
Paper Submission

1 message

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To: editor@naukagor.ru

Mon, Oct 25, 2021 at 12:05 PM

Dear EDITOR of the Journal Sustainable Development of Mountains Territories

Here in the attachment file is the newest file of the previous paper entitled 'A Study on the entrepreneurial orientation of the 65-Villagers in a part of the slope of mountain Arjuno East Java Indonesia'.

Hopefully, we can have a piece of good information from you about our research paper.

Regards,
Y. Budi Hermanto



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09_A STUDY ON THE ENTREPRENEURIAL ORIENTATION OF THE 65-VILLAGERS IN A PART OF SLOPE OF MOUNT (4).docx

1231K

I. **A STUDY ON THE ENTREPRENEURIAL ORIENTATION OF THE 65-
VILLAGERS IN A PART OF SLOPE OF MOUNTAIN ARJUNO EAST JAVA
INDONESIA**

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ABSTRACT.

Our interest is to explore such a characteristic of the villagers who live in a part of the slope of Mountain Arjuno, located in the East Java Province of Indonesia prior to their existing entrepreneurial orientation. By using questionnaires -developed based on (Miller, 1983) definition about entrepreneurial orientation-, spread to the villagers there and their analysis, it was found that their entrepreneurial orientation EO following equation as - 0.003 + 0.334 innovativeness I + 0.334 proactiveness P + 0.333 risk-taking R.

Keywords: Innovativeness, proactiveness, risk-taking, entrepreneurial orientation, modeling, sustainable development.

II. THE CONCEPT OF ENTREPRENEURIAL ORIENTATION

The term of Entrepreneurial Intention (EI) was different from the term of Entrepreneurial Orientation (EO) (Ismail *et al.*, 2015; Ibrahim and Mas'ud, 2016). EO was considered as one of the few examples of stabilized concepts in management science. EO is a key concept when executives are crafting strategies in the hopes of doing something new and exploiting opportunities that other organizations cannot exploit (Kennedy, 2020). EO refers to organizations' processes, practices, and decision-making styles that act entrepreneurially (Lumpkin and Dess, 1996). Any organization's level of EO can be understood by examining how it stacks up relative to three dimensions: (1) innovativeness, (2) proactiveness, (3) and risk-taking. These dimensions are also relevant to individuals. Entrepreneurial intention can be defined as a state of mind that potentially fosters an individual's entrepreneurial action/behaviors. Entrepreneurial intention was commonly measured on a Likert using dimensions such as: intention to start up a business; intention to take over/grow family business; intention to develop further a business idea being currently nursed or intention to become an entrepreneur (Linan and Chen, 2011; Sari, 2013; Purba and Hermanto, 2020).

Currently, it was found that there are more than six enterprises in the location where some data was collected for this research, i.e.: café 'cempaka kedai hutan' (figure 1), 'POJOK DAYU' gift and snack's store (figure 2), banana farming (figure 3), goat farm (figure 4), chicken farm, a shop of various crops and flowers, live music show, camping and its supported facilities with ATV (All-Terrain Vehicle), outbound, archery, and special paintball.



Fig. 1. One of the banners shown the price list of the Café 'Cempaka Kedai Hutan'



Fig. 2. POJOK DAYU gift and snack's store (<https://cempakafoundation.org>)



Fig. 3. Banana Farming



Fig. 4. Goat Farm

Entrepreneurial orientation had become an important and extensively researched topic in the literature such as (Lumpkin and Dess, 1996; Lee and Peterson, 2000; T. Lumpkin and G. Dess, 2001; Hughes and Morgan, 2007; Anderson, Covin and Slevin, 2009; Lee *et al.*, 2009; Yan, 2010; Ismail *et al.*, 2015; Ibrahim and Mas'ud, 2016; Haque *et al.*, 2017; Lomberg *et al.*, 2017; Olutuase *et al.*, 2018; Cho and Lee, 2018; Bakytgul, Ahmed and Kim, 2019; Wales *et al.*, 2021). (Olutuase *et al.*, 2018) proposed a model to measure effects of EI to EO overtime flag, namely Variability of

Entrepreneurial Intention, Orientation within Entrepreneurial Ecosystem. The cognitive literature argues that entrepreneurship education stimulates both entrepreneurial orientation and intention in individuals which makes them more malleable to behave or act entrepreneurially at various levels over time.

