

## Behavior Analysis of Wealth Management as A Success Strategy of A Women Business

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### **Abstract:**

**Background:** *Becoming an entrepreneur requires careful planning. The factors of entrepreneurial success are not limited to just having the capital to build the company. A lot of people suffer losses and fail because they have a lot of money. The success of entrepreneurial activities is influenced by various factors such as knowledge, experience and the courage to take risks. The business world is still dominated by men as it is often exposed to tough things like competition that require a strong mindset, but there is also an increase in the number of female entrepreneurs at the moment. As the ability capital for the success of entrepreneurs, the quality of human resources of entrepreneurs should be further improved. One of these competencies is the ability to manage assets and investments to support superior business performance and achieve good long-term results. The act of decision-making in entrepreneurial investment management differs from the act of making entrepreneurial decisions, especially when it comes to the courage to take risks. The purpose of this study is to study the financial planning phenomenon and behavior of women entrepreneurs in the Indonesian entrepreneurial world in terms of investment management. In other words, how investment management affects the business success of women entrepreneurs by increasing wealth creation. As well as discovering and understanding the factors that influence asset management/investment behavior. How do they define an investment based on the type of instrument and why it is invested, can investing be an asset management strategy for growing a business/company?*

**Materials and Methods:** *This research method was used to characterize 4 female entrepreneurs as informants using a semi-structured interview tool using a phenomenological approach.*

**Results:** *Based on the information provided by the 4 insiders, it can be determined that there is a consistent understanding of financial planning (investments) that investments are encouraged to be held as capital reserves other than individual assets for business continuity purposes. The findings show that women entrepreneurs still tend to choose the safest types of investment vehicles, namely gold, deposits and real estate.*

**Conclusion:** *The propensity of a female entrepreneur to take risks and start a business is inversely proportional to her behavior and the way she makes decisions about investment models. Factors that influence investment vehicle choice, such as sociocultural factors; family factors; financial literacy; macroeconomic environment, family factors, and sociocultural factors also have a strong influence*

**Keyword:** *Women entrepreneurs; investment behavior; wealth accumulation; business strategies; investment management.*

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### **I. Introduction**

Small and medium enterprises (SMEs) in Indonesia are an attractive business opportunity. In this area, women-owned SMEs also have profitable prospects. Research by IFC (International Finance Corporation) shows that women-led SMEs in Indonesia can make a significant contribution to strengthening the economic self-determination of women entrepreneurs (Rubin Japhta, Prashant Murthy, Yopie Fahmi, Anastasiya Marina, 2016).

The number of women-led SMEs in Indonesia accounts for one-third of medium-sized companies and more than half or about half of the number of women-led SMEs in Indonesia. According to IFC (International Finance Corporation), about 22% contributed to the gross domestic revenue of as many as 700,000 SMEs in 2016. This shows that women entrepreneurs in Indonesia still face many challenges compared to men, such as access to skills development opportunities such as product development, financial management, corporate governance and marketing and wealth management, as well as access to capital.

Wealth management is the capital needed for economic success because everyone needs to own assets and want to preserve, protect and develop the value of their assets to meet their needs. This management applies to all areas of business, not only for individuals, but also for organizations or institutions that still need asset and wealth management. Financial markets and economic infrastructure should be further strengthened in another way, by providing more financing

Communities, especially entrepreneurs or businessmen, are expected to choose suitable financial products and services according to their needs. Not only that, but they should have a thorough understanding of the benefits and risks, rights and responsibilities, and whether the products, services and financial services they choose can further improve and develop their financial situation.

## **II. Theory Background**

In general, an entrepreneur can be interpreted as someone who is able to create or create jobs that are useful to them. The origin of the word entrepreneur comes from the French *entreprenere*, which means enterprise full of risk and courage. You could also say that the entrepreneur has the ability to process existing resources into something or a product with added value and can seek opportunities from others. Schumpeter (1934) believed that entrepreneurship is the driving force of economic growth. If a country wants to move forward, the number of successful entrepreneurs in the country can increase further. Currently, not only male businessmen but also women are gaining weight. An interest in entrepreneurship and self-employment is a form of modern female emancipation.

Womenpreneur, the general definition of female entrepreneur, refers to a woman or group of women who start, direct, and lead a business. Women entrepreneurs are people who are financially independent in challenging jobs to meet personal needs (Kumar et. Al: 2013).

