

FROM EFFECTIVENESS TO EMPOWERMENT: REVEALING THE IMPACT OF WOMEN ENTREPRENEURS ON THE PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN JABODETABEK

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ABSTRACT

This study aims to analyze the influence of Women's Entrepreneurial Effectuation (WEE) on Structural Empowerment (SE), Psychological Empowerment (PE), and SME Employee Performance (EP), as well as the moderating role of Gender Equality (GE) and Market Orientation (MO) on female employees working in MSMEs in the Greater Jakarta area. This study uses a quantitative method with a descriptive approach and judgment sampling technique on 330 respondents. Primary data were collected through questionnaires and analyzed using Partial Least Square (PLS). The results of the study show that Women's entrepreneurial effectuation does not have a positive influence on structural empowerment, Women's entrepreneurial effectuation has a positive influence on psychological empowerment, Women's entrepreneurial effectuation does not have a positive influence on SME employee performance, Gender equality as a moderating variable cannot strengthen the relationship between women's entrepreneurial effectuation on structural empowerment and SME employee performance, Gender equality as a moderating variable can strengthen the relationship between women's entrepreneurial effectuation on psychological empowerment, Structural empowerment does not have a positive influence on SME employee performance, Structural empowerment as a mediating variable cannot strengthen the relationship between women's entrepreneurial effectuation on SME employee performance, Psychological empowerment has a positive influence on SME employee performance, Psychological empowerment as a mediating variable can strengthen the relationship between women's entrepreneurial effectuation on SME employee performance, Market orientation as a moderating variable can strengthen the relationship between structural empowerment on SME employee performance, Market orientation as a moderating variable cannot strengthen the relationship between women's entrepreneurial effectuation and psychological empowerment on SME employee performance. These findings emphasize the importance of women's entrepreneurial effectuation in improving performance through structural empowerment. and market orientation support. Practically, this research provides recommendations for female MSMEs to integrate an effectuation approach with empowerment and market orientation strategies to improve business competitiveness and performance.

Keywords: Women's Entrepreneurial Effectuation, Structural empowerment, psychological empowerment, and SME employee performance, as well as the moderating role of Gender equality and Market Orientation

1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) are one of the most important pillars in the Indonesian economy. According to data from the Ministry of Cooperatives and Small and Medium Enterprises, in 2024 the number of MSMEs in Indonesia reached 65 million units, contributing around 60% to the national Gross Domestic Product (GDP), or equivalent to IDR 9.6 trillion. Data shows that 64.5% of the total MSMEs in Indonesia are owned and operated by women, a figure much higher than the global average, which only records one in three MSMEs as women-owned (Maharani, 2024). In Greater Jakarta alone, there are 486,139 female MSME entrepreneurs.

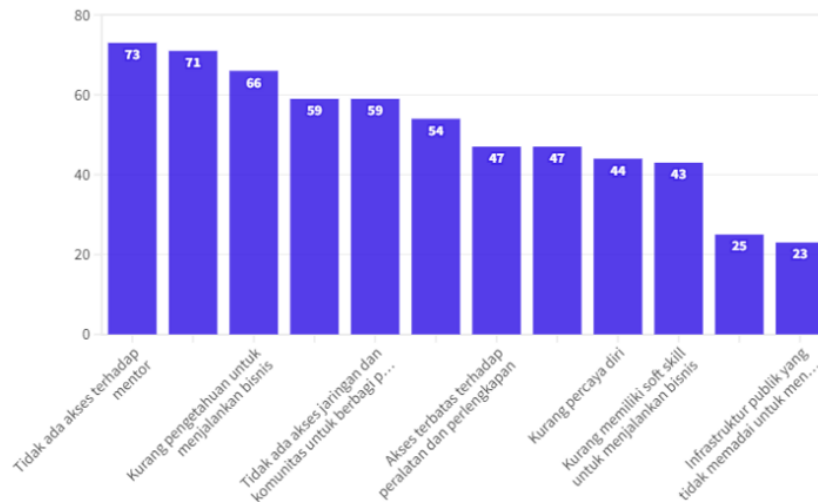


Figure 1. Challenges of Women in Business

Source: Maharani (2024).

The dominance of women in MSME ownership has a strategic meaning, both from an economic and social perspective. Women entrepreneurs play a role in creating added value, opening employment opportunities, and strengthening the family economic base. However, behind this significant contribution, women MSME actors still face various structural and cultural obstacles that have the potential to hinder their business performance. Some of the main challenges faced by women entrepreneurs in Indonesia include limited access to capital, training, and mentorship. This factor is worsened by social biases and cultural expectations that burden women with dual roles, namely as household managers and business leaders (Maharani, 2024).

