SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

Model of Determining Business Performance of Women's MSMEs in Medan City

Rini Astuti *[1] , Hasrudy Tanjung [2]
[1, 2] Faculty of Business Economics, Muhammadiyah University of North Sumatra, Indonesia

Article Info

Article history:

Accepted, 17-05-2024
Revised, 12-06-2024
Accepted,10-07-2024

Keywords:

Emotional Intelligence,
Intellectual Intelligence,
MSME performance,
Spiritual Intelligence

ABSTRACT

The performance of a female entrepreneur is measured by several factors. The intelligence factor which is a combination of several intelligences including intellectual intelligence, emotional intelligence and spiritual intelligence is the right combination of intelligence and really helps women's entrepreneurial behavior in running their business. Businesswomen need the right combination of intellectual intelligence, emotional intelligence and good spiritual intelligence to be able to build their motivation and commitment to become entrepreneurs which will have a better impact on their performance as businesspeople, so this research aims to determine the role of entrepreneurs. intellectual intelligence, emotional intelligence and spiritual intelligence on the performance of women entrepreneurs as MSMEs in the city of Medan. This research aims to test and determine the intelligence factors that influence the performance of women in the city of Medan. The population in this study were all female MSME actors in Medan City and the sample size of the researchers took data from a sample of at least 100 MSMEs. The data analysis method uses Confirmatory Factor Analysis (CFA) to detect antecedent variables using the structural equality model SEM (Structural Equation Model). The research results show that intellectual intelligence and spiritual intelligence have an influence, while emotional intelligence has no effect on women's performance in MSMEs.

Corresponding author:

Rini Astuti
Faculty of Business Economics, Muhammadiyah University of North Sumatra
Jalan Captain Muchtar Basri No3 Medan City, North Sumatra, Indonesia

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328
Email:*riniastuti@umsu.ac.id

Introduction

The importance of inclusive and equitable economic development makes it important to understand how the role of women influences the performance of SMEs in transition countries. Policymakers and other stakeholders can provide equal opportunities for women entrepreneurs and increase economic growth, job creation, and general prosperity in these countries by identifying and resolving women's bias in the advancement of MSMEs. In addition, encouraging gender equality in MSME businesses can improve social welfare, reduce disparities and support sustainable development goals. Therefore, these concerns must be resolved immediately to create an atmosphere that allows all entrepreneurs to prosper and boost the country's economy in transition.

Micro, small and medium enterprises (MSMEs) are seen as the main force behind advanced and developing economies because of their role in promoting social cohesion, innovation and creating jobs (1) . MSMEs have an important role in the development of the Indonesian economy and are the backbone of the country's economy, as evidenced by their contribution in increasing Gross Domestic Product (GDP) (1) ; (2) . A rapidly developing country can be guaranteed. Every government encourages the expansion of small and medium enterprises or MSMEs which function as engines for the development of all main economic indicators, including employment, exports, skills development, investment and infrastructure development (3) . Micro, Small and Medium Enterprises (MSMEs) equalize the technical gap between rural and urban areas to bridge the gap between large industry and small industry through industrialization, equal distribution of resources, wealth, and optimization of labor and land resources (4) . The topic of entrepreneurship is receiving increasing attention in the twenty-first century as more and more micro and small businesses are being founded. A number of studies show that the success of micro and small businesses owned by women is very important for the development of a country (2) ; (5) and community welfare because it produces wealth, employment and prosperity. and innovation (6) .

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

The interest shown in entrepreneurship has increased over recent years (7) . However, there are still many researchers who research this topic, especially related to the development of creativity and innovation on the performance of MSMEs run and owned by women (8) ; (9) . Many of these researchers still feel there is a mystery surrounding entrepreneurs, their skills, and how they initiate creativity with intellectual intelligence, emotional intelligence, and spiritual intelligence (10) ; (11) ; (12) . This can be seen from the growth and development of MSMEs which are founded and run by women (13) ; (14) ; (15) . With the increasing number of businesses founded by women, this initiative requires a deeper and more comprehensive study to provide feedback to all policy makers as well as new knowledge and enthusiasm for the development of women's MSMEs in the city of Medan.

Documents such as the industrial policy, MSME development strategy, and growth and transformation plans I and II, which aim to reduce poverty and accelerate economic progress, highlight the importance of women-owned businesses in Ethiopia (3) Despite this, the development and performance of Number of women-owned MSMEs The growing numbers are causing concern, even as more and more women are choosing to launch and manage their own businesses across the country (7) . In addition, various factors consistently influence the performance of women-owned MSMEs; in Ethiopia, a large number of women are showing increasing interest in business, but their success is still limited (8) To provide results-oriented and long-term support to companies, comprehensive and ongoing studies are needed at the national, municipal and company levels. level to determine the factors that influence the performance of women entrepreneurs (7) ; (3). Emotional intelligence is defined as five main components, namely knowing one's own emotions, managing emotions, motivating oneself, recognizing other people's emotions, and handling relationships (9) . Emotional intelligence such as self-awareness, motivation, empathy, and social skills are used to understand an individual's abilities in a social environment. The field facts he found regarding small business actors were the lack of knowledge to develop their businesses both

in terms of business creativity, technological literacy and mastery of business networks. This deficiency leads to poor management of emotional intelligence (10) .

