

The Role of Women Entrepreneurs in Improving the Performance of MSME

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Abstract

This study aims to analyze how women's entrepreneurial motivation influences the performance of micro, small, and medium enterprises (MSMEs) in Bali, with a particular focus on the mediating effects of human resource competencies, entrepreneurial mindset, and work-life balance. Using a quantitative approach, data were collected from 115 women entrepreneurs through a structured questionnaire. The sample size was determined by multiplying the number of research indicators by five, following SEM-PLS methodological standards. The results reveal that women's entrepreneurial motivation significantly improves MSME performance when mediated by enhanced human resource competencies and a proactive entrepreneurial mindset. However, work-life balance does not show a significant mediating effect. These findings highlight that internal factors such as motivation, competence, and mindset are more critical to business success than external life-management factors. This study provides valuable insights for policymakers and development institutions to design empowerment programs emphasizing competency development and mindset transformation to strengthen the sustainability and competitiveness of women-led MSMEs.

Peran Wirausaha Perempuan dalam Meningkatkan Kinerja UMKM

Abstrak

Penelitian ini bertujuan untuk menganalisis bagaimana motivasi kewirausahaan perempuan memengaruhi kinerja usaha mikro, kecil, dan menengah (UMKM) di Bali, dengan fokus pada efek mediasi kompetensi sumber daya manusia, pola pikir kewirausahaan, dan keseimbangan kehidupan kerja. Pendekatan kuantitatif digunakan dengan pengumpulan data dari 115 wirausaha perempuan melalui kuesioner terstruktur. Jumlah sampel ditentukan dengan mengalikan jumlah indikator penelitian sebanyak lima kali sesuai dengan standar metodologi SEM-PLS. Hasil penelitian menunjukkan bahwa motivasi kewirausahaan perempuan berpengaruh signifikan terhadap peningkatan kinerja UMKM ketika dimediasi oleh peningkatan kompetensi sumber daya manusia dan pola pikir kewirausahaan yang proaktif. Namun, keseimbangan kehidupan kerja tidak menunjukkan efek mediasi yang signifikan. Temuan ini menegaskan bahwa faktor internal seperti motivasi, kompetensi, dan pola pikir lebih menentukan keberhasilan bisnis dibandingkan faktor eksternal terkait manajemen kehidupan. Studi ini memberikan implikasi praktis bagi pembuat kebijakan untuk merancang program pemberdayaan yang berfokus pada pengembangan kompetensi dan transformasi pola pikir guna memperkuat keberlanjutan dan daya saing UMKM yang dikelola perempuan.

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INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in Indonesia's economy, including in the province of Bali. MSMEs are a sector capable of absorbing a large labor force and contributing significantly to the Gross Regional Domestic Product (GRDP). As a major tourism destination in Indonesia, Bali integrates MSMEs as a vital component in supporting the tourism industry, spanning from crafts and culinary sectors to tourism services. However, despite the relatively rapid growth of MSMEs in Bali, they face complex challenges. The main obstacles frequently encountered include limited access to capital, low digital literacy, and a lack of innovation and competitiveness in the global market. Furthermore, the impact of the COVID-19 pandemic highlighted the vulnerability of Bali's MSMEs to global economic shifts. Studies show that many MSMEs experienced a sharp decline in revenue due to the decrease in tourist numbers, who are the primary consumers of local products.

The performance of MSMEs in Bali is heavily influenced by various factors such as product innovation, marketing strategies, and business management capabilities. Some MSMEs that have adapted to digital technology developments have shown better performance than those still reliant on conventional methods. Studies also indicate that women's involvement in MSMEs can enhance business productivity and creativity, particularly in the craft and culinary sectors. Nonetheless, the sustainability of MSMEs in Bali remains a challenge. Many still struggle to improve their competitiveness in both national and international markets. In addition, changes in economic and tourism policies also directly impact the continuity of MSMEs in Bali.

Micro, Small, and Medium Enterprises (MSMEs) play a strategic and indis-

pensable role in Indonesia's economy, including in the province of Bali. According to data from the Ministry of Cooperatives and SMEs (Kemenkop UKM, 2024), MSMEs contribute approximately 61.97% to Indonesia's Gross Domestic Product (GDP) and absorb around 97% of the national workforce. In Bali, MSMEs are an essential pillar supporting the regional economy, particularly as the island's economic structure is dominated by the tourism sector. The Central Bureau of Statistics (BPS Bali, 2024) recorded 448,434 active MSMEs, showing consistent growth from 327,353 in 2021 to 440,609 in 2022, despite the global pandemic. These enterprises are spread across sectors such as crafts (23%), culinary (27%), fashion (18%), and tourism services (32%), illustrating the close link between MSMEs and Bali's creative and tourism ecosystem.

These challenges are particularly complex for women entrepreneurs, who must balance entrepreneurial responsibilities with deeply rooted cultural and familial obligations derived from Balinese traditions and the Tri Hita Karana philosophy. The COVID-19 pandemic further exposed this vulnerability, as many women turned to entrepreneurship as a survival strategy while lacking adequate managerial and psychological support systems. Consequently, there is a critical need to understand how intrinsic factors such as motivation, mindset, and competencies interact to shape MSME performance among women in Bali's unique socio-cultural setting.

This research offers novelty by integrating three key internal constructs women's entrepreneurial motivation, human resource competencies, and entrepreneurial mindset to explain MSME performance, while also incorporating work-life balance as a psychosocial dimension rarely explored in gendered entrepreneurship studies. The study develops a dual-mediation model in which both mindset and

HR competencies mediate the relationship between motivation and performance, analyzed using the SEM-PLS method. Moreover, by focusing on the Balinese context, this study extends the application of the Resource-Based View (RBV) and Entrepreneurial Mindset Theory to reveal how internal cognitive and motivational resources drive competitiveness and sustainability in women-led MSMEs. Empirically, the findings not only validate the central role of mindset and competence in transforming motivation into performance outcomes but also highlight that work-life balance has not yet become a decisive performance determinant offering new insights for policy design and capacity-building programs for women entrepreneurs in developing regions.

The participation of women in Bali's MSME sector has shown significant progress over the past five years. According to BPS Bali (2024), approximately 56% of MSMEs in Bali are owned or managed by women, with the majority engaged in culinary (31%), craft (26%), and fashion (18%) industries. This trend marks the rise of the womanpreneur phenomenon: women entrepreneurs who combine creativity, innovation, and local wisdom in business practices. In recent years, women's involvement in entrepreneurship has been increasing, marked by the rise of the womanpreneur phenomenon. Womanpreneurs possess unique characteristics that can influence their business performance, including an entrepreneurial mindset and motivation. A womanpreneur mindset reflects how female entrepreneurs approach business challenges, make decisions, and manage risks. Kusumawardhany (2025) emphasized that micro-entrepreneurs increasingly recognize the importance of adopting a growth mindset to adapt to emerging market trends and reduce dependency on external assistance. This mindset enables entrepreneurs to develop innovative and frugal solutions that enhance bu-

siness sustainability and competitiveness. On the other hand, womanpreneur motivation serves as a driving force that determines how well a female entrepreneur can maintain her business, overcome obstacles, and achieve her business goals (Hasanah et al., 2022).