Geographically, the majority of women-owned MSMEs are concentrated in Java, particularly in the West Java region and the Special Capital Region (DKI) of Jakarta. Data shows that around 83% of women entrepreneurs' business operations are centered in the main provinces on the island of Java. Java itself is Indonesia's economic hub, contributing 56% to the national GDP (Maharani, 2024). This concentration offers significant opportunities but also creates high competitive challenges in the market. Therefore, adaptive and effective entrepreneurial strategies are needed so that women MSME actors in this region can survive and grow.

This study focuses on female workers in MSMEs in the Jabodetabek area, which is a central concentration of MSMEs and a natural laboratory for testing women's entrepreneurial abilities. This study examines the influence of women's entrepreneurial effectiveness on the performance of micro, small, and medium enterprises (MSMEs) through the role of structural empowerment and psychological empowerment, taking market orientation as a moderating variable. Female workers or employees of micro, small, and medium enterprises (MSMEs) continue to face significant challenges, such as lack of access to capital, training, and mentoring, as well as double pressures caused by social and cultural norms (Maharani, 2024). These conditions have the potential to reduce women's entrepreneurial effectiveness and hinder business performance.

2. Literature Review

2.1 Women's entrepreneurial effectuation

Women’s entrepreneurial effectuation is an approach to decision-making and entrepreneurial actions used by female entrepreneurs by relying on existing resources (Beta, 2024). This concept focuses on the experiences, strategies, and challenges faced by women in running a business. Female entrepreneurs start from what they have, such as skills, social networks, and available capital, and develop business ideas based on achievable potential, not just predetermined targets (Beta, 2024).

2.2 Structural empowerment

Structural empowerment is a condition in which an organization provides access to information, resources, support, and learning opportunities for employees to improve performance (Orgambidez et al., 2024). This concept emphasizes the importance of systems, policies, and organizational structures that encourage active participation. With structural empowerment, employees have greater control in decision-making that affects their work (Orgambidez et al., 2024). According to Echebiri et al. (2020), structural empowerment, also known as managerial empowerment, is how managers, who have power and authority within the company, distribute it to employees who do not have it. This stems from organizational theory, which focuses primarily on the transfer of authority and power.

2.3 Psychological Empowerment

Psychological empowerment is an individual's perception of the control, meaning, competence, and impact they have on their job (Chompukum & Vanichbuncha, 2025). This concept is subjective because it focuses on employees' internal beliefs about their abilities. The higher the psychological empowerment, the greater the intrinsic motivation and work commitment of a person (Chompukum & Vanichbuncha, 2025). Psychological empowerment refers to the enhancement of intrinsic task motivation, which consists of four cognitive components: a sense of meaning, competence, self-determination, and impact (Monje-Amor et al., 2020).

2.4 SME Employee Performance

SME employee performance is the level of achievement of employees in carrying out tasks and responsibilities according to the standards set by the organization (Memon et al., 2023). This performance can be measured by the quantity, quality, efficiency, and effectiveness of the work. High employee performance contributes directly to the overall success of the organization (Memon et al., 2023).

2.5 Gender Equality

Gender equality is a condition in which women and men have equal access, opportunities, and rights in all aspects of life, including work. This concept emphasizes the elimination of gender-based discrimination in the workplace. The implementation of gender equality can enhance diversity, innovation, and organizational productivity (Nanni, 2023). Based on gender equality, men and women should have equal access to the same opportunities and resources (Iqbal et al., 2022).

2.6 Market Orientation

Market orientation is a business strategy that focuses on understanding customer needs and wants as well as responding quickly to market changes. This approach integrates all organizational functions to create superior customer value. Companies with a strong market orientation tend to have better competitiveness and performance (Mansouri et al., 2022).

2.7 Hipotesis development

2.8 The Influence of Women’s Entrepreneurial Effectuation on Structural Empowerment and Psychological Empowerment

Chandna & Salimath (2020) show that female entrepreneurs who adopt the effectuation approach are more likely to build adaptive and inclusive organizational structures, thereby encouraging employee participation in decision-making. Furthermore, according to Mozumdar et al. (2022), effectuation is a strong antecedent in facing uncertainty, with four key dimensions that must be measured simultaneously. When applied by female entrepreneurs, these dimensions encourage the formation of an organizational structure that is inclusive, open to communication, and based on shared responsibility. Based on the above description, the hypothesis in this study is as follows:

H1: Women’s entrepreneurial effectuation has a positive influence on structural empowerment

2.9 The Influence of Women's Entrepreneurial Effectuation on Psychological Empowerment

Research conducted by Theresia et al. (2025) shows that women's entrepreneurial effectuation, modeled as a higher-order construct (HOC) with four main dimensions: flexibility, experimentation, affordable loss, and pre-commitment, has an impact on improving employee performance through the mediating role of structural empowerment (STREM) and psychological empowerment (PSYEM). The findings indicate that women's entrepreneurial effectuation (WEE) not only affects organizational aspects alone but also touches on individual psychological aspects, particularly in building perceptions of control, meaning, competence, and impact on the work performed. Therefore, the hypothesis is built as follow:

H2: Women’s entrepreneurial effectuation has a positive influence on psychological empowerment.