To enhance the development of innovation confidence, mentality, self-confidence, capacity, and proactive personality, organizational capacity must be developed simultaneously with long-term innovation development (11) . Women should achieve their goals if they are aware that their activities and talents can lead to growth or the realization of expected or desired consequences (12) . The involvement and contribution of women in this effort is closely related to the expansion and progress of entrepreneurship in a country (7) . To underscore this further, an organization's innovation capability is its ability to successfully and consistently translate ideas into new systems, processes and products that benefit all parties involved in the business, including stakeholders. (13) states that a company's performance depends on its ability to achieve its goals effectively compared to its main competitors. Performance is a broad area that shows how successfully a business can meet its financial, growth and market operating targets within a certain time period. Because strong performance helps maintain a company's financial position and competitive advantage, it is an important sign of business success (14) . Spiritual intelligence is a new term that integrates the ideas of spirituality and intelligence (15) . A system for classifying and recognizing the competencies necessary to apply spirituality to improve human fitness is called spiritual intelligence. Therefore (16) characterizes spiritual intelligence as a type of intelligence that can solve problems related to meaning and value, intelligence that can increase the context, breadth and significance of daily activities. Spiritual intelligence refers to the capacity to use spiritual principles in a way that enhances one's performance (15) .

Businesses are always looking for new and creative ways to utilize employee capabilities to improve performance and gain competitive advantage (17) . Employees in organizations depend on each other to maintain their emotional balance while influencing the emotions of others. Therefore, to take full advantage of MSME performance as an important component in MSME development, the internal environment must be emotionally

supportive and encourage growth (18) . A small number of previous studies examining the relationship between EI and performance call it fantastic and have a significant positive relationship (17) ; (19). In the business world, the effect of women's roles can have an impact on the performance of SMEs, where businesses led by women have the potential to face greater challenges and obstacles compared to businesses led by men. Understanding these dynamics is critical to fostering a more inclusive and competitive business environment. Meanwhile, the academic contribution of this research is to advance the theory of women's institutions by highlighting how achievement can perpetuate gender bias and have a different impact on the performance of SMEs led by women compared to SMEs led by men. This expands our understanding of the intersection of culture, regulation, and gender in the context of entrepreneurship.

This research gap highlights the need for further exploration and analysis to understand how the role of women influences the performance of SMEs in the Medan city area. One of the factors in this research is the instability that occurs in the city of Medan, making the government as a supporter of the process of improving people's lives in a government that must be able to increase economic growth in the city of Medan by finding out what factors can influence economic growth that can develop. the city of Medan, and one form of development in the city of Medan, namely through the development of the economic sector by promoting entrepreneurship programs. That is why, the development of MSMEs needs to be optimized because the existence of MSMEs makes a major contribution to the economic development of a country, especially the city of Medan, North Sumatra.

The state of the art in this research is the role of women and the performance of SMEs in transition countries and developing cities in Indonesia, especially in the city of Medan, developed through examining data sets. This data set provides a comprehensive view of how women and men in SMEs view and respond to regulations, which ultimately impact their business performance. By integrating the theory of gender institutions, especially women, into the analysis, this research contributes to a deeper understanding of the intersection of

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

gender in the context of SMEs. As well as highlighting the nature of women in business and their impact on SME performance, and emphasizing the need to consider women's perspectives in business.

Method

This study uses a quantitative approach. The population of this research is MSMEs run and owned by women in Medan City. The sampling technique uses accidental sampling technique. The population in this study is unknown due to the researcher's limitations in detecting the number of MSMEs run and owned by women. To obtain the sample size in this study the researcher used the Lameshow formula, where this formula is used if the population cannot be known, then the sample will be calculated based on the equation of Lwanga and Lemeshow (Lemeshow, et al, 1990), the sample size calculation for estimating sample proportions is as follows:

n = Z^2 P(1− P)/d^2.....(1)

n = (Z_(1-a/2)^2*p*(1-p))/d^2.....(2)

Where: n = number of samples, =Z_(1-a/2)^2 = Z score at 1 – α/2 level of confidence, p = estimated proportion; d = precision. The researcher determined Z = 1.96, p = 0.05 and d = 0.05 so that the calculation was as follows: n = ((960)2 (0.5)]/[(0.1 0)2 (0.5)] = 99,789, obtained a sample size of 99 UMKM. The collection technique used in this research uses several methods as follows: 1) Interviews, to collect information and data related to research variables. Interviews are conducted in a structured or unstructured manner. 2). The research instrument is in the form of a questionnaire which must be filled in by respondents with questions or questions using a Likert scale with a score of 1-5. 3). The documentation technique aims to obtain primary data from previous researchers' journals and secondary data as a theoretical and conceptual basis for forming a research model. This research is located in Medan City, with research subjects being permanent private lecturers in the city of Medan, while the objects of this research are all MSMEs in Medan City. Structural Equation Modeling (SEM) is a data analysis technique used in this research. SEM is used to

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

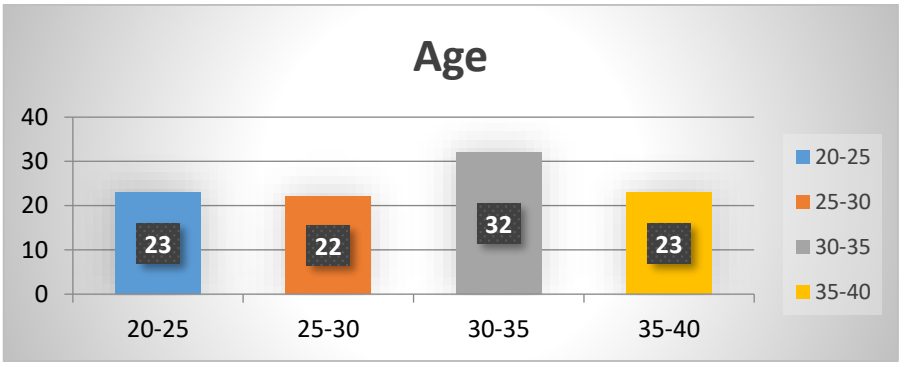
cover weaknesses in the regression model. The approach used to analyze is Partial Least Squares (PLS) with the help of SMART PLS software. This research uses indicators to measure each variable.

