

IMPACT OF SOSIAL AND ENTREPENEURIAL STIGMA TO THE PERFORMANCE OF FEMALE ENTREPRENEUR MODERATED BY THE OCCURRENCE OF PSYCHOLOGICAL CAPITAL

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Abstrak: Nowadays there are still many people think that women who work other than being housewives will not be as successful as men. the interaction between an individual and their social environment such as family, friends or relatives plays an important role in developing entrepreneurial intentions. This study aims to determine whether social stigma and entrepreneurial stigma have an effect on performance of female entrepreneurs. This research investigated whether psychological capital could act as moderators. The purpose of this quantitative approach is to examine the relationship between Exogenous latent variables, moderation variable and the dependent variable in order to determine whether the variable has a significant effect on other variables. For the method used in this nonprobability sampling and the author uses Area Sampling. The result of this study found that social stigma and entrepreneur stigma negatively and significantly affects to entrepreneurial performance.

Keywords: social stigma, entrepreneur stigma, psychological capital, performance.

INTRODUCTION

Social Stigma

As humans, our need for social interaction is a basic need that inevitably must be met. Meeting the need for social interaction will make our lives happier and more meaningful. Meanwhile, failure to fulfill them will create an imbalance in our psychological, social, and spiritual. So it is necessary to have quality social interaction. However, because this social interaction involves a complex process, common sense and naive psychology alone will not be sufficient to understand and explain this complexity. Therefore the science of psychology that specifically studies social interaction or mental processes and human behavior in relationships between individuals or between groups is called social psychology (A. Rahman, 2020).

The social influence is actually not only in one direction. We are not only the object of social influence, but we can also be the subject of social influence. On one occasion, what we think, feel, and do may be the result of the influence of other people. So the social influence is reciprocal. There is interaction and mutual influence that is dynamic in nature. Therefore, the discussion of social influence is an important discussion and a major issue in psychology. This is so because psychological and social society cannot be separated from the process of influence.

The majority of social psychology studies on stereotypes, prejudice, and discrimination have concentrated on the attitudes and behaviors of dominant group members against members of minority groups. Numerous theoretical and methodological advancements in the study

of stigma have been made as a result of recent initiatives to draw attention to the viewpoint of stereotyped or stigmatized groups. Because of stereotypical expectations about what stigmatized individuals are like, biased attitudes toward stigmatized people, and discriminatory behavior against stigmatized people, stigma can be stressful (Van Laar & Levin, 2005).

The most important factor that Van Laar & Levin (2005) can point out is the fact that stigmatized people actually struggle with stigma. It took the scientific community an unexpectedly long time to accept this obvious truth. People who are stigmatized can also learn to deal in a positive way, such as by putting forth more effort in the face of discrimination. Nonetheless, it can be argued that research on people who traditionally stigmatized focus on the harm posed by prejudice against them rather than how stigmatized people deal with prejudice. It is important to consider these changes due to type. Different prejudices can create different stress for different people stigmatized and may require a different type of treatment.

Stigma has a significant impact on a variety of outcomes, including motivation, motivation itself is the power that gives energizes, directs and sustains behavior task performance (Nurhalim & Fahmy, 2021), social interaction, group affiliation, well-being and self-esteem, and self-perception. As Members of stigmatized groups might experience devaluation, oblivion, and exclusion, according to study. They could struggle to develop an accurate, steady, and distinct self-concept, especially in areas where preconceptions about their

group are crucial.

Beside that Stigma also can be the same with perseption, when it is the process by which individual organize and interpret sensory impressions in order to gave meaning to their environment(Robbins & Judge, 2018). Perception is important in business because people behavior is based on their perceptionof what reality is, not on reality its self. According to research conducted by (Van Laar & Levin, 2005) Dimensions of social stigma include:

1. Stigma based on ethnicity
2. Gender
3. Sexual orientation
4. Weight
5. Mental and physical illness
6. Appearance

Harris et al (2011), in their article stated that members of society who are historically or culturally excluded often experience racial stigma because many people unconsciously or consciously use certain racial classifications (such as skin color, hair texture, or bone structure). person's face in social interactions. with other people. So that social stigma will affect one's business performance, because consciously the existing stigma will shape people's social behavior.