According to Eduardus Tendelilin (2010:2), an investment is a plan or commitment made with respect to a large amount of money or other sources that can be made at the time, with the aim that the commitment will yield greater returns in the future. In the process of making an investment decision, it is most important to understand the relationship between the expected rate of return or rate of return and the risk or risk involved in investing. The relationship between risk and return on investment is a one-way linear relationship. In a sense, if an investment contains a low level of risk, the lower the return, and conversely, the more risky an investment, the higher the return from the investment. When you run a business, financial management planning is an important consideration for business success. No matter how big the business is, the level of profit is always an indicator of business development. As a businessman or entrepreneur, it is very important to make long-term and short-term investments early because no one knows for sure the state of the business and the future. Of course, it would be safer if the merchant provided backup funds.

Wealth management is a subfield of finance designed to help companies, investment managers and individuals build and protect wealth through a variety of strategic steps. This knowledge helps wealth owners better manage funds, choose insurance, choose investment vehicles and distribute wealth to heirs. (Poitiers, 2009). The three pillars of wealth management, namely the first pillar of wealth protection and wealth preservation. The purpose of the first pillar is to protect the value of an asset from possible risks and losses. The second pillar is wealth accumulation and growth. In this pillar, the goal is more focused on the growth and accumulation of wealth, which is managed through tax management, investment management, business enterprise and money management. The third pillar, wealth distribution and transfer, deals with the distribution of wealth to heirs so that it can be properly and even wisely managed. This distribution plan includes two things, inheritance and retirement (Mashruwala, 2011).

## **III. Materials And Methods**

### **Theoretical Framework**

A theoretical framework is a form of simplifying real-world phenomena into a complete understanding or understanding of how to solve a problem (Ferdinand, 2014). A theoretical framework is a set of hypotheses described by a set of reasons and implications for a research question that together form a complete explanation. Based on the above literature review, a theoretical framework can be established as shown in the figure below.

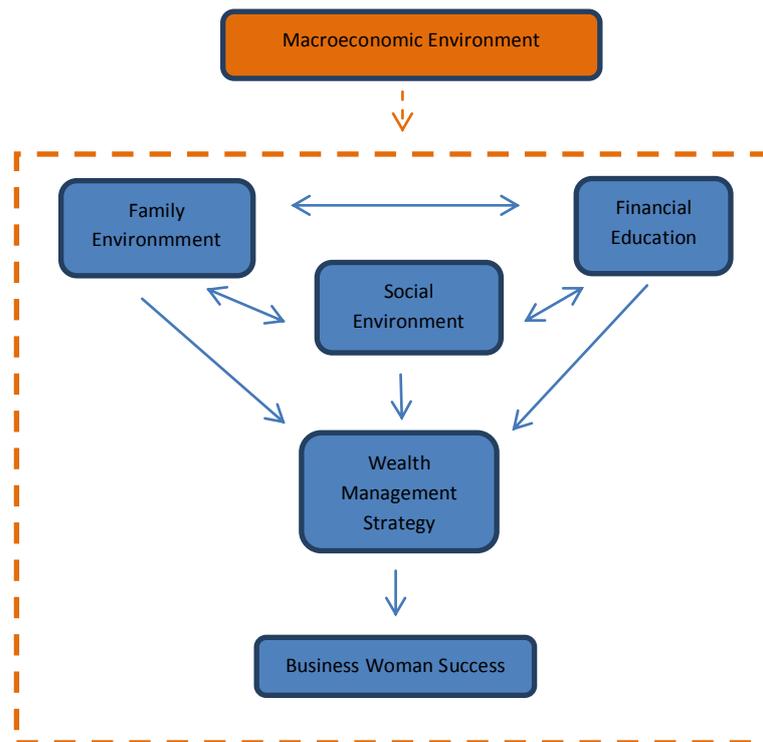


Figure 3.1: Theoretical Framework

This study identifies the factors that affect the development of investment in women's enterprises from four aspects: macroeconomic environment, family environment, financial literacy and social and cultural environment.

### Research Method

This research collects and analyzes data using qualitative and phenomenological methods, in which this research examines phenomena that occur in consciousness, thought, and action, such as: B. How these phenomena are aesthetically valuable or accepted, and seek to understand how people construct Meaning and important concepts. The purpose of this study is to investigate the financial planning phenomena and behaviors of female entrepreneurs in the Indonesian entrepreneurial community. And examine their attitudes towards wealth management and decision-making between two or more investment options and how they relate to business development.