Results and Discussion

The results of this research will explain the data processing from questionnaires and research results using the SmartPLS4 Structural Equation Modeling equation model. SEM analysis aims to check the validity and reliability of the instrument (confirmatory factor analysis), test the relationship model between variables (path analysis) and activities to obtain a model that is suitable for prediction (related to regression analysis or structural model analysis [1] Factor Analysis in this research , Confirmatory Factor Analysis (CFA) is used to determine the indicators that have the greatest influence on MSME performance . Through the CFA method, theoretical confirmation is carried out to measure the accuracy of Standardized Estimate Regression on the CFS .

Respondent Characteristics

Respondent Characteristics Based on identity data from 100 MSME respondents in the culinary, cosmetics, services, fashion and jewelry and fashion sectors. The characteristics of respondents can be seen based on age, type of business, and age of business. The graph below shows the percentage of respondents by age.



SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

Figure 1. Characteristics of respondents based on age

Figure 1 shows that of the 100 respondents, 23% or 23 people were aged 20-25 years, 22% or 22 people were aged 25-30 years, 32 % or 32 people were aged 30-35 years, and 23% or as many as 23 people 35-40 years old . From these data it can be seen that the majority of respondents in this study were aged 30-35 years. The graph below shows the percentage of respondents by type of business.

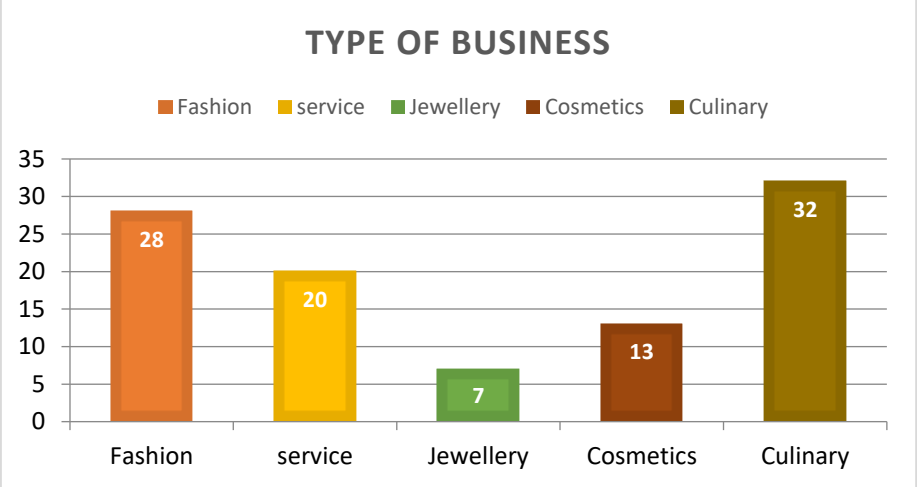


Figure 2. Characteristics of respondents based on type of business

Figure 2 shows that out of 100 respondents, 32% or 32 MSMEs are Culinary MSMEs, 28% or 28 Cosmetic MSMEs , 20% or 20 Service MSMEs, 13% or 13 Fashion MSMEs and 13 % or 13 Fashion MSMEs. 7% or as many as 7 Jewelry MSMEs . From these data it can be seen that the majority of respondents to this research are Culinary MSMEs. The graph below shows the percentage of respondents based on business age.

