

# Generation X Women Smes: Motivational Mediation Between Digital Competence, Cultural Change, And Business Performance

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## Abstract

*This study aims to analyze the influence of digital culture transformation and digital competence on the performance of Generation X female MSMEs with entrepreneurial motivation as a mediating variable. The methodology used is a quantitative survey with a structural analysis approach using Partial Least Squares Structural Equation Modeling (PLS-SEM). The research sample consisted of Generation X female MSMEs in certain regions selected by purposive sampling. The results of the study show that digital culture transformation and digital competence have a significant positive effect on entrepreneurial motivation, but the direct influence of both on the performance of MSMEs is not significant. Entrepreneurial motivation has proven to be a significant mediator that connects digital culture transformation and digital competence with improving the performance of women's MSMEs. The novelty of this study lies in the integration of these three variables in one research model that combines aspects of culture, digital skills, and motivation in the context of gender and generation, especially Generation X women, who have received less attention. This research also adds a new understanding of the role of entrepreneurial motivation as the main driver in realizing the success of digital transformation for women MSMEs. Limitations of the study include the use of cross-sectional data that do not describe the dynamics of change over time, as well as samples that are limited to specific regions so that the results cannot be generalized widely. Further research is recommended using longitudinal design and expanding the scope of the sample.*

**Keywords:** Digital Culture Transformation; Digital Competence; Entrepreneurial Motivation; Performance of Women's MSMEs; Generation X

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## INTRODUCTION

Generation X, born between 1965 and 1980, now plays an important role as entrepreneurs. In the era of digital transformation, the business ecosystem has undergone a significant transformation, where technology has become an important part of business operations. Digital culture transformation, which involves the adoption of technology and a change in the mindset of organizations, is becoming critical to the success of modern business. Digital competence, the ability to utilize technology effectively, and digital leadership, the ability to lead in a technology-based environment, are all facts that are essential to the success of modern business (Sasono & Y, 2014). To transform digital culture, organizations must adopt digital tools and platforms. These tools not only increase operational productivity but also allow organizations to better interact with customers and stakeholders. When it comes to this process, digital skills are essential because the ability to master and optimize the use of digital technology is a major factor that differentiates a thriving business from a laggard. To ensure that organizations can adapt quickly and effectively to changing market dynamics, digital leadership requires technological mastery and the ability to lead teams in the face of digital change (Ikhrum et al., 2025).

Entrepreneurs can allocate their resources more efficiently and focus on activities that add more value by automating previously manual business processes. In the long run, these benefits are expected to increase the company's profitability and sustainability. Ethical aspects of the use of digital technology. Generation X businesses must ensure that they adopt moral and responsible business practices as they will become increasingly dependent on technology. This includes social responsibility, business transparency, and customer data protection. The focus of this research is how these ethical principles can be used in digital strategies to foster customer trust and loyalty (Marsdenia & Safitri, 2023). Entrepreneurial motivation plays an important role as a driver that controls the impact of digital transformation and competencies on business performance. This motivation includes various things, such as the desire to become financially independent and the desire to innovate and contribute positively to society. Generation X MSMEs are more familiar with technological changes than previous generations. Therefore, entrepreneurial motivation can serve as an important catalyst for adopting and utilizing digital technologies effectively. Research on entrepreneurial motivation such as in Saoula et al (2023) It highlights more of the role of self-efficacy and family support in increasing entrepreneurial intentions, but less explores how entrepreneurial motivation can moderate the influence of digital transformation on performance. Research results Setyaningrum et al (2024) shows the effects of leadership and self-efficacy on digitalization adoption, but has not addressed the effect of motivational moderation on performance. Digital transformation includes human and organizational cultural aspects in addition to technology. Therefore, this study will look at how cultural changes in an organization can help or hinder the adoption of digital technology. Important factors to be analyzed include flexibility, adaptability, and ability to learn (Liu et al., 2022). The ability to adapt to new technologies is also important for business success due to globalization and increasingly fierce market competition. With their combination of experience and adaptability, Generation X female MSMEs have great potential to lead this transformation. However, to do so, they need to get support in the form of ongoing training and access to technological resources (Setiawan et al., 2023). Most previous studies, such as on Saoula et al (2023), emphasizes the role of digital leadership capabilities in innovation through digitalization platform capabilities, but still lacks discussion of how digital culture can holistically affect entrepreneurial performance, especially in certain generations such as Generation X (Benitez et al. 2022 IM). Corvello et al. (2022) show how digitalization affects the daily activities of entrepreneurs, but does not explicitly discuss the impact of digital culture transformation on the performance of Generation X female MSMEs. Generation X female entrepreneurs are sometimes unable to adopt technology quickly and other industries where they adopt technology more slowly. With this understanding, specific recommendations can be made to encourage more equitable adoption of technology and improve business performance across various industries (Islam et al., 2022). Digital competencies are also needed by Gen X Women's MSMEs to run Perekmpuan MSMEs. Research from Bachmann et al (2024) and Triyono et al (2023) highlighting the importance of digital competence in supporting entrepreneurial intentions and their influence on innovation. However, there has not been enough focus on the role of digital competencies in improving the performance of Generation X entrepreneurs, who have different technological experiences than the younger generation. In the context of Indonesia, Tuty et al (2020) emphasizing the importance of digital literacy in MSMEs, but the research focuses more on the younger generation than Generation X female MSMEs. Based on the results of previous research from Marsdenia & Safitri (2023), the variable of human agility has a significant effect on entrepreneurial ability and interest, the variable of digital literacy only has a significant effect on ability, the curriculum variable has no effect on the ability or interest in entrepreneurship, the variable of family role only has a significant effect on capability, and the variable of capability has an effect on entrepreneurial interest. However, the intervening variable of capability is a good variable to influence the millennial generation's interest in entrepreneurship. The phenomenon that is often encountered related to digital competence shows that there is a significant gap in research and practice, especially in female MSMEs. Generation X as MSME leaders. Most of the existing research, such as by Bachmann et al. (2024) and Triyono et al. (2023), highlights the importance of digital competencies in driving entrepreneurial intent and innovation. However, the focus is more often directed at the younger