Based on (Cho and Lee, 2018) stated that besides firms with EO trying to identify and exploit new opportunities persistently, create new values, and become leaders in the market, EO also was an important factor that lead to the successful development of new products, high financial an nonfinancial business performance and high social performance. They used three dimensions of the EO i.e. Innovativeness, proactiveness and risk-taking as many researchers also use, for example (Kresna, 2009; Imma Andiningtyas R.S. and Ratna L. Nugroho, 2014; Ismail *et al.*, 2015; SINE, 2015; Lomberg *et al.*, 2017) and for sure that their EO dimensions is originally conceived based on the work of (Miller, 1983). They used the dimensions to describe the character and examine entrepreneurship.

Innovativeness, as (Lumpkin and Dess, 1996) define the term, ' . . . reflects a firm's tendency to engage in and support new ideas, novelty, experimentation, and creative processes that may result in new products, services, or technological processes.' According to (Miller 1983), proactiveness relates to the competitive nature of the firm, or more specifically, to the proclivity of the firm to preempt its competitors by introducing new products, entering new markets, or aggressively changing competitive tactics. Risk-taking refers to a tendency toward engaging in high-risk activities with chances of high returns and also in bold actions in uncertain environments (Lomberg *et al.*, 2017). Risk-taking shows the will to submit relatively a lot of assets in spite of the high potential for disappointment.

This research used the three dimensions to measure EO of the villagers in a part of the slope of Mountain Arjuno in Pasuruan East Java, Indonesia. Our study ultimately defines/measures the entrepreneurial orientation of villagers in a part of the Mt. Arjuno after observing by spread questionnaires to 100 respondents in the places. The topic of this research was following of the roadmap shown in Figure 5 (Directorate General of Research Enhancement and Development Ministry of Research Technology and Higher Education, 2019; Institute of Research and Community Services Darma Cendika Catholic University, 2020; Purba and Hermanto, 2020) as well as (Directorate General of Research Enhancement and Development Ministry of Research Technology and Higher Education, 2020) which is in line with spring and forest and preservation in the area (Nugroho *et al.*, 2019; Hermanto and Nugroho, 2021). Since until this paper was written, there is no one researcher yet that use EO definition for the villager, moreover villagers in the slope of Mountain Arjuno Indonesia.

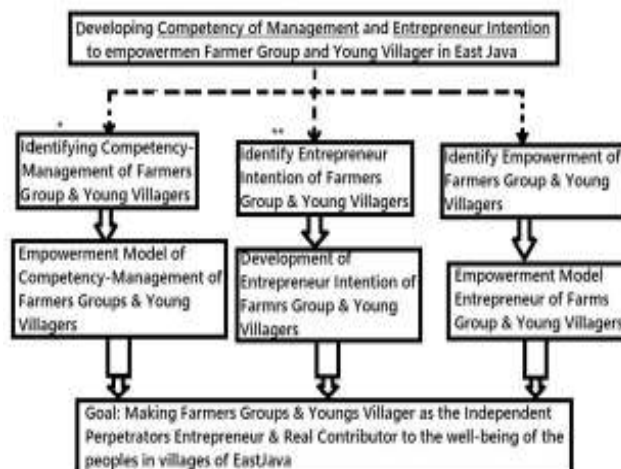


Figure 5. Roadmap / Concept of our research

III. METHODS

Based on the (Miller 1983) 's definition, a group of questions about entrepreneurial orientation was developed although (Lumpkin and Dess, 1996; Lee and Peterson, 2000; T. Lumpkin and G. Dess, 2001; Perera, Nag, and Venkateswarlu, 2019) use five dimensions of the EO i.e., autonomy, innovativeness, risk-taking, proactiveness, dan competitive aggressiveness. Here in this research work, we put in the questionnaires with 14 indicators (4 indicators to measure innovativeness dimension, 6 indicators to measure proactiveness and other 4 indicators for risk-taking dimension) used to detect the EO of the 65-villagers (48 respondents were young villagers (16 to 30 years old based-on (Badan Pusat Statistik Provinsi Jawa Timur, 2016)), 17 respondents were more than 30 years old). Our future research's goal is the villagers become an entrepreneur; their family economic-development becomes sustainable as SDGs (SustainAbility, 2020; Yulaswati, 2020) and or better qualities in life as the strategic planner and processed by (The Agricultural Services EAST JAVA, 2014, 2016; THE GOVERNMENT of EAST JAVA PROVINCE, 2015; The District Planning Agencies, 2017). Model EO of the 65-villagers in a part of the mountain Arjuno is shown in figure 1

