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## **Application of Wetland-Based Entrepreneurship Orientation and Entrepreneurial Competence towards Increasing MSME Income in Wetlands**

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### **Abstract**

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

**Keywords.** Wetlands, Income, Competency, Small and medium enterprises.

### **Introduction**

Micro, Small and Medium Enterprises (MSMEs) are small businesses 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 real sector business group with the largest number. In particular, the resilience of small businesses in Indonesia was proven during the

economic crisis in 1998 which at that time showed the highest employment rate – reaching 88.66% compared to medium companies 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) Facilities to equalize the economic level of small people MSMEs play a role in equitable distribution of the people's economic level because they are located in various places, because MSMEs even reach remote areas so that people do not need to go to the city to get a decent livelihood, (2) Facilities to alleviate poverty MSMEs play a role in alleviating the community from poverty due to high employment rates and (3) Foreign exchange income facilities for MSME countries contribute foreign exchange to the country because the market does not only reach the national but also abroad.

The rapid development of technology and the increasing complexity of business competition demand a greater role of human resource management. This change in the business environment has led to the recognition of the importance of HR 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 future of the company. Competence is the ability and willingness to perform tasks with effective performance.

In the entrepreneurial process, an entrepreneurial orientation is needed because entrepreneurial orientation determines the direction of business movement that has been pioneered (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 a dynamic business world and affect performance (Dhamayantie, 2017). Entrepreneurial competence is influenced by internal, external and environmental factors (Aviati, 2015).

In South Kalimantan, especially in the location of service activities, MSMEs, which in this case are small businesses, appear as daily activities of the community with distinctive practices, by highlighting market activities around the community. One of them is the artisan MSME "Daun Nipah" which produces products such as Tanggui hats and food wrappers. Tanggui hats are usually

used by farmers to go to the rice fields (bahuma). Usually, farmers who routinely buy tanggui every year buy tanggui by buying tanggui in kodian. One kodi contains 20 ready-to-use tanggui. This study aims to find out and analyze related to how the application of wetland-based entrepreneurial orientation and entrepreneurial competence to increase MSME income.

## **Literature review**

### **Entrepreneurship**

Entrepreneurship is a scientific discipline that studies the values, abilities, and behavior of a person in facing life challenges and how to obtain opportunities with various risks that may be faced (Suryana, 2013). Entrepreneurship is an ability in terms of creating business activities (Kasmir, 2014). The ability to create requires constant creativity and innovation to find something different from what has existed before. Entrepreneurship is an attitude of the soul and ability to create something new that is very valuable and useful for himself and others (Saladin, 2018). Entrepreneurship is a mental attitude and spirit that is always active or creative, empowered, creative, charismatic and unpretentious in trying to increase income in its business activities or work.

### **Entrepreneurial orientation**

Entrepreneurial orientation defined by (Lumpkin & Dess, 2001) is a process that reflects the manager's practices and decision-making style for acting entrepreneurially. Organizations with a higher level of entrepreneurial orientation are better than organizations with a lower level of entrepreneurial orientation. Entrepreneurship is conceptualized as a set of behaviors that are distinct but related to the properties of autonomy, innovative, proactive, competitive aggressiveness, and risk-taking. Pearce (2010) states that the 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 description of several entrepreneurial orientation theories, it can be concluded that entrepreneurial orientation is the behavior of business actors that reflects the ability of practice 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, strategy competence, and commitment competence. Furthermore, Man et al., stated that opportunity competence is competence related to recognizing and developing opportunities through various means. 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 competencies are related to the organization of human resources, team building, training and development. Strategy competence is related to the setting and implementation of corporate strategy. Commitment competencies are competencies that encourage entrepreneurs to continue to advance in business.

### **MSME Revenue**

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

The performance of MSMEs can be measured through the performance of individuals in the organization, if the performance of individuals is good, then most likely the performance of the company or organization will be good (Ardiana et al., 2010). Furthermore (Ardiana et al., 2010) also measured the performance of MSMEs in Surabaya with 150 business actors in the city. Internal factors, namely human resources, are also a benchmark for the performance of MSEs (Sudiarta et al., 2014). The quality of work from human resources can measure the performance of MSMEs (Hudson et al., 2001). An entrepreneur is defined as a risk taker, a person who strives for a certain job, and a creator who sells his creation, 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) said 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 number of customers / consumers who are increasing, (3) Growth in the number of sales, namely the number of product sales 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.

## Methods

This study used quantitative research causality method by collecting primary data by distributing questionnaires. The population in this study is the "Nipah Leaf" Craftsman Group in South Alalak Village, Banjarmasin City, South Kalimantan. In this study, the sampling needed is to use *non-probability sampling* techniques using saturated sampling.

**Table 1. Research Instrument Development**

Variable	Indicators	Statement Item	Source	Scale
Entrepreneurship Orientation (X1)	1. Self-government  2. The courage to take risks	1. Offers a cheaper price. 2. Offer quality products. 3. Provide products to order.  4. Dare to take risks 5. The ability to realize there is a risk is not good 6. Dare to take risks by selling wood that has almost the same function and quality  7. Establish cooperation with suppliers. 8. Actively seek information.	(Miller, 1983), (Lumpkin & Dess, 2001)	Interval

	3. Proactiveness	9. Able to cooperate well.		
Entrepreneurial Competence (X2)	<p>1. Relationship competence</p> <p>2. Conceptual competence</p> <p>3. Competency commitment</p>	<p>1. Entrust tasks to employees.</p> <p>2. Believe in personal abilities.</p> <p>3. Establish good communication with suppliers.</p> <p>4. Able to influence employees.</p> <p>5. Make decisions based on the situation.</p> <p>6. Able to estimate the impact of decisions.</p> <p>7. Able to make decisions in a short time.</p> <p>8. Committed not to open a new business.</p> <p>9. Able to commit to running a business well.</p> <p>10. Commit not to want to switch suppliers.</p>	(Man & Lau, 2002)	Interval
Revenue (Y)	1. Sales Growth	<p>1. Increase in sales</p> <p>2. Increase in sales at any given time</p>	(Zaenal, 2012)	Interval
	2. Asset Growth	<p>1. We are committed not to open a new business.</p> <p>2. The addition of production equipment is carried out to increase production capacity</p> <p>3. An increase in the company's assets occurs every year</p>		



		4. Continuously updating production equipment to maintain productivity		
	3. Customer Growth	1. Increase in the number of customers 2. Target of increasing the number of customers achieved		

Observation of indicators is carried out using instruments (questionnaires / questionnaires) that aim to find out the opinion of respondents about something. A commonly used scaling for research instruments is the Likert scale which generates ordinal data, which contains answer preferences: 1 for Strongly Disagree; 2 to Disagree; 3 for Doubt – Doubt or Neutral; 4 to Agree; and 5 to Strongly Agree. Related to the alias 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 equal or constant, the resulting data type becomes interval data. The data becomes input for instrument quality instrument tests, namely reliability and validity tests.