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

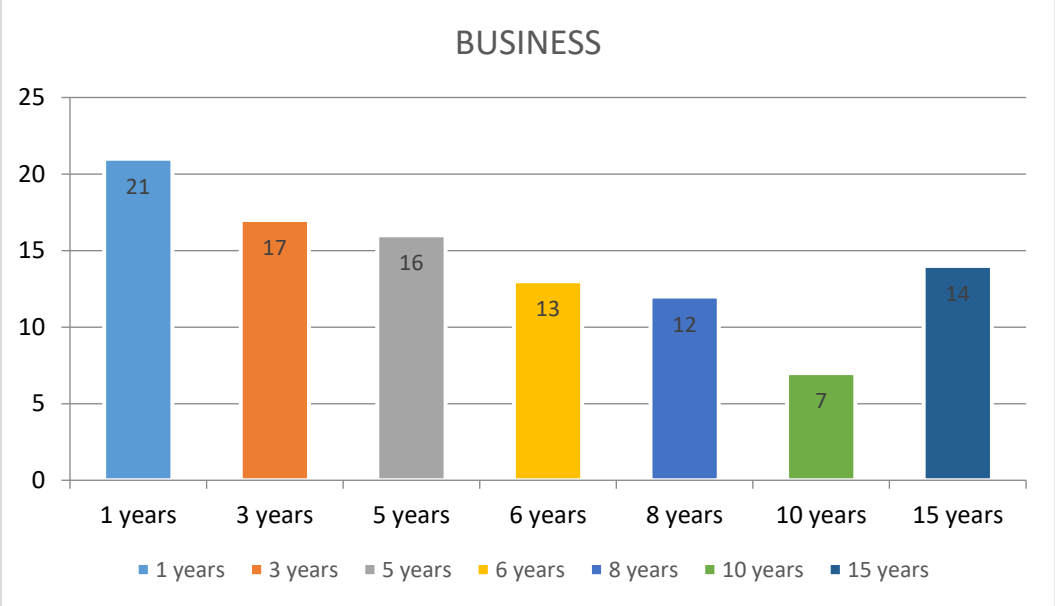


Figure 3. Characteristics of respondents based on business age

Figure 3 shows that of the 100 respondents, 21% or 21 MSMEs are 1 year old, 17% or 17 MSMEs are 3 years old, 16% or 16 MSMEs are 5 years old , 14 % or 14 MSMEs are 15 years old. , amounting to 13 % or as many as 13 MSMEs aged 6 years, amounting to 12 % or as many as 12 MSMEs aged 8 years, and amounting to 7% or as many as 7 MSMEs are 10 years old . From these data it can be seen that the majority of respondents to this study are MSMEs that are 1 year old.

Measurement Model Testing (Outer Model)

Evaluation of the measurement model (Outer Model) is carried out by analyzing the validity and reliability of the construct which aims to determine the specifics of the relationship between the latent variable and its indicators. This evaluation includes convergent validity and discriminant validity to test the construct validity and construct reliability of the latent variables. Convergent validity aims to measure the suitability between indicators resulting from variable measurements and theoretical concepts that explain the

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

existence of indicators from variable tests. Convergent validity relates to the principle that indicators of a construct must be highly correlated. Convergent Validity can be evaluated in two stages, namely by looking at Outer Loadings and Average Variance Extracted (AVE). Outer loadings is a table that contains loading factors to show the magnitude of the correlation between indicators and latent variables. The outer loadings output can be obtained from the PLS SmartPLSIndicator Algorithm Report which measures the influence of antecedent variables (causes), namely Intellectual Intelligence, Emotional Intelligence, Spiritual Intelligence and their influence on SME Performance in the first level of testing (CFA order first) is presented in the path diagram in the figure.

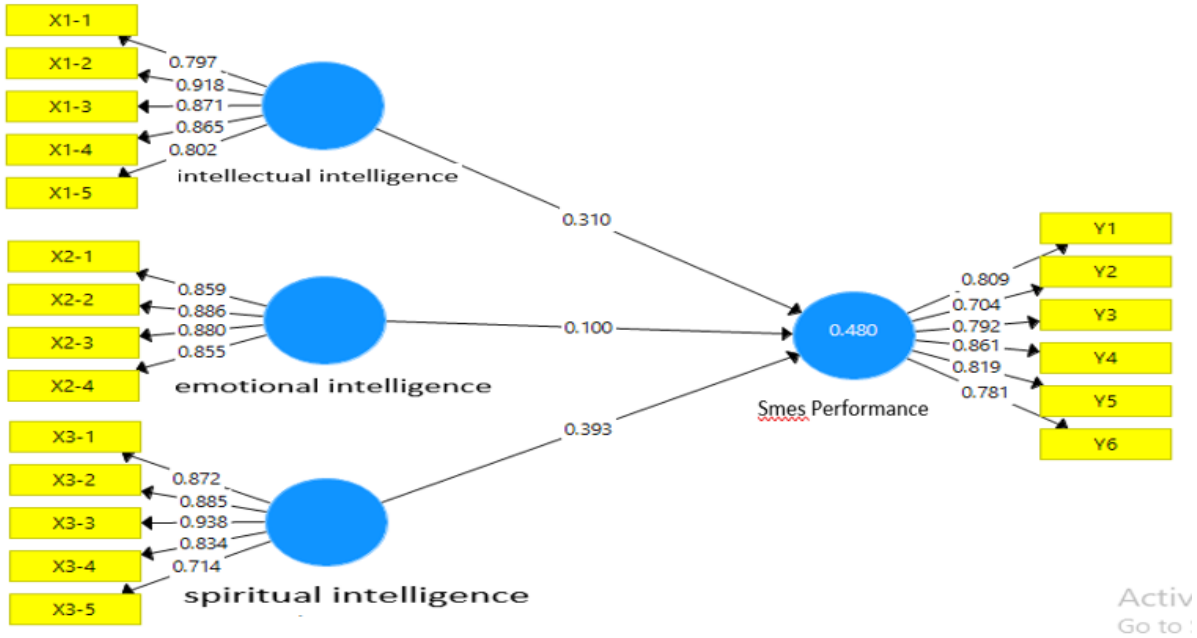


Figure 4. Model Values and Loading Factors

In Figure 4 are the results of the PLS Algorithm in the Model for Determining MSME Business Performance. This model has a loading factor for each indicator that is positive and above 0.500. So, this model can be used as a final model and further analysis can be carried out. Model analysis for determining MSME business performance. Initial evaluation of the

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

measurement model is reflective, namely convergent validity and discriminant validity. Convergent validity can be evaluated in three stages, namely validity indicators, construct reliability, and average variance extracted (AVE) value.