MSMEs run by women in Bali continue to grow rapidly, particularly in the tourism, culinary, and handicraft sectors. However, many of these businesses face challenges related to business sustainability, limited capital, and underdeveloped managerial skills (Astuti et al., 2021). Additionally, cultural roles and social norms in Bali affect how women manage their businesses, with many still having limited access to economic resources and broad business networks (Gusti, 2023). Beyond economic and managerial challenges, Balinese women entrepreneurs face social challenges, particularly the dual roles they must balance daily. In Balinese culture, women are expected to contribute economically and bear significant responsibilities within the family and community traditions. They must manage the household, raise children, and participate in numerous religious and traditional ceremonies, all of which demand time and energy. These obligations often hinder their ability to grow their businesses optimally (Gusti, 2023).

On one hand, traditional and social roles create challenges in balancing time and energy; on the other hand, they can also become sources of strength that drive Balinese women to be more creative and innovative in managing their businesses. They strive to develop more flexible work systems and optimize social networks within their communities to support their entrepreneurial efforts (Sapta et al., 2021). Several studies have examined the role of motivation and entrepreneurial mindset in business performance. However, there remains a gap in research specifically addressing the impact of the womanpreneur mindset and motivation on MSME

performance in Bali. Previous studies have focused on human resource competencies and the business environment in improving MSME performance (Sapta et al., 2021).

Female entrepreneurs in Bali face dual roles: business owners, homemakers, and guardians of traditional customs. This challenge is unique compared to other regions, due to the cultural and social obligations that influence how they manage their businesses (Hasanah et al., 2022). Financial, psychological, and environmental factors also serve as motivators in overcoming women entrepreneurs' challenges (Amah et al., 2021). Studies show that women who balance work and family have better business performance (Keerthana et al., 2022). Entrepreneurial knowledge, personality, motivation, and family environment directly and indirectly (through

self-efficacy) influence entrepreneurial intention (Amaliah et al., 2021). Women with higher education, strong technical skills, and professional qualifications should be encouraged to run their businesses rather than rely on employment institutions (Hasanah et al., 2022). However, further research is needed to explore how these competencies can be adapted to the unique characteristics of MSMEs in Bali.

Between 2019 and 2024, the number of MSMEs owned by women has consistently increased. This increase reflects the adaptation to the economic crisis caused by the COVID-19 pandemic and signifies a social transformation in which women are beginning to take on strategic roles in local economic development. The development of women-led MSMEs in Bali (2019–2024) can be described as follows:



Figure 1. Development of Women's MSMEs in Bali (2019-2024)

Figure 1 illustrates the development of women-led MSMEs in Bali from 2019 to 2024, showing a consistent upward trend in business growth. In 2019, there were approximately 185,000 women-managed MSMEs, increasing steadily to 192,500 in 2020 and 197,500 in 2021. This positive trajectory continued with a more significant rise to 207,500 in 2022

and 215,000 in 2023, reaching 219,691 by 2024. The consistent increase reflects women's growing participation in entrepreneurship, supported by digital transformation, improved access to training, and post-pandemic recovery efforts. The data also indicate that women entrepreneurs have become a vital force in driving local economic resilience, particularly in creati-

ve, culinary, and tourism-related sectors. Despite facing challenges related to capital access and dual social roles, the upward trend suggests an ongoing structural shift toward greater female empowerment and economic independence in Bali's MSME landscape.

Women's involvement in the MSME sector has a significant impact on household welfare and contributes to gender-based economic empowerment. However, this quantitative growth needs to be examined more deeply from qualitative and structural perspectives, such as entrepreneurial motivation, mindset, human resource competencies, and balancing domestic and professional roles. Therefore, this research is important for understanding the factors that influence the performance of women-led MSMEs and for strengthening their motivation and internal capacity to promote business sustainability and competitiveness.

Hypothesis Development

Woman Entrepreneur Motivation and Woman Entrepreneur Mindset

Research by Hazel (2024) indicates that during the COVID-19 pandemic, many women established home-based businesses to address economic challenges. Key motivating factors included financial needs, time flexibility, and family support. The entrepreneurial mindset of women encompasses cognitive, metacognitive, and motivational aspects. Recent research has found that the mindsets of women entrepreneurs consist of interdependence, differentiation, spirituality, and continuous learning. This mindset enables women to face challenges and develop their businesses in a sustainable manner. Strong motivation can foster a positive and adaptive mindset in women entrepreneurs. Research indicates that motivation and competence positively influence the locus of control, affecting the performance of

female entrepreneurs. This demonstrates that internal motivation can influence self-confidence and foster a proactive mindset in addressing business challenges.

H1: Woman Entrepreneur Motivation has a significant effect on Woman Entrepreneur Mindset.

Woman Entrepreneur Motivation and Human Resource Competencies

Women's motivation in entrepreneurship is influenced by various factors, including economic needs, personal achievement, and the pursuit of work-life balance. Studies have identified six dimensions of entrepreneurial competence that contribute to women's business success: strategic, commitment, organizational, relational, opportunity, and conceptual competencies. This highlights the importance of a thorough understanding of women's motivations in the entrepreneurial context. Additionally, research by Purnamawati et al. (2022) in Klungkung Regency, Bali, researchers found that women's entrepreneurial motivation significantly influences business performance, often driven by a desire for financial independence and contributing to family welfare. Human resource competencies are a key factor in improving the performance of women-owned MSMEs. Purnamawati et al. (2022) found that HR competencies such as managerial ability and business knowledge positively impact the motivation and performance of women entrepreneurs in Bali's fashion industry. In the post-COVID-19 context, the importance of developing HR management competencies for women entrepreneurs was emphasized to face new challenges and ensure business sustainability. This includes skills in team management, adaptability to change, and strategic decision-making (Hazel, 2024)

H2: Woman Entrepreneur Motivation has a significant effect on Human Resource Competencies

Woman Entrepreneur Motivation and MSME Performance

Women's entrepreneurial motivation is driven by various factors, including economic needs, personal goals, and the desire for work-life balance. Research by Baharudin et al. (2021) identified six entrepreneurial competence dimensions contributing to women's business success: strategic, commitment, organizational, relational, opportunity, and conceptual competencies. This research underscores the importance of comprehensively understanding women's entrepreneurial motivation. Juniarta (2023) found a significant impact of women's entrepreneurial motivation on business performance, often rooted in the drive for financial independence and family well-being. The performance of women-led MSMEs is influenced by both personal motivation and external factors, including government support, access to finance, and entrepreneurship training. Orakwue & Ignisi (2020) emphasizes the importance of HR management competency development to help women entrepreneurs address new challenges and sustain their businesses. This includes managing teams, adapting to changes, and making strategic decisions. In the post-pandemic context, Nguyen (2022) found that entrepreneurial leadership has a positive influence on the performance of women-owned MSMEs. This leadership involves innovating, taking risks, and making sound strategic decisions.

H3: Woman Entrepreneur Motivation has a significant effect on MSME Performance

Woman Entrepreneur Motivation and Work Life Balance

Women's motivation to pursue entrepreneurship is often influenced by the need to balance personal and professional life. Zerwas (2019) developed the 7M model, which includes factors such as personal motivation, social support, and gender

roles in shaping women's decisions to start and manage their businesses. Research by Brecht & Le Loarne (2023) highlights that women running high-growth businesses face challenges in managing time and dual roles as mothers and entrepreneurs. However, it also shows that with effective time management, women can achieve a better work-life balance. Work-life balance is a crucial factor affecting the performance and well-being of female entrepreneurs. Zerwas (2019) emphasizes that women often face difficulties achieving this balance due to their dual roles. Nonetheless, with social support and supportive policies, this balance is achievable. Brecht & Le Loarne (2023) also shows that women managing high-growth businesses can maintain work-life balance through effective time management and adequate support.