The research method is causal which seeks to determine and analyze the influence of the application of entrepreneurial orientation and entrepreneurial competence on MSME income with management skill variables as mediation variables. PLS techniques are used in predicting such influences. In order to obtain quality research data, data quality tests are carried out on the initial raw data to issue outlier data for variables so that the data tested for validity and reliability are normally distributed raw data that has met the z-score qualification used. Classical assumption tests are carried out to meet the requirements for hypothesis tests whether hypothesis tests are carried out parametrically or non-parametrically.

**Results & Discussion**

The questionnaire regarding respondents' opinions on Entrepreneurial Orientation ( $X_1$ ) consisted of 9 statement items and 38 respondents. The following data processing results are presented on the Entrepreneurship Orientation variable ( $X_1$ ) as follows:

Table 2. Recapitulation of Descriptive Analysis of Entrepreneurial Orientation Variables ( $X_1$ )

No	Statement Item		Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
1	Offers cheaper prices compared to competitors	F	5	16	2	10	5	120	3,16
		%	13,16%	42,11%	5,26%	26,32%	13,16%		
2	Offers quality wood	F	7	20	7	2	2	142	3,74
		%	18,42%	52,63%	18,42%	5,26%	5,26%		
3	Provide 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 are bad risks of 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	Establish cooperation with suppliers for	F	10	24	0	4	0	154	4,05
		%	26,32%	63,16%	0,00%	10,53%	0,00%		

No	Statement Item		Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
	business development								
8	Actively seek information about what the buyer wants	F	15	15	1	3	4	148	3,89
		%	39,47%	39,47%	2,63%	7,89%	10,53%		
9	Working 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%		
<b>Total Score and Average</b>							<b>1292</b>	<b>3,78</b>	

Source: Data Processing (2021)

Based on table 2, it can be known the average respondent response regarding the variable Entrepreneurial Orientation ( $X_1$ ). It can be seen that the total score value is 1292, and overall the average value of respondents' responses regarding the Entrepreneurship Orientation variable ( $X_1$ ) which is 3.78 is included in the good category.

The questionnaire regarding respondents' opinions on Entrepreneurial Competence ( $X_2$ ) consisted of 11 statement items and 38 respondents. The following are presented the results of data processing on the variable Entrepreneurial Competence ( $X_2$ ) as follows:

Table 3. Recapitulation of descriptive analysis of entrepreneurial competence variables ( $X_2$ )

No	Statement Item		Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
1	Entrust tasks to employees well	F	7	13	5	6	7	121	3,18
		%	18,42%	34,21%	13,16%	15,79%	18,42%		

No	Statement Item		Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
2	Supervise employee work	F	9	9	6	7	7	120	3,16
		%	23,68%	23,68%	15,79%	18,42%	18,42%		
3	Believe in personal abilities at work	F	5	16	4	2	11	116	3,05
		%	13,16%	42,11%	10,53%	5,26%	28,95%		
4	Establish 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 good decisions based on the situation at hand	F	8	18	7	5	0	143	3,76
		%	21,05%	47,37%	18,42%	13,16%	0,00%		
7	Able to estimate 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		F	6	11	1	11	9	108	2,84

No	Statement Item		Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
	Committed not to open a new business	%	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	Commit not to want to switch to another supplier	F	6	14	3	10	5	120	3,16
		%	15,79%	36,84%	7,89%	26,32%	13,16%		
<b>Total Score and Average</b>							<b>1422</b>	<b>3,40</b>	

Source: Data Processing (2021)

Based on table 3, it can be known the average respondent response regarding the variable Entrepreneurial Competence ( $X_2$ ). It can be known that the total score value is 1422, and overall the average value of respondents' responses regarding the Entrepreneurship Competency variable ( $X_2$ ) which is 3.40 is included in the good category.

The questionnaire on respondents' opinions on Income (Y) consisted of 8 statement items and 38 respondents. The following are presented the results of data processing on the Income variable (Y) as follows:

Table 4. Recapitulation of descriptive analysis of income variables (Y)

No	Statement Item		Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
1	There has been an increase in product sales in	F	9	9	6	9	5	122	3,21
		%	23,68%	23,68%	15,79%	23,68%	13,16%		

No	Statement Item		Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
	the last three years (2018, 2019, 2020)								
2	The increase in the number of sales occurs 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 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	An increase in the company's assets occurs 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%		

No	Statement Item		Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
7	The number of subscribers 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 increase in the number of customers always reaches the target that has been set	F	4	20	10	0	4	134	3,53
		%	10,53%	52,63%	26,32%	0,00%	10,53%		
<b>Total Score and Average</b>							<b>978</b>	<b>3,22</b>	

Source: Data Processing (2021)

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

Table 5. Koefficient jflow and t-calculate the effect of entrepreneurial orientation (x1) on income (Y)

	<i>Original Sample (O)</i>	<i>t-Statistics</i>	<i>p-value</i>	<i>Conclusion</i>
Entrepreneurial Orientation (X1) to Income (Y)	0,675	4,846	0,000	Reject H <sub>0</sub>

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/gets better, Income (Y) will increase/get better too. The effect of Entrepreneurial 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 less than alpha 5% (0.05). Thus,  $H_1$  is accepted, meaning that Entrepreneurial Orientation (X1) has a positive and significant effect on Income (Y).