Table 1. Outer Loading Values

Variable	Indicator	Thumb Role	Factor Loading	Conclusion
Intellectual Intelligence (X1)	X1-1	0.7	0.797	Legitimate
	X1-2	0.7	0.918	Legitimate
	X1-3	0.7	0.871	Legitimate
	X1-4	0.7	0.865	Legitimate
	X1-5	0.7	0.802	Legitimate
Emotional Intelligence (X2)	X2-1	0.7	0.869	Legitimate
	X2-2	0.7	0.886	Legitimate
	X2-3	0.7	0.88	Legitimate
	X2-4	0.7	0.855	Legitimate
Spiritual Intelligence (X3)	X3-1	0.7	0.872	Legitimate
	X3-2	0.7	0.885	Legitimate
	X3-3	0.7	0.938	Legitimate
	X3-4	0.7	834	Legitimate
	X3-5	0.7	0.714	Legitimate
MSME Performance (Y)	Y1	0.7	0.809	Legitimate
	Y2	0.7	0.704	Legitimate
	Y3	0.7	0.792	Legitimate
	Y4	0.7	0.861	Legitimate
	Y5	0.7	0.819	Legitimate
	Y6	0.7	0.781	Legitimate

Source: SmartPLS3 Data Processing Results (2023)

From table 1, it can be seen that the loading factor value for the intellectual intelligence variable has a loading factor value of 0.797, the emotional intelligence variable is 0.88, the spiritual intelligence variable is 0.887, then the Umkm performance variable is

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

0.792, which means that if it meets the requirements > 0.7 which means means that all indicators are declared valid and meet the requirements for further testing and are a correlation between the indicator and the construct.

Discriminant Validity

Discriminant validity aims to test the extent to which the latent construct is truly different from other constructs. To determine discriminant validity, it can be seen by looking at the Average Variance Extracted (AVE) value with a value > 0.5 which is said to be valid. The results of the Average Variance Extracted (AVE) calculation can be seen in the following table:

Table 2. *Average Variance Exrated (* AVE)

Build	AVE
Intellectual Intelligence (X1)	0.725
Emotional Intelligence (X2)	0.725
Spiritual Intelligence (X3)	0.726
MSME Performance (Y)	0.633

Source: SmartPLS3 Data Processing Results (2023)

From Table 2 it can be seen that the Average Variance Extracted (AVE) value is > 0.5. The recommended minimum AVE value is > 0.5 and convergent validity meets the requirements. The Average Variance Extracted (AVE) value for the intellectual intelligence variable is 0.725, meaning it is valid, for the emotional intelligence variable, the AVE value in this study is 0.725, which is said to be valid, for the spiritual intelligence variable, it is 0.726, meaning it is valid, then the performance of MSMEs is 0.633, which can be said to be valid. And overall, each variable and indicator that was paired was declared valid and also met good convergent validity.

Composite Reliability (Reliability Test)

The aim of the reliability test is to assess the extent to which the measuring instruments used in this research are reliable or trustworthy or to test the reliability value of

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

the indicators in the construct. Composite Reliability (Reliability Test) in this research was carried out using the Cronbach's Alpha and Composite Reliability methods. A construct can be declared reliable if the alpha or Composite reliability value must be greater than 0.7, although 0.6 is still acceptable.

Table 3. *Composite Reliability (* AVE)

Build	Cronbach's Alpha	Composite Reliability
Intellectual Intelligence (X1)	0.904	0.929
Emotional Intelligence (X2)	0.895	0.926
Spiritual Intelligence (X3)	0.903	0.929
MSME Performance (Y)	0.885	0.912

Source: SmartPLS3 Data Processing Results (2023)

Table 3 shows that the variables in reliability testing obtained a value of > 0.7. Thus it can be concluded that all constructs have good reliability. By looking at the Cronbach Alpha value of the indicator block that measures the construct. A construct is declared reliable if the Cronbach Alpha value is greater than 0.60. The reliability test is carried out by looking at the composite reliability value of the indicator block that measures the construct. The absolute standard loading of the outer part with a value > 0.7. So if <0.7 then it is not reliable. Reliability tests are carried out to prove the accuracy, consistency and precision of the instrument in measuring the construct. To achieve good reliability, the composite reliability value and Cronbach's alpha value must be greater than 0.70 (Chin, 1998).

Coefficient of determination

After testing and measuring the model that meets the discriminant validity criteria, the structural model (inner model) is then tested which aims to predict the relationship between latent variables. The structural model is evaluated by looking at the R-Square (R2) value to see how much the endogenous latent construct can be explained by the exogenous construct. Categories in determining the R-Square value, if > 0.67 then the R-Square value

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

is categorized as strong, if 0.33-0.67 then the R-Square value is said to be moderate, and if 0.19-0.33 then the R-Square value is categorized as weak [5].

Table 4. R square

	R square	Adjusted R Square
MSME Performance (Y)	0.48	0.464

Source: SmartPLS3 Data Processing Results (2023)

The R-Square value shows the simultaneous influence of Intellectual Intelligence (X1), Emotional Intelligence (X2), Spiritual Intelligence (X3) on MSME Performance (Y) which is 0.480 with an Adjusted R Square value of 0.464. So, it can be explained that the influence of all exogenous constructs is weak.