### Material

The population and sample of this study are business women, a total of 4 people. The technique for determining the number of key whistleblowers is determined on the condition that the number of whistleblowers is determined based on certain criteria, taking into account the quality of the information obtained and the priority of case presentation over the number of whistleblowers. Whistleblowers were selected based on first-hand experience relevant to the research focus, whistleblowers with an age range greater than 30 years, seniority greater than 10 years, and investment in describing their ideas. The age of the resource person is different, 56 years old, 51 years old, 37 years old, 33 years old

### Data Collection Procedure

The primary data for this study are the key respondents' understandings, opinions, thoughts, experiences, and feelings about the investment behavior of women entrepreneurs, collected directly from the respondents or the primary respondents orally or verbally. Whereas secondary data comes from researchers' documents, such as B.: Records of interviews with key informants, books, journals, and other research-related literature.

### Analysis Techniques

For the data collection tool, interviews were conducted using a semi-structured interview model conducted in two stages. First, through the pre-research or directed research phase of preparing proposals and

proposals. Activities in this phase include looking for real-world phenomena related to wealth management and issues of investment behavior associated with common behavioral biases, and reviewing the extensive literature references on these real-world phenomena to provide guidance and recommendations for improvement.

Second, the exploratory research phase, an activity that involves gathering data through in-depth interviews with women entrepreneurs and observations at Bank Semarang. Data from whistleblowers is then analyzed and summarized to find interesting facts that can be developed. If no new facts emerge and all issues are resolved, the data collection from the object is considered complete. Incoming data is grouped and categorized by topic. Data collection continued until informants responded identically (saturated). Data collection was considered complete when data obtained from all respondents revealed nearly similar themes and no new themes emerged (Bogdan and Biklen, 1982).

Then record the results of the interview. Using this interview transcript, the researcher can analyze to gain understanding by focusing on the variables and research metrics described earlier.

To complete the above interview, several interview questions were derived, including:

1. What investments did you have when you started your business and why did you choose this investment?
2. The current business performance is better than before, which investment should I choose now, and why should I choose this investment
3. What are the goals and benefits of the current investment?
4. Do you also know and understand investment products such as stocks, Sukuk and bonds?
5. If you do, how do you know about these investment products?
6. Are there external influences such as family/friends, bankers/social media in choosing the above investment products?
7. Regarding the business currently in operation, how did the business start and how long it has been in operation
8. How to plan and manage finances to maintain a continuous business
9. As an indicator of current business success, does the investment have a significant impact, such as how

The questions in this study about conducting interviews were divided into broad groups representing core questions, including the following:

1. Financial planning awareness
2. Investment Opportunities
3. Factors Affecting Investment Opportunities
4. Investment planning and corporate governance strategy

Next, data analysis activities run concurrently with data collection, research report writing, and validation of research findings and findings.

Perform the following analysis phases:

1. Phenomenological reduction:  
Two activities are carried out at this stage, namely transcribing or listening to the interview recordings and making a transcript of the interview results, and determining the meaning and theme, that is, considering each informant's statement and categorizing it as a theme.
2. Data triangulation:  
This phase is performed for each informant to maintain the consistency of the informant's responses, compare the consistency of the informant's responses from time to time, and close the topic.
3. Cross analysis:  
At this stage, the same topic is cross-analyzed between participants and all participants are cross-analyzed to find the essence of meaning, forming a matrix.
4. Identify essence and experience:  
This stage is the result of a compound narrative that contains a description of what was experienced during the phenomenon and how the experience happened. The researcher reflects on the perspectives and experiences of the informant, which must reflect the context in which the topic arose. In addition, the researchers translated the speaker's expression into language consistent with the science supporting the study. The connections between these themes are explained in the model for ease of understanding. Also, at this stage, research statements can be derived from the nature of empirical meaning.

### IV. Result

This chapter will systematically describe the findings of field data consisting of profiles and descriptions of informants, the behavior of women businessmen in investing, the factors that most influence investment choices and conclusions, reasons and motives for investing as a business strategy.

**Informant Profile:**

There are four informants in this study whose age ranges above 30 years. The four informants are businesswomen who have invested. more than 2 years. Thus they can reflect on their experience in investing. All of the informants had met the criteria previously set required to participate in this study. For more details, the profile data of this research informant can be shown in Table 4.1. the following.

