Heterotrait-Monotrait; the criteria confidence interval does not include 1; HTMT90 – Henseler et al. (2015)

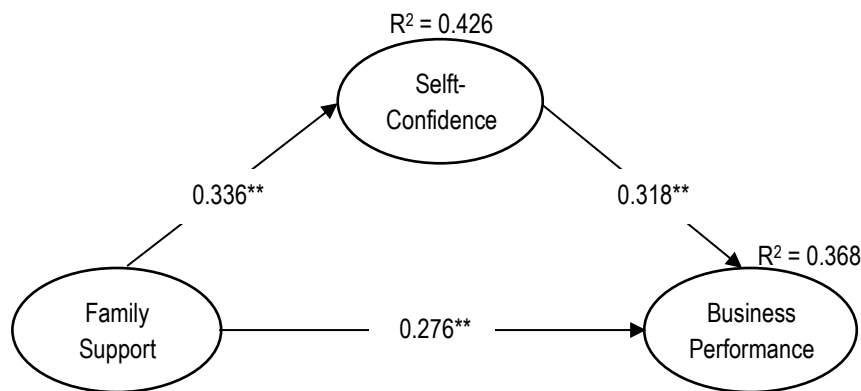
### Assessing the Outer Model with Reliability

Furthermore, the outer model is evaluated through reliability testing to demonstrate the instruments' accuracy, consistency, and precision in measuring constructs. The values of composite reliability are scrutinized (refer to Table 1) and then compared to the guideline ( $> 0.70$ ) to assess reliability, as suggested by Hair et al. (2011). The outcomes of the reliability testing indicate the following composite reliability values for each construct: family support = 0.816, self-confidence = 0.827, and business performance = 0.742. These values surpass the

recommended threshold ( $> 0.70$ ), signifying the capability of the measures to yield reliable results.

### Structural Model (Inner Model)

The standards for assessing the structural model (inner model) with SEM-PLS encompass (i) R-square for dependent constructs and (ii) scrutinizing significance values through the bootstrapping procedure (t-value 1.96, significance level = 5%). The outcomes of assessing the structural model (inner model) via the bootstrapping procedure to test the hypotheses outlined in this study are illustrated in Figure 1 and detailed in Table 4.



Note: \*\* significant at alpha 5%, and ns = not significant

Figure 2. Hypothesis Testing

### Evaluation of R Square and Q2 Values

The evaluation of the structural or inner model involves an examination of the explained variance percentage, specifically by considering the R Square and Q2 values for the latent dependent constructs. According to Hair et al. (2011), the rule of thumb categorizes R Square values as follows: 0.75 is considered strong, 0.50 is considered moderate, and 0.25 is considered weak. Regarding Q2 values, a value greater than 0 indicates predictive relevance, while less than 0 suggests a lack of predictive relevance.

Based on the analysis results (refer to Table 4), the R Square value for the self-confidence construct is

0.426, indicating that 42.6% of the variability in family support can be explained by the self-confidence variable in the model, placing it in the weak model category. Furthermore, the R Square value for the business performance construct is 0.368, signifying that 36.8% of the variability in family support and self-confidence can be explained by the business performance variable in the model, also falling into the weak model category. The Q2 values for the self-confidence construct ( $0.286 > 0$ ) and the business performance construct ( $0.262 > 0$ ) indicate that the model possesses predictive relevance.

**Table 4. Hypothesis testing**

Hypotheses	Relationships	Path coefficients	t-Statistic	R2	Q2	P-Values	Decision
Direct effect							
H1	FS – SC	0.336	2.460			0.025	Supported
H2	FS – BP	0.276	3.008			0.002	Supported
H3	SC - BP	0.318	3.124			0.001	Supported
Indirect effect							
	FS - SC – BP	0.286	3.226				
	SC			0.426	0.286		
	BP			0.368	0.262		
Total effect	FS – BP	0.562	5.462			0.001	

### The Influence of Family Support on Self-confidence

Concluding the test outcomes for hypothesis 1, it can be inferred that the family support construct significantly impacts self-confidence. This finding supports previous research results (Maryatmi, 2018). The findings illustrate the importance of the family's role in shaping the beliefs and self-confidence of women involved in the entrepreneurial world. The assistance extended by family members, whether through emotional encouragement or practical support, plays a crucial role in bolstering the self-confidence of women entrepreneurs. The presence of support within the family environment fosters a positive atmosphere, enabling women entrepreneurs to feel supported, valued, and capable of overcoming challenges in their business endeavors. Hence, it can be regarded that family support is a pivotal factor in establishing the groundwork for self-confidence among women entrepreneurs, subsequently exerting a positive impact on their performance and business success.

### The Influence of Family Support on Business Performance

Based on the outcomes of Hypothesis 2, it can be inferred that the innovation orientation construct significantly impacts marketing performance. It aligns with the results of earlier studies (Neneh & Welsh, 2022). These results suggest that family support can manifest in diverse ways, including emotional, financial, or practical assistance, and each of these forms contributes positively to improving the business performance of women entrepreneurs. The existence of support within the family environment establishes a robust foundation for the success and advancement of

their ventures, empowering women entrepreneurs to surmount challenges and attain more favorable outcomes in the business realm.

### The Influence of Self-Confidence on Business Performance

Moreover, based on the outcomes of Hypothesis 3, it can be deduced that the marketing communication construct significantly impacts marketing performance. It aligns with the conclusions drawn from earlier research (Khan et al., 2021). These results suggest that elevated self-confidence can play a pivotal role in aiding women entrepreneurs in attaining success in managing and growing their businesses. With strong self-confidence, women entrepreneurs are more likely to overcome challenges, take initiative, and achieve positive outcomes in the business world. Therefore, the level of self-confidence can be a crucial factor influencing women entrepreneurs' business performance.

Interestingly, this research found an indirect relationship between family support and business performance through self-confidence. These results indicate that the support provided by the family to women entrepreneurs can influence their level of self-confidence, which, in turn, contributes to the improvement of business performance. These results offer a more profound insight into how family support positively influences business outcomes, particularly through psychological factors like self-confidence. This understanding can serve as a vital groundwork for devising more effective support strategies to augment the success of women entrepreneurs.

### CONCLUSION

This study revealed a positive influence of family support on the self-confidence of female entrepreneurs. This support encompasses emotional



and practical aspects, creating a positive atmosphere to overcome business challenges. The study also demonstrated that innovation orientation impacts business performance, underscoring the role of family support in contributing to the success of women's businesses. High self-confidence also plays a crucial role in helping women entrepreneurs overcome obstacles and achieve positive business outcomes. An interesting finding is the existence of an indirect relationship between family support and business performance through self-confidence. It provides deeper insights into how family support positively affects business outcomes through psychological factors. Thus, these findings can form the basis for more effective support strategies in promoting the success of women entrepreneurs.

Moreover, our study has several limitations. Initially, our research exclusively concentrates on women entrepreneurs, resulting in a homogeneous set of respondents. Future studies should consider incorporating samples of male entrepreneurs to provide a more comprehensive perspective. Secondly, our study is confined to a single region, limiting the generalizability of the findings to other areas in Indonesia. It is recommended that future researchers expand their investigations to other developing regions, such as Java, which are pivotal areas with advanced entrepreneurial developments for both women and men in Indonesia. Lastly, the R square and Q2 values fall within the weak category. Consequently, there is an opportunity to explore additional influencing factors, such as self-efficacy.

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