2.10 The Influence of Women’s Entrepreneurial Effectuation on SME Employee Performance has a positive effect on psychological empowerment

Based on the results of research conducted by Theresia et al. (2025), women’s entrepreneurial effectuation (WEE) modeled as a higher order construct (HOC) with four main dimensions, namely flexibility, experimentation, affordable loss, and pre-commitment, has been proven to have a positive effect on employee performance (EMPRF). This relationship is strengthened through the mediating role of structural empowerment (STREM) and psychological empowerment (PSYEM), indicating that women's entrepreneurial strategies are able to create a more adaptive and empowering work system as well as encourage the achievement of individual performance within the organization.

2.11 The Influence of Gender Equality Moderates the Relationship between Women’s Entrepreneurial Effectuation and Structural Empowerment

Franzke et al. (2022) found that women entrepreneurs tend to be more proactive in promoting gender equality in SMEs due to a sense of ownership and empathy towards the challenges faced by other women. Furthermore, Nickel et al. (2023) highlighted that gender equality creates inclusive working conditions and supports women in implementing effectuation-based entrepreneurial strategies more effectively, which ultimately improves organizational performance. So, hypothesis is built as follow:

H4: Gender equality as a moderating variable can strengthen the relationship between women’s entrepreneurial effectuation and structural empowerment

2.12 The Influence of Gender Equality Moderates the Relationship between Women’s Entrepreneurial Effectuation and SME Employee Performance

Nickel et al. (2023) explain that gender equality contributes to the creation of a more inclusive work environment, which encourages women to express effectuation-based leadership styles more

effectively. With gender equality, the practices of flexibility and the courage to experiment carried out by female entrepreneurs will be more accepted within organizations, thereby having a positive impact on employee productivity. Based on the description above, the hypothesis is constructed as follow:

H5: Gender equality as a moderating variable can strengthen the relationship of women’s entrepreneurial effectuation to SME employee performance

2.13 The Influence of Gender Equality Moderates the Relationship between Women’s Entrepreneurial Effectuation and Psychological Empowerment

The Influence of Gender Equality Moderates the Relationship of Women’s Entrepreneurial Effectuation on Psychological Empowerment Riaz & Chaudhry (2021) stated that gender equality increases women’s sense of competence, control, and confidence in their roles, thereby strengthening the effectuation influence in building the dimensions of psychological empowerment, namely meaning, competence, self-determination, and impact. Nickel et al. (2023) also found that gender equality creates a fairer and more inclusive work environment, enabling women entrepreneurs to implement effectuation-based strategies more effectively in supporting the development of employee empowerment. Thus, the hypothesis is built as follows:

H6: Gender equality as a moderating variable can strengthen the relationship between women’s entrepreneurial effectuation and psychological empowerment.

2.14 The Effect of Structural Empowerment on SME Employee Performance

Theresia et al. (2025) studied the effectiveness of women's entrepreneurship (WEE) as a high-order construct (HOC) consisting of four lower-order dimensions (LOC), namely flexibility, experimentation, affordable loss, and pre-commitment. The results showed that structural empowerment mediates the relationship between WEE and employee performance (EMPRF). In other words, the effectuation practices of women entrepreneurs can improve performance if supported by an organizational structure that provides access to authority, support, and development opportunities for employees. Based on the description above, the hypothesis proposed in this study is:

H7: Structural empowerment has a positive effect on SME employee performance

2.15 Structural empowerment has a positive effect on SME employee performance and mediates the relationship between Women’s Entrepreneurial Effectuation and SME employee performance

Research by Theresia et al. (2025) found that WEE, modeled as a higher-order construct (HOC) with four main dimensions—flexibility, experimentation, affordable loss, and pre-commitment—affects employee performance (EMPRF) through the mediation of structural (STREM) and psychological (PSYEM) empowerment. The results confirm that without structural empowerment, the positive influence of WEE on employee performance may not be optimal, showing that structural support strengthens the effectiveness of effectuation strategies in improving performance, especially in flexible business environments such as SMEs. Thus, the hypothesis is constructed as follows:

H8: Structural empowerment as a mediating variable can strengthen the relationship of women’s entrepreneurial effectuation to SME employee performance.

2.16 The Influence of Psychological Empowerment on SME Employee Performance

Aziz et al. (2024) found that a high level of empowerment is able to increase intrinsic motivation, reduce work stress, and improve individual performance. Liu et al. (2020) confirmed that psychological

empowerment strengthens employees' self-confidence, initiative, and creativity, allowing them to adapt to a dynamic work environment and make decisions independently. Muneer et al. (2024) also showed that employees who feel psychologically empowered tend to be more productive and have high work engagement. Thus, the hypothesis is built as follows:

H9: Psychological empowerment has a positive effect on SME employee performance.