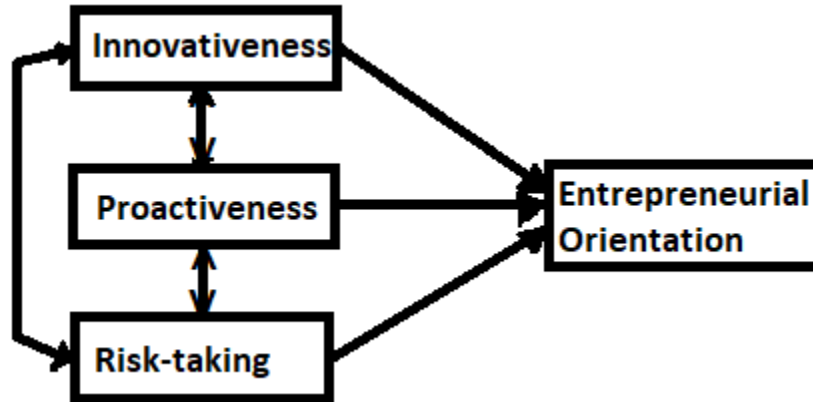


Fig 1. Concept development about Entrepreneurial Orientation model

The questionnaires spread to the villages in a part of the slope of the mountain to sixty-five villagers there. After collecting the data from the questionnaires, then proceeded and analyzed through software Statistical Packages for Social Sciences (SPSS) version 21.0, respectively.

IV. RESULTS

The villagers come from Prigen District 90.77% and 9.23 % from Purwodadi District. They are 73.85 % young villagers and 26.15 % old villagers, men 63.08% and women 36.92%. Of the villagers, 49.23% come from Senior High School and 50.77% from others (38.46% Junior High School, 10.77% graduated from Foundation School, and 1.54% do not graduate from any other school).

After analysis by using SPSS, there were two items from four items (Innovativeness, I dimensions) in the questionnaires that are valid with $r_{\text{calculated}} > r_{\text{table}}$ (0.317) as of Pearson correlation method (Product Moment) as $N=65$, $df=65-2=63$ for two-tailed of significant at least at 99% level ($p < 0.05$) for all of the indicators; there are four of six items are valid (P.1, P.2, P.3 and P.6) of proactiveness, P dimensions are valid. All of the four items of risk-taking, R dimensions of EO are valid.

To test the reliability of the proposed scales was using the usual threshold level of Cronbach's alpha 0.7 for newly developed measures as (Sugiyono, 2019). In this case, the values for four variables (I, P, R) were 0.466, 0.736, 0.620. Only the Innovativeness has values of Cronbach alpha < 0.6, which means that the instrument to measure the Innovativeness of the villagers in a part of the slope of Mt. Arjuno was not good enough. It can be used (Cronbach's alpha < 0.5) but the result in low of reliability (Binus University, no date), and although we have the Corrected item-total Correlation 0.317 for significance 1%.

The independent (inputs) variables i.e.: I, P and R (together) effects the dependent (output) variable, EO with regression equation as: $EO = -0.003 + 0.334I + 0.334P + 0.333R$. (Eq. 1)

Coefficient correlation (simultaneously) of inputs to output, R is 1.0. According to the interpretation of the coefficient correlation, R by (Sugiyono 2007, 2019), the R value 1.0 falls in the range 0.80 – 1.000 so that there is a very strong correlation among inputs to effect output.

The value of R^2 (coefficient determination) was 1.0, it means that variation of input variables i.e.innovativeness (I), proactiveness (P) and risk-taking (R) could explains fully the Entrepreneurial Entrepreneurial (EO) variation. Adjusted R Square were 1.0, with Std. Error of Estimate 2.66.

F-test results show that $F_{\text{calculated}}$ was 622102.42 which is more than F_{table} (2.755) with the level of significant, =0.05, means that Innovativeness (I), Proactiveness (P) and Risk-taking (R) together affect Entrepreneurial Orientation (EO).