Table 6. Flow coefficient j and t-calculate the Effect of Entrepreneurial Competence (X2) on Income (Y)

	<i>Original Sample (O)</i>	t-Statistics	<i>p-value</i>	Conclusion
Entrepreneurial Competency (X2) to 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, which is 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/gets better, Income (Y) will increase/get better too. The effect of Entrepreneurial Competency (X2) on Income (Y) is insignificant, 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 alpha 10% (0.1) then the *p value* of 0.092 is smaller than alpha 10% (0.1). Thus,  $H_1$  is accepted, meaning that **Entrepreneurial Competence (X2) has a positive and significant effect on Income (Y).**

Based on the results of the analysis of the effect of Entrepreneurial Orientation (X1) and Entrepreneurial Competence (X2) simultaneously on Income (Y) resulting in an *R square* value of 0.715, so that then the calculation of F is calculated to assess the effect of dynamic capabilitiesij and on competitive strategies as follows:



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

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

$$F \text{ count} = 43.904$$

Based on the calculation above, it can be known that F count is 43.904 at the level of significance in simultaneous testing using  $\alpha = 0.05$  or 5% with free degrees  $df_1 = k = 2$ ,  $df_2 = n - k - 1 = 38 - 2 - 1 = 35$ , obtained F table value of 3.267. So it can be concluded, with the criteria of receiving significance  $F_{\text{calculate}} > F_{\text{table}}$  or  $43.904 > 3.267$ , then  $H_1$  is accepted which means that Entrepreneurship and Entrepreneurial Competence simultaneously have a significant effect on Income.

## Conclusion

Based on the results of research and discussion that has been carried out in the previous chapter, the conclusions that can be drawn are as follows:

1. Entrepreneurial Orientation has a positive and significant effect on Income;
2. Entrepreneurship competence has a positive and significant effect on income.

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**Submission acknowledgement**

Dear author(s),

Hastin Umi Anisah\*, Isnawati, Rifqi Novriyandana, Muchammad Yusup has submitted the manuscript "Application of Wetland-Based Entrepreneurship Orientation and Entrepreneurial Competence to Increase MSME Income in Wetlands" to Open Access Indonesia Journal of Social Sciences. The paper will be screened by editor and reviewed by peer review.

Cordially,



Prof. Paula Magnano, PhD

Editor



**HM Publisher**

***(\*) Corresponding author***

**Peer Review Results**

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## **Application of Wetland-Based Entrepreneurship Orientation and Entrepreneurial Competence towards Increasing MSME Income in Wetlands** →1

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### **Abstract** →3

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

**Keywords.** Wetlands, Income, Competency, Small and medium enterprises. →2

### **Introduction** →4

Micro, Small and Medium Enterprises (MSMEs) are small businesses 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 real sector business group with the largest number. In particular, the resilience of small businesses in Indonesia was proven during the economic crisis in 1998 which at that time showed the highest employment rate – reaching 88.66% compared to medium companies 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) Facilities to equalize the economic level of small people MSMEs play a role in equitable distribution of the people's economic level because they are located in various places, because MSMEs even reach remote areas so that people do not need to go to the city to get a decent livelihood, (2) Facilities to alleviate poverty MSMEs play a role in alleviating the community from poverty due to high employment rates and (3) Foreign exchange income facilities for MSME countries contribute foreign exchange to the country because the market does not only reach the national but also abroad.

The rapid development of technology and the increasing complexity of business competition demand a greater role of human resource management. This change in the business environment has led to the recognition of the importance of HR 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 future of the company. Competence is the ability and willingness to perform tasks with effective performance.

In the entrepreneurial process, an entrepreneurial orientation is needed because entrepreneurial orientation determines the direction of business movement that has been pioneered (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 a dynamic business world and affect performance (Dhamayantie, 2017). Entrepreneurial competence is influenced by internal, external and environmental factors (Aviati, 2015).

In South Kalimantan, especially in the location of service activities, MSMEs, which in this case are small businesses, appear as daily activities of the community with distinctive practices, by highlighting market activities around the community. One of them is the artisan MSME "Daun Nipah" which produces products such as Tanggui hats and food wrappers. Tanggui hats are usually used by farmers to go to the rice fields (bahuma). Usually, farmers who routinely buy tanggui every year buy tanggui by buying tanggui in kodian. One kodi contains 20 ready-to-use tanggui.

This study aims to find out and analyze related to how the application of wetland-based entrepreneurial orientation and entrepreneurial competence to increase MSME income.

## **Literature review** → 5

### **Entrepreneurship**

Entrepreneurship is a scientific discipline that studies the values, abilities, and behavior of a person in facing life challenges and how to obtain opportunities with various risks that may be faced (Suryana, 2013). Entrepreneurship is an ability in terms of creating business activities (Kasmir, 2014). The ability to create requires constant creativity and innovation to find something different from what has existed before. Entrepreneurship is an attitude of the soul and ability to create something new that is very valuable and useful for himself and others (Saladin, 2018). Entrepreneurship is a mental attitude and spirit that is always active or creative, empowered, creative, charismatic and unpretentious in trying to increase income in its business activities or work.

### **Entrepreneurial orientation**

Entrepreneurial orientation defined by (Lumpkin & Dess, 2001) is a process that reflects the manager's practices and decision-making style for acting entrepreneurially. Organizations with a higher level of entrepreneurial orientation are better than organizations with a lower level of entrepreneurial orientation. Entrepreneurship is conceptualized as a set of behaviors that are distinct but related to the properties of autonomy, innovative, proactive, competitive aggressiveness, and risk-taking. Pearce (2010) states that the 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 description of several entrepreneurial orientation theories, it can be concluded that entrepreneurial orientation is the behavior of business actors that reflects the ability of practice 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, strategy competence, and commitment competence. Furthermore, Man et al., stated that opportunity competence is competence related to recognizing and developing opportunities through various means. 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 competencies are related to the organization of human resources, team building, training and development. Strategy competence is related to the setting and implementation of corporate strategy. Commitment competencies are competencies that encourage entrepreneurs to continue to advance in business.