2.17 The Influence of Psychological Empowerment Mediates the Relationship Between Women's Entrepreneurial Effectuation and SME Employee Performance

The Influence of Psychological Empowerment in Mediating the Relationship of Women's Entrepreneurship Echebiri et al. (2020) indicated that in the context of SMEs with limited resources, psychological empowerment strengthens the effect of female effectuation in enhancing work involvement and decision-making. Hoque & Islam (2022) also found that in developing countries, psychological empowerment helps female employees develop adaptive skills in facing business dynamics, thereby increasing productivity. Based on the description above, the proposed hypothesis is the Effectuation on SME Employee Performance:

H10: Psychological empowerment as a mediating variable can strengthen the relationship between women's entrepreneurial effectuation and SME employee performance.

2.18 The Influence of Market Orientation Moderates the Relationship Between Structural Empowerment and SME Employee Performance

Chen & Liu (2022) found that market orientation can strengthen the impact of women's entrepreneurial effectiveness (WEE) on employee performance by encouraging entrepreneurs to adjust their effectuation strategies to be more responsive to market dynamics, thereby enhancing innovation and employee engagement. Furthermore, Mahmoud et al. (2021) showed that market orientation strengthens the influence of psychological empowerment on employee performance by creating an adaptive and innovative work environment, which makes employees more confident, responsible, and motivated to meet customer needs. So, the hypothesis is as follow:

H11: Market orientation as a moderating variable can strengthen the relationship of structural empowerment on SME employee performance.

2.19 The Influence of Market Orientation Moderates the Relationship between Women's Entrepreneurial Effectuation and SME Employee Performance

Chen & Liu's (2022) research emphasizes that market orientation strengthens the role of women's entrepreneurial effectuation in creating adaptive and innovative organizations. Meanwhile, Mahmoud et al. (2021) state that market orientation facilitates the translation of entrepreneurial strategies into concrete actions that are more responsive to market needs, thereby increasing employee engagement and motivation. Based on the explanation above the hypothesis is built as follow:

H12: Market orientation as a moderate variable can strengthen the relationship of women's entrepreneurial effectuation to SME employee performance.

2.20 The Influence of Market Orientation Moderates the Relationship Between Psychological Empowerment and SME Employee Performance

Mahmoud et al. (2021) emphasized that market orientation strengthens the effect of psychological empowerment on employee performance because it creates an adaptive work environment that supports

innovation. Employees who feel empowered will be more confident and responsible when the organization's strategic direction is clear, especially in meeting customer satisfaction. Additionally, market orientation also helps guide employee autonomy to be used in generating creative solutions that align with consumer needs. Based on the description above the hypothesis is constructed as follow:

H13: Market orientation as a moderating variable can strengthen the relationship between psychological empowerment and SME employee performance.