Structural Model Testing (inner model)

Hypothesis testing

Hypothesis testing is carried out based on the results of testing the Structural model (inner model). To find out whether a hypothesis can be accepted or rejected, among other things, by looking at the significance between constructs, t-statistics and p-value. Hypothesis testing uses SmartPLS4 whose value can be seen from the bootstrapping results. The path coefficient value is shown at the 95% confidence level with α 0.05 or 5% and a t-statistic value > 1.96. To show signs of the direction of the relationship between variables in the entire research sample, look at the original sample values [6]. Testing the significance of relationships in the structural model is carried out using t statistics obtained after the path coefficients are estimated.

Table 5. Path Coefficient Hypothesis Test Results

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	information
Emotional intelligence -> MSME performance	0.100	0.127	0.095	1,048	0.295	Not supported
Intellectual intelligence -> MSME performance	0.310	0.300	0.109	2,848	0.005	supported
Spiritual Intelligence -> MSME Performance	0.393	0.383	0.105	3,763	0.001	supported

Source: SmartPLS3 Data Processing Results (2023)

Based on the results of data analysis, it is known that the results of the first hypothesis test on the influence of Intellectual Intelligence on MSME Performance have a path coefficient value of 0.310. This influence has a t-statistical probability value of 2.848 > 1.99 and has a p-value of 0.005 < 0.05, meaning that Intellectual Intelligence has a significant effect on the performance of MSMEs in the city of Medan. The results of the second hypothesis test of the Influence of Emotional Intelligence on MSME Performance have a path coefficient value of 0.100. This influence has a t-statistical probability value of 1.048 < 1.99 and has a p-value of 0.295 > 0.05, meaning that Emotional Intelligence does not have a significant effect on the performance of MSMEs in the city of Medan. The results of the third hypothesis test of the Influence of Spiritual Intelligence on MSME Performance have a path coefficient value of 0.393. This influence has a t-statistic probability value of 3.763 > 1.99 and has a t-statistic value A p-value of 0.000 < 0.05 means that Spiritual Intelligence has a significant effect on the performance of MSMEs in the city of Medan.

Research findings can bridge this gap and provide a deeper understanding of the

relationship between intellectual intelligence, emotional intelligence, spiritual intelligence on the performance of women's SMEs, future research can consider including measures of intellectual intelligence into the analysis. By exploring how intellectual quotient influences interpretations of and responses to the performance of women and men in SMEs, researchers can uncover additional factors that may shape the results observed in this study. This approach will contribute to a more comprehensive understanding of how individual characteristics, such as intellectual quotient, interact with women's SME ownership to influence SME performance in Medan City and Indonesia in particular.

Discussion

The results of data analysis show that Intellectual Intelligence has a significant effect on the performance of MSMEs in the city of Medan. There is a relationship between Intellectual Intelligence and the Performance of MSMEs, namely that intellectual intelligence has proven to be very helpful in relation to increasing the use of company intangible resources efficiently and effectively (29) . MSME owners and workers must realize that intellectual intelligence is a multifaceted construct with several dimensions that are not developed separately. The power of intellectual intelligence relationships can provide useful tools for managers; it seems possible to influence various aspects of MSMEs by changing just one category of intellectual assets (30) . Therefore, a company can increase its intellectual intelligence without having to invest in all aspects; For example, investment in human resources is expected to increase the capital of MSME organizations and customers simultaneously. The results of this study are supported by previous research (20); (21) ; (16) revealed that Intellectual Intelligence has a significant positive effect on MSME Performance.

The results of the two analysts show that Emotional Intelligence does not have a significant effect on MSME performance. It is known that MSME owners do not have a direct impact on MSME performance, thus highlighting their lack of contribution as a valuable competency that needs to be developed by MSME owners when operating in a

business environment where there are more culinary or food product MSMEs (30) ; (29) . This finding is inconsistent with research (22); (23) ; (24) revealed that Emotional Intelligence has a significant effect on the performance of MSMEs in several industrial and product sectors.

The results of the third data analysis show that Spiritual Intelligence has a significant effect on MSME Performance. Spiritual intelligence has an impact on two dimensions of the entrepreneurial spirit, namely the spirit of creativity and the spirit of establishing MSMEs which can be interpreted as spiritual intelligence in the workplace which also significantly has this relationship to create the characteristics of the MSMEs themselves and a sustainable environment (29) ; (30) . This research is supported by previous research (18); (25) ; (26) revealed that Spiritual Intelligence influences and is the main predictor of MSME business performance.

Conclusion

Organizations should seek collaborative partnerships among stakeholders to improve sustainable performance at the individual and organizational levels. Industry must develop Intellectual Intelligence to evaluate sustainability performance in its region. MSMEs must coordinate the use of raw materials, water, energy, and implement MSME management practices to lead to sustainable competition in terms of technology and human resources. From a practical perspective, these findings suggest that owners and entrepreneurs need to consider the gendered nature of women's roles and their potential impact on SMEs. Understanding how women and men feel and respond differently, namely emotional, intellectual and spiritual, to SME performance can help the growth and success of all businesses, regardless of gender. By recognizing and addressing biases against female SME owners, policymakers can create a more level playing field for SMEs and contribute to economic development and gender equality. At a theoretical level, this research contributes to the advancement of institutional theory on the role of women by highlighting the complex interaction of emotional, intellectual and spiritual intelligence in shaping SME performance.