H4: Woman Entrepreneur Motivation has a significant effect on Work Life Balance

Woman Entrepreneur Mindset and MSME Performance

The mindset of women entrepreneurs includes beliefs, attitudes, and values that drive them to start and develop businesses. A study by Brecht & Le Loarne (2023) highlights that women running high-growth businesses face challenges managing time and dual roles as mothers and entrepreneurs. However, it also shows that women can achieve a better work-life balance with effective time management. Research by Nguyen et al. (2022) shows that entrepreneurial leadership positively influences the business performance of women-owned MSMEs. This leadership includes the ability to innovate, take risks, and make sound strategic decisions. The performance of women-owned MSMEs is influenced by personal motivation and external factors such as government support, access to financing, and entrepreneurial training. A study by Orakwue & Ignisi (2020) emphasizes the importance of de-

veloping HR management competencies for women entrepreneurs to face new challenges and ensure business sustainability. This development includes managing teams, adapting to change, and making strategic decisions. In the post-COVID-19 context, research by Nguyen et al. (2022) also found that entrepreneurial leadership positively influences the performance of women-owned MSMEs, encompassing innovation, risk-taking, and strategic decision-making.

H5: Woman Entrepreneur Mindset has a significant effect on MSME Performance

Human Resource Competencies and MSME Performance

Human resources (HR) competencies are vital in improving MSME performance. According to Musthafa et al. (2024), technical skills, education, motivation, innovation, and digital collaboration significantly influence MSME productivity and competitiveness. The study emphasizes that enhancing HR competencies can improve MSME sustainability and readiness to compete globally. In the context of Industry 4.0, Mas'ud & Tenriyola (2023) highlight the importance of adaptability and virtual collaboration as key HR competencies. They found that adapting to technological changes and collaborating virtually is critical to improving MSME performance in the digital era.

Research by Musthafa et al. (2024) shows that improving HR competencies, especially in knowledge and skills, positively contributes to micro-enterprises' performance. The study stresses that training and HR development can enhance operational efficiency and innovation in MSMEs. Additionally, in Jember it found that HR competencies significantly impact MSME performance. However, they also noted that HR competencies do not moderate the effect of technology on MSME performance, indicating that technological

improvements must be balanced with HR capacity development to achieve optimal results.

Strengthening HR competencies in MSMEs can be carried out through various strategies. According to Nafie et al. (2023), focused training on technical and managerial skills can improve HR capacity in the culinary sector in Makassar. They emphasize that relevant and continuous training is essential to enhance MSME performance. Meanwhile, Musthafa et al. (2024) suggest that HR development should include innovation, work ethics, and organizational diversity to improve overall MSME performance.

H6: Human Resource Competencies has a significant effect on MSME Performance

Work Life Balance and MSME Performance

Work-life balance (WLB) is an important factor affecting employee performance in the MSME sector. A study by Susanto et al. (2022) shows that WLB positively affects employee performance, with job satisfaction mediating in this relationship. When employees feel a balance between work and personal life, they tend to be more satisfied with their jobs, improving their performance. Research by Preena (2021) confirms that WLB significantly contributes to increased job satisfaction and productivity in MSME employees. Employees who can balance work and personal demands show higher job satisfaction, positively impacting their productivity.

A study in Samarinda by Syahbana & Anwar (2025) found that WLB positively affects employee job satisfaction in the creative MSME industry. Although its impact is less significant than workload, WLB remains important in improving job satisfaction. The study emphasizes the importance of effective task management and maintaining WLB to enhance

employee well-being and satisfaction. Research Keerthana et al. (2022) suggests that MSMEs can improve employee WLB through proper workload management and recognition of individual needs. Organizations are encouraged to implement programs that support WLB to reduce work-life conflict and enhance employee loyalty and productivity.

H7: Work Life Balance has a significant effect on MSME Performance

The Mediating Role of Woman Entrepreneur Mindset in the Relationship Between Women Entrepreneur Motivation on MSME Performance

Motivation is a psychological factor that drives individuals to start and sustain entrepreneurial activities (Ryan & Deci, 2020). For women entrepreneurs, motivation can stem from various sources, both intrinsic (e.g., the need for independence and self-actualization) and extrinsic (e.g., financial need or social pressure). Recent studies emphasize that highly motivated women tend to be more resilient to business challenges, particularly in the MSME sector (Ahmad et al., 2021).

Entrepreneurial mindset refers to how individuals think and their attitudes when facing business challenges and risks. Singh et al. (2024) developed the concept of a growth mindset, relevant in entrepreneurship, where individuals believe their abilities can develop through effort and learning. In the context of women entrepreneurs, a strong mindset is key to overcoming structural and cultural barriers (Nguyen et al., 2022). Research by Singh et al. (2024) shows that a positive entrepreneurial mindset can mediate the relationship between motivation and business performance, strengthening the influence of motivation on success.

MSME performance can be measured through revenue growth, market expansion, and business sustainability (Suisanto et al., 2022). Women entrepreneurs

play a vital role in the growth of the MSME sector, especially in developing countries. However, optimal performance achievement is often hindered by limited access to capital, training, and business networks. Internal factors such as motivation and mindset significantly affect the performance of women-owned MSMEs, particularly in the post-pandemic context (Yousafzai et al., 2021). Several studies have identified that an entrepreneurial mindset acts as a mediator that strengthens or weakens the influence of motivation on business performance (Al Mamun et al., 2021). A mindset opens to learning and innovation can bridge high motivation with concrete actions that improve business performance. Thus, mindset is not only the result of motivation but also a catalyst for business success.

H8: Woman Entrepreneur Mindset has significant mediating effect between Women Entrepreneur Motivation on MSME Performance

The Mediating Role of Woman Entrepreneur Mindset in the Relationship Between Human Resource Competencies on MSME Performance

Human resource (HR) competencies encompass knowledge, skills, attitudes, and work behaviors needed to achieve effective organizational performance (Dery & Roumpi, 2017). HR competencies in micro, small, and medium enterprises (MSMEs) drive productivity, innovation, and business sustainability. Research by Purba et al. (2022) shows that improving HR competencies significantly impacts MSME performance, particularly in operational efficiency and strategic decision-making.

The mindset of women entrepreneurs reflects confidence, innovation, opportunity orientation, and resilience in facing business challenges (Nguyen et al., 2022). Women entrepreneurs often face structural and cultural barriers, making

the development of an entrepreneurial mindset essential to optimizing their contribution to the MSME sector (Yousafzai et al., 2021). This mindset not only shapes how they think and act but also serves as a bridge to effectively harness HR competencies. MSME performance can be measured through financial and non-financial indicators such as sales growth, profitability, customer loyalty, and market adaptability (Susanti et al., 2023). Internal factors like HR competencies and the managerial ability of women entrepreneurs significantly influence these outcomes. In the digital and post-pandemic era, strengthening human capital and an adaptive entrepreneurial mindset becomes a key differentiator for maintaining competitiveness (Al Mamun et al., 2021).

