

A SYSTEMATIC LITERATURE REVIEW: THE CONTRIBUTION OF PSYCHOLOGICAL FACTORS TO PERFORMANCE IMPROVEMENT AMONG WOMEN ENTREPRENEURS

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ABSTRACT

This study examines the contribution of psychological factors to performance improvement among women entrepreneurs through a PRISMA-guided Systematic Literature Review (SLR). Synthesizing 14 selected articles from Scopus (2000–2025), findings reveal that psychological capital—including resilience, VUCA intelligence (volatility, uncertainty, complexity, ambiguity management), and socio-cultural strength—alongside formal education, significantly enhance business resilience and performance, particularly during crises. Conversely, work stress, gender stereotypes, and environmental bias reduce performance by increasing anxiety and diminishing focus. A critical insight shows that neutralizing psychosocial barriers (inclusive environments, coping strategies like humor) equalizes women's performance with men's, proving equivalent capacity. The study reinforces Stereotype Threat and Conservation of Resources theories while highlighting education's catalytic role in building psychological resilience. Practical implications recommend VUCA training and self-efficacy enhancement for women-led MSMEs.

Keywords: psychological capital; gender bias, entrepreneurial resilience; VUCA; women's performance

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are a major pillar of Indonesia's economy, contributing 61.7 percent of the national GDP and absorbing around 97 percent of the workforce (Ministry of Finance, 2020; Mulawarman et al., 2021). According to the World Bank's *Women, Business and the Law 2021* report, approximately 60 percent of MSMEs in Indonesia are owned and managed by women (World Bank Group, 2021; Bayumi et al., 2022). This highlights the important role of women entrepreneurs in driving economic growth, employment creation, social development, and community welfare. Despite this contribution, women entrepreneurs often face greater challenges than men, including limited access to finance, lower self-confidence, lack of managerial experience, weak social support networks, gender bias, and restrictive social norms (A. D. F. Yusuf et al., 2025). Women entrepreneurs also tend to experience higher levels of personal conflict, which can negatively affect mental well-being, increase financial stress, and threaten business sustainability (Linfang et al., 2021).

Several studies indicate that psychological and personality-related factors are important determinants of business performance and development (Tan et al., 2020). Conflicts in business often arise from differences in attitudes, values, and communication styles, which influence interpersonal relationships and decision-making processes. Personality assessment is therefore considered an important component in improving decision-making accuracy and organizational performance (Hogan et al., 1996). In the context of women entrepreneurship, personality traits significantly affect the ability to manage businesses and respond to challenges effectively.

One of the most widely used frameworks for understanding personality is the Five-Factor Model (FFM) or Big Five Personality Traits, which includes neuroticism, extraversion, openness to experience, agreeableness, and conscientiousness (Barrick et al., 1993). These dimensions explain differences in individual behavior and their influence on entrepreneurial performance. For women entrepreneurs, understanding personality traits can help build confidence and improve business outcomes (Linfang et al., 2021). Conscientiousness, for example, supports long-term planning and effective resource management, while extraversion encourages stronger communication and collaborative decision-making. In contrast, high neuroticism may lead to impulsive or overly cautious decisions that negatively affect business performance. Therefore, examining psychological and personality factors is important for understanding how women entrepreneurs can strengthen decision-making and enhance the sustainability of MSMEs in Indonesia.

METHOD

The literature review method is an approach used to analyze, evaluate, and synthesize findings from previous studies to provide a deeper understanding of a particular topic (Creswell, 2015). This study answers the research

questions by conducting an SLR, which follows the traditional management approach based on appropriate criteria. This study was conducted on papers published from 2000 to 2025. The database selected for analysis was Scopus, with the following keywords:

In the first row : Psychological OR "PSYCHOLOGY FACTOR" OR "Psychological Factor"

In the second row: "Womenpreneur Performance" OR "Womanpreneur" OR "Woman Performance" OR "Entrepreneur Performance"

RESULTS AND DISCUSSION

The process followed four steps to select relevant papers. First, duplicate articles in the database were removed. Second, the abstracts generated from the research were reviewed to ensure the relevant context of the papers. Third, the search results produced 50 selected articles to ensure the relevance of the articles. The author identified the 50 articles generated and then filtered them again by selecting document criteria in the form of articles or reviews with subjects in the areas of psychology, economics, econometrics, finance, business, and management.

The selection resulted in 25 articles that met the criteria. Fourth, to ensure that all selected articles were relevant, the researchers analyzed them one by one and found 11 articles that did not meet the researchers' focus. Thus, 14 articles were deemed relevant to the research topic. The stages of SLR implementation described above can be seen in Figure 1.