Figure 4.1: Resource Personnel Summary Table

	Informant 1	Informant 2	Informant 3	Informant 4
Age	51	33	56	37
Marital Status	Married	Married	Married	Married
Last Qualification	S1	S2	S1	S1
Length of Business Management	± 20 years	10 years	± 30 years	± 10 years
Entrepreneurship History	Started from scratch alone	Started from scratch with husband	Parents started a business, family business	Started from scratch with husband
Types of Investments	Gold investments Construction land Deposit savings Insurance Mutual funds	Gold investments Construction land Deposit savings Insurance Mutual funds Stocks	Gold investments Construction land Deposit savings Insurance	Gold investments Construction land Deposit savings Insurance

**Interview Result :**

Based on the information provided by the four whistleblowers interviewed, it can almost be said that women entrepreneurs share several similarities when it comes to investing, a reason that usually encourages them to invest based on certain factors. Combining investment reasons of similar importance into one category results in multiple categories. This classification is very necessary as it is used as the first step towards the next level of construction.

The interview results are described as follows, which are then categorized:

1. All insiders are aware of investment opportunities from a variety of sources.
2. All sources prefer safe conventional investments
3. Asset selection is conservative as owned assets consist of gold, deposits and agricultural assets, which tend to be safe
4. Even big companies don't stop at old-fashioned investments that feel safe.
5. Investment allocation also compares business and personal needs
6. Very keen to try high-risk investments such as stocks, but the decision still depends on the people around, especially family factors such as husband or children dominate
7. Although priority services often offer multiple investment vehicles, they still do not leave the safest investments to break down the risk of loss.
8. They are only interested in picking short-term assets like gold and long-term assets like buildings
9. Investment planning is not only for individual assets, but also for working capital reserves
10. All whistleblowers fully understand the purpose and benefits of the investment, and avoid investment activities that lack clarity due to environmental impacts or simply follow trends.

From the description of the results of the interviews above, it is found that categorization is based on research variables and a summary of research results.

1. Awareness of financial planning: All informants understand and know about investment
2. Investment selection options: Paying attention to the amount of risk and the amount of return from the type of investment chosen
3. Factors influencing investment options: Cultural factors are the broadest and deepest influences. The study of culture is the study of all aspects of society, namely language, knowledge, laws and customs that give the community a special character and personality. The informant's behavior is also influenced by social factors such as reference groups, family, and social roles and status.

4. Investment planning and corporate governance strategy: Investment planning in addition to individual wealth is also planned for business capital reserves

## V. Discussion

Not only in Indonesia, many studies have been conducted on the investment habits of men and women. Most studies concluded that men tend to be more willing to accept venture capital. Women are seen as more cautious and visionary. According to multiple studies, women's average investment strategies and business success tend to be more stable than men's.

A study by the German Institute for Economic Research (DIW) assessed investment behavior data of more than 8,000 men and women and found that 38% of women invest in risky financial products such as stocks, compared with 45% of men. As the DIW was published by Investopedia in June 2019, the DIW is not sure if this result confirms that women are risk-averse when it comes to investing. Women take more risks when they have more money. Typically, women's investable amounts are about half that of men. This makes them more cautious, rather than risk-averse.

## VI. Conclusion

The basic theories and concepts used in this study are consistent with the second pillar in the wealth management concept, which is the management of wealth accumulation and wealth growth so that it can be optimally accumulated through multiple managements (i.e. investment management, tax management), business formation and money management.

Special emphasis is placed on the second pillar of fund management. In the process of fund management or wealth management, it is necessary to understand all activities related to wealth management, especially the analysis of the source of funds and their uses. Its purpose is to achieve the greatest possible benefit for an individual or organization, or to add value to one's own assets.

Factors such as social and cultural norms, financial socialization and resource constraints play an important role in influencing the investment decisions of many people. The findings of this study suggest that financial risk tolerance also plays an important role in shaping behavior. (Heo et al. 2016). The propensity of a female entrepreneur to take risks and start a business is inversely proportional to her behavior and the way she makes decisions about investment models. Factors that influence investment vehicle choice, such as sociocultural factors; family factors; financial literacy; macroeconomic environment, family factors, and sociocultural factors also have a strong influence

Similarities in understanding financial planning (investing) emerged in the findings, which encouraged them to invest as a capital reserve for business continuity as well as personal wealth. The findings show that women entrepreneurs still tend to choose the safest types of investment vehicles, namely gold, deposits and real estate.

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