### **MSME Revenue**

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

The performance of MSMEs can be measured through the performance of individuals in the organization, if the performance of individuals is good, then most likely the performance of the company or organization will be good (Ardiana et al., 2010). Furthermore (Ardiana et al., 2010) also measured the performance of MSMEs in Surabaya with 150 business actors in the city. Internal factors, namely human resources, are also a benchmark for the performance of MSEs (Sudiarta et al., 2014). The quality of work from human resources can measure the performance of MSMEs (Hudson et al., 2001). An entrepreneur is defined as a risk taker, a person who strives for a certain job, and a creator who sells his creation, 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) said 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 number of customers / consumers who are increasing, (3) Growth in the number of sales, namely the number of product sales 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.

## Methods → 6

This study used quantitative research causality method by collecting primary data by distributing questionnaires. The population in this study is the "Nipah Leaf" Craftsman Group in South Alalak Village, Banjarmasin City, South Kalimantan. In this study, the sampling needed is to use *non-probability sampling* techniques using saturated sampling.

**Table 1. Research Instrument Development**

Variable	Indicators	Statement Item	Source	Scale
Entrepreneurship Orientation (X1)	<ol style="list-style-type: none"> <li>1. Self-government</li> <li>2. The courage to take risks</li> <li>3. Proactiveness</li> </ol>	<ol style="list-style-type: none"> <li>1. Offers a cheaper price.</li> <li>2. Offer quality products.</li> <li>3. Provide products to order.</li> <li>4. Dare to take risks</li> <li>5. The ability to realize there is a risk is not good</li> <li>6. Dare to take risks by selling wood that has almost the same function and quality</li> <li>7. Establish cooperation with suppliers.</li> <li>8. Actively seek information.</li> <li>9. Able to cooperate well.</li> </ol>	(Miller, 1983), (Lumpkin & Dess, 2001)	Interval

<p>Entrepreneurial Competence (X2)</p>	<p>1. Relationship competence</p> <p>2. Conceptual competence</p> <p>3. Competency commitment</p>	<p>1. Entrust tasks to employees.</p> <p>2. Believe in personal abilities.</p> <p>3. Establish good communication with suppliers.</p> <p>4. Able to influence employees.</p> <p>5. Make decisions based on the situation.</p> <p>6. Able to estimate the impact of decisions.</p> <p>7. Able to make decisions in a short time.</p> <p>8. Committed not to open a new business.</p> <p>9. Able to commit to running a business well.</p> <p>10. Commit not to want to switch suppliers.</p>	<p>(Man &amp; Lau, 2002)</p>	<p>Interval</p>
<p>Revenue (Y)</p>	<p>1. Sales Growth</p> <p>2. Asset Growth</p>	<p>1. Increase in sales</p> <p>2. Increase in sales at any given time</p> <p>1. We are committed not to open a new business.</p> <p>2. The addition of production equipment is carried out to increase production capacity</p> <p>3. An increase in the company's assets occurs every year</p> <p>4. Continuously updating production equipment to maintain productivity</p>	<p>(Zaenal, 2012)</p>	<p>Interval</p>

	3.Customer Growth	1. Increase in the number of customers 2. Target of increasing the number of customers achieved		
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Observation of indicators is carried out using instruments (questionnaires / questionnaires) that aim to find out the opinion of respondents about something. A commonly used scaling for research instruments is the Likert scale which generates ordinal data, which contains answer preferences: 1 for Strongly Disagree; 2 to Disagree; 3 for Doubt – Doubt or Neutral; 4 to Agree; and 5 to Strongly Agree. Related to the alias 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 equal or constant, the resulting data type becomes interval data. The data becomes input for instrument quality instrument tests, namely reliability and validity tests.

The research method is causal which seeks to determine and analyze the influence of the application of entrepreneurial orientation and entrepreneurial competence on MSME income with management skill variables as mediation variables. PLS techniques are used in predicting such influences. In order to obtain quality research data, data quality tests are carried out on the initial raw data to issue outlier data for variables so that the data tested for validity and reliability are normally distributed raw data that has met the z-score qualification used. Classical assumption tests are carried out to meet the requirements for hypothesis tests whether hypothesis tests are carried out parametrically or non-parametrically.

**Results & Discussion** →7

The questionnaire regarding respondents' opinions on Entrepreneurial Orientation ( $X_1$ ) consisted of 9 statement items and 38 respondents. The following data processing results are presented on the Entrepreneurship Orientation variable ( $X_1$ ) as follows:

Table 2. Recapitulation of Descriptive Analysis of Entrepreneurial Orientation Variables ( $X_1$ )

No	Statement Item	I	Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
1	Offers cheaper prices compared to competitors	F	5	16	2	10	5	120	3,16
		%	13,16%	42,11%	5,26%	26,32%	13,16%		
2	Offers quality wood	F	7	20	7	2	2	142	3,74
		%	18,42%	52,63%	18,42%	5,26%	5,26%		
3	Provide 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 are bad risks of 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	Establish cooperation with suppliers for	F	10	24	0	4	0	154	4,05
		%	26,32%	63,16%	0,00%	10,53%	0,00%		

No	Statement Item	I	Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
	business development								
8	Actively seek information about what the buyer wants	F	15	15	1	3	4	148	3,89
		%	39,47%	39,47%	2,63%	7,89%	10,53%		
9	Working 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%		
<b>Total Score and Average</b>							<b>1292</b>	<b>3,78</b>	

Source: Data Processing (2021)

Based on table 2, it can be known the average respondent response regarding the variable Entrepreneurial Orientation ( $X_1$ ). It can be seen that the total score value is 1292, and overall the average value of respondents' responses regarding the Entrepreneurship Orientation variable ( $X_1$ ) which is 3.78 is included in the good category.