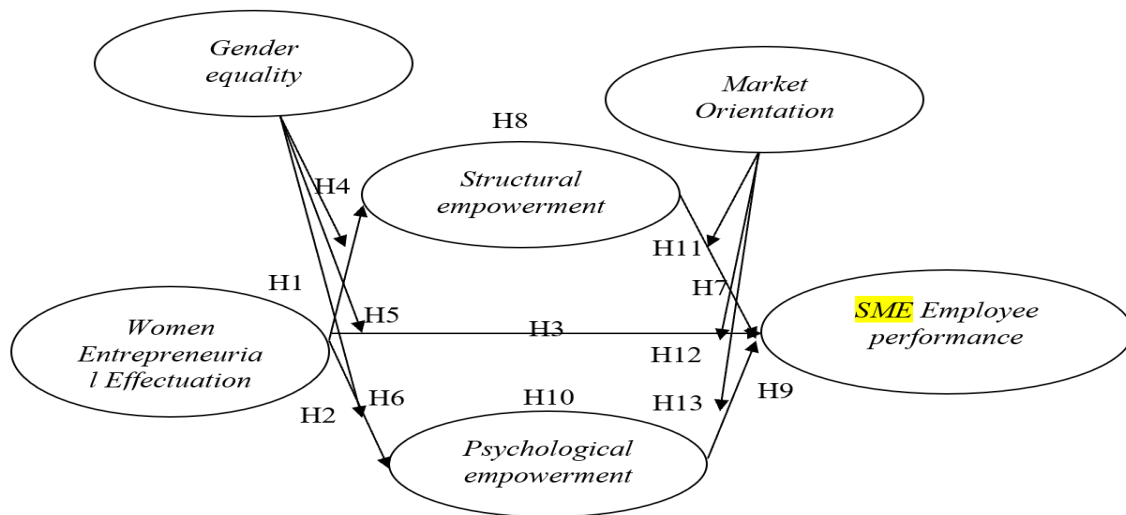


Figure 2. Theoretical Framework

3. Research Method

This research method is quantitative with a descriptive approach. A descriptive approach is a type of research aimed at describing existing phenomena, whether naturally occurring or human-made phenomena. Descriptive research is also used by researchers to test research hypotheses and to depict the state of a situation, condition, variable, or symptom (Sekaran and Bougie, 2021). Descriptive research was chosen because in this study, the researcher will examine a phenomenon and test the hypotheses that have been made. This study uses a non-probability sampling technique with a sampling method called judgment sampling. This study uses judgment sampling. The sample of this study consists of female employees working in MSMEs in the Jabodetabek area. According to Hair et al. (2021), the sample size is calculated by multiplying the number of indicators by 5-10. In this study, there are 33 indicators. Therefore, the sample calculation in this study is:

Sample = 10 x 33 indicators = 330 respondents.

3.1 Respondent Profile

The analysis of respondent profiles was conducted to describe the characteristics of female workers employed in MSMEs in the Jabodetabek area who were sampled in this study. A total of 330 respondents participated in this study by completing an online questionnaire arranged in the form of a Google Form. Descriptive analysis was used to provide an overview of the respondents' backgrounds, as well as information related to the business conditions managed by female employees in MSMEs in the Jabodetabek area.

Table 1. Age

Age	Total	Percentage
>45	1	0,3%
18-24	33	10%
25-29	146	44,2%
35-39	117	35,5%
40-44	33	10%
Total	330	100%

Source: Data is processed using Smart PLS 4.0 (2025).

Table 2. Education

Education	Total	Percentage
Undergraduate (S1)	152	46,1%
Senior high school/equal	157	47,6%
Junior high school	21	6,4%
Total	330	100%

Source: Data is processed using Smart PLS 4.0 (2025).

Table 3. Status

Status	Total	Percentage
Not married	164	49,7%
Married	166	50,3%
Total	330	100%

Source: Data is processed using Smart PLS 4.0 (2025).

Table 4. Work period

Work period	Total	Percentage
>15	1	0,3%
1-2	57	17,3%
11-15	14	4,2%

3-5	155	47%
6-10	103	31,2%
Total	330	100%

Source: Data is processed using Smart PLS 4.0 (2025).

Table 5. SME Sector

SME Sector	Total	Percentage
Fashion accessories	70	21,2%
Packaged snacks	64	19,4%
Services	31	9,4%
Hand crafts	50	15,2%
Culinaries	58	17,6%
Clothes	57	17,3%
Total	330	100%

Source: Data is processed using Smart PLS 4.0 (2025).

Table 6. Average Variance Extracted (AVE) Actual Test

Variable	Average variance Extract (AVE)	Category (>0,5)
SME employee performance	0.763	Valid
Gender equality	0.741	Valid
Market orientation	0.798	Valid
Psychological empowerment	0.639	Valid
Structural empowerment	0.745	Valid
Women’s entrepreneurial effectuation	0.692	Valid

Source: Data is processed using Smart PLS 4.0 (2025).

Based on the table results, it can be stated that each variable in this study has a numerical value above 0.5, thus meeting the convergent validity threshold. Therefore, it can be concluded that all variables in the preliminary test have valid convergent validity, so each variable whose validity is tested will be used again in the actual testing. Discriminant validity testing is carried out because discriminant validity is based on the principle that each variable indicator should not have a high correlation. This correlation value can be calculated through the square root result of the Average Variance Extracted (AVE) of each variable; the result must have a value greater than the correlation value between variables in the model.

Table 7. Reliability Actual Test

Variable	Cronbach Alpha	Composite Reliability	Category (>0,7)
SME employee performance	0.896	0.928	Reliable
Gender equality	0.884	0.920	Reliable
Market orientation	0.873	0.922	Reliable
Psychological empowerment	0.810	0.876	Reliable
Structural empowerment	0.886	0.921	Reliable
Women’s entrepreneurial effectuation	0.935	0.947	Reliable

Source: Data is processed using Smart PLS 4.0 (2025).

Based on the table results, it can be concluded that each variable in the model meets the reliability threshold, because each variable shows a composite reliability value of more than 0.70.