The entrepreneurial mindset is a mediating variable connecting HR competencies with MSME performance. A study by Singh et al. (2024) indicates that although HR competencies directly contribute to business performance, this influence is more substantial when mediated by a resilient entrepreneurial mindset. Women entrepreneurs who embrace learning and innovation are better positioned to strategically optimize HR potential within their enterprises (Tran & Khoa, 2023). Therefore, integrating HR competency development with entrepreneurial mindset transformation is crucial for sustainably improving MSME performance.

H9: Woman Entrepreneur Mindset has significant mediating effect between Human Resource Competencies on MSME Performance

The Mediating Role of Woman Entrepreneur Mindset in the Relationship Between Work Life Balance on MSME Performance

Work-life balance (WLB) refers to an individual's ability to manage work effectively and personal life demands (Greenha-

us et al., 2011). In the context of women entrepreneurs, WLB is a central issue, as they often bear the dual burden of domestic and professional roles. Research by Ali et al. (2021) indicates that difficulties in achieving this balance can hinder productivity and lower business performance. However, women who manage WLB well tend to exhibit higher job satisfaction and more substantial commitment to their businesses.

The entrepreneurial mindset involves risk-taking, learning from failure, and openness to change (Singh et al., 2024). This mindset is vital for women entrepreneurs in managing dual-role pressures and making strategic decisions that impact their ventures. A study by Nguyen et al. (2022) found that an entrepreneurial mindset can mediate the effect of WLB on business performance, as a positive mindset supports more adaptive and resilient decision-making.

MSME performance can be assessed through various aspects, such as business growth, customer satisfaction, product innovation, and business sustainability (Susanti et al., 2023). Despite their significant influence, personal factors like WLB and entrepreneurial mindset are often overlooked in performance studies, especially in women-led MSMEs. Women entrepreneurs who achieve role balance and possess a strong mindset tend to demonstrate more stable and progressive business performance (Yousafzai et al., 2021).

The entrepreneurial mindset serves as a bridge in the relationship between WLB and MSME performance. When women entrepreneurs have a strong mindset, they are more capable of managing stress, allocating time effectively, and maintaining focus on business growth. A study by Tran & Khoa (2023) found that an innovative and resilient mindset enhances the positive effects of WLB on business success. Therefore, in the context of

women-led MSMEs, mindset is not only a result of good WLB but also a key amplifier of its impact on performance.

H10: Woman Entrepreneur Mindset has significant mediating effect between Work Life Balance on MSME Performance

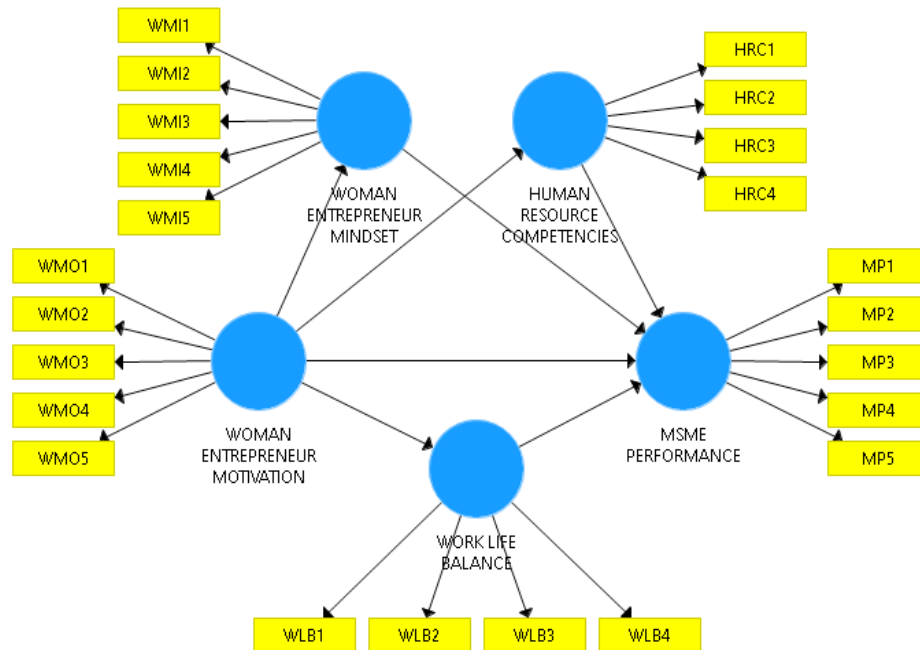


Figure 2. Conceptual Framework
Source: Smart-PLS 3 (2025)

METHOD

This study adopts a quantitative approach with a causal explanatory research design. The main objective is to examine and explain the causal relationships between women's entrepreneurial motivation and the performance of micro, small, and medium enterprises (MSMEs), with entrepreneurial mindset, human resource competencies, and work-life balance as mediating variables. The causal design was selected because it enables both direct and indirect relationship testing through the Structural Equation Modeling–Partial Least Squares (SEM-PLS) approach.

The study uses both primary and secondary data. Primary data were collected directly from respondents through a structured questionnaire distributed to women entrepreneurs in Buleleng Regen-

cy, Bali, representing various business sectors such as culinary, crafts, fashion, and tourism services. Secondary data were obtained from official institutional sources, including the Bali Provincial Statistics Office (BPS Bali, 2024) and the Ministry of Cooperatives and SMEs (Kemenkop UKM, 2024), to provide contextual support and strengthen the interpretation of primary findings.

The population of this research consists of all women MSME owners or managers in Buleleng Regency operating in multiple business sectors. The study employs 23 measurement indicators and based on the recommendation of Hair et al. (2021), the minimum sample size for SEM-PLS analysis should be determined by multiplying the number of indicators by a factor between five and ten. Therefore, this study involved 115 respondents,

which meets the minimum requirement to achieve statistical reliability and validity. Sampling was conducted using a simple random sampling technique to ensure representativeness. The inclusion criteria were that each business had been operating for at least one year and was owned or managed by a woman.

Data collection was carried out through a closed-end questionnaire, consisting of two main sections: (1) respondent profiles (including demographic information, education, business type, and duration of operation) and (2) statements related to the research variables. All items were measured using a five-point Likert scale ranging from 1=strongly disagree to 5=strongly agree. A pilot test was conducted on 20 respondents to ensure the clarity, validity, and reliability of the questionnaire before the full-scale distribution.

Each research variable was operationalized based on validated constructs from previous studies and adapted to the context of women entrepreneurs in Bali. Entrepreneurial motivation is defined as the internal and external drive that encourages women to initiate and grow their businesses, measured through indicators of family support, psychological drive, environmental influence, financial motivation, and desire for challenge. Entrepreneurial mindset refers to the cognitive and behavioral orientation that shapes how entrepreneurs think, act, and respond to risks and opportunities, measured by environmental awareness, learning orientation, spirituality, creativity and innovation, and development orientation. Human resource competencies describe the set of knowledge, skills, and abilities that enable effective business management, measured by experience, skills, abilities, and work values. Work-life balance reflects women's ability to manage time and energy between professional and domestic roles, measured by personality traits, family characteristics, job characteristics, and attitudes. MSME performance represents the business out-

comes achieved, measured through sales growth, capital growth, workforce expansion, market and marketing growth, and profit growth.