generation who are considered more proficient in digital technology. This creates a gap because Generation X, who have different and often more limited technological experience than younger generations, have not been widely used as subjects of research in the context of developing their digital competencies.



Figure 1.1. Indonesia Digital Society Index 2023

Source: Human Resources Development Agency of Communication and Informatics, Ministry of Communication and Information

Figure 1.1. showed that basic internet literacy among respondents is quite high, but there is still room for improvement, especially to support generation X women in South Sulawesi in utilizing digital technology to develop their MSMEs. By addressing this skills gap, digital culture transformation can be more effectively implemented among MSME actors to increase competitiveness and business performance

The majority of respondents have basic internet literacy skills, but there are several gaps that need to be improved. A total of 58% of respondents said they agreed that they were able to connect their devices to the internet, with an additional 10% strongly agreeing, bringing the total to 68%. Meanwhile, 22% are neutral, and the rest feel underprivileged (8% disagree and 2% strongly disagree). In terms of the ability to download and install apps to mobile devices, 59% of respondents agreed and 11% strongly agreed, resulting in a total of 70% who felt competent, although there were still 30% of respondents who were neutral or felt inadequate. The ability to operate the browser shows that 54% of respondents agree and 9% strongly agree, so a total of 63% feel that they are able to use the browser for basic needs. However, there were 24% who were neutral, and 11% disagreed and 2% strongly disagreed, indicating that around 37% of respondents still face difficulties in using browsers. This data reflects that although more than half of respondents have sufficient internet literacy skills, there are a number of individuals who still need training and mentoring, especially in the optimal use of digital devices.



Figure 2. Results of the Calculation of the 2023 Indonesian Digital Society Index Nationally  
Source: Human Resources Development Agency of Communication and Informatics Ministry of Communication and Information

Source: Kurious by Katadata Insight Center; East Ventures; PwC Indonesia (2024)

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studies on the role of digital culture transformation, digital competence, and digital leadership on the performance of generation X Perepuan MSMEs in South Sulawesi are still limited, although this is very relevant in facing global challenges. This study seeks to bridge the theoretical gap of previous research digital competency gaps, as discussed by Caroline et al (2024), outlines digital competence as a technical skill, but this theory is rarely applied in the context of Generation X, who have different technological experiences than younger generations. This creates a gap in understanding the relevance and application of this theory for women MSMEs. In the Indonesian context, digital literacy in MSMEs has been discussed by (Tuty et al., 2020), but more attention is paid to the younger generation than Generation X female MSMEs. This challenge is exacerbated by the lack of specialized training and access to technology, so that MSME development leaders from Generation X often face difficulties in integrating digital competencies with their business practices. This gap highlights the need for a more inclusive approach to understand and support the role of digital competencies in improving the performance of Generation X in the era of digital transformation.

### CONCEPTUAL FRAMEWORK AND HYPOTHESIS

The grand theory underlying this research is the Resource-Based View (RBV), which explains that the competitive advantage of an organization, including MSMEs, is determined by their ability to manage unique and valuable resources. In the context of this study, digital culture transformation, digital competence, and digital leadership are considered as strategic resources that can improve the performance of MSMEs, especially for generation X women. RBV theory provides a basis for exploring how entrepreneurial motivation can act as a mediator in linking digital transformation and competence to the performance of MSMEs. Millennials, who are growing up in the digital age, tend to be faster to adopt technological innovations and integrate them into their business practices. This theory can be supported by research such as those conducted by those that explore how information technology affects organizational culture. In the digital era, competencies that include technological knowledge, analytical skills, and adaptability are very important for entrepreneurs. Digital leadership also demands a strong understanding of digital technology as well as the ability to lead teams in a fast-paced and ever-changing environment. Study by Marbawi et al (2024) can be a reference to explore the leadership aspect, while O'Reilly & Tushman (2021) Provides insights into the organization's adaptation in technology.