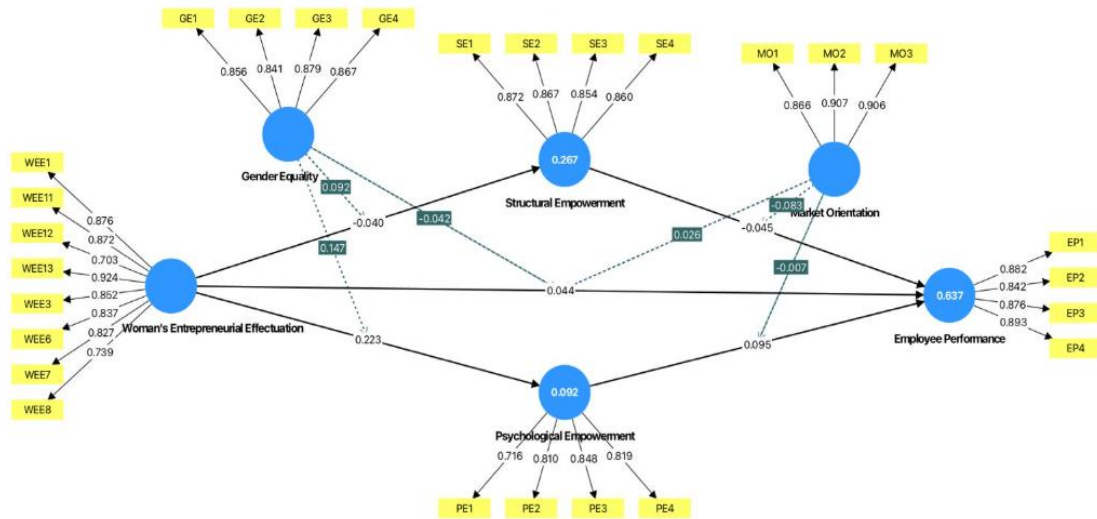


Figure 3. Outer Model Actual Test

Source: Data is processed using Smart PLS 4.0 (2025).

Table 8. Determinant Coefficient (R2)

Variable	R2
SME employee performance	0,637
Psychological empowerment	0,092
Structural empowerment	0,267

Source: Data is processed using Smart PLS 4.0 (2025).

Importance and Performance Matrix Analysis (IPMA)

Table 9. IPMA

Variable	Indicator	Importance	Performance	Description	Category
SME employee performance	EP1	0,296	72,197	High Importance, High Performance	Keep up the good work
	EP2	0,268	72,652	High Importance, High Performance	Keep up the good work
	EP3	0,285	71,818	High Importance, Low Performance	Concentrate here
	EP4	0,295	73,788	High Importance, Low Performance	Concentrate here
Gender equality	GE1	0,292	68,788	High Importance, High Performance	Keep up the good work
	GE2	0,266	66,288	High Importance, Low Performance	Concentrate here
	GE3	0,294	70,985	High Importance, Low Performance	Concentrate here
	GE4	0,309	71,439	High Importance, High Performance	Keep up the good work
Market orientation	MO1	0,364	68,182	Low Importance, High Performance	Possible Overkill
	MO2	0,382	69,848	Low Importance, Low Performance	Low Priority
	MO3	0,373	70,985	Low Importance, High Performance	Possible Overkill
Psychological empowerment	PE1	0,337	72,348	Low Importance, Low Performance	Low Priority
	PE2	0,314	83,333	Low Importance, High Performance	Possible Overkill
	PE3	0,296	77,677	Low Importance, Low Performance	Low Priority
	PE4	0,310	78,561	Low Importance, High Performance	Possible Overkill

Variable	Indicator	Importance	Performance	Description	Category
Structural empowerment	SE1	0,281	69,318	Low Importance, High Performance	Possible Overkill
	SE2	0,308	70,000	Low Importance, Low Performance	Low Priority
	SE3	0,300	71,061	Low Importance, High Performance	Possible Overkill
	SE4	0,270	70,758	Low Importance, High Performance	Possible Overkill
Women’s entrepreneurial effectuation	WEE1	0,148	71,818	Low Importance, High Performance	Possible Overkill
	WEE11	0,166	70,202	Low Importance, High Performance	Possible Overkill
	WEE12	0,123	74,621	Low Importance, High Performance	Possible Overkill
	WEE13	0,184	71,111	Low Importance, High Performance	Possible Overkill
	WEE3	0,152	72,121	Low Importance, High Performance	Possible Overkill
	WEE6	0,150	72,020	Low Importance, High Performance	Possible Overkill
	WEE7	0,124	72,121	Low Importance, Low Performance	Low Priority
	WEE8	0,150	74,318	Low Importance, Low Performance	Low Priority

Source: Data is processed using Smart PLS 4.0 (2025).