Data were analyzed using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) technique with the help of SmartPLS version 3.3 software. SEM-PLS was chosen because it is robust for small sample sizes, capable of handling complex models, and suitable for testing mediating effects simultaneously. The analysis was performed in two stages: the outer model and the inner model. The outer model was evaluated to test the validity and reliability of each construct using criteria such as convergent validity (loading factor > 0.7 and AVE > 0.5), discriminant validity (HTMT < 0.90), and composite reliability (CR > 0.7). The inner model was then analyzed to examine the structural relationships among variables by estimating path coefficients, R^2 values, effect sizes (f^2), and significance levels. The bootstrapping procedure was used to assess direct and indirect effects, with t-values greater than 1.96 and p-values less than 0.05 indicating statistical significance.

The results of the SEM-PLS analysis include model quality evaluation, estimation of path coefficients, and testing of mediating effects. This analytical approach allows for a comprehensive understanding of the direct and indirect influences among variables while providing empirical evidence on the key internal factors that determine the success of women-led MSMEs. Furthermore, the research adheres to ethical standards by ensuring voluntary participation, informed consent, and the confidentiality of respondent data. All information collected was used exclusively for academic and research purposes.

RESULT AND DISCUSSION

Measurement Model

Outer loadings analysis was conducted to test the convergent validity of

the indicators forming each construct in the research model. An indicator is said to meet convergent validity if its outer loading value is ≥ 0.60 . Based on the data processing results, all indicators in this study showed outer loading values above 0.60, which is suitable for further analysis. Four indicators (HRC1–HRC4) had outer loading values ranging from 0.605 to 0.685 for the Human Resource Competencies construct. Although not all values approached 0.70, all indicators remain statistically valid as they exceed the minimum threshold. The MSME Performance construct consists of five indicators (MP1–MP5) with outer loading values between 0.615 and 0.825, indicating that these indicators strongly contribute to explaining the MSME performance construct.

Meanwhile, the Work-Life Balance construct, measured through four indicators (WLB1–WLB4), showed very high consistency in outer loading values, ranging from 0.757 to 0.906. This indicates that all indicators highly represent respondents' perceptions of work-life balance. The Woman Entrepreneur Mindset construct also meets the convergent validity criteria, with five indicators (WMI1–WMI5) having outer loading values between 0.607 and 0.701. Although WMI1 and WMI2 are

close to the minimum threshold, both are still considered valid and do not require removal. Lastly, the Woman Entrepreneur Motivation construct shows outer loading values ranging from 0.626 to 0.720 for its five indicators (WMO1–WMO5), reflecting exemplary contributions of the indicators to the construct formation. Thus, all indicators in this model have met the convergent validity requirements and can proceed to reliability and discriminant validity testing to strengthen the measurement model used in this study.

Reliability and construct validity tests were conducted to ensure that the measurement instruments in this study meet internal consistency and convergent validity criteria. The tests considered four statistical indicators: Cronbach's Alpha, rho_A, Composite Reliability (CR), and Average Variance Extracted (AVE). The recommended minimum values for Cronbach's Alpha and Composite Reliability are 0.70, while the minimum AVE value is 0.50 to indicate adequate convergent validity. Overall, all constructions in the research model have met the reliability and convergent validity criteria. Therefore, this measurement model can be considered reliable and valid for further structural analysis.

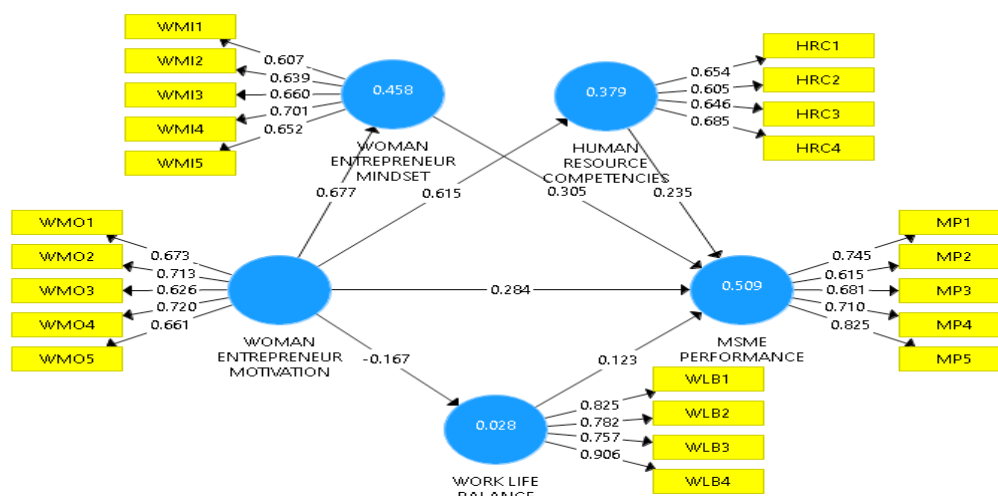


Figure 3. Outer Model Diagram
Source: Smart-PLS 3 (2025)

Structural Model

The R-square (R^2) value indicates the ability of the exogenous constructs to explain the variation in the endogenous constructs. The MSME performance variable has an R^2 value of 0.509, meaning that the WMO, WMI, HRC, and WLB variables can explain 50.9% of the variance in MSME performance. This value falls into the moderate category. The variables WMI and HRC have R^2 values of 0.458 and 0.379, respectively, indicating considerable explanatory power. However, the WLB construct only has an R^2 value of 0.028, indicating that motivation does not adequately explain the variation in work-life balance. This finding suggests that although motivation and mindset play important roles, other unexplored factors may more strongly influence role balance in the lives of female MSME actors.

This study examines the relationship between women's entrepreneurial motivation and MSME performance and analyzes the mediating role of women's entrepreneurial mindset, human resource competencies, and work-life balance. Using the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach, the analysis presents several key findings with theoretical and practical implications in the context of women's entrepreneurship. The results show that human resource competencies (HRC) significantly affect MSME performance ($\beta=0.235$; $p=0.015$). This finding supports the assumption that managerial, technical, and social competencies positively contribute to MSME productivity and competitiveness. In the context of women entrepreneurs, enhancing personal and team capabilities can drive operational efficiency and business target achievement (Rasool et al., 2021).

Table 1. Outer Loadings

	Human Resource Competencies	MSME Performance	Woman Entrepreneur Mindset	Woman Entrepreneur Motivation	Work Life Balance
HRC1	0.654	-	-	-	-
HRC2	0.605	-	-	-	-
HRC3	0.646	-	-	-	-
HRC4	0.685	-	-	-	-
MP1	-	0.745	-	-	-
MP2	-	0.615	-	-	-
MP3	-	0.681	-	-	-
MP4	-	0.710	-	-	-
MP5	-	0.825	-	-	-
WLB1	-	-	-	-	0.825
WLB2	-	-	-	-	0.782
WLB3	-	-	-	-	0.757
WLB4	-	-	-	-	0.906
WMI1	-	-	0.607	-	-
WMI2	-	-	0.639	-	-
WMI3	-	-	0.660	-	-
WMI4	-	-	0.701	-	-
WMI5	-	-	0.652	-	-
WMO1	-	-	-	0.673	-

WMO2	-	-	-	0.713	-
WMO3	-	-	-	0.626	-
WMO4	-	-	-	0.720	-
WMO5	-	-	-	0.661	-

Source: Processed Data (2025)

Women entrepreneurs' mindset also significantly affects MSME performance ($\beta=0.305$; $p=0.011$). This indicates that psychological elements such as self-confidence, risk-taking courage, and resilience in facing failure support women's business success. This result aligns with Santos et al., (2022), who emphasize the importance of mindset in overcoming systemic and personal barriers in entrepreneurship. Women's entrepreneurial motivation significantly contributes to developing hu-

man resource competencies ($\beta=0.615$; $p<0.001$). This shows that a strong internal drive in running a business encourages actors to improve their skills and knowledge personally and in teams. Women's entrepreneurial motivation also directly impacts MSME performance ($\beta=0.284$; $p=0.024$). Strong motivation, whether driven by economic needs, self-actualization, or desires of independence, is important in running and developing a business.