Entrepreneurial motivation can play a role as a moderation factor that can affect how digital culture transformation and digital competencies and leadership impact business performance. Motivational theory as put forward by Hidayat-your-Rehman (2024) about their self-determination theory, explaining how intrinsic and extrinsic motivation affects performance and job satisfaction. A grand theory that integrates these three aspects can explain how the interaction between digital cultural transformation, digital competence, and digital leadership, all moderated by entrepreneurial motivation, affects the performance of millennial entrepreneurs. This model can be used to predict and improve business performance in the digital age. Based on the explanation of the background and previous research, the framework of this research can be described as follows:

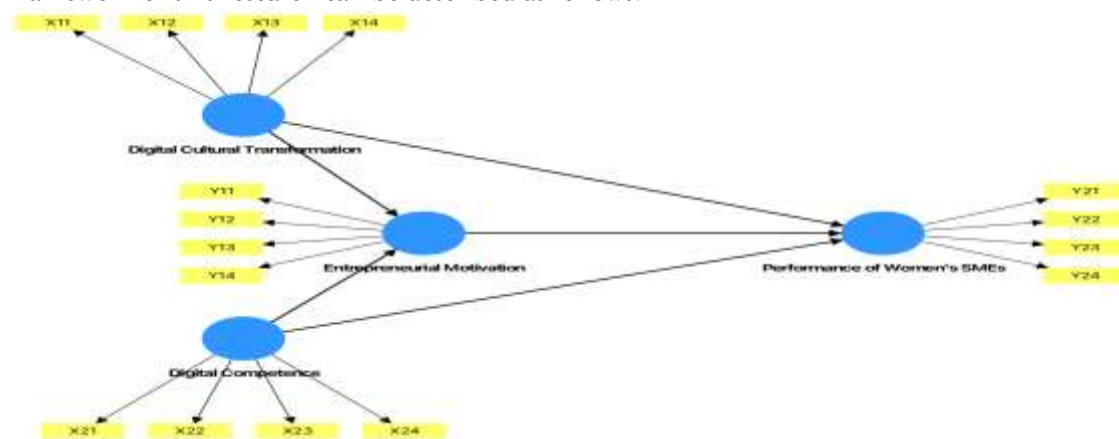


Figure 3. Conceptual Framework Model

Based on the above frame of mind, the hypotheses in this research can be described as follows:

Digital culture transformation has a significant effect on entrepreneurial motivation

Digital competencies have a significant effect on entrepreneurial motivation

Digital culture transformation has a significant effect on the performance of generation x female MSMEs

Digital competence has a significant effect on the performance of generation x female MSMEs

Entrepreneurial motivation has a significant effect on the performance of generation x female MSMEs

Digital culture transformation has a significant effect on the performance of generation x female MSMEs if moderated by entrepreneurial motivation

Digital competence has a significant effect on the performance of generation x female MSMEs if moderated by entrepreneurial motivation

## **RESEARCH METHODS**

### **Research Design**

The approach used in this study is a descriptive and verifiable approach, because of the variables that will be examined for their relationship and the purpose is to present a structured and factual picture of the facts and relationships between the variables being studied. This study is a quantitative research that aims to find causal relationships from hypotheses that have been built by distributing questionnaires. The data obtained was processed using the help of SPSS and SmartPLS software with the SEM-PLS method.

Research methods are basically a scientific way to obtain data with a specific purpose and use. The scientific method means that the research activity is based on scientific characteristics, namely rational, empirical, and systematic. Rational means that the research activities are carried out in reasonable ways, so that they are affordable by human reasoning. Empirical means that the methods used can be observed by the human senses, so that others can observe and know the methods used. Systematic, that is, the process used in the study uses certain steps that are logical.

### **Research Location and Time**

The research will be carried out in South Sulawesi Province with an estimated research time of approximately  $\pm 4$  (four) months from January to April 2025.

### **Population and Sample**

In a study, accurate data is needed so that the research carried out in accordance with the procedures and results obtained are accounted for their validity. According to Kurniawan (2016:66), the population is the whole of the unit being studied, it can be in the form of a generalized area consisting of subjects that have certain qualities and characteristics that are determined by the researcher to be studied and then drawn conclusions. The population in the study is 1,574,446 MSME owners. The number of samples in this study is 400 respondents with a distribution of 80 respondents each from 5 districts/cities based on ethnicity in South Sulawesi Province, namely:

Jeneponto Regency

Palopo City

Makassar City

Toraja Regency

Wajo Regency

### **Research Variables and Operational Definitions**

The following table is presented related to the research variables and operational definitions used in the preparation of the instruments in this study.

Table 2. Research Variables and Operational Definitions

Yes	Research Variables	Operational Definition	Indicators
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1	Digital Culture Transformation (X1)	Digital culture transformation is defined as fundamental changes in the values, beliefs, and behaviors of organizations or individuals in adopting digital technology to improve the effectiveness and efficiency of business processes. This transformation includes the application of new technologies, the development of digital skills, and the formation of innovative mindsets in the face of the challenges of the digital age.	Adoption rate of digital technology Changing mindset towards technology Technology-based innovation in business operations Commitment to digital learning
2	Digital Competencies (X2)	Digital competence is defined as the ability of individuals or organizations to effectively use information and communication technology in carrying out daily activities, including managing data, communicating, collaborating, and creating digital solutions.	Ability to use digital technology devices. Mastery of business support applications and software. Digital data analysis and management skills. Digital literacy for decision-making.
3	Entrepreneurial Motivation (Y1)	Entrepreneurial motivation is the internal drive that a person has to start, manage, and grow a business, driven by personal or professional goals, such as achieving financial freedom, achieving success, or creating social impact.	Desire to innovate. The need to excel. Courage to take risks. Orientation to business opportunities.
4	Performance of Generation X Women's MSMEs (Y2)	The performance of generation X female MSMEs refers to the level of achievement of small and medium enterprises owned by generation X women in financial, operational, and business development aspects.	Business income growth. Increased number of customers. Business operational efficiency. Customer satisfaction with a product or service.