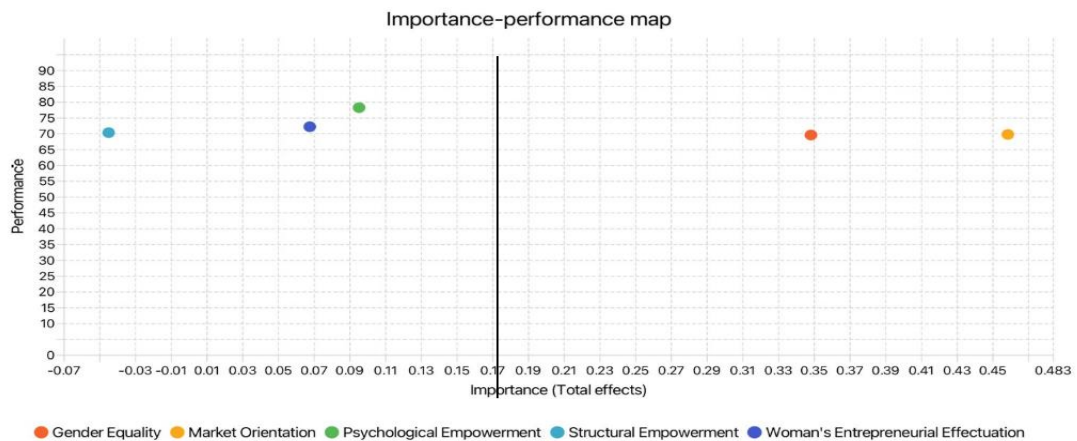


Figure 4. IPMA

Source: Data is processed using Smart PLS 4.0 (2025).

Based on the results of the Importance and Performance Map Analysis (IPMA) presented in Table 4.20, it can be seen that each variable has a different level of importance and performance towards SME employee performance. This analysis helps determine areas that should be maintained (keep up the good work) as well as areas that need to become the focus of improvement (concentrate here).

Overall, the SME employee performance (EP) indicators show a combination of high performance and high importance. The EP1 and EP2 indicators fall into the High Importance, High Performance category, which means that employees have demonstrated optimal performance in aspects of work responsibility and productivity, so this condition needs to be maintained. However, the EP3 and EP4 indicators are in the High Importance, Low Performance category, showing a performance gap especially in the aspects of employee innovation and collaborative ability. Therefore, these two aspects need attention and managerial improvement so that employee performance can be more balanced.

Table 10. Hypotheses Test

Hypotheses		Path Coefficients	t statistics	Rule of thumb	P Values	Result
H1	Women’s entrepreneurial effectuation \square structural empowerment	-0,040	0,859	<1,645	0,195	Not supported
H2	Women’s entrepreneurial effectuation \square psychological empowerment	0,223	3,723	>1,645	0,000	Supported
H3	Women’s entrepreneurial effectuation \square SME employee performance	0,044	1,172	<1,645	0,121	Not supported
H4	Gender equality moderates the relationship between women’s entrepreneurial effectuation \square structural empowerment	0,092	1,498	<1,645	0,067	Not supported
H5	Gender equality moderates the relationship between women’s entrepreneurial effectuation \square SME employee performance	-0,042	0,800	<1,645	0,212	Not supported
H6	Gender equality moderates the relationship between	0,147	2,564	>1,645	0,005	Supported

Hypotheses		Path Coefficients	t statistics	Rule of thumb	P Values	Result
	women’s entrepreneurial effectuation ⇨ psychological empowerment.					
H7	Structural empowerment ⇨ SME employee performance	-0,045	0,943	<1,645	0,173	Not supported
H8	Women’s entrepreneurial effectuation ⇨ Structural empowerment ⇨ SME employee performance	0,002	0,526	<1,645	0,299	Not supported
H9	Psychological empowerment ⇨ SME employee performance	0,095	2,504	>1,645	0,006	Supported
H10	Women’s entrepreneurial effectuation ⇨ Psychological empowerment ⇨ SME employee performance	0,021	1,997	>1,645	0,023	Supported
H11	Market orientation moderates the relationship between structural empowerment ⇨ SME employee performance	-0,083	2,336	>1,645	0,010	Supported
H12	Market orientation moderates the relationship between women’s entrepreneurial effectuation ⇨ SME employee performance	0,026	0,417	<1,645	0,338	Not supported
H13	Market orientation moderates the relationship between psychological empowerment ⇨ SME employee performance	-0,007	0,143	<1,645	0,443	Not supported

Source: Data is processed using Smart PLS 4.0 (2025).

4. Results and Discussion

Women’s entrepreneurial effectuation does not have a positive impact on structural empowerment. This indicates that management needs to provide clear structural policies, including leadership training, granting authority in decision-making, and improving access to information and resources so that structural empowerment can be effectively established. IPMA results show that most WEE indicators fall into the Low Importance–High Performance quadrant (Possible Overkill), indicating that the performance of women MSME actors is already good, but their importance in improving organizational structure is not yet considered a priority. Managerially, MSME leaders need to direct women’s entrepreneurial abilities not only towards creativity and business improvisation, but also towards strengthening their role in the process of formal and strategic decision-making in the organization.

Women’s entrepreneurial effectuation has a positive influence on psychological empowerment. This indicates that organizations need to encourage the application of effectuation mindset in the development of female employees because it can increase a sense of meaning, competence, autonomy, and personal influence in work. IPMA results show that most indicators of psychological empowerment are in the Low Importance–High Performance quadrant (Possible Overkill), which means that employees’ psychological condition is already good, but it has not become a main focus of the organization.