Because $T_{\text{calculated}}$ through SPSS for every independent variable were more than T_{table} 1.999), means that every input variable partially gives positive effect for output variable.

V. DISCUSSION

The characteristics of the peoples near the Mountain Arjuno, especially for the 65-villagers in their entrepreneurial orientation, could be stated as the linear regression model (Eq. 1). The equation can be stated as an Entrepreneurial Orientation Model for the villagers based on the data analyzed.

Eq 1 only based on the 65 data, and this is as a good point to generate better villagers as well as firms for better future goals that is a must following Sustainable Development Goals in the area (Yulaswati, 2020).

VI. CONCLUSION

It was found what is the characteristics of the people near the Mountain Arjuno are, especially for the 65- villagers in their entrepreneurial orientation. The Innovativeness (I), Proactiveness (P) and Risk-taking (R) together effects the Entrepreneurial Orientation (EO with model regression equation as: $EO = -0.003 + 0.334I + 0.334P + 0.333R$.

VII. Acknowledgement

This research is funded by Research and Community Services of Universitas Katolik Darma Cendika with contract number 22/PPHI/VI/2021.

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IX. AUTHOR INFORMATION

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Matheus NUGROHO is a permanent Lecturer of Farming Faculty of Yudharta Pasuruan University (Universitas Yudharta Pasuruan). At present he also served as Professional Consultant and Trainer for more than 6 Companies in the fields of ISO (International Organization for Standardization) and more than 2 Educational Institutions.

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macam revisi

2 messages

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To: Yustinus Budi <yustinus.budi@ukdc.ac.id>, mtnugroho@gmail.com

Wed, Sep 29, 2021 at 11:15 PM

Dear 1. Romo Budi, 2. Bapak Nugroho
di
t e m p a t

Berikut terlampir revisi yang seperti yang dimaksudkan oleh Romo Budi, diberi warna.

regards,
Lasman Parulian



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1212K

Nugroho Matheus <mtnugroho@gmail.com>
To: Lasman Parulian <lasman.parulian@ukdc.ac.id>
Cc: Yustinus Budi <yustinus.budi@ukdc.ac.id>

Mon, Oct 11, 2021 at 1:50 PM

Dear Pak Lasman

Baik Pak Lasman diperhatikan saya verifikasi ya
dan memberikan masukan

Salam
Nugroho
[Quoted text hidden]

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ABSTRACT.

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Entrepreneurial orientation had become an important and extensively researched topic in the literature such as (Lumpkin and Dess, 1996; Lee and Peterson, 2000; T. Lumpkin and G. Dess, 2001; Hughes and Morgan, 2007; Anderson, Covin and Slevin, 2009; Lee *et al.*, 2009; Yan, 2010; Ismail *et al.*, 2015; Ibrahim and Mas'ud, 2016; Haque *et al.*, 2017; Lomberg *et al.*, 2017; Olutuase *et al.*, 2018; Cho and Lee, 2018; Bakytgul, Ahmed and Kim, 2019; Wales *et al.*, 2021). (Olutuase *et al.*, 2018) proposed a model to measure effects of EI to EO over time flag namely Variability of Entrepreneurial Intention,

Orientation within Entrepreneurial Ecosystem. The cognitive literature argues that entrepreneurship education stimulates both entrepreneurial orientation and intention in individuals which makes them more malleable to behave or act entrepreneurially at various levels over time.

Based on (Cho and Lee, 2018) stated that beside firms with EO try to identify and exploit new opportunities persistently, create new values and become leaders in market, EO also was an important factor that lead to the successful development of new products, high financial an nonfinancial business performance and high social performance. They used three dimensions of the EO i.e. innovativeness, proactiveness and risk-taking as many researchers also use, for example (Kresna, 2009; Imma Andiningtyas R.S. and Ratna L. Nugroho, 2014; Ismail *et al.*, 2015; SINE, 2015; Lomberg *et al.*, 2017) and for sure that their EO dimensions is originally conceived based-on the work of (Miller, 1983). They used the dimensions to describe character and examine entrepreneurial.