Source: Researcher (2025)

### Types of Analysis

The type of analysis used in section 4.8 of the Data Analysis Techniques in this proposal is Statistical Analysis using Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) approach

## RESULTS OF RESEARCH AND DISCUSSION

### Model Bootstrapping SmartPLS

The bootstrapping model in SmartPLS is a statistical method used to test the significance of the relationships between variables in the Partial Least Squares Structural Equation Modeling (PLS-SEM) model. This technique is used to estimate the accuracy and stability of model parameters such as path coefficients, outer loadings, t-statistical values, and p-values, without assuming normal distributions. The bootstrapping model of this research can be described as follows:



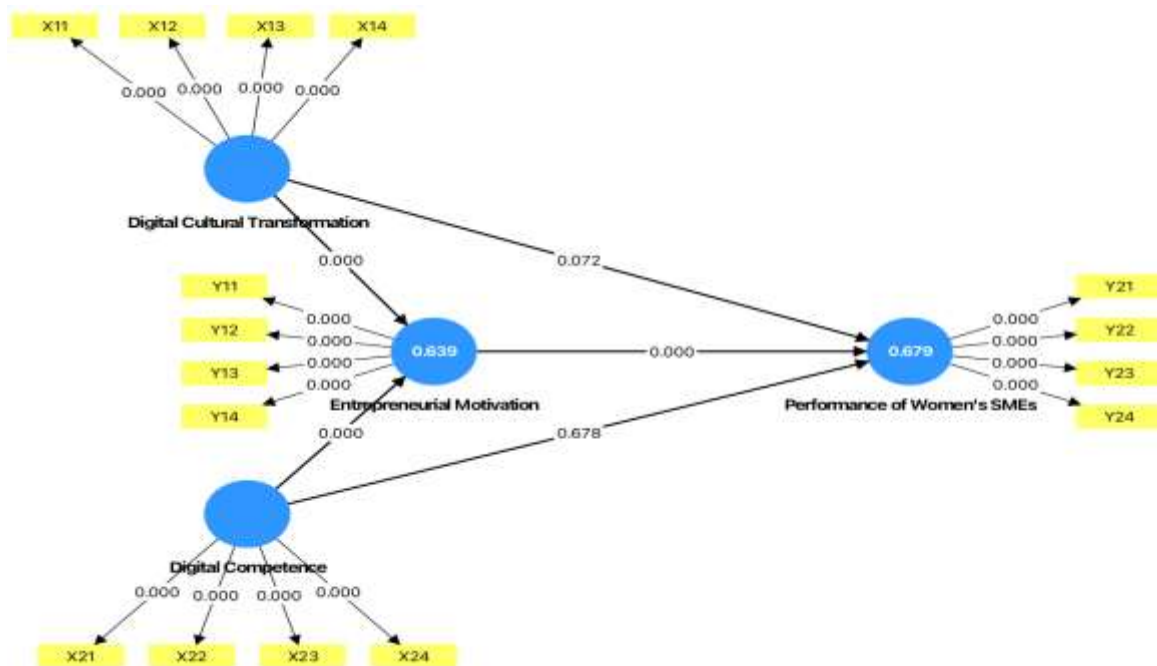


Figure 4. Bootstrapping Model SmartPLS

Based on the bootstrapping results of the PLS-SEM model using the SmartPLS shown in the figure, it can be concluded that all indicators in each construct have a significance value of 0.000, which indicates that these indicators are valid and significant in forming the latent construct they represent. In the relationship between constructs, Digital Competence and Digital Cultural Transformation have a significant effect on Entrepreneurial Motivation, with a p value of 0.000. Entrepreneurial Motivation has also been shown to have a significant influence on the Performance of Women's SMEs, with the same p-value. Digital Competence also has a direct and significant effect on the Performance of Women's SMEs ( $p = 0.000$ ), while Digital Cultural Transformation does not have a significant direct effect on the performance of women's MSMEs, because the p-value is 0.072, which exceeds the significance limit of 0.05. The  $R^2$  value of 0.639 for Entrepreneurial Motivation and 0.679 for the Performance of Women's SMEs shows that this model has a fairly strong predictive ability, where exogenous variables are able to explain more than 60% of the variability in their respective endogenous variables. Thus, it can be concluded that Entrepreneurial Motivation plays an important role as a mediator in influencing the performance of women's MSMEs through Digital Cultural Transformation and Digital Competence