The questionnaire regarding respondents' opinions on Entrepreneurial Competence ( $X_2$ ) consisted of 11 statement items and 38 respondents. The following are presented the results of data processing on the variable Entrepreneurial Competence ( $X_2$ ) as follows:

Table 3. Recapitulation of descriptive analysis of entrepreneurial competence variables ( $X_2$ )

No	Statement Item	I	Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
1	Entrust tasks to employees well	F	7	13	5	6	7	121	3,18
		%	18,42%	34,21%	13,16%	15,79%	18,42%		

No	Statement Item	I	Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
2	Supervise employee work	F	9	9	6	7	7	120	3,16
		%	23,68%	23,68%	15,79%	18,42%	18,42%		
3	Believe in personal abilities at work	F	5	16	4	2	11	116	3,05
		%	13,16%	42,11%	10,53%	5,26%	28,95%		
4	Establish 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 good decisions based on the situation at hand	F	8	18	7	5	0	143	3,76
		%	21,05%	47,37%	18,42%	13,16%	0,00%		
7	Able to estimate 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		F	6	11	1	11	9	108	2,84

No	Statement Item	I	Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
	Committed not to open a new business	%	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	Commit not to want to switch to another supplier	F	6	14	3	10	5	120	3,16
		%	15,79%	36,84%	7,89%	26,32%	13,16%		
<b>Total Score and Average</b>							<b>1422</b>	<b>3,40</b>	

Source: Data Processing (2021)

Based on table 3, it can be known the average respondent response regarding the variable Entrepreneurial Competence ( $X_2$ ). It can be known that the total score value is 1422, and overall the average value of respondents' responses regarding the Entrepreneurship Competency variable ( $X_2$ ) which is 3.40 is included in the good category.

The questionnaire on respondents' opinions on Income (Y) consisted of 8 statement items and 38 respondents. The following are presented the results of data processing on the Income variable (Y) as follows:

Table 4. Recapitulation of descriptive analysis of income variables (Y)

No	Statement Item	I	Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
1	There has been an increase in product sales in	F	9	9	6	9	5	122	3,21
		%	23,68%	23,68%	15,79%	23,68%	13,16%		



No	Statement Item	I	Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
	the last three years (2018, 2019, 2020)								
2	The increase in the number of sales occurs 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 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	An increase in the company's assets occurs 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%		

No	Statement Item	I	Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
7	The number of subscribers 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 increase in the number of customers always reaches the target that has been set	F	4	20	10	0	4	134	3,53
		%	10,53%	52,63%	26,32%	0,00%	10,53%		
<b>Total Score and Average</b>							<b>978</b>	<b>3,22</b>	

Source: Data Processing (2021)

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

Table 5. Koefficient jflow and t-calculate the effect of entrepreneurial orientation (x1) on income (Y)

I	Original Sample (O)	t-Statistics	p-value	Conclusion
Entrepreneurial Orientation (X1) to Income (Y)	0,675	4,846	0,000	Reject H <sub>0</sub>

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/gets better, Income (Y) will increase/get better too. The effect of Entrepreneurial 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 less than alpha 5% (0.05). Thus,  $H_1$  is accepted, meaning that Entrepreneurial Orientation (X1) has a positive and significant effect on Income (Y).

Table 6. Flow coefficient *j* and t-calculate the Effect of Entrepreneurial Competence (X2) on Income (Y)

	<i>Original Sample (O)</i>	t-Statistics	<i>p-value</i>	Conclusion
Entrepreneurial Competency (X2) to 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, which is 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/gets better, Income (Y) will increase/get better too. The effect of Entrepreneurial Competency (X2) on Income (Y) is insignificant, 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 alpha 10% (0.1) then the *p value* of 0.092 is smaller than alpha 10% (0.1). Thus,  $H_1$  is accepted, meaning that **Entrepreneurial Competence (X2) has a positive and significant effect on Income (Y).**

Based on the results of the analysis of the effect of Entrepreneurial Orientation (X1) and Entrepreneurial Competence (X2) simultaneously on Income (Y) resulting in an *R square* value of 0.715, so that then the calculation of F is calculated to assess the effect of dynamic capabilities *ij* and on competitive strategies as follows:

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

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

$$F \text{ count} = 43.904$$

Based on the calculation above, it can be known that F count is 43.904 at the level of significance in simultaneous testing using  $\alpha = 0.05$  or 5% with free degrees  $df_1 = k = 2$ ,  $df_2 = n - k - 1 = 38 - 2 - 1 = 35$ , obtained F table value of 3.267. So it can be concluded, with the criteria of receiving significance  $F_{\text{calculate}} > F_{\text{table}}$  or  $43.904 > 3.267$ , then  $H_1$  is accepted which means that Entrepreneurship and Entrepreneurial Competence simultaneously have a significant effect on Income.

### **Conclusion** → 8

Based on the results of research and discussion that has been carried out in the previous chapter, the conclusions that can be drawn are as follows:

1. Entrepreneurial Orientation has a positive and significant effect on Income;
2. Entrepreneurship competence has a positive and significant effect on income.

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## **Reviewer Comment:**

1→ Title of Manuscripts should be explained independent variable and dependent variable also subject of study.

2→ Keywords should be showed the main words of the study, the authors can use MeSH to develop keywords.

3→ Abstract should be showed the main of background, methods, results and conclusion of study.

- Background abstract should be showed the urgency of study and why the study important, in simple way.
- Conclusion should be wrote in simple way, specific to the main results. Conclusion in abstract should not showed statistic results.

4→ Introduction should be showed the urgency of study (epidemiology data), biological plausibility concept, and lack of knowledge in the study.

- Paragraph 1→ need improvement in urgency of study and explain more about epidemiology data. Authors do not only show the data, but try to elaborate and make comparison about the data from year to year.
- Paragraph 2 and 3 need improvement to focus in biological plausibility concept.

5→ Methods should be showed more about how the study develop. Methods should be showed the design of study; population, sample and sample size of study; inclusion criteria; place of study; ethical clearence steatment; independent and dependent variable; data analysis.

- Methods need to showed the design of study; population, sample and sample size of study; inclusion criteria; place of study; ethical clearence steatment; independent and dependent variable; data analysis, more specific but not to long.

6→ Results should be showed baseline characteristics subject of study, main results of study. Authors must be focused and try to make results no more table and figure.

7→ Discussion should be explored more biological plausibility, not only showed about statistical results.

8→ Conclusion should more specific and not more showed statistical results

9→ Authors must check the references for make update references. References should no more than 10 years.



