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Application of Wetland-Based Entrepreneurship Orientation and Entrepreneurial Competence to Increase MSME Income in Wetlands

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A B S T R A C T

This study aims to determine and analyze the application of wetland-based entrepreneurial orientation and entrepreneurial competence to increase MSME income. With the increase in the income of MSMEs, it is expected to improve the welfare of MSMEs. Quantitative research method used in this research with PLS analysis technique. As for the long term, MSME actors, in this case "Nipah Leaf" craftsmen, can have entrepreneurial competence so that they can increase the income of MSME actors. The expected result is an academic justification for the role of wetland-based entrepreneurial orientation and entrepreneurial competence in increasing MSME income. The results of this study are expected to be a policy consideration taken by the South Kalimantan Regional Government as a program to increase MSME income. The results of the research are also expected to be able to advocate for the craftsmen of "Daun Nipah" to have an entrepreneurial orientation based on wetlands and entrepreneurial competence.

1. Introduction

Micro, Small and Medium Enterprises (MSMEs) are small businesses that exist in the community that have the ability to survive and their contribution to employment in Indonesia has been proven during the global crisis, and in the Indonesian economy is the largest group of real sector businesses. In particular, the resilience of small businesses in Indonesia was proven during the 1998 economic crisis which at that time showed the highest employment rate – reaching 88.66% compared to medium and large companies (Faiz, 2013).

In general, according to (Tambunan, 2012) there are three roles of MSMEs or the contribution of MSMEs to the Indonesian economy including: (1) Means of equalizing the economic level of the small people MSMEs play a role in the distribution of the level of the people's economy because they are in various places, because MSMEs even reach remote areas. so that people do not need to go to cities to earn a decent living, (2) the means of alleviating poverty MSMEs play a role in alleviating people from poverty because the labor absorption rate is high and (3) the means of foreign exchange income for the country MSMEs contribute foreign exchange for the country because the market is not only reach nationally but also abroad.

The rapid development of technology and the increasingly complex business competition demands a

greater role in human resource management. These changes in the business environment have led to the recognition of the importance of human resources as a source of competitive advantage for organizations. Therefore, human resources who have high competence are seen as being able to support the improvement of employee performance and contribute to determining the company's future. Competence is the ability and willingness to perform tasks with effective performance.

In the entrepreneurial process, an entrepreneurial orientation is needed because the entrepreneurial orientation determines the direction of the business that has been initiated (Knight, 2000). The purpose of entrepreneurial orientation is to take advantage of business opportunities that affect business performance (Wiklund, 1999). Entrepreneurial orientation relates to the way of entrepreneurship in the methods used, habits and decision-making styles used in entrepreneurship (Lee & Peterson, 2000). Entrepreneurial competence is an important factor needed by business actors to face challenges in the dynamic business world and affect performance (Dhamayantie, 2017). Entrepreneurial competence is influenced by internal, external and environmental factors (Aviati, 2015).

In South Kalimantan, especially at the location of service activities, MSMEs, which in this case are small businesses, appear as daily activities of the community with typical practices, by highlighting market activities around the community. One of them is the UMKM craftsman "Daun Nipah" which produces products such as Tanggui hats and food wrappers. Tanggui hats are usually used by farmers to go to the fields (bahuma). Usually the farmers who every year routinely buy tanggui by buying tanggui in kodian. One kodi contains 20 tanggui that are ready to use. This study aims to determine and analyze the application of wetland-based entrepreneurial orientation and entrepreneurial competence to increase MSME income.

2. Literature Review

Entrepreneurship

Entrepreneurship is a discipline that studies a person's values, abilities, and behavior in facing life's challenges and how to obtain opportunities with various risks that they may face (Suryana, 2013). Entrepreneurship is an ability in terms of creating business activities (Kasmir, 2014). The ability to create requires creativity and continuous innovation to find something different from what already existed before. Entrepreneurship is an attitude of the soul and the ability to create something new that is very valuable and useful for himself and others (Shalahuddin, 2018). Entrepreneurship is a mental attitude and soul that is always active or creative, empowered, creative, initiative and humble in trying to do business in order to increase income in its business activities or work.