### Hypothesis Testing Results

Table 2. Results and discussion

	Coefficient	Standard Deviation	T Tastictics	P Values	Testing Results
Digital Culture Transformation => Entrepreneurial Motivation	0.498	0.099	5.021	0.000	Accepted Hypothesis
Digital Competence => Entrepreneurial Motivation	0.354	0.098	3.630	0.000	Accepted Hypothesis
Digital Culture Transformation => Performance of Women's SMEs	0.205	0.222	1.798	0.072	Hypothesis Rejected
Digital Competence => Performance of Women's SMEs	0.042	0.039	0.415	0.678	Hypothesis Rejected



Entrepreneurial Motivation => Performance of Women's SMEs	0.623	0.121	5.144	0.000	Accepted Hypothesis
Digital Culture Transformation => Entrepreneurial Motivation => Performance of Women's SMEs	0.310	0.082	3.796	0.000	Accepted Hypothesis
Digital Competence => Entrepreneurial Motivation => => Performance of Women's SMEs	0.221	0.077	2.882	0.004	Accepted Hypothesis

Source: Data processing (2025)

Here is the interpretation of the hypothesis test results based on the Smart PLS analysis output you provided: The Effect of Digital Culture Transformation on Entrepreneurial Motivation Coefficient = 0.498, T-Statistics = 5.021, P-Value = 0.000. The results show that digital culture transformation has a positive and significant effect on entrepreneurial motivation. This means that the stronger the digital culture transformation in women's MSMEs, the higher the entrepreneurial motivation they have so that the hypothesis is accepted. The Effect of Digital Competence on Entrepreneurial Motivation Coefficient = 0.354, T-Statistics = 3.630, P-Value = 0.000. These results indicate that digital competencies have a positive and significant influence on entrepreneurial motivation. In other words, better digital skills will increase motivation to be entrepreneurial so that the hypothesis is accepted.

The Effect of Digital Culture Transformation on the Performance of Women MSMEs Coefficient = 0.205, T-Statistics = 1.798, P-Value = 0.072. These results show that the influence of digital culture transformation on the performance of female MSMEs is not statistically significant at a significance level of 0.05, so the hypothesis is rejected. However, the value of the positive coefficient indicates that there is a tendency for a positive influence, but it is not strong enough to be considered significant so that the hypothesis is rejected. The Influence of Digital Competence on the Performance of Women MSMEs Coefficient = 0.042, T-Statistic = 0.415, P-Value = 0.678. These results show that digital competence does not have a significant effect on the performance of female MSMEs in this study. In other words, increasing digital competence has not been able to directly improve the performance of MSMEs significantly, so the hypothesis is rejected.

The Influence of Digital Competence on Entrepreneurial Motivation

Coefficient = 0.623, T-Stats = 5.144, P-Value = 0.000. This data shows a positive and significant influence of digital competence on entrepreneurial motivation, reinforcing previous results so that the hypothesis is accepted. The Effect of Entrepreneurial Motivation Mediation on the Relationship between Digital Cultural Transformation and Women's MSME Performance

Coefficient = 0.310, T-Stats = 3.796, P-Value = 0.000. These results indicate that entrepreneurial motivation significantly mediates the relationship between digital culture transformation and the performance of women's MSMEs. This means that digital culture transformation improves the performance of female MSMEs through increasing entrepreneurial motivation so that the hypothesis is accepted. The Effect of Entrepreneurial Motivation Mediation on the Relationship between Digital Competency and Women's MSME Performance

Coefficient = 0.221, T-Stats = 2.882, P-Value = 0.004. This shows that entrepreneurial motivation also significantly mediates the relationship between digital competence and the performance of women's MSMEs. Digital competence can improve the performance of female MSMEs through increasing entrepreneurial motivation so that the hypothesis is accepted.

## DISCUSSION

*The Influence of Digital Culture Transformation on Entrepreneurial Motivation*

The results of this study show that digital culture transformation has a positive and significant effect on entrepreneurial motivation in Generation X female MSMEs. Digital culture transformation, which

includes changing mindsets, accepting technology, and adapting digital work processes, creates new opportunities that motivate women MSME actors to increase their entrepreneurial spirit. Previous research by Setyaningrum & Muafi (2023) and Saoula et al. (2023) also confirms that digital culture can drive innovation and the speed of technological adaptation, which is critical for the sustainability of women's businesses in the face of increasingly competitive market competition. Digital competence has been proven to have a significant positive influence on entrepreneurial motivation. These competencies include technical skills, information literacy, and the ability to communicate and collaborate digitally that enable business actors to optimize digital resources effectively. Research from Bachmann et al. (2024) and Sariwulan et al. (2020) supports that increasing digital competencies not only increases operational efficiency, but also strengthens self-confidence and courage to innovate, thereby spurring entrepreneurial motivation. The direct influence of digital culture transformation and digital competence on the performance of women MSMEs is statistically insignificant. This shows that digital technology and culture have not been fully implemented or internalized in business operations. The entrepreneurial motivation factor plays an important role as a mediator, where this motivation becomes a bridge that connects digital culture transformation and digital competence with improving the performance of MSMEs. In other words, the success of the use of digitalization in improving the performance of women MSMEs is highly dependent on the level of motivation possessed by business actors. These findings are consistent with the Resource-Based View (RBV) theory which considers motivation as an internal resource that can optimize the use of digital technology for competitive advantage. Self-Determination Theory (Ryan and Deci, 2000) also supports that intrinsic and extrinsic motivation play a major role in encouraging innovative and productive behaviors in entrepreneurship. Therefore, efforts to increase digital competence and digital culture transformation must be accompanied by strategies to increase entrepreneurial motivation so that they can have a significant impact on the performance of women's MSMEs.