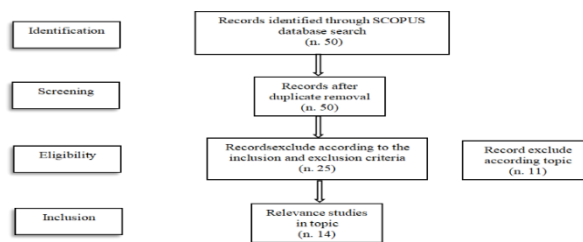


Figure 1 . SLR Steps – PRISMA Diagram Source: data processed by the author

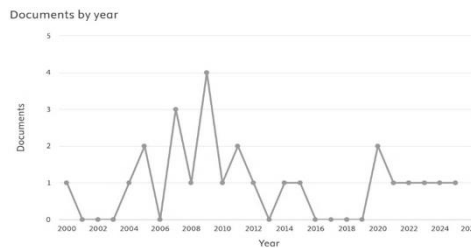


Figure 2 . Number of articles produced per year. Source: Analyze result Scopus

The image above is the result of an analysis from Scopus with a total of 25 articles before being matched with the topic selected by the author. Figure 2 shows the results of articles published each year with the selected keywords. 2009 was the year with the most publications, with a total of four articles. Figure 3 shows the countries conducting research on related topics. The United States produced 15 research articles between 2000 and 2025 with the keywords selected by the author. As explained in the PRISMA diagram, the 25 articles produced were readjusted to the topic, and 11 articles that were deemed irrelevant were excluded.

An analysis of the 14 selected articles shows quite interesting results. The results of the research conducted by Srivastava & Pandita,(2025) , show that social and cultural strengths and psychological capital influence the performance of women entrepreneurs. Gender stereotypes related to innovation, personal investment, and leadership roles are factors that influence the performance of companies owned by women entrepreneurs. Khananda et al., (2024) analyzed states that entrepreneur resilience has a positive influence on entrepreneur performance during a crisis. Entrepreneurs who are resilient have proven to perform better. VUCA (the ability to handle volatility, uncertainty, complexity, and ambiguity) has been proven to significantly moderate the relationship between entrepreneur resilience and entrepreneur performance.

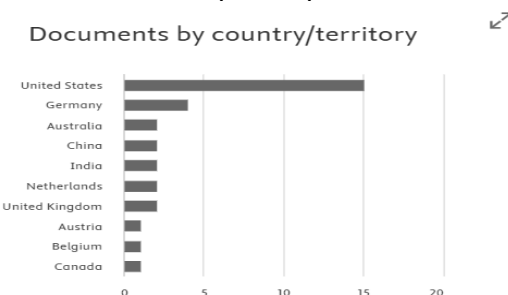


Figure 3 . Country of origin of article publications

Sarna et al. (2023) shows that work stress significantly affects women's performance. This means that women with high levels of work stress can experience a decline in their performance. Smith & Postmes (2011) confirms that stereotypes cause women's performance to decline compared to men's performance. The existence of stereotypes about women that can reduce their performance is further clarified by the results of research conducted by Campbell & Collaer (2009), which states that if an environment is designed without differences between men and women, there will be no difference in their performance (Smith & Postmes, 2011; White, 2008), Kiefer & Sekaquaptewa, 2007; Linfang et al., 2021). The 12th article, written by Heilman & Haynes, (2005) explains that women have low scores when placed in team work. Meanwhile Ford et al., (2004) stated that women with low sense of humor have low scores in mathematics test experiments. Therefore, the conclusion is that women who have a high coping sense of humor perform better because they can reduce anxiety at work.

CONCLUSION

Based on the analysis of 14 selected articles, it can be concluded that psychological factors are critical determinants of women's entrepreneurial performance. Psychological capital (socio-cultural strength, resilience, VUCA intelligence) consistently improves business resilience, especially in the face of crises, with formal education as a key enhancer. On the other hand, work stress, gender stereotypes, and environmental bias have been shown to significantly reduce performance, triggering anxiety and reducing work focus. When these psychosocial barriers are neutralized—through inclusive environments, coping strategies (such as proactive humor), or stereotype rejection—the performance of female entrepreneurs matches or even surpasses that of their male counterparts. This proves that the main problem is not women's capacity, but rather the ecosystem that hinders their potential. The study also fills a gap in the literature by revealing education as a transformative catalyst—not only improving technical competence but also building psychological resilience critical for women entrepreneurs.

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