Beside that in the article made Tworek et al., (2023) stated that the experience of stigma is associated with a decrease in quality of life both in the field of physical and mental health. of course indirectly decreasing the quality of physical health will affect entrepreneurial performance. Quality of life refers to an individual's overall well-being and

satisfaction with their life, including physical, emotional, social, and psychological aspects. It is a subjective measure that takes into account an individual's personal values, goals, and expectations. In this study the authors set a hypothesis as follows:

H1: Social stigma negative and significantly affects to entrepreneurial performance.

Entrepreneur stigma

The concept of entrepreneur stigma and the definition of stigma are basically the same. However, what differentiates this situation is how these negative thoughts and presumptions are seen by company owners who are either starting a firm or already have one. Eduard (2020) said in an article that there are seven factors that prevent the younger generation from starting their own firm, including, among other things, the perception that they lack business expertise. As well as experiencing the negative business experiences of others, feeling incompetent, afraid of being unable to manage time, worried of facing uncertainty, feeling late, and lastly losing motivation.

In the variable of entrepreneur stigma, the author takes 4 dimensions(Strawser et al., 2021). The dimension itself is a set of particulars called indicators.

1. Gender
2. Level of education
3. Future guarantee
4. Risk

There are several articles that explain how the entrepreneurial stigma that exists

in society will significantly affect performance. In the study written in the article, there is information that the stigma experienced by an entrepreneur will have a significant impact on performance. In the article made by Keplinger & Smith, (2022) said that there is a stigma related to a woman in a workplace. The stigma that arises, among other things, is related to appearance where the stigma that arises affects other people's views of performance. This article also explains that the stigma of women can result in various negative consequences for their performance. This is related careers, opportunities, discrimination, toxic organizational culture, pay inequality, and decreased well-being. These consequences can be long-lasting and detrimental for women's performance.

Beside that base on study by Simmons et al., (2019) shown that ecosystems with high levels of both the public's fear and shame of corporate failure may thrive. just somewhat smaller gender disparities. However, this effect was caused by the lower rate of male entrepreneurs returning to the market compared to female entrepreneurs. The authors in this study took the hypothesis:

H2: Entrepreneurial stigma negative and significantly affects female entrepreneurial performance.

Psychological Capital

Psychologists define psychological capital as character attributes that increase an individual's productivity (Gohel, 2012). Studying and bringing into practice psychological traits and positive human resource capabilities that may be tested,

developed, and successfully managed for performance improvement in today's business environment. (Luthans et al., 2007).

Psychological capital refers to a person's positive psychological state of development and is demonstrated by four characteristics: (1) self-efficacy (confidence in one's ability to take on and put forth the necessary effort to succeed at difficult tasks); (2) optimism (belief in one's ability to succeed both now and in the future); (3) perseverance toward goals and, when necessary, redirecting paths to goals (hope) to succeed; and (4) the ability to maintain and recover from problems and adversity (Luthans et al., 2007).

According Suryana (2011) said that entrepreneurship in the narrow sense is the ability to create something new and different that can provide benefits. Entrepreneurship is also a process in resource utilization so as to create a prosperity through the creation of fields work, income, and products needed by society (Kuratko and Godgettsin Aliffuddin and Razak, 2015).

Many factors can affect performance, such as influence factors from environmental, organizational, and individual factors. factor Affecting Performance According to (Mathis and Jackson, 2016), namely: Ability, Motivation, Support received, Existence of work done, and Relationship with organization. According to (Mangkunegara, 2018), factors that affecting performance include:

1. Ability factor: Psychologically, the ability or ability of employees consists of potential ability (IQ) and

reality ability (knowledge and Skills).

Motivational factors: Motivation is formed from the attitude of an employee in dealing with work situations. Motivation is a condition that moves self-directed employees to achieve work goals. mental attitude is mental

According to study from Paul & Devi, (2018), entrepreneurs, partnerships, first-generation business owners, and conventional entrepreneurs all show a significant and positive relationship between psychological capital (the independent variable) and entrepreneurial success (the dependent variable).

Base on that study conducted by Juhdi et al., (2015) demonstrated that business performance was positively correlated with psychological capital. In fact, the association was shown to be more thorough through various mediators, entrepreneurial work engagement, and entrepreneurial learning intensity.