By challenging non-neutral assumptions and demonstrating differences in performance impacts on female- and male-led SMEs, this study broadens our understanding of how institutional factors influence business outcomes. These theoretical insights underscore the importance of considering the perspectives of women and men in research on emotional, intellectual and spiritual intelligence and corporate performance, emphasizing the need for a more differentiated approach in studying the impact of women on business in various contexts. In summary, the research implications of this study underscore the importance of gender-based implementation in business.

Thank-You Note

The Author Would Like To Thank The Muhammadiyah University Of North Sumatra For Funding The Basic Research Grant, And To LP2M UMSU For Helping Provide Information And Facilitating Related To This Research.

Reference

[1] E. Susanti, R. Y. Mulyanti, and L. N. Wati, 'MSMEs performance and competitive advantage: Evidence from women's MSMEs in Indonesia', *Cogent Bus. Manag.*, vol. 10, no. 2, 2023, doi: 10.1080/23311975.2023.2239423.

[2] M. Shakeel, L. Yaokuang, and A. Gohar, 'Identifying the Entrepreneurial Success Factors and the Performance of Women-Owned Businesses in Pakistan: The Moderating Role of National Culture', *SAGE Open*, vol. 10, no. 2, 2020, doi: 10.1177/2158244020919520.

[3] H. A. Meressa, 'Growth of micro and small scale enterprises and its driving factors: empirical evidence from entrepreneurs in emerging region of Ethiopia', *J. Innov. Entrep.*, vol. 9, no. 1, 2020, doi: 10.1186/s13731-020-00121-9.

[4] S. Rajan, P. Muralidharan, and H. Ravi, 'Successful Women Entrepreneurial Business Performance Model in MSMEs of Karnataka', no. August 2019, 2022.

[5] T. A. Endalew, 'Determinants that influence the performance of women entrepreneurs in micro and small enterprises in Ethiopia', *J. Innov. Entrep.*, vol. 9, no. 24, 2020.

[6] L. Mozumdar, G. Hagelaar, G. van der Velde, and S. W. F. Omta, 'Determinants of the Business Performance of Women Entrepreneurs in the Developing World Context', *J — Multidiscip. Sci. J.*, vol. 3, no. 2, pp. 215–235, 2020, doi: 10.3390/j3020017.

[7] H. Frank, C. Korunka, M. Lueger, and J. Mugler, 'Entrepreneurial orientation and education in Austrian secondary schools. Status quo and recommendations', *J. Small Bus. Enterp. Dev.*, vol. 12, no. 2, pp. 259–273, 2005, doi: 10.1108/14626000510594647.

[8] N. M. Tran and T. H. Nguyen, 'Women's leadership and SMEs' CSR performance: Family versus nonfamily firms', *Cogent Bus. Manag.*, vol. 9, no. 1, 2022, doi: 10.1080/23311975.2022.2157973.

[9] Z. M. Aljuboori, H. Singh, H. Haddad, N. M. Al-Ramahi, and M. A. Ali, 'Intellectual Capital and Firm Performance Correlation: The Mediation Role of Innovation Capability in Malaysian Manufacturing SMEs Perspective', *Sustain.*, vol. 14, no. 1, 2022, doi: 10.3390/su14010154.

[10] A. Dwiastanti and A. Wahyudi, 'Peran Kecerdasan Intelektual, Kecerdasan Emosional Dan Kecerdasan Spiritual Terhadap Pengelolaan Keuangan Usaha Mikro Kecil Dan Menengah (UMKM) Di Kota Malang', *INOBIS J. Inov. Bisnis dan Manaj. Indones.*, vol. 5, no. 2, pp. 241–254, 2022, doi: 10.31842/jurnalinobis.v5i2.227.

[11] N. A. Suyono and T. N. Septiana, 'Pengaruh kecerdasan intelektual, kecerdasan emosional, kecerdasan spiritual dan modal usaha terhadap kinerja usaha mikro, kecil dan menengah', *Jamasy J. Akuntansi, Manaj.*, vol. 2, no. 5, pp. 95–108, 2022.

[12] M. Taufik, J. Susyanti, and M. Bastom, 'Pengaruh Kecerdasan Emosional, Kecerdasan Intelektual, Dan Kecerdasan Spiritual Terhadap Kinerja Karyawan Di Puskesmas Ciptomulyo Kota Malang', vol. 12, no. 01, pp. 1295–1306, 2017.

[13] R. Hidayat and S. Alliyah, 'Hubungan Gender, Teknologi Informasi dan Kinerja UMKM Kopi', *J. Akunt. dan Manaj.*, vol. 18, no. 01, pp. 09–21, 2021, doi: 10.36406/jam.v18i01.373.

[14] Elsa Widia and Sri Mona Octafia, 'Analisis Modal Sosial Terhadap Kinerja dan Produktivitas Bisnis Perempuan: Kajian UMKM di Kota Padang', *NUANSA J. Penelit. Ilmu Sos. dan Keagamaan Islam*, vol. 20, no. 2, pp. 181–196, 2023, doi: 10.19105/nuansa.v20i2.10485.

[15] R. Rahmawati and N. V. Putri, 'Peningkatan Kinerja UMKM Perempuan: Literasi Keuangan, Pengelolaan Keuangan dan Kualitas Laporan Keuangan Rahmawati', vol. 5, no. 2, pp. 493–503, 2023, doi: 10.47065/ekuitas.v5i2.4616.