Entrepreneurial orientation

Entrepreneurial orientation is defined by (Lumpkin & Dess, 2001) is a process that reflects managers' practices and decision-making styles to act entrepreneurially. Organizations with a higher level of entrepreneurial orientation are better off than organizations with a lower level of entrepreneurial orientation. Entrepreneurial orientation is conceptualized as a set of distinct but related traits of autonomy, innovation, proactiveness, competitive aggressiveness, and risk taking. Pearce (2010) stated that such behavior is related to entrepreneurship because it contributes to the development and implementation of new resources to increase competitiveness and facilitate the entry of new markets. Based on the descriptions of several theories of entrepreneurial orientation, it can be concluded that entrepreneurial orientation is the behavior of business actors that reflects practical ability and decision-making style with traits that reflect risk-taking, proactive, aggressive, innovative and autonomy.

Entrepreneurial competence

The concept and measurement of entrepreneurial competence by Man et al., consists of six indicators, namely opportunity competence, relationship competence, conceptual competence, organizational competence, strategic competence, and commitment competence. Furthermore, Man et al., stated that the opportunity competence is a competence related to recognizing and developing opportunities through various ways. Relationship competence describes the competence of individual to group interaction, building cooperation and trust, and personal abilities. Conceptual competence is related to conceptual abilities in entrepreneur behavior such as decision-making skills, risk-taking and innovation. Organizational competence is related to the organization of human resources, team building, training and development. Strategic competence is related to setting and implementing corporate strategy. Commitment competencies are competencies that encourage entrepreneurs to move forward in business.

MSME income

MSME income is one way to measure the effectiveness of MSME performance. The effectiveness of that performance can be measured by what the goals designed by the company are and whether those goals have been achieved. The measurement of performance itself must be based on financial and non-financial measurements. Pushpakumari and Watanabe use both financial and non-financial terms such as annual sales, annual income, and number of employees. In addition, activities to improve existing products to meet changing customer needs, develop new product quality related to the market, are able to attract new customers and retain existing ones, in this case using a reactive strategy, will affect the number of workers, if the workforce is sufficient then the business will will go well (Pushpakumari, MD, Watanabe, 2006).

The performance of MSMEs can be measured through the performance of individuals in the organization, if the individual performance is good, it is likely that the performance of the company or organization will be good (Ardiana et al., 2010). Furthermore (Ardiana et al., 2010) also meas e performance of MSMEs in Surabaya with 150 s actors in the city. Internal factors, namely human resources are also a benchmark for MSME performance (Sudiarta et al., 2014). The quality of work of human resources can measure the performance of SMEs (Hudson et al., 2001). An entrepreneur is defined as a risk taker, a person who seeks a certain job, and a creator who sells his creations, meaning that the performance of a business can be reflected by the owner of the business.

According to (Munizu, 2010) there are 5 (five) factors that affect the performance of MSMEs, namely sales growth, capital growth, labor growth, market growth, and profit growth. Meanwhile, according to (Zaenal, 2012) says that to measure performance there are several indicators, namely (1) profit growth, calculated in nominal (Rupiah) which is increasing, (2) growth in the number of customers, namely the increasing number of customers/consumers, (3) Growth in the number of sales, namely the number of sales of products in quantity is increasing, (4) growth in the number of assets, namely the number of company assets in the form of fixed and non-fixed assets which is increasing.

3. Methods

This study uses a quantitative research method of causality by collecting primary data by distributing questionnaires. The population in this study is the "Nipah Leaf" Craftsmen Group in South Alalak Village, Banjarmasin City, South Kalimantan. In this study, the required sample is using a *non-probability sampling technique* using saturated sampling.