The results from the two articles described above show that Psychological Capital impact to performance of female entrepreneur of the businesses they own. so therefore the authors in this study took the hypothesis:

H3: Psychological Capital has a Positive and significant effect on female entrepreneurial performance.

MATERIALS AND METHODS

Judging from the formulation of the problem from this research, the research design used is a quantitative research method in the form of an explanatory approach with survey instruments, namely

to find out the influence and cause-effect relationship between the independent variable and the dependent variable. This study uses a causal study. Causal research is used to examine causality between variables with other variables, where researchers are interested in finding one or more variables that cause a problem (Sekaran & Bougie, 2016).

The author uses the non-probability sampling technique. non-probability sampling is a subjective sampling procedure. in this case the probability of selecting the elements of the population cannot be determined. This is because each element of the population does not have the same opportunity to be selected as a sample. for the method used in this nonprobability sampling the Author uses Area Sampling.

In this study, Author will take a sample of female entrepreneurs in South Labuhanbatu district. South Labuhanbatu is a district that has 5 sub-districts. Torgamba, Kotapinang, Silangkitang, Sungai kanan, dan Kampung rakyat.

According to a report published by the Central Statistics Agency, the working age population in South Labuhan Batu Regency is 247,683 people. while the labor force participation rate is as much as 66.38%. meaning that there are 164,411 people currently working. and according to the table published in the report of the Central Bureau of Statistics, there are 20.55% of women who become entrepreneurs. meaning that there are 33,786 female entrepreneurs in Labuhanbatu Selatan district.

To measure the sample size used in

this study, the authors use the Issac and Michael tables. And base on the table, author found that the sample of this study is 268 people.

The author uses 4 Likert scales because By using 4 Likert scales, respondents only need to choose one of the four available response options. This can reduce the confusion or uncertainty that may arise when using a wider scale, such as the 5 or 7 scale. Fewer choices can make a question or statement clearer and easier to understand. besides that using a Likert scale with fewer choices can save respondents time and effort. There are Four points with equal intervals in measuring subjects with a Likert scale, as follows:

- a. Very Agree= 4
- b. Agree= 3
- d. Not Agree= 2
- e. Strongly disagree= 1

RESULTS AND DISCUSSION

In social stigma, which consists of six dimensions, namely, Stigma Based on Ethnicity, Stigma Based on Gender, Stigma based on Religion, Stigma related to weight, Stigma Related to Physical and Mental Health, and Stigma Related to Appearance.

Overall, across the six dimensions of social stigma, the average scores are above 3. However, there is one item with the lowest average score of 2.69, which is found in the gender-based stigma dimension. This item indicates that respondents feel that their business would be different if they were not a woman, influenced by their perception that if they were a man, they would earn a higher income. This is further supported by the next item, which has a

score of 3.68, indicating that respondents agree that men should have a higher income.

Entrepreneurial stigma itself consists of four dimensions, namely gender-based stigma, stigma based on education level, stigma related to future guarantees, and risk-related stigma. In the variable description table above, it can be observed that the majority of the average scores for each item in each dimension are above three. However, there are indeed a few items that still have scores around two, particularly item number 20 (stigma base on gender) with an average score of 2.89. This item relates to respondents' perceptions who still believe that a successful entrepreneur should be a man. This means that there are still many respondents who disagree with this notion and believe that a successful entrepreneur doesn't have to be a man, and that women also deserve to be successful entrepreneurs.

The average score is also reflected in the dimension of Stigma Based on Education Level, with an average score of 2.95. This item explains that respondents think that being able to achieve good performance in a business is not influenced by the level of education. In this context, it can be interpreted that many people do not share this belief and consider that one's level of education can indeed impact their performance. Respondents feel that having a higher level of education can lead to better outcomes in business.

Furthermore, in the dimension of Stigma Related to Future Guarantees, there is one item with an average score of 2.99. In this item, respondents sometimes think

that if they continue to run this business, there is no guarantee for the future. In this context, respondents can be interpreted as still having confidence that owning a business provides some assurance for the future in terms of both business sustainability and daily life.