Innovativeness, as (Lumpkin and Dess, 1996) define the term, '... reflects a firm's tendency to engage in and support new ideas, novelty, experimentation, and creative processes that may result in new products, services, or technological processes.' According to (Miller, 1983), proactiveness relates to the competitive nature of the firm, or more specifically, to the proclivity of the firm to preempt its competitors by introducing new products, entering new markets, or aggressively changing competitive tactics. Risk taking refers to a tendency toward engaging in high-risk activities with chances of high returns, and also in bold actions in uncertain environments (Lomberg *et al.*, 2017). Risk-taking shows the will to submit relatively a lot of assets in spite of high potential for disappointment.

This research used the three dimensions to measure EO of the villagers in a part of slope of Mountain Arjuno in Pasuruan East Java Indonesia. Our study ultimately defines/measures entrepreneurial orientation of villagers in a part of the Mt. Arjuno after observing by spread questionnaires to 100 respondents in the places. The topic of this research was following of the roadmap shown in Figure 5 (Directorate General of Research Enhancement and Development Ministry of Research Technology and Higher Education, 2019; Institute of Research and Community Services Darma Cendika Catholic University, 2020; Purba and Hermanto, 2020) as well as (Directorate General of Research Enhancement and Development Ministry of Research Technology and Higher Education, 2020) which is in line with spring and forest and preservation in the area (Nugroho *et al.*, 2019; Hermanto and Nugroho, 2021). Since until this paper written there is no one researcher yet that use EO definition for the villager, more over villager in the slope of Mountain Arjuno Indonesia.

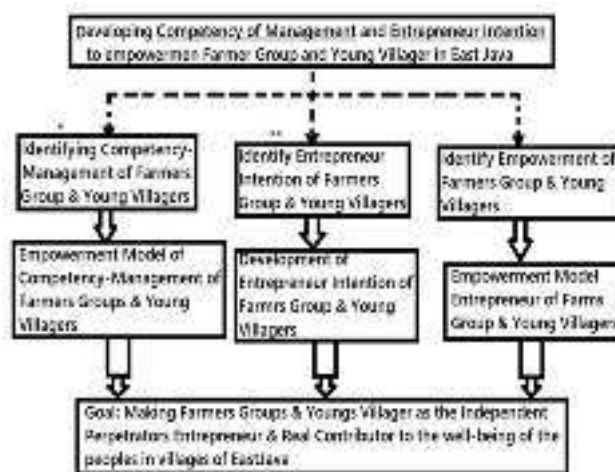


Figure 5. Roadmap / Concept of our research

III. METHODS

Based-on the (Miller, 1983)'s definition, a group of questions about entrepreneurial orientation were developed although (Lumpkin and Dess, 1996; Lee and Peterson, 2000; T. Lumpkin and G. Dess, 2001; Perera, Nag and Venkateswarlu, 2019) use five dimensions of the EO i.e.: autonomy, innovativeness, risk taking, proactiveness, dan competitive aggressiveness. Here in this research work we put in the questionnaires with 14 indicators (4 indicators to measure innovativeness dimension, 6 indicators to measure proactiveness and other 4 indicators for risk-taking dimension) used to detect the EO of the 65-villagers (48 respondents was young villagers (16 to 30 years old based-on (Badan Pusat Statistik Provinsi Jawa Timur, 2016)), 17 respondents was more than 30 years old). Our future research's goal is the villagers become an entrepreneur; their family economic-development become sustainable as SDGs (SustainAbility, 2020; Yulaswati, 2020) and or better qualities in life as the strategic planned and processed by (The Agricultural Services EAST JAVA, 2014, 2016; THE GOVERNMENT of EAST JAVA PROVINCE, 2015; The District Planning Agencies, 2017). Model EO of the 65-villagers in a part of the mountain Arjuno is shown in figure 1