Table 1. Development of research instruments

Variables	Indicator	Item Statement	Source	Scale
Entrepreneurial Orientation(X1)	1. Autonomy	1. Offers a cheaper price. 2. Offer quality products. 3. Provide products to order.	(Miller, 1983), (Lumpkin & Dess, 2001)	Interval
	2. Courage to take risks	4. Dare to take risks 5. Ability to realize that there are risks that are not good 6. Dare to take risks by selling wood that has almost the same function and quality		
	3. Proactiveness	7. Establish cooperation with suppliers. 8. Actively seeking information. 9. Able to work well together.		
Entrepreneurship Competency (X2)	1. Relationship	1. Entrusting tasks to employees. 2. Believe in personal abilities. 3. Maintain good communication with suppliers. 4. Able to influence employees.	(Man & Lau, 2002)	Interval
	2. competence Conceptual	5. Make decisions based on the situation. 6. Able to estimate the impact of decisions. 7. Able to make decisions in a short time.		
	3. competence Commitment competence	8. Committed not to open a new business. 9. Able to commit to running the business well. 10. Commit to not wanting to switch suppliers.		
Income(Y)	1. Sales Growth Sales	1. Increase Sales 2. increase at a certain time	(Zaenal, 2012)	Interval
	2. Asset Growth	1. We are committed to not wanting to open a new business. 2. The addition of production equipment is carried out to increase production capacity 3. The company's assets increase every year 4. Continuously renew production equipment to maintain productivity		
	3. Growth in the number of customers	1. Increase in the number of customers The 2. target for increasing the number of customers is achieved		

Observation of indicators is done using instruments (questionnaires) that aim to find out the respondent's opinion about something. Scaling commonly used for research instruments is the Likert scale which produces ordinal data, which contains answer preferences: 1 to Strongly Disagree; 2 to disagree; 3 for Doubt - Doubtful or Neutral; 4 to agree; And 5 to strongly agree. Related to the cauldron of data types, the data generated by the Likert Scale is expressed as ordinal data because each number has a higher or lower preference than the other. However, if the distance of the scale is equally large or constant, the type of data generated becomes interval data. The data becomes an input for instrument quality

instrument tests, namely reliability and validity tests.

The research method is causal which seeks to know and analyze the influence of the application of entrepreneurial orientation and entrepreneurship competence to MSME income with management skills variables as mediation variables. The PLS technique is used in predicting such influences. In order to obtain quality research data, the data quality test is conducted on the initial raw data to issue outlier data for variables so that the data tested for validity and reliability is normal distributed raw data that has met the z-score qualification used. Classical assumption tests are performed to qualify for hypothetical tests that are whether the hypothesis test is premetrically or non-parametrically.

4. Results and Discussion

Questionnaire about respondents' opinions about Entrepreneurship Orientation (X1) consists of 9 statement items and 38 respondents. The following presents the results of data processing on the Entrepreneurial Orientation variable (X1) as follows:

Table 2. Recapitulation of descriptive analysis of entrepreneurial orientation variables (X1)

No	Statement Items		Respondent's Answer					Score Total Score	Mean
			5	4	3	2	1		
1	Offers a cheaper price compared to competitors	F	5	16	2	10	5	120	3.16
		%	13.16%	42.11%	5.26%	26.32%	13.16 %		
2	Offering quality wood	F	7	20	7	2	2	142	3,74
		%	18,42%	52,63%	18,42%	5,26%	5,26%		
3	Providing wood according to buyer's order	F	19	11	1	4	3	153	4.03
		%	50.00%	28.95%	2.63%	10.53%	7.89%		
4	Have the courage to take risks in running a business	F	5	25	0	4	4	137	3.61
		%	13.16%	65.79 %	0.00%	10.53%	10.53%		
5	Have the ability to realize that there is a risk that is not good from a job	F	10	22	2	0	4	148	3.89
		%	26.32%	57.89%	5.26%	0 ,00%	10.53%		
6	Have the courage to take risks by selling wood that has almost the same function and quality	F	6	20	6	2	4	136	3.58
		%	15.79%	52.63%	15.79%	5.26%	10 ,53%		
7	Cooperating with suppliers for business development	F	10	24	0	4	0	154	4.05
		%	26.32%	63.16%	0.00%	10.53%	0.00%		
8	Actively seeking information about what is desired by buyer	F	15	15	1	3	4	148	3.89
		%	39.47%	39.47%	2.63%	7.89%	10.53%		
9	Cooperating with suppliers in the long term	F	19	10	2	6	1	154	4.05
		%	50.00%	26.32%	5, 26%	15.79%	2.63%		
Total Score and Average								**1292**	**3.78**

Based on table 2, it can be seen that the average respondent's response to the Entrepreneurial Orientation variable (X1). Can know the total score value which is equal to 1292, and the overall average value of respondents regarding the entrepreneurship orientation variable (X1) which is equal to 3.78 are included in both categories.