# **Application of Wetland-Based Entrepreneurship Orientation and Entrepreneurial Competence towards Increasing MSME Income in Wetlands** →1

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## **Abstract** →3

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

**Keywords.** Wetlands, Income, Competency, Small and medium enterprises. →2

## **Introduction** →4

Micro, Small and Medium Enterprises (MSMEs) are small businesses 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 real sector business group with the largest number. In particular, the resilience of small businesses in Indonesia was proven during the economic crisis in 1998 which at that time showed the highest employment rate –reaching 88.66% compared to medium companies 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) Facilities to equalize the economic level of small people MSMEs play a role in equitable distribution of the people's economic level because they are located in various places, because MSMEs even reach remote areas so that people do not need to go to the city to get a decent livelihood, (2) Facilities to alleviate poverty MSMEs play a role in alleviating the community from poverty due to high employment rates and (3) Foreign exchange income facilities for MSME countries contribute foreign exchange to the country because the market does not only reach the national but also abroad.

The rapid development of technology and the increasing complexity of business competition demand a greater role of human resource management. This change in the business environment has led to the recognition of the importance of HR 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 future of the company. Competence is the ability and willingness to perform tasks with effective performance.

In the entrepreneurial process, an entrepreneurial orientation is needed because entrepreneurial orientation determines the direction of business movement that has been pioneered (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 a dynamic business world and affect performance (Dhamayantie, 2017). Entrepreneurial competence is influenced by internal, external and environmental factors (Aviati, 2015).

In South Kalimantan, especially in the location of service activities, MSMEs, which in this case are small businesses, appear as daily activities of the community with distinctive practices, by highlighting market activities around the community. One of them is the artisan MSME "Daun Nipah" which produces products such as Tanggui hats and food wrappers. Tanggui hats are usually used by farmers to go to the rice fields (bahuma). Usually, farmers who routinely buy tanggui every year buy tanggui by buying tanggui in kodian. One kodi contains 20 ready-to-use tanggui.

This study aims to find out and analyze related to how the application of wetland-based entrepreneurial orientation and entrepreneurial competence to increase MSME income.

## **Literature review** → 5

### **Entrepreneurship**

Entrepreneurship is a scientific discipline that studies the values, abilities, and behavior of a person in facing life challenges and how to obtain opportunities with various risks that may be faced (Suryana, 2013). Entrepreneurship is an ability in terms of creating business activities (Kasmir, 2014). The ability to create requires constant creativity and innovation to find something different from what has existed before. Entrepreneurship is an attitude of the soul and ability to create something new that is very valuable and useful for himself and others (Saladin, 2018). Entrepreneurship is a mental attitude and spirit that is always active or creative, empowered, creative, charismatic and unpretentious in trying to increase income in its business activities or work.

### **Entrepreneurial orientation**

Entrepreneurial orientation defined by (Lumpkin & Dess, 2001) is a process that reflects the manager's practices and decision-making style for acting entrepreneurially. Organizations with a higher level of entrepreneurial orientation are better than organizations with a lower level of entrepreneurial orientation. Entrepreneurship is conceptualized as a set of behaviors that are distinct but related to the properties of autonomy, innovative, proactive, competitive aggressiveness, and risk-taking. Pearce (2010) states that the 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 description of several entrepreneurial orientation theories, it can be concluded that entrepreneurial orientation is the behavior of business actors that reflects the ability of practice 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, strategy competence, and commitment competence. Furthermore, Man et al., stated that opportunity competence is competence related to recognizing and developing opportunities through various means. 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 competencies are related to the organization of human resources, team building, training and development. Strategy competence is related to the setting and implementation of corporate strategy. Commitment competencies are competencies that encourage entrepreneurs to continue to advance in business.

### **MSME Revenue**

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

The performance of MSMEs can be measured through the performance of individuals in the organization, if the performance of individuals is good, then most likely the performance of the company or organization will be good (Ardiana et al., 2010). Furthermore (Ardiana et al., 2010) also measured the performance of MSMEs in Surabaya with 150 business actors in the city. Internal factors, namely human resources, are also a benchmark for the performance of MSEs (Sudiarta et al., 2014). The quality of work from human resources can measure the performance of MSMEs (Hudson et al., 2001). An entrepreneur is defined as a risk taker, a person who strives for a certain job, and a creator who sells his creation, 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) said 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 number of customers / consumers who are increasing, (3) Growth in the number of sales, namely the number of product sales 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.

## Methods → 6

This study used quantitative research causality method by collecting primary data by distributing questionnaires. The population in this study is the "Nipah Leaf" Craftsman Group in South Alalak Village, Banjarmasin City, South Kalimantan. In this study, the sampling needed is to use *non-probability sampling* techniques using saturated sampling.

**Table 1. Research Instrument Development**

Variable	Indicators	Statement Item	Source	Scale
Entrepreneurship Orientation (X1)	1. Self-government  2. The courage to take risks  3. Proactiveness	1. Offers a cheaper price. 2. Offer quality products. 3. Provide products to order.  4. Dare to take risks 5. The ability to realize there is a risk is not good 6. Dare to take risks by selling wood that has almost the same function and quality  7. Establish cooperation with suppliers. 8. Actively seek information. 9. Able to cooperate well.	(Miller, 1983), (Lumpkin & Dess, 2001)	Interval

<p>Entrepreneurial Competence (X2)</p>	<p>1. Relationship competence</p> <p>2. Conceptual competence</p> <p>3. Competency commitment</p>	<p>1. Entrust tasks to employees.</p> <p>2. Believe in personal abilities.</p> <p>3. Establish good communication with suppliers.</p> <p>4. Able to influence employees.</p> <p>5. Make decisions based on the situation.</p> <p>6. Able to estimate the impact of decisions.</p> <p>7. Able to make decisions in a short time.</p> <p>8. Committed not to open a new business.</p> <p>9. Able to commit to running a business well.</p> <p>10. Commit not to want to switch suppliers.</p>	<p>(Man &amp; Lau, 2002)</p>	<p>Interval</p>
<p>Revenue (Y)</p>	<p>1. Sales Growth</p> <p>2. Asset Growth</p>	<p>1. Increase in sales</p> <p>2. Increase in sales at any given time</p> <p>1. We are committed not to open a new business.</p> <p>2. The addition of production equipment is carried out to increase production capacity</p> <p>3. An increase in the company's assets occurs every year</p> <p>4. Continuously updating production equipment to maintain productivity</p>	<p>(Zaenal, 2012)</p>	<p>Interval</p>

	3. Customer Growth	1. Increase in the number of customers 2. Target of increasing the number of customers achieved		
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Observation of indicators is carried out using instruments (questionnaires / questionnaires) that aim to find out the opinion of respondents about something. A commonly used scaling for research instruments is the Likert scale which generates ordinal data, which contains answer preferences: 1 for Strongly Disagree; 2 to Disagree; 3 for Doubt – Doubt or Neutral; 4 to Agree; and 5 to Strongly Agree. Related to the alias 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 equal or constant, the resulting data type becomes interval data. The data becomes input for instrument quality instrument tests, namely reliability and validity tests.