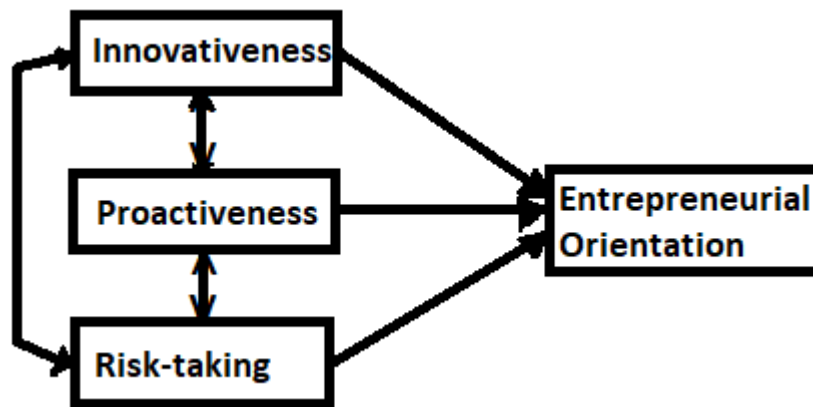


Fig 1. Concept development about Entrepreneurial Orientation model

The questionnaires spread to the villages in a part of the slope of the mountain to sixty-five villagers there. After collecting the data from the questionnaires then proceed and analyzed them through software Statistical Packages for Social Sciences (SPSS) version 21.0, respectively.

IV. RESULTS

The villagers come from Prigen District 90.77% and 9.23 % from Purwodadi District. They are 73.85 % young villagers and 26.15 % old villagers, man 63.08% and women 36.92%. The villagers 49.23% comes from Senior High School and 50.77% from others (38.46% Junior High School, 10.77% graduated from Foundation School and 1.54% not graduate from any others school).

After analysis by using SPSS, there were two items from four items (innovativeness, I dimensions) in the questionnaires are valid with $r_{\text{calculated}} > r_{\text{table}}$ (0.317) as of Pearson correlation method (Product Moment) as $N=65$, $df=65-2=63$ for two-tailed of significant at least at 99% level ($p < 0.05$) for all of indicators; there were four of six items are valid (P.1, P.2, P.3 and P.6) of proactiveness, P dimensions are valid; and all of the four items of risk-taking, R dimensions of EO are valid.

To test reliability of the proposed scales was using the usual threshold level of Cronbach's alpha 0.7 for newly developed measures as (Sugiyono, 2019). In this case, the values for four variables (I, P, R) were 0.466, 0.736, 0.620. Only the innovativeness has values of Cronbach alpha < 0.6 , means that the instrument to measure innovativeness of the villagers in a part of the slope of Mt. Arjuno was not

good enough. It can be use (Cronbach's alpha < 0.5) but the result in low of reliability (Binus University, no date) and although we have the Corrected Item-Total Correlation 0.317 for significance 1%.

The independent (inputs) variables i.e.: I, P and R (together) effects the dependent (output) variable, EO with regression equation as: $EO = -0.003 + 0.334I + 0.334P + 0.333R$. (Eq. 1)

Coefficient correlation (simultaneously) of inputs to output, R is 1.0. According to the interpretation of the coefficient correlation, R by (Sugiyono, 2007, 2019), the R value 1.0 is fall in the range 0.80 – 1.000 so that there is a very strong correlation among inputs to effect output.

The value of R^2 (coefficient determination) was 1.0, it means that variation of input variables i.e. innovativeness (I), proactiveness (P) and risk-taking (R) could explains fully the Entrepreneurial Entrepreneurial (EO) variation. Adjusted R Square were 1.0, with Std. Error of Estimate 2.66.

F-test results show that $F_{\text{calculated}}$ was 622102.42 which is more than F_{table} (2.755) with the level of significant, $\alpha=0.05$, means that Innovativeness (I), Proactiveness (P) and Risk-taking (R) together affect Entrepreneurial Orientation (EO).

Because $T_{\text{calculated}}$ through SPSS for every independent variable were more than T_{table} 1.999), means that every input variable partially gives positive effect for output variable.

V. DISCUSSION

The characteristics of the peoples near the Mountain Arjuno especially for the 65-villagers in their entrepreneurial orientation could be stated as the linear regression model (Eq. 1). The equation can be stated as an Entrepreneurial Orientation Model for the villagers based-on data analyzed.

The Eq 1 only based-on the 65 data, and this is as a good point to generate better villagers as well as firms for a better future goals that is a must following Sustainable Development Goals in the area (Yulaswati, 2020).

VI. CONCLUSION

It was found what is the characteristics of the peoples near the Mountain Arjuno especially for the 65- villagers in their entrepreneurial orientation. The Innovativeness (I), Proactiveness (P) and Risk-taking (R) together effects the Entrepreneurial Orientation (EO with model regression equation as: $EO = -0.003 + 0.334I + 0.334P + 0.333R$.

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