Table 2. Constructing Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Human Resource Competencies	0.546	0.547	0.743	0.420
MSME Performance	0.764	0.777	0.841	0.516
Woman Entrepreneur Mindset	0.664	0.665	0.787	0.426
Woman Entrepreneur Motivation	0.710	0.715	0.810	0.462
Work Life Balance	0.842	0.898	0.891	0.672

Source: Processed Data (2025)

Table 3. R-Square

	R Square	R Square Adjusted
Human Resource Competencies	0.379	0.373
MSME Performance	0.509	0.491
Woman Entrepreneur Mindset	0.458	0.453
Work Life Balance	0.028	0.019

Source: Processed Data (2025)

It was found that entrepreneurial motivation significantly influences the formation of women entrepreneurs' mindset ($\beta = 0.677$; $p < 0.001$). In other words, the higher motivation, the more developed the mindset is toward opportunities, solutions, and innovation. No significant effect was found bet-

ween entrepreneurial motivation and work-life balance ($\beta = -0.167$; $p = 0.103$). This result indicates that female MSME actors may face difficulties balancing domestic and professional roles despite high motivation. Structural challenges such as dual burdens and limited social support may be signifi-

cant obstacles. Similarly, work-life balance does not significantly impact MSME performance ($\beta=0.123$; $p=0.117$). This shows that although work-life balance is theoretically important, in Indonesia's context of female MSME actors, this variable is not yet a primary determinant of business performance.

The mediation pathway from entrepreneurial motivation to MSME performance through human resource competencies is significant ($\beta=0.145$; $p=0.017$). High motivation encourages business actors to improve their competencies, positively affecting business performance. This strengthens the capability-based learning model of entrepreneurship. Women entrepreneurs' mindset is also proven to significantly mediate the rela-

tionship between motivation and MSME performance ($\beta=0.206$; $p=0.012$). This confirms the importance of mindset development as a pathway from motivation to optimal performance. Mindset-based training and empowerment should be considered in women's MSME incubation programs. No significant mediating effect was found through work-life balance ($\beta=-0.021$; $p=0.291$), reinforcing the insignificant direct effect results. This suggests that work-life balance is not an effective mediator in transmitting the influence of motivation on business performance, likely due to the dominant traditional roles still attached to women in the informal and micro sectors.

Table 4. Path Coefficient and Specific Indirect Effects

	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values	Result
Human Resource Competencies -> MSME Performance	0.235	0.227	0.097	2.432	0.015	Significant
Woman Entrepreneur Mindset -> MSME Performance	0.305	0.320	0.120	2.548	0.011	Significant
Woman Entrepreneur Motivation -> Human Resource Competencies	0.615	0.619	0.081	7.615	0.000	Significant
Woman Entrepreneur Motivation -> MSME Performance	0.284	0.272	0.125	2.270	0.024	Significant
Woman Entrepreneur Motivation -> Woman Entrepreneur Mindset	0.677	0.682	0.056	12.002	0.000	Significant
Woman Entrepreneur Motivation -> Work Life Balance	-0.167	-0.178	0.102	1.635	0.103	Not significant
Work Life Balance -> MSME Performance	0.123	0.127	0.078	1.569	0.117	Not significant

Woman Entrepreneur Motivation -> Human Resource Competen- cies -> MSME Perfor- mance	0.145	0.139	0.061	2.388	0.017	Significant
Woman Entrepreneur Motivation -> Woman Entrepreneur Mindset -> MSME Performance	0.206	0.217	0.082	2.519	0.012	Significant
Woman Entrepreneur Motivation -> Work Life Balance -> MSME Performance	-0.021	-0.022	0.019	1.057	0.291	Not signifi- cant

Source: Processed Data (2025)

Discussion

Woman Entrepreneur Motivation and Woman Entrepreneur Mindset

Based on the structural model results in the figure, a coefficient value of 12.002 was obtained, indicating that women entrepreneurs' motivation has a powerful influence on women entrepreneurs' mindset. This shows that internal and external drives encouraging women to become entrepreneurs significantly shape their thinking, perceptions, and attitudes toward business challenges and opportunities. Entrepreneurial motivation fosters a resilient, innovative, and growth-oriented mindset, such as wanting to achieve financial independence, realize personal dreams, and fulfill self-actualization needs. Women entrepreneurs with high motivation tend to have strong self-confidence, a proactive attitude, and resilience in facing risks and business uncertainties.

Research by Dada & Fogg (2021) shows that internal motivation is the primary driver in forming an entrepreneurial mindset, especially among women. When motivation is intrinsic, such as a passion for the business field or a desire to create social impact, the tendency to think creatively and act strategically increases. This is reinforced by Lai & Chen (2020), who emphasize that st-

rong motivation strengthens self-confidence, persistence, and the ability to make independent decisions—all key components of an entrepreneurial mindset. Furthermore, Amin & Mahmood (2023) stress the importance of motivational drives in creating an adaptive entrepreneurial mindset, especially in dynamic business environments. Such a mindset affects how women run their businesses and plays a role in developing innovation and leadership in small and medium enterprises (SMEs). Thus, it can be concluded that women entrepreneurs' motivation is a crucial foundation in shaping the women entrepreneurs' mindset. Policy interventions and training programs aimed at improving entrepreneurial mindset among women should start by strengthening motivational aspects through empowerment, mentoring, and creating a supportive business environment for women's self-actualization.

Woman Entrepreneur Motivation and Human Resource Competencies

The structural data analysis shows that women entrepreneurs' motivation positively affects human resource competencies with a coefficient value of 2.548. This indicates that the higher the internal motivation level of female MSME actors, the greater the

drive to improve the quality and capabilities of the human resources involved in their businesses. Entrepreneurial motivation reflects internal drives such as the need for achievement, independence, and enthusiasm for facing business challenges. When women entrepreneurs have high motivation, they tend to be more proactive in making improvements and developments, including managerial aspects and team management. This is reflected in efforts to strengthen human resource capacity through training, delegation, and improving work efficiency. This finding aligns with research by Alshebami et al. (2020), which emphasizes that motivation is an important predictor in enhancing innovative behavior and investment in human resource training in small businesses.

A study by Marques et al. (2021) shows that entrepreneurial motivation, especially among women, strongly correlates with organizational competence improvement through continuous learning and employee development. In the MSME context, adequate human resource competencies are crucial for facing competitive challenges and market uncertainties. High motivation encourages business owners not only to develop themselves personally but also to enhance the abilities of their team members, which ultimately increases the overall business competitiveness (Nguyen et al., 2022). Therefore, women entrepreneurs' motivation plays a significant role in improving human resource competencies. Empowerment in women entrepreneurship should focus on technical skills and motivational strengthening to ensure sustainability and effectiveness in human resource management.