The research method is causal which seeks to determine and analyze the influence of the application of entrepreneurial orientation and entrepreneurial competence on MSME income with management skill variables as mediation variables. PLS techniques are used in predicting such influences. In order to obtain quality research data, data quality tests are carried out on the initial raw data to issue outlier data for variables so that the data tested for validity and reliability are normally distributed raw data that has met the z-score qualification used. Classical assumption tests are carried out to meet the requirements for hypothesis tests whether hypothesis tests are carried out parametrically or non-parametrically.

**Results & Discussion** →7

The questionnaire regarding respondents' opinions on Entrepreneurial Orientation ( $X_1$ ) consisted of 9 statement items and 38 respondents. The following data processing results are presented on the Entrepreneurship Orientation variable ( $X_1$ ) as follows:

Table 2. Recapitulation of Descriptive Analysis of Entrepreneurial Orientation Variables ( $X_1$ )

No	Statement Item		Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
1	Offers cheaper prices compared to competitors	F	5	16	2	10	5	120	3,16
		%	13,16%	42,11%	5,26%	26,32%	13,16%		
2	Offers quality wood	F	7	20	7	2	2	142	3,74
		%	18,42%	52,63%	18,42%	5,26%	5,26%		
3	Provide 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 are bad risks of 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	Establish cooperation with suppliers for	F	10	24	0	4	0	154	4,05
		%	26,32%	63,16%	0,00%	10,53%	0,00%		

No	Statement Item		Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
	business development								
8	Actively seek information about what the buyer wants	F	15	15	1	3	4	148	3,89
		%	39,47%	39,47%	2,63%	7,89%	10,53%		
9	Working 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%		
<b>Total Score and Average</b>							<b>1292</b>	<b>3,78</b>	

Source: Data Processing (2021)

Based on table 2, it can be known the average respondent response regarding the variable Entrepreneurial Orientation ( $X_1$ ). It can be seen that the total score value is 1292, and overall the average value of respondents' responses regarding the Entrepreneurship Orientation variable ( $X_1$ ) which is 3.78 is included in the good category.

The questionnaire regarding respondents' opinions on Entrepreneurial Competence ( $X_2$ ) consisted of 11 statement items and 38 respondents. The following are presented the results of data processing on the variable Entrepreneurial Competence ( $X_2$ ) as follows:

Table 3. Recapitulation of descriptive analysis of entrepreneurial competence variables ( $X_2$ )

No	Statement Item		Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
1	Entrust tasks to employees well	F	7	13	5	6	7	121	3,18
		%	18,42%	34,21%	13,16%	15,79%	18,42%		



No	Statement Item		Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
2	Supervise employee work	F	9	9	6	7	7	120	3,16
		%	23,68%	23,68%	15,79%	18,42%	18,42%		
3	Believe in personal abilities at work	F	5	16	4	2	11	116	3,05
		%	13,16%	42,11%	10,53%	5,26%	28,95%		
4	Establish 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 good decisions based on the situation at hand	F	8	18	7	5	0	143	3,76
		%	21,05%	47,37%	18,42%	13,16%	0,00%		
7	Able to estimate 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		F	6	11	1	11	9	108	2,84

No	Statement Item		Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
	Committed not to open a new business	%	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	Commit not to want to switch to another supplier	F	6	14	3	10	5	120	3,16
		%	15,79%	36,84%	7,89%	26,32%	13,16%		
<b>Total Score and Average</b>							<b>1422</b>	<b>3,40</b>	

Source: Data Processing (2021)

Based on table 3, it can be known the average respondent response regarding the variable Entrepreneurial Competence ( $X_2$ ). It can be known that the total score value is 1422, and overall the average value of respondents' responses regarding the Entrepreneurship Competency variable ( $X_2$ ) which is 3.40 is included in the good category.

The questionnaire on respondents' opinions on Income (Y) consisted of 8 statement items and 38 respondents. The following are presented the results of data processing on the Income variable (Y) as follows:

Table 4. Recapitulation of descriptive analysis of income variables (Y)

No	Statement Item		Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
1	There has been an increase in product sales in	F	9	9	6	9	5	122	3,21
		%	23,68%	23,68%	15,79%	23,68%	13,16%		

No	Statement Item		Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
	the last three years (2018, 2019, 2020)								
2	The increase in the number of sales occurs 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 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	An increase in the company's assets occurs 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%		

No	Statement Item		Respondent Answer Score					Total Score	Mean
			5	4	3	2	1		
7	The number of subscribers 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 increase in the number of customers always reaches the target that has been set	F	4	20	10	0	4	134	3,53
		%	10,53%	52,63%	26,32%	0,00%	10,53%		
<b>Total Score and Average</b>							<b>978</b>	<b>3,22</b>	

Source: Data Processing (2021)

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

Table 5. Koefficient jflow and t-calculate the effect of entrepreneurial orientation (x1) on income (Y)

	<i>Original Sample (O)</i>	<i>t-Statistics</i>	<i>p-value</i>	<i>Conclusion</i>
Entrepreneurial Orientation (X1) to Income (Y)	0,675	4,846	0,000	Reject H <sub>0</sub>

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/gets better, Income (Y) will increase/get better too. The effect of Entrepreneurial 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 less than alpha 5% (0.05). Thus, H<sub>1</sub> is accepted, meaning that Entrepreneurial Orientation (X1) has a positive and significant effect on Income (Y).