### **The Influence of Digital Competence on Entrepreneurial Motivation**

This study found that digital culture transformation has a positive and significant influence on entrepreneurial motivation in Generation X female MSMEs. This is supported by the *Ability-Motivation-Opportunity* (AMO) theory which states that ability and motivation are key factors in determining individual performance. Digital culture transformation involves changing mindsets, adopting technology, and adapting to new digital-oriented ways of working. With the transformation of digital culture, female MSME actors are more motivated to develop their businesses because they feel more able to take advantage of existing digital opportunities. Previous studies such as Setyaningrum & Muafi (2023) confirm that digital culture encourages innovation and accelerates technological adaptation, which is crucial in the face of dynamic market competition. Digital competence has also been shown to have a significant positive effect on entrepreneurial motivation. These competencies include technical skills, information literacy, and digital communication skills that support business actors in managing their businesses effectively. Improving digital competencies not only increases operational efficiency but also strengthens the confidence and courage of business actors to innovate and take risks. Research by Bachmann et al. (2024) and Sariwulan et al. (2020) supports that digital training is able to strengthen entrepreneurial intentions and spirits. This high motivation is an important driver for the success of women MSMEs in utilizing digital technology. The direct influence of digital culture transformation and digital competence on the performance of women MSMEs is not statistically significant. This shows that digital technology and culture have not been fully internalized in daily business practices. Entrepreneurial motivation plays a mediator that connects the two variables with business performance. Motivation allows MSME actors to implement technology and innovation optimally so that they can improve business performance. These findings are consistent with the *resource-based view* (RBV) theory which states that internal resources such as motivation are essential for optimizing competitive advantage. *The Theory of Self-Determination* (Ryan & Deci, 2000) also affirms the role of intrinsic and extrinsic motivation in encouraging innovative and productive behavior in entrepreneurship.

*The Effect of Digital Culture Transformation on the Performance of Gen X Women's MSMEs*

This study shows that digital culture transformation does not have a significant direct effect on the performance of Generation X female MSMEs. Although the coefficient value is positive, the statistical significance level is above 0.05, so this direct influence hypothesis is rejected. This condition indicates that the digital culture changes that have occurred have not been strong enough or have not been fully internalized in the operations of women MSMEs so that they have not had a significant real impact on their business performance. Digital culture transformation itself includes changes in mindset, work patterns, organizational structures, and ways of interacting that support the use of digital technology in all aspects of business. In the context of women's MSMEs, this transformation should be able to increase efficiency, innovation, and responsiveness to rapidly changing market needs. However, the results of the study indicate that this cultural transformation process still faces several obstacles. One of the main obstacles is the limited resources, both in terms of technology access, training, and institutional support. As conveyed by Liu et al. (2022) and Setiawan et al. (2023), the success of digital transformation is highly dependent on the readiness of organizational culture and human resource competence in managing these changes. In Generation X female MSMEs, the lack of intensive training and mentoring in integrating digital technology with daily business practices is a factor that limits its positive impact on performance. Socio-cultural aspects and gender roles also have an effect. Generation X women often face additional challenges such as family responsibilities and time constraints that hinder their focus on implementing digital transformation optimally. This makes digital culture change slow and does not have a direct impact on business results in the short term. However, the positive coefficient value shows the potential influence of digital culture transformation which, when supported by increasing entrepreneurial motivation and digital competence, can strengthen its impact on the performance of women MSMEs. This research emphasizes the importance of a holistic strategy that combines aspects of culture, digital training, and motivation to ensure that digital culture transformation is able to make a real contribution to improving the business performance of Generation X female MSMEs. Thus, digital culture transformation needs to be supported by training, mentoring, and incentive programs that encourage comprehensive technology adaptation so that the benefits can be felt significantly by female MSMEs in future

**The Influence of Digital Competence on the Performance of Gen X Women MSMEs**

This study found that digital competence does not have a significant direct effect on the performance of Generation X female MSMEs. This indicates that there are limitations or other obstacles that prevent digital competencies from being translated into real results in operations and business growth. Digital competence itself includes technical skills such as the use of hardware and software, information literacy, digital communication, and technology-related problem-solving skills. These competencies are essential for optimizing business processes, digital marketing, data management, and interactions with customers. However, without strong motivation and the right business strategy, digital competence alone is not enough to significantly improve the performance of MSMEs. One of the main reasons is that digital competence must be combined with high entrepreneurial motivation so that business actors really implement and utilize digital technology effectively. This is supported by the theory of Self-Determination which states that intrinsic and extrinsic motivation play an important role in encouraging innovative and productive behavior. The research in this document also found that entrepreneurial motivation mediates the relationship between digital competence and MSME performance, so that digital competence improves performance indirectly through increased motivation. Other obstacles faced by women MSMEs include limited resources, lack of continuous training support, and socio-cultural barriers that hinder the optimal use of technology. According to Sariwulan et al (2020) and Triyono et al. (2023), intensive training and mentoring are needed so that digital competencies can be integrated with appropriate business strategies and improve business results. Improving digital competence needs to be accompanied by strong entrepreneurial empowerment and motivation programs so that it can have a significant impact on the performance of women MSMEs. The synergy between digital skills and motivation is the key to encouraging the growth and competitiveness of MSMEs in the current digital era.