In the psychological capital, there are four dimensions, which in this study serve as moderating variables. Within these four dimensions, some items have average values below three. In the first dimension, self-efficacy, consisting of 2 items, the average values are below three. These items are located at item number 31 with a value of 2.94 and item 32 with a value of 2.70. In theory, psychological capital comprises positive attributes possessed by individuals. Item number 32 in the questionnaire statement indicates that respondents are confident that they can provide for themselves and their family with their own business. Furthermore, item number 33 includes a statement where respondents express confidence in their business and are not afraid of competitors. This implies that in this case, many respondents still feel fearful of competitive threats that could potentially disrupt their business operations.

In the performance of female entrepreneurs, there are several important points to note. Firstly, in the dimension of "Increased Business Growth," the majority of respondents are rated less favorably. This is evident from the three items, each of which has an average score below three. On

the other hand, in the dimension of "Earn an excellent reputation," there are good average values. This is because each item received scores of 3.47, 3.22, and 3.26, respectively. This can be interpreted that the performance of respondents regarding excellent reputation is viewed positively by consumers. This is indeed essential when running a business. As a seller, one must be able to provide maximum service, which will have a positive impact on the business's reputation.

Determination Test (R square)

The calculation of "R square" is used to determine the extent to which the independent variables, Social Stigma, and Entrepreneur stigma as well as the moderation of psychological Capital. This test helps ascertain the percentage of the dependent variable that can be explained by the independent variables. A value of 0 for R-squared indicates that there is no influence of the independent variables on the dependent variable; thus, none of the examined variables successfully explains the variation in the dependent variable. If the value of R-squared is 1, it indicates that the influence provided by the independent variables on the dependent variable is perfect, meaning the independent variables can fully explain 100% of the variation in the dependent variable. If the R-squared value is less than 1, it suggests that the independent variables are unable to fully explain 100% of the variation in the dependent variable.

Table 1. R Square Latent Variable

	R Square	R Square Adjusted
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Performance Business (Y)	0.548	0.537
Psychological Capital (Z)	0.240	0.150

Composite Reliability, Cronbach Alpha, Average Variance Extracted

The calculation of "R square" is used to determine the extent to which the independent variables, Social Stigma, and Entrepreneur Stigma, as well as the moderation of Psychological capital. This test helps ascertain the percentage of the dependent variable that can be explained by the independent variables. A value of 0 for R-squared indicates that there is no influence of the independent variables on the dependent variable; thus, none of the

examined variables successfully explains the variation in the dependent variable. If the value of R-squared is 1, it indicates that the influence provided by the independent variables on the dependent variable is perfect, meaning the independent variables can fully explain 100% of the variation in the dependent variable. If the R-squared value is less than 1, it suggests that the independent variables are unable to fully explain 100% of the variation in the dependent variable.

Table 2. Composite Reliability, Cronbach's Alpha, Average Variance Extracted

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Entrepreneur Stigma (X2)	0.976	0.907	0.931	0.663
Kinerja Bisnis (Y)	0.777	0.940	0.926	0.641
Psychological Capital (Z)	0.785	0.908	0.933	0.606
Social Stigma (X1)	0.940	0.974	0.940	0.469

Discriminant validity is a method for comparing the AVE (Average Variance Extracted) values of each component with the correlations between other constructs in a model. If the AVE value is greater than the correlations with all other constructs, it indicates good discriminant validity. It is recommended that the measurement values be > 0.5 . As shown in the table above, all construct variables yield values > 0.5 , meaning that all indicators within the constructs are valid and meet the criteria for discriminant and convergent validity in SEM modeling.

Composite reliability is a

component of the indicator that calculates variables with good composite reliability when the value is ≥ 0.7 . The evaluation of composite reliability can be done through two types of measurements: Cronbach's Alpha and internal consistency. Based on the results in the table above, the composite reliability for all constructs is > 0.7 , meeting the criteria for very good reliability. This indicates that all variables in the construction of the construct model are reliable. Furthermore, the results of the Cronbach's Alpha testing for all constructs are > 0.8 , meaning that all constructs meet the requirements for reliability testing with

Cronbach's Alpha.