Table 6. Flow coefficient j and t-calculate the Effect of Entrepreneurial Competence (X2) on Income (Y)

	<i>Original Sample (O)</i>	t-Statistics	<i>p-value</i>	Conclusion
Entrepreneurial Competency (X2) to Income (Y)	0,230	1,694	0,092	Reject H <sub>0</sub>

Source: Data Processing (2021)

From the results of Table 6 above, the *Original Sample (O)* value is positive, which is 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/gets better, Income (Y) will increase/get better too. The effect of Entrepreneurial Competency (X2) on Income (Y) is insignificant, 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 alpha 10% (0.1) then the *p value* of 0.092 is smaller than alpha 10% (0.1). Thus, H<sub>1</sub> is accepted, meaning that **Entrepreneurial Competence (X2) has a positive and significant effect on Income (Y).**

Based on the results of the analysis of the effect of Entrepreneurial Orientation (X1) and Entrepreneurial Competence (X2) simultaneously on Income (Y) resulting in an *R square* value of 0.715, so that then the calculation of F is calculated to assess the effect of dynamic capabilitiesij and on competitive strategies as follows:

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

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

$$F \text{ count} = 43.904$$

Based on the calculation above, it can be known that F count is 43.904 at the level of significance in simultaneous testing using  $\alpha = 0.05$  or 5% with free degrees  $df_1 = k = 2$ ,  $df_2 = n - k - 1 = 38 - 2 - 1 = 35$ , obtained F table value of 3.267. So it can be concluded, with the criteria of receiving significance  $F_{\text{calculate}} > F_{\text{table}}$  or  $43.904 > 3.267$ , then  $H_1$  is accepted which means that Entrepreneurship and Entrepreneurial Competence simultaneously have a significant effect on Income.

### **Conclusion** → 8

Based on the results of research and discussion that has been carried out in the previous chapter, the conclusions that can be drawn are as follows:

1. Entrepreneurial Orientation has a positive and significant effect on Income;
2. Entrepreneurship competence has a positive and significant effect on income.

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## **Reviewer Comment:**

1→ Title of Manuscripts should be explained independent variable and dependent variable also subject of study.

2→ Keywords should be showed the main words of the study, the authors can use MeSH to develop keywords.

3→ Abstract should be showed the main of background, methods, results and conclusion of study.

- Background abstract should be showed the urgency of study and why the study important, in simple way.
- Conclusion should be wrote in simple way, specific to the main results. Conclusion in abstract should not showed statistic results.

4→ Introduction should be showed the urgency of study (epidemiology data), biological plausibility concept, and lack of knowledge in the study.

- Paragraph 1→ need improvement in urgency of study and explain more about epidemiology data. Authors do not only show the data, but try to elaborate and make comparison about the data from year to year.
- Paragraph 2 and 3 need improvement to focus in biological plausibility concept.

5→ Methods should be showed more about how the study develop. Methods should be showed the design of study; population, sample and sample size of study; inclusion criteria; place of study; ethical clearence steatment; independent and dependent variable; data analysis.

- Methods need to showed the design of study; population, sample and sample size of study; inclusion criteria; place of study; ethical clearence steatment; independent and dependent variable; data analysis, more specific but not to long.

6→ Results should be showed baseline characteristics subject of study, main results of study. Authors must be focused and try to make results no more table and figure.

7→ Discussion should be explored more biological plausibility, not only showed about statistical results.

8→ Conclusion should more specific and not more showed statistical results

9→ Authors must check the references for make update references. References should no more than 10 years.







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

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### ABSTRACT

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 measure the performance of MSMEs in Surabaya with 150 MSMEs 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  2. Courage to take risks  3. Proactiveness	1. Offers a cheaper price. 2. Offer quality products. 3. Provide products to order.  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  7. Establish cooperation with suppliers. 8. Actively seeking information. 9. Able to work well together.	(Miller, 1983), (Lumpkin & Dess, 2001)	Interval
Entrepreneurship Competency (X2)	1. Relationship  2. competence Conceptual  3. competence Commitment competence	1. Entrusting tasks to employees. 2. Believe in personal abilities. 3. Maintain good communication with suppliers. 4. Able to influence employees.  5. Make decisions based on the situation. 6. Able to estimate the impact of decisions. 7. Able to make decisions in a short time.  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.	(Man & Lau, 2002)	Interval
Income(Y)	1. Sales Growth	1. Increase Sales	(Zaenal, 2012)	Interval
	Sales	2. increase at a certain time		
	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 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%		
<b>Total Score and Average</b>							<b>1292</b>	<b>3.78</b>	



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
		%	23.68%	23.68%	15,79	%	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%		
<b>Total Score and Average</b>							<b>1422</b>	<b>3, 40</b>	

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	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%		
<b>Total Score and Average</b>							<b>978</b>	<b>3.22</b>	

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 <sub>0</sub>

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)

	<b>Original Sample (O)</b>	<b>t-Statistic</b>	<b>p-value</b>	<b>Conclusion</b>
Entrepreneurial Competence (X2) on Income (Y)	0.230	1.694	0.092	Reject H <sub>0</sub>

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:

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

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

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

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  $\alpha = 0.05$  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  $F \text{ count} > F \text{ table}$

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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Cordially,



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

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### ABSTRACT

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 measured the performance of MSMEs in Surabaya with 150 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 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%		
<b>Total Score and Average</b>							<b>1292</b>	<b>3.78</b>	





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 Total Score	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
		%	23.68	23.68	15,79	%	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%		
<b>Total Score and Average</b>							<b>1422</b>	<b>3, 40</b>	

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	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%		
<b>Total Score and Average</b>							<b>978</b>	<b>3.22</b>	

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
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Entrepreneurial Orientation (X1) to Income (Y)	0.675	4.846	0.000	Reject H <sub>0</sub>
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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)

	<i>Original Sample (O)</i>	<i>t-Statistic</i>	<i>p-value</i>	<i>Conclusion</i>
Entrepreneurial Competence (X2) on Income (Y)	0.230	1.694	0.092	Reject H <sub>0</sub>

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 an value R square of 0.715, so that the F count is then calculated to assess the effect of dynamic capability and on competitive strategy as follows:

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

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

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

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  $\alpha = 0.05$  or 5% with degrees of freedom  $df_1 = k = 2$ ,  $df_2 = n - k - 1 = 38 - 2 - 1 = 35$ , 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  $H_1$  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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*Saley Proof*



# CERTIFICATE

O F P U B L I C A T I O N

For the article titled:

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Entrepreneurial Competence to Increase MSME Income in  
Wetlands**

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