### **The Influence of Entrepreneurial Motivation on the Performance of Gen X Women MSMEs**

Entrepreneurial motivation is a crucial factor that affects the performance of Generation X female MSMEs. This motivation includes internal and external motivations that spur individuals to achieve business goals, including the desire to be financially independent, the desire to innovate, and the desire to improve family welfare. In the context of Generation X female MSMEs, entrepreneurial motivation plays a key driver in facing various business challenges and taking advantage of existing opportunities to achieve business success. This study confirms that entrepreneurial motivation has a positive and significant influence on the performance of women's MSMEs. Business actors who have high motivation tend to be more proactive in managing their business, innovating, and finding solutions to the problems they face. This is in line with McClelland's (1961) theory of the need for achievement, which states that individuals with high achievement motivation will perform better because they are driven to achieve challenging goals. Motivation is also related to perseverance and commitment in running a business. Motivated Generation X women will be more persistent in facing obstacles, such as limited capital, time, and market access. They tend to look for new opportunities and utilize digital technology to improve business efficiency and competitiveness. Previous studies by Hanggraeni & Sinamo (2021) also emphasized that intrinsic motivation is essential to improve the financial performance of MSMEs, especially in the face of difficult situations such as the pandemic. Entrepreneurial motivation also acts as a mediator that strengthens the relationship between other factors, such as digital culture transformation and digital competence, and the performance of MSMEs. With high motivation, business actors are better able to adopt technology and innovation effectively, so that it has a positive impact on business growth and sustainability.

### **The Effect of Entrepreneurial Motivation Mediation on the Relationship between Digital Cultural Transformation and the Performance of Gen X Women's MSMEs**

This study found that entrepreneurial motivation plays an important mediator in the relationship between digital culture transformation and the performance of Generation X female MSMEs. This means that digital culture transformation does not have a significant direct influence on business performance, but rather through increasing entrepreneurial motivation first. This finding is in accordance with the Resource-Based View (RBV) theory, which states that internal resources such as motivation are strategic assets that can optimize the use of digital technology to achieve a competitive advantage. Entrepreneurial motivation serves as an internal driver that encourages business actors to actively adopt and implement digital culture changes in daily business activities. Digital culture transformation itself involves changing mindsets, work patterns, and organizational structures to be in line with the development of digital technology. However, these changes will not be optimal without strong motivation from business actors to implement transformation consistently and innovatively. In this context, entrepreneurial motivation based on intrinsic and extrinsic motivation according to Ryan and Deci (2000) Self-Determination theory is key to encouraging adaptive, creative, and innovative behaviors that ultimately contribute to improving business performance. Previous research has also corroborated these findings, such as the studies by Liu et al. (2022) and Ridwan et al. (2024), which show that digital transformation and organizational culture can effectively improve business performance when supported by high entrepreneurial motivation. Strong motivation encourages Generation X female MSMEs to be more active in participating in digital training, adopting new technologies, and innovating in products and marketing, so that business competitiveness is increasing.

### **The Effect of Entrepreneurial Motivation Mediation on the Relationship between Digital Competency and Women's MSME Performance**

Entrepreneurial motivation is a key factor that connects digital competence with the performance of women's MSMEs. A holistic approach that combines digital skills improvement and motivational empowerment will strengthen the competitiveness and sustainability of women's MSMEs in the current digital era. This study shows that entrepreneurial motivation plays a significant mediator in the relationship between digital competence and the performance of Generation X female MSMEs. Digital competence does not directly improve business performance, but rather through increasing

entrepreneurial motivation first. These findings indicate that the digital capabilities and skills possessed by women MSME actors will be more effective if supported by strong motivation to apply digital knowledge and technology in business management. Digital competencies include technical skills using digital devices and applications, information literacy, digital communication, and the ability to solve problems related to technology. This competency is very important in the digital era because it allows MSMEs to improve operational efficiency, expand market access through digital marketing, and improve the quality of service to customers. However, without high motivation, these digital competencies will not be automatically applied optimally in business strategies, so their impact on performance is still limited. Strong entrepreneurial motivation encourages female MSME actors to actively adopt digital technology, continue to learn and improve skills, and innovate in products and services. This is in accordance with the theory of Self-Determination which states that intrinsic and extrinsic motivations greatly influence adaptive and innovative behavior in entrepreneurship. With high motivation, business actors are more persistent in facing challenges and more creative in finding solutions that improve business performance. Previous research such as those conducted by Bachmann et al. (2024) and Sariwulan et al (2020) supports these findings, emphasizing that training and digital competency improvement must be accompanied by increased motivation in order to have a significant impact on the performance of MSMEs. Motivation also plays a role in strengthening the commitment of business actors to continue to develop their businesses and take advantage of opportunities arising from digital transformation. Socio-cultural constraints, time constraints, and dual responsibilities faced by Generation X women often hinder the optimal use of digital competencies. Therefore, the development strategy of women MSMEs needs to integrate motivational empowerment through mentoring, mentoring, and psychological support so that their digital competencies can be translated into real business performance improvements.