The questionnaire regarding respondents' opinions about Entrepreneurship Competence (X2) consists of 11 statement items and 38 respondents. Here is presented the data processing the on Entrepreneurship Competence variable (X2) as follows:

Table 3. Summary of descriptive analysis of entrepreneurial competence variables (X2)

No.	Item Statement		Respondent's Answer					Score TotalScore	Mean
			5	4	3	2	1		
1	Entrusting tasks to employees well	F	7	13	5	6	7	121	3.18
		%	18.42%	34.21%	13.16%	15.79%	18.42%		
2	Supervise employee work	F	9	9	6	7	7	120	3,16
		% %	23.6823.68%	15,79	%	18,42%	18,42%		
3	Believe in personal ability in work	F	5	16	4	2	11	116	3, 05
		%	13.16%	42.11%	10.53%	5.26%	28.95%		
4	Maintain good communication with suppliers	F	12	14	1	7	4	137	3.61
		%	31.58%	36.84%	2.63 %	18.42%	10.53%		
5	Able to influence employees at work	F	8	11	6	6	7	121	3.18
		%	21.05%	28.95%	15.79%	15.79%	18.42%		
6	Able to make decisions well based on the situation faced	F	8	18	7	5	0	143	3.76
		%	21.05%	47.37%	18.42%	13.16%	0.00%		
7	Able to predict the impact of decisions in the future	F	5	26	1	6	0	144	3.79
		%	13.16%	68.42%	2.63%	15.79%	0.00%		
8	Able to make decisions in a short time	F	7	20	3	8	0	140	3.68
		%	18.42 %	52.63%	7.89%	21.05%	0.00%		
9	Committed not wanting to open a new business	F	6	11	1	11	9	108	2.84
		%	15.79%	28 ,95%	2.63%	28.95%	23.68%		
10	Committed to running a good business	F	17	15	0	1	5	152	4.00
		%	44.74%	39.47%	0.00%	2.63%	13, 16%		
11	Committed not to switch to another supplier	F	6	14	3	10	5	120	3.16
		%	15.79%	36.84%	7.89%	26.32%	13.16%		
Total Score and Average								**1422**	**3, 40**

Based on table 3, it can be seen that the average respondents' responses regarding the Entrepreneurial Competence variable (X2). Can know the total score value that is equal to 1422, and the overall average value of respondents regarding the Entrepreneurship Competency variable (X2) is equal to 3.40 are included in both categories.

The questionnaire about respondents' opinions about income (Y) consists of 8 statement items and 38 respondents. The following presents the results of data processing on the Income variable (Y) as follows:

Table 4. Recapitulation of descriptive analysis of the income variable (Y)

No	Statement Items		Respondent's Answer					Score Total Score	Mean
			5	4	3	2	1		
1	There has been an increase in product sales in the last three years (2018, 2019, 2020)	F	9	9	6	9	5	122	3.21
		%	23.68%	23.68%	15.79%	23.68%	13.16%		
2	Additional sales occur at certain times	F	9	12	5	7	5	127	3,34
		%	23.68%	31.58%	13.16%	18.42%	13.16%		
3	Committed not wanting to open a new business	F	3	9	5	16	5	103	2.71
		%	7.89%	23.68%	13.16%	42.11%	13.16%		
4	The addition of production equipment is carried out to increase production capacity	F	4	13	4	14	3	115	3.03
		%	10.53%	34.21%	10.53%	36.84%	7.89%		
5	The company's assets increase every year	F	2	17	7	9	3	120	3,16
		%	5.26%	44 ,74%	18,42%	23.68%	7.89%		
6	Continuously updating production equipment to maintain productivity	F	5	16	8	5	4	127	3,34
		%	13.16%	42.11%	21.05%	13.16%	10.53%		
7 The e	number of customers has increased in the last three years (2016, 2017, 2018)	F	6	12	16	0	4	130	3.42
		%	15.79%	31.58%	42.11%	0.00 %	10.53%		
8	The addition of the number of customers always reaches targets that have been set	F	4	20	10	0	4	134	3.53
		%	10.53%	52.63%	26.32%	0.00%	10.53%		
Total Score and Average								**978**	**3.22**