[16] F. Awoke and S. Assefa, 'Impact of Human Capital Development and Human Capital Isolation Mechanisms on Innovative Performance: Evidence from Industrial Companies in Jordan', vol. 11, no. 15, pp. 18–30, 2019, doi: 10.7176/EJBM.

[17] M. Meresa, 'Factors Affecting the performance of Small-Scale Enterprise (Restaurant and Hotels) Inraya Azebo Wereda: The Case of Mohoni, Maychew and Korem', *Int. J. Manag. Stud. Res.*, vol. 6, no. 1, pp. 68–92, 2018, doi: 10.20431/2349-0349.0601010.

[18] P. Pawestri and D. Prasetyani, 'Emotional Intelligence and Performance of MSME Women Enterprises (Case Study in Cangkringan District, Sleman Regency) in 2022',

Int. J. Soc. Sci. Relig., pp. 67–78, 2024, doi: 10.53639/ijssr.v5i1.212.

[19] J. D. S. Campos, 'Analysis of Entrepreneurial Leadership Skills and Sustainable Employee Productivity of MSMEs', *J. Soc. Entrep. Theory Pract.*, vol. 1, no. 1, pp. 12–27, 2021, doi: 10.31098/jsetp.v1i1.645.

[20] F. Gault, 'Defining and measuring innovation in all sectors of the economy', *Res. Policy*, vol. 47, no. 3, pp. 617–622, 2018, doi: 10.1016/j.respol.2018.01.007.

[21] A. Bandura, 'Toward a Psychology of Human Agency: Pathways and Reflections', *Perspect. Psychol. Sci.*, vol. 13, no. 2, pp. 130–136, 2018, doi: 10.1177/1745691617699280.

[22] M. Cao and Q. Zhang, 'Supply chain collaboration: Impact on collaborative advantage and firm performance', *J. Oper. Manag.*, vol. 29, no. 3, pp. 163–180, 2011, doi: 10.1016/j.jom.2010.12.008.

[23] L. Guo and L. Xu, 'The effects of digital transformation on firm performance: evidence from China's manufacturing sector', *Sustain.*, vol. 13, no. 22, pp. 1–18, 2021, doi: 10.3390/su132212844.

[24] F. Fesharaki, 'Entrepreneurial Passion, Self-efficacy, and Spiritual Intelligence among Iranian SME Owner–Managers', *Psychol. Stud. (Mysore).*, vol. 64, no. 4, pp. 429–435, 2019, doi: 10.1007/s12646-019-00507-0.

[25] S. D. Ramachandaran, S. E. Krauss, A. Hamzah, and K. Idris, 'Effectiveness of the use of spiritual intelligence in women academic leadership practice', *Int. J. Educ. Manag.*, vol. 31, no. 2, pp. 160–178, 2017, doi: 10.1108/IJEM-09-2015-0123.

[26] K. Brooks and F. M. Nafukho, 'Human resource development, social capital, emotional intelligence: Any link to productivity?', *J. Eur. Ind. Train.*, vol. 30, no. 2, pp. 117–128, 2006, doi: 10.1108/03090590610651258.

[27] D. Cuéllar-Molina, A. M. García-Cabrera, and M. de la C. Déniz-Déniz, 'Emotional intelligence of the HR decision-maker and high-performance HR practices in SMEs', *Eur. J. Manag. Bus. Econ.*, vol. 28, no. 1, pp. 52–89, 2019, doi: 10.1108/EJMBE-10-2017-0033.

[28] R. Boohene, R. A. Gyimah, and M. B. Osei, 'Social capital and SME performance: the moderating role of emotional intelligence', *J. Entrep. Emerg. Econ.*, vol. 12, no. 1, pp. 79–99, 2020, doi: 10.1108/JEEE-10-2018-0103.

[29] D. Amelia and A. R. Jer, 'Pengaruh Kecerdasan Emosional Dan Kecerdasan Intelektual Terhadap Kinerja Karyawan Di Pt. Bank Negara Indonesia Kantor Cabang Bengkalis Pada Masa Pandemi Covid-19', no. September, 2022.

[30] S. L. Ratnasari, S. Supardi, and H. W. Nasrul, 'Kecerdasan Intelektual, Kecerdasan Emosional, Kecerdasan Spiritual, Dan Kecerdasan Linguistik Terhadap Kinerja Karyawan', *J. Appl. Bus. Adm.*, vol. 4, no. 2, pp. 98–107, 2020, doi: 10.30871/jaba.v4i2.1981.

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

BIOGRAPHIES OF AUTHORS

	**Rini Astuti** Rini Astuti was born in Medan on January 5 1983. She obtained a Bachelor's degree in Economics from the Islamic University of North Sumatra in 2004, and a Master's degree in Management with a concentration in Human Resources Management from the Islamic University of North Sumatra in 2006. She currently serves as a lecturer. still. at Muhammadiyah University of North Sumatra. Can be contacted via email: riniastuti@umsu.ac.id
	**Hasrudy Tanjung** Hasrudy Tanjung was born in Sibolga on December 18 1974. He obtained a Bachelor's degree in Economics from the Muhammadiyah University of North Sumatra in 1998, and a Master's degree in Management with a concentration in Human Resources Management from the University of North Sumatra in 2006. And a Doctorate degree from Brawijaya University, graduated in 2012. Currently he is a permanent lecturer at the Muhammadiyah University of North Sumatra. Can be contacted via email: hasruditanjung@umsu.ac.id