#### **Research Novelty**

This research offers an important novelty in the study of digital entrepreneurship, particularly focusing on Generation X female MSMEs, a group that has received relatively little attention in the previous literature. The main novelty lies in the combination of three key variables of digital culture transformation, digital competence, and entrepreneurial motivation in one research model that examines the direct and mediated relationship between MSME performance and mediation. This approach enriches the understanding of how digital transformation is not only technical but also cultural and psychological, with entrepreneurial motivation as the main driver that connects digital competencies and digital culture change to business performance outcomes. In addition, this study highlights the role of entrepreneurial motivation as a significant mediator, which is rarely studied in depth in the context of Generation X female MSMEs. With a focus on the generational and gender dimensions, this study provides a more contextual and relevant perspective for the development of women's MSME empowerment strategies in facing the challenges of digital transformation. Another novelty is the emphasis on integrating aspects of digital culture with motivational factors, which were previously more separated in previous studies, so that the results can provide more comprehensive recommendations for practices and policies.

### **CONCLUSION, IMPLICATION, SUGGETION, AND LIMITATIONS**

#### **Conclusion**

Based on the results of the study, it can be concluded that digital culture transformation and digital competence have a positive and significant influence on entrepreneurial motivation in Generation X female MSMEs. However, the direct influence of digital culture transformation and digital competence on the performance of female MSMEs is not significant, showing that performance improvement does not only depend on technical skills and changes in digital culture alone. Entrepreneurial motivation has proven to be a very important mediator, which connects the transformation of digital culture and digital competence with improving the performance of MSMEs. In other words, entrepreneurial motivation encourages women MSME actors to be more active in adopting digital technology and internalizing cultural changes so that it has a positive impact on their business performance. These findings confirm

that the success of digital transformation in improving the performance of women MSMEs is highly dependent on the level of motivation possessed by business actors. Therefore, efforts to develop women's MSMEs need to integrate digital competency improvement and digital culture transformation with motivational empowerment strategies in order to produce optimal and sustainable impacts on their business performance.

### **Research Implications**

Theoretical implications relate to the contribution of research to the development of existing science and theory. In the context of this study, the theoretical implications show how the results of the research reinforce, expand, or retest related theories, such as resource-based view (RBV) and self-determination theory. This study emphasizes the importance of entrepreneurial motivation as a mediator between digital culture transformation, digital competence, and the performance of women's MSMEs, thus providing new insights into the role of motivational variables in the digital entrepreneurship framework. In addition, this research enriches the understanding of digital cultural transformation by adding gender and generational perspectives that have been underexplored in the literature.

Practical implications relate to the real-world application of research results, in particular how they can be used to improve business practices, policies, or empowerment programs. In this study, the practical implications highlight the need for a holistic approach in the development of Generation X female MSMEs, which combines digital competency training with strengthening entrepreneurial motivation through mentoring and psychological support. In addition, the practical implications also lead to recommendations for governments and relevant agencies to provide training and policy programs that support comprehensive digital transformation, taking into account the social and cultural challenges faced by women. MSME actors themselves are encouraged to integrate digital skill improvement with motivation management as the main strategy to increase business competitiveness and sustainability.

### **Suggestion**

Based on the findings that entrepreneurial motivation is an important mediator between digital culture transformation, digital competence, and the performance of Generation X female MSMEs, further research is recommended to further explore the role of motivation by using longitudinal design in order to see changes in motivation and its impact on performance dynamically over time. In addition, it is necessary to conduct research with a wider and more diverse sample, both in terms of region and generation, so that the results are more representative and can be applied to various contexts of female MSMEs. The following research is also recommended to explore other factors that potentially influence these relationships, such as social support, government policies, and cultural barriers, that may strengthen or weaken the role of motivation in digital transformation. A mixed-method approach is also recommended to gain a more comprehensive understanding of the psychological and social factors that affect the implementation of digital competencies and digital cultural transformation. By focusing on the integration between digital competency development, cultural transformation, and motivational empowerment, follow-up research can provide more effective recommendations to support the sustainable improvement of women's MSME performance.

### **Research Limitations**

This research has several limitations that need to be considered in the interpretation of the results and the development of further research. The study uses a sample of Generation X female MSMEs in certain regions, so the results may be less generalizable to other age groups, different geographic regions, or different types of businesses. The data used is cross-sectional, which measures variables at a single point in time so that it cannot capture the dynamics of changes in motivation, digital competence, and performance of MSMEs longitudinally. The variables measured relied on self-reports or questionnaires, which have the potential to cause a subjective bias of respondents such as the desire to give answers that are considered positive. This study also did not include other external factors such as government support,

access to capital, or socio-cultural influences that can also affect the relationship between digital transformation, motivation, and performance of MSMEs. Follow-up research is recommended to use longitudinal designs, expand the sample, and include additional moderation or control variables to make the results more comprehensive and representative.

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