Women’s entrepreneurial effectuation does not have a positive impact on SME employee performance. This indicates that companies need to ensure that women’s entrepreneurial abilities are translated into organizational operational strategies and supported by performance evaluation systems, technical training, and performance-based incentives so that the impact is more tangible on employee work outcomes. According to IPMA, the EP3 indicator (“I can complete my tasks well consistently and according to expectations over time”) and EP4 (“I can still work well even under work deadline pressure”) are in the High Importance–Low Performance quadrant (Concentrate Here), which indicates that aspects of employee innovation and collaboration still need to be strengthened.

5. Conclusions

Gender equality as a moderating variable cannot strengthen the relationship between women’s entrepreneurial effectuation and SME employee performance. Based on IPMA, the indicators GE2 (“Incentives are provided regardless of the worker’s gender in this SME”) and GE3 (“Women are involved in decision-making when working in this SME”) are in the High Importance–Low Performance quadrant (Concentrate Here), indicating that gender equality policies are still not optimal in promoting performance. Therefore, management needs to strengthen the implementation of gender equality in operational contexts such as the determination of fair wages, promotion opportunities, and the distribution of roles within the team so that its impact on employee performance is more significant.

Gender equality as a moderating variable can strengthen the relationship between women’s entrepreneurial effectuation and psychological empowerment. IPMA shows that the gender equality indicator has high performance but is not yet significant enough for enhancing psychological aspects. This indicates that companies need to create an inclusive and bias-free work environment to strengthen women’s psychological empowerment so that their effectuation abilities can contribute more optimally to the individual. Implementation can include policies for work flexibility, female representation in strategic positions, and a supportive work culture.

Structural empowerment has no positive effect on SME employee performance. IPMA shows that most SE indicators are in the Low Importance–High Performance quadrant (Possible Overkill), indicating that the organization’s structural support system is already functioning well, but is not yet considered a priority in performance improvement. The company needs to combine structural empowerment with

motivational factors, training, work technology support, and transformational leadership to directly drive employee performance.

Structural empowerment as a mediating variable cannot strengthen the relationship between women's entrepreneurial effectuation and SME employee performance. The IPMA results indicate that the SE2 indicator (“In this SME, I can easily ask about the regulations applicable in the workplace”) falls into the Low Importance–Low Performance (Low Priority) quadrant, indicating still weak employee participation in strategic decisions. Management needs to evaluate the effectiveness of the formal authority system in improving performance and consider aspects of work culture and employee involvement as an alternative approach.

Psychological empowerment has a positive effect on SME employee performance. Based on IPMA, indicators PE1 and PE3 are in the Low Importance–Low Performance (Low Priority) quadrant, which indicates that the meaning of work and self-control of employees have not developed optimally. The organization must prioritize enhancing psychological empowerment through trust, recognition of achievements, autonomy in work, as well as a constructive feedback system because it has a significant impact on performance improvement.

Psychological empowerment as a mediating variable can strengthen the relationship between women's entrepreneurial effectuation and SME employee performance. IPMA results show that most indicators of psychological empowerment are at Low Importance, which means that psychological empowerment has not yet become a main pathway for performance improvement. Management needs to pay attention to the development of women's effectuation abilities and should focus on increasing psychological empowerment first in order to optimally impact performance. Internal entrepreneurship training programs and coaching can be highly relevant.

Market orientation as a moderating variable cannot strengthen the relationship between psychological empowerment and SME employee performance. IPMA results show that when market orientation is high, psychological empowerment is able to have a positive impact on performance improvement. Managerially, this indicates that organizations that focus on customers and innovation can more easily motivate employees by increasing their self-confidence and sense of ownership. Therefore, market orientation needs to be made a core strategy in strengthening the relationship between psychological empowerment and SME performance.

5.1 Limitations

The demographic distribution of respondents is not yet balanced, especially in terms of age and length of business experience. The majority of respondents are aged between 25–40 years, so the perspectives of older or younger generations are underrepresented. Data collection using Google Forms online may cause response bias, particularly from MSME actors who have limited digital access. As a result, respondents may mostly come from groups who are relatively more technologically literate. Respondent data does not include the city of origin or the business area represented, so the geographical distribution of respondents cannot be determined (for example, from Bogor, Jakarta, or other areas). This condition limits the researchers' ability to analyze regional context differences that might affect the research results.

5.2 Future research

Expansion of the research area beyond Jabodetabek to observe regional variations. Addition of analysis based on generation (e.g., Gen Z, millennials, and baby boomers) to see differences in perceptions of empowerment and market orientation.

Future researchers are advised to include the variable of the respondents' city or location of origin to obtain a more comprehensive understanding of contextual differences between regions. The use of mixed methods so that quantitative results can be deepened through qualitative interviews regarding women's empowerment experiences in the MSME sector.

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