Woman Entrepreneur Motivation and MSME Performance

The path analysis results in the structural model show that women entrepreneurs' motivation directly and significantly affects MSME performance, with a coefficient value of 2.270. This finding confirms that the

motivation possessed by female business actors is a determining factor in driving the achievement of more optimal business performance. Motivation is an internal driving force influencing entrepreneurial behavior, including planning, decision-making, and perseverance in facing business challenges. Highly motivated women entrepreneurs tend to demonstrate clear goal orientation, enthusiasm for innovation, and commitment to running the business sustainably. According to Amjad et al. (2021), entrepreneurial motivation plays a crucial role in driving business success, especially in small enterprises that rely heavily on the perseverance and leadership of business actors. Previous studies also show that women driven by intrinsic motivation, such as the need for independence, recognition, and personal achievement, tend to have better business performance. Moreover, Ismail et al. (2020) state that motivation can increase entrepreneurial intention and productivity, increasing sales, operational efficiency, and market expansion.

On the other hand, motivation also plays an important role in overcoming gender barriers in business. Women with strong motivation tend to be more resilient in facing limited access to resources, limited business network support, and challenges balancing domestic and professional roles (Yousafzai et al., 2021). This resilience supports overall business performance. Therefore, this finding confirms that entrepreneurial motivation is a key determinant in driving MSME performance managed by women. Policy interventions and entrepreneurial training should not only focus on technical business aspects but also on enhancing motivation and strengthening the entrepreneurial mindset of women.

Woman Entrepreneur Motivation and Work Life Balance

The analysis in the structural model shows that the effect of Woman Entrepreneur Motivation on Work-Life Balance has

a coefficient value of 1.635, but it is not significant. This finding indicates that even though women entrepreneurs have a high level of motivation in running their businesses, it does not necessarily contribute directly to achieving a balance between work and personal life. This lack of significance can indicate that entrepreneurial motivation is more focused on achieving business goals, such as business growth and financial achievement, which may increase work intensity and reduce time for personal matters (Obrenovic et al., 2020). In other words, high motivation in the context of women's entrepreneurship does not automatically guarantee the preservation of work-life balance. Instead, it may lead to role conflict due to the limited time and energy shared between business and family responsibilities (Ali et al., 2021).

Research Ayala, J. C., & Manzano (2021) mentions that women driven by achievement motivation tend to sacrifice personal time to prioritize their business, especially in the early stages of development. This aligns with a study by Li & Sanusi (2025), It shows that pull motivation influences mental well-being, which in turn affects business performance. However, a strong level of motivation may also present challenges to maintain work-life balance, particularly when social support is limited. Therefore, entrepreneurial motivation does not always correlate positively with achieving work-life balance among women entrepreneurs. This finding underscores the importance of a holistic approach that builds entrepreneurial motivation and provides external support, such as time management training, flexible work policies, and family support so that women entrepreneurs can maintain a healthy life balance.

Woman Entrepreneur Mindset and MSME Performance

The structural model testing results show that the Woman Entrepreneur Mindset variable significantly affects MSME Perfor-

mance, with a coefficient value 2.548. This indicates that the stronger women's entrepreneurial mindset in MSMEs, the higher the business performance they can achieve. The entrepreneurial mindset includes growth orientation, calculated risk-taking, and resilience in facing business challenges. In the context of women entrepreneurs, an innovative and resilient mindset plays a key role in maintaining the sustainability and competitiveness of MSMEs. Furthermore, Al Mamun et al. (2021) found that women's entrepreneurial mindset contributes to strategic decision-making, product innovation, and resource management, all of which positively impact both financial and non-financial performance of MSMEs. In today's increasingly competitive business landscape, a developed entrepreneurial mindset encourages women MSME actors to pursue growth opportunities through digital transformation, market expansion, and operational efficiency. Thus, it can be concluded that the Woman Entrepreneur Mindset impacts individual capability enhancement and serves as a strategic element in driving sustainable growth and performance of women-led MSMEs.

Human Resource Competencies and MSME Performance

Based on the estimation results of the structural model, it is known that the Human Resource Competencies (HRC) variable has a significant effect on MSME Performance, with a coefficient value of 2.432. This result indicates that the higher the human resource (HR) competency level within an MSME organization, the greater the opportunity to improve business performance. HR competencies in this context include knowledge, skills, and work attitudes that are relevant and aligned with the organization's strategic goals. This finding is consistent with research by Singh et al. (2020), which revealed that HR competencies play an essential role in creating MSME competitive advantage through increased operational efficiency,

adaptability to market changes, and product and service innovation. High HR competencies enable MSMEs to respond more quickly and effectively to market dynamics, contributing to performance achievement.

Ahmad et al. (2021) state that investing in HR competency development acts as a catalyst for building a performance-oriented organizational culture, team collaboration, and customer satisfaction. Therefore, enhancing HR competencies becomes a primary strategy that cannot be overlooked in the framework of long-term MSME performance improvement. Thus, HR competencies are a strategic factor significantly affecting MSME performance and should be a key focus in developing small and medium enterprise empowerment policies and programs.

Work Life Balance and MSME Performance

The estimation results in this study's model indicate that Work-Life Balance (WLB) does not significantly affect MSME Performance, as shown by a coefficient value of 1.569, which falls below the threshold for statistical significance. This finding suggests that, while conceptually important, work-life balance does not directly influence the performance improvement of micro, small, and medium enterprises (MSMEs) within the context of this study. However, this reality appears more complex in MSMEs run by women entrepreneurs. Women's dual roles in professional and domestic spheres are often unavoidable, and in many cases, women prioritize business sustainability over achieving personal balance (Taneja, 2024). Previous research by Amah et al. (2021) found that women entrepreneurs tend to tolerate imbalances in time and energy to sustain and grow their businesses. This supports the assumption that WLB is not a primary determinant of business success under limited resource conditions.

Additionally, a study by Nugroho

(2025) on MSMEs in Southeast Asia indicated that while WLB is important for individual well-being, its impact on business performance is not always significant, as many business actors neglect personal aspects in pursuit of business targets. In a dynamic and competitive business environment, MSME actors focus more on efficiency, innovation, and operational capacity than personal life balance. Thus, although Work-Life Balance is conceptually important for the quality of life of MSME actors, its influence on MSME performance in this study is not significant, meaning that this variable is not a key factor in driving business performance, particularly for women-led MSMEs.

The Mediating Role of Woman Entrepreneur Mindset in the Relationship Between Women Entrepreneur Motivation on MSME Performance

This study shows that the Woman Entrepreneur Mindset significantly mediates the relationship between Women Entrepreneur Motivation and MSME Performance. Although women's entrepreneurial motivation directly positively influences MSME performance, the strength of this effect increases significantly when mediated by a resilient and progressive entrepreneurial mindset. Theoretically, motivation is an internal driver that prompts individuals to act, including within entrepreneurial contexts (Ryan & Deci, 2020). However, high motivation alone is insufficient to ensure business success without being accompanied by an adaptive, resilient, and growth-oriented mindset. This is where the entrepreneurial mindset plays a crucial role as a bridge that transforms motivational drive into productive entrepreneurial behaviour (Shepherd et al., 2021).