Based on table 4, it can be seen that the average response of respondents regarding the Income variable (Y). It can be seen that the total score is 978, and overall the average value of respondents' responses to the income variable (Y) is 3.22, which is included in the sufficient category.

Table 5. Path coefficient and t-count the effect of entrepreneurial orientation (x1) on income (Y)

	***Original Sample* (O)**	**t-Statistic**	***p-value***	**Conclusion**
Entrepreneurial Orientation (X1) to Income (Y)	0.675	4.846	0.000	Reject H_0

Source: Data Processing (2021)

From the results of Table 5 above, the Original Sample (O) value is positive, which is 0.675 indicating that the direction of influence between Entrepreneurial Orientation (X1) on Income (Y) is positive or unidirectional, meaning that if Entrepreneurial Orientation (X1) increases/better then Income (Y) will increase/better too. The effect of Entrepreneurship Orientation (X1) on Income (Y) is significant, with a t-statistic value of 4.846 greater than t table or 4.846 > 1.96, and a p value of 0.000 smaller than alpha 5% (0.05). Thus, the H1 accepted meaning Orientation Entrepreneurship (X1) and a significant positive effect on income(Y).

Table 6. Path coefficient and t-count The Effect of Entrepreneurial Competence (X2) on Income (Y)

	***Original Sample* (O)**	**t-Statistic**	***p-value***	**Conclusion**
Entrepreneurial Competence (X2) on Income (Y)	0.230	1.694	0.092	Reject H_0

Source: Data Processing (2021)

From the results of Table 6 above, the Original Sample (O) value is positive, namely 0.230 indicating that the direction of influence between Entrepreneurial Competence (X2) on Income (Y) is positive or unidirectional, meaning that if Entrepreneurial Competence (X2) increases/better then Income (Y) will increase/better too. The influence of Entrepreneurial Competence (X2) on Income (Y) is not significant, with a t-statistic value of 1.694 smaller than t table or 1.694 < 1.96, and a p value of 0.092 greater than alpha 5% (0.05). However, if you use an alpha of 10% (0.1) then the p value of 0.092 is smaller than the alpha of 10% (0.1). Thus, the H1 accepted meaning

Entrepreneurship competence (X2) and a significant positive effect on income(Y)

Based on the results of the analysis of the influence of Entrepreneurial Orientation (X1) and Entrepreneurship Competence (X2) simultaneously on Income (Y) resulting in anvalue R square of 0.715, so that the F count is then calculated to assess the effect of dynamic capabilityijand on competitive strategy as follows:

$$\text{F count} = \frac{(n-k-1)R^2}{k(1-R^2)}$$

$$\text{F count} = ((\frac{(38-2-1)\ 0{,}715}{2\ (1-0{,}715)}$$

$$\text{F count} = 43{,}904$$

Based on the above calculation, it can be seen that F count as big as 43,904 at the significance level in the simultaneous test using α = 0.05 or 5% with degrees of freedom df1 = k = 2, df2 = n –k – 1 = 38 – 2-1 = 35, the Fvalue istable 3.267. So it can be concluded, with the acceptance criteria of significance F count > F table or 43,904 > 3,267, then H1 is accepted, which means that Entrepreneurship and Entrepreneurship Competence simultaneously have a significant effect on Income.

5. Conclusion

Based on the results of research and discussion that have been carried out in the previous chapter, the conclusions are entrepreneurship orientation has a positive and significant effect on Income and entrepreneurship competence has a positive and significant effect on income.

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