Path Coefficient Hypothesis Test

Hypothesis testing is calculated according to the inner model test to determine whether a hypothesis is accepted or rejected based on construct

significance, p-value, and t test. The value of the t statistic used is > 1.96 and the magnitude of significance is 0.05. The following are the results of this research hypothesis test:

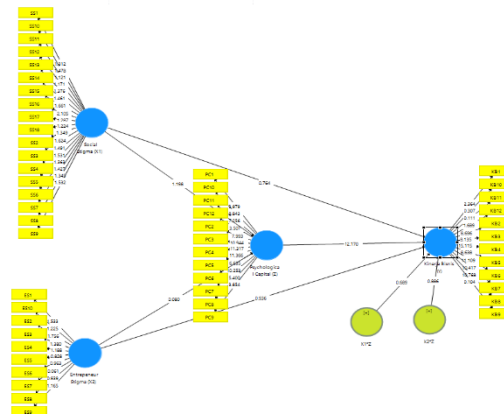


Fig 1. Path Coefficient Test Results

Hypothesis Test Results

The magnitude of the parameter coefficient for variable Social Stigma on Performance is -0.088 which means that there is a negative effect of Social Stigma on Performance, and it can be interpreted that the higher the value of Social Stigma, the more Performance will decrease. An increase of one unit of Social Stigma will decrease Performance by 8.8%. Based on the calculation using bootstrap or resampling, the test result of the estimated coefficient of Social Stigma on Performance from bootstrap is -0.022 with a calculated t value of 9.764 and a standard deviation of 0.115. The p value is $0.000 < 0.05$ so accept H1 or which means there is a direct effect of Social Stigma on Performance which is meaningful or statistically significant. Thus, hypothesis H1, which states that Social Stigma has a significant negative effect on

business performance is significantly accepted.

The parameter coefficient for the Entrepreneur Stigma variable on Performance is -0.116 , which means that there is a negative effect of Entrepreneur Stigma on Performance, and it can be interpreted that the higher the value of Entrepreneur Stigma, the more Y will decrease. An increase of one unit of social stigma will reduce Performance by 11.6%. Based on calculations using bootstrap or resampling, the test result of the estimated coefficient of Entrepreneur Stigma on Performance from bootstrap is -0.122 with a calculated t value of 4.936 and a standard deviation of 0.124. The p-value is $0.001 < 0.05$ so reject H2 or which means there is a direct effect of Entrepreneur Stigma on performance which is meaningful or statistically significant. Thus, hypothesis H2,

which states that Entrepreneur Stigma has a significant performance effect on business performance is significantly accepted.

The magnitude of the parameter coefficient for variable psychological capitalon performanceis 0.724, which means that there is a positive influence of psychological capitalon performance, and it can be interpreted that the higher the value of psychological capital, the more performance will increase. An increase of one unit of psychological capital will increase performanceby 72.4%. Based on

calculations using bootstrap or resampling, the test results of the estimated coefficient of psychological capital on performance bootstrap results are 0.709 with a calculated t value of 12.170 and a standard deviation of 0.060. The p value is 0.000 <0.05 so accept H3 or which means there is a direct effect of psychological capital on Y that is meaningful or statistically

significant. Thus, hypothesis H3, which states that Psychological Capital has a significant positive influence on business performance is significantly accepted.

Table 3. Hypothesis Test Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O-STDEV/Y)	P Values
Social Stigma (X1) -> Kinerja Bisnis (Y)	-0.088	-0.022	0.115	9.764	0.000
Entrepreneur Stigma (X2) -> Performance (Y)	-0.116	-0.122	0.124	4.936	0.001
Psychological Capital (Z) -> Performance (Y)	0.724	0.709	0.060	12.170	0.000
X1*Z -> Performance (Y)	0.065	0.085	0.095	4.689	0.001
X2*Z -> Performance (Y)	0.075	0.053	0.085	0.886	0.376

CONCLUSIONS

This chapter is the end of the description of the research stages, where in this chapter will be explained about conclusions, research limitations, and suggestions for future researchers. then several conclusions can be proposed related to the answers to the formulation of the problems raised in this study:

1. Testing the first hypothesis found Social stigma negatively and significantly affects entrepreneurial performance.
2. The results of testing the second hypothesis found that Entrepreneurial stigma negatively and significantly affects female entrepreneurial performance

3. The third hypothesis resulted in the conclusion that Psychological Capital has a Positive and significant effect on female entrepreneurial performance.

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