This finding aligns with research by Shetty et al. (2025) who asserted that an entrepreneurial mindset is an enabler that strengthens the link between internal motivation and business performance. In the context of women entrepreneurs, a strong

mindset enables them to overcome challenges such as limited capital, dual responsibilities, and restricted market access, allowing their motivation to be more effectively converted into superior business performance. Furthermore, a study by Rupilu et al (2022) showed that a positive entrepreneurial mindset among women strongly correlates with perseverance, innovation, and strategic decision-making all attributes crucial for improving MSME performance. In this study, the mediating path was significant with a p-value of 0.017 and a t-value of 2.388, both exceeding the statistical threshold. This indicates that the effect of motivation on MSME performance occurs not only directly but also through the internalization of an appropriate entrepreneurial mindset. Therefore, this result has important implications for the capacity development of women entrepreneurs. Training interventions that focus not only on motivational empowerment but also on strengthening entrepreneurial mindset have the potential to impact the success of women-led MSMEs positively.

The Mediating Role of Human Resource Competencies in the Relationship Between Women Entrepreneur Motivation on MSME Performance

The findings of this study indicate that Human Resource Competencies (HRC) significantly mediate the relationship between Women Entrepreneur Motivation (WMO) and MSME Performance, with an indirect path coefficient of 0.206 and a t-value of 2.519 ($p < 0.05$). This result affirms that the entrepreneurial motivation of women will be more effective in enhancing MSME performance when supported by adequate human resource competencies. Theoretically, this relationship is grounded in the resource-based view (RBV) approach, which places HR competencies as a key competitive advantage for driving sustainable business Adam et al., (2022). Motivated women entrepreneurs tend to exhibit proactive beha-

viour in developing HR capabilities through training, strategic recruitment, and developing work systems that adapt to changes in the business environment.

This finding is consistent with research by Sakib et al (2022), who stated that HR competencies are an important mediating variable that strengthens the influence of leadership and entrepreneurial motivation on the performance of small enterprises. This is particularly relevant in the MSME context, which heavily relies on internal capabilities and the flexibility of human resources to face operational and market challenges. Furthermore, Nawaz & Subramaniam (2020) emphasized that the success of business strategy implementation by women entrepreneurs largely depends on the HR's ability to manage business processes efficiently, including innovation, customer service, and operational efficiency. Therefore, HR competencies act as a transformational mechanism that converts internal motivational energy into tangible business outcomes. The practical implication of these findings highlights the importance of gender-sensitive training interventions and structured HR development programs for women-led MSMEs. Institutional support in the form of access to entrepreneurship training, managerial skills development, and capacity building will significantly contribute to maximizing the potential of women entrepreneurs' motivation in driving business performance.

The Mediating Role of Work Live Balance in the Relationship Between Women Entrepreneur Motivation on MSME Performance

The study findings indicate that Work-Life Balance (WLB) does not mediate the relationship between Women Entrepreneur Motivation (WMO) and MSME Performance, as shown by a coefficient value of -0.021, $t = 1.057$, and $p = 0.291$. This finding suggests that although women's entrepreneurial motivation may be high, it does not auto-

matically influence business performance through work-life balance. The absence of a significant mediating effect can be explained by the daily realities faced by women entrepreneurs, who often shoulder dual burdens as business owners and domestic managers. In many contexts, especially in developing countries, women entrepreneurs frequently encounter time constraints and a lack of systemic support, making work-life balance difficult even with high entrepreneurial motivation.

This finding aligns with previous study which stated that achieving work-life balance among women entrepreneurs does not always directly correlate with improved business performance. Instead, it is more subjective and dependent on social support, family structure, and individual managerial capacity. In many cases, the effort to maintain personal and professional life balance creates role conflict that negatively affects business performance. Women entrepreneurs often sacrifice aspects of work-life balance for business continuity, especially in the early stages of business development. This makes WLB a less relevant mediating variable in the relationship between motivation and MSME performance. Therefore, these findings suggest that motivation-based interventions must be complemented with systemic approaches supporting women in managing their dual roles. Public policies and entrepreneurship training programs should incorporate dimensions of time management, stress management, and family support as integral components of empowering women entrepreneurs.

CONCLUSION AND RECOMMENDATION

The results of the SEM-PLS analysis highlight the pivotal role of women's entrepreneurial motivation (WMO) in improving the performance of women-led MSMEs. Entrepreneurial motivation stimulates the formation of a positive entrepreneurial mind-

set (WMI), which serves as a key intermediary in translating motivation into strategic actions that enhance business performance. Women entrepreneurs who possess strong motivation and a proactive mindset are more capable of internalizing entrepreneurial values, seizing opportunities, and sustaining their businesses. Meanwhile, human resource competencies (HRC) are influenced by both motivation and mindset but do not show a significant direct impact on MSME performance in the short term. This implies that the benefits of HRC are long-term in nature, contributing to innovation and efficiency improvements over time. Conversely, work-life balance (WLB) does not exhibit a significant effect on MSME performance, likely due to limited structural flexibility and social support for women managing dual domestic and professional roles.

This study contributes to the expansion of the Resource-Based View (RBV) and Entrepreneurial Mindset Theory by emphasizing that internal psychological and cognitive resources such as motivation, mindset, and competencies serve as key determinants of MSME performance. The integration of these three constructs into a single causal framework provides a comprehensive understanding of how internal capabilities interact to drive business success. The finding that WLB does not significantly influence performance challenges traditional assumptions in entrepreneurship literature that suggest balance between work and personal life directly enhances productivity. Instead, the results indicate that cultural, structural, and contextual conditions play moderating roles in how motivation and mindset affect business outcomes, particularly in developing regions such as Bali. Thus, this study advances theory by using women's entrepreneurship within a context-sensitive and resource-based perspective.

From a practical standpoint, the findings underscore the need for empowerment strategies that focus on strengthening internal capacities among women entrepreneurs.

Training and development programs should emphasize building entrepreneurial motivation and growth-oriented mindset through experiential learning methods such as business simulations, mentorship, and case-based workshops. In parallel, enhancing technical and managerial competencies including financial literacy, digital marketing, and product innovation will ensure that motivation and mindset are effectively transformed into measurable business outcomes.

Government agencies, MSME associations, and women entrepreneur networks should collaborate to develop supportive ecosystems that provide access to continuous learning, peer collaboration, and business mentoring. Furthermore, to address persistent challenges in achieving work-life balance, policymakers are encouraged to promote flexible work arrangements, family-friendly co-working spaces, and childcare-inclusive facilities to create more inclusive entrepreneurial environments for women.

This study offers several pathways for future research development. Scholars are encouraged to extend the current model by including contextual moderators such as social support, access to finance, digital literacy, and cultural orientation to better explain the variance in MSME performance. Longitudinal research designs would help capture the dynamic evolution of motivation, mindset, and competency development over time. Cross-regional and cross-cultural comparative studies could also provide deeper insights into whether the relationships identified in the Balinese context reflect universal entrepreneurial behavior or are culturally specific.

Future research may also explore qualitative or mixed method approaches to uncover the lived experiences of women entrepreneurs, particularly in balancing personal responsibilities with business growth. Such explorations could enrich theoretical models and inform more adaptive, culturally grounded empowerment programs.

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