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Development of a Village Youth Entrepreneurship Model to Increase the Income of Wetland Village Communities

Hastin Umi Anisah[1*], Isnawati[2], Rifqi Novriyandana[2], Nor Hikmah[2]

[1]Department of Management, Faculty of Economics and Business, Universitas Lambung Mangkurat, Banjarmasin, Indonesia

[2]Department of Accounting, Faculty of Economics and Business, Universitas Lambung Mangkurat, Banjarmasin, Indonesia

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***Corresponding author:**
Hastin Umi Anisah

E-mail address:
humianisah@ulm.ac.id

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A B S T R A C T

The low competitiveness of human resources is highly correlated with the low potential and ability of the people's economy, which leads to higher poverty rates. Intervention in the economic capacity of the community needs to be carried out in order to prevent the negative effects of the lack of quality human resources. Entrepreneurship is a very important aspect to be developed in society as a form of economic intervention. This study aimed to develop a village youth entrepreneurship model to increase the income of wetland villages. This study is an observational study in Beranggas Timur Village, Alalak District, Barito Kuala Regency, South Kalimantan Province, Indonesia. Data analysis was carried out with PLS-SEM facilitated by SmartPLS 3. Creativity has no significant effect on entrepreneurial intention; Imagination has no significant effect on entrepreneurial intention; and personality has a significant effect on entrepreneurial intention.

1. Introduction

The human development index (HDI) is strongly influenced by factors of education, health, and people's income. Therefore, with increased knowledge/education informal, it is expected to increase income and a decent standard of living. HDI is an important indicator to measure success in efforts to build the quality of human life (community/population). In addition, HDI can determine the rank or level of development of a region/country. The rapid development of technology and the increasing complexity of business competition demands a bigger role in human resource management. This change in the business environment has led to the recognition of the importance of human resources as a source of competitive advantage. Therefore, human resources which have high competence are seen as able to support increasing people's income.

Barito Kuala Regency is one of the districts in Indonesia with a relatively low level of education. The majority of the population only graduated from elementary school. Of course, this would be a potential problem from a good perspective on society and the economy. The minimum level of education correlates with low HDI and leads to low HR competitiveness. The low competitiveness of human resources is highly correlated with the low potential and ability of the

people's economy, which leads to higher poverty rates. Intervention in the economic capacity of the community needs to be carried out in order to prevent the negative effects of the lack of quality human resources. Entrepreneurship is a very important aspect to be developed in society as a form of economic intervention.

Entrepreneurship is a group of knowledge that seeks to develop the mindset of the community so that they are willing and courageous to take real action to do various things in order to solve various community problems, which will lead to economic life. People must be trained to think creatively by always trying to see opportunities and economic potential in every problem that arises in their community. This study aimed to develop a village youth entrepreneurship model to increase the income of wetland villages.

2. Literature Review

Competence is the ability and willingness to perform tasks with effective performance. This is in accordance with (Spencer, 1993), which states that knowledge, skills, and abilities are factors that have a dominant influence on competence HR. (Ardiana et al., 2010) Also stated in their research that knowledge is mastery of science and technology that owned a person obtained through the process of learning and experience during life. Skill is a special capacity to manipulate an object physically. Ability is the capacity of an individual to do various tasks in a job. Where are the three indicators of competence? These human resources have a significant influence on the performance of MSMEs, which of course, has an impact on the competitiveness of MSMEs.

In the entrepreneurial process, entrepreneurial orientation is needed because 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 is related to the way of entrepreneurship in methods used, habits, and decision-making styles used in entrepreneurship (Lee et al., 2000). In rural communities, especially village youth who are expected to be the successors of the village in terms of farming, entrepreneurial competence is very much needed, which is an important factor needed by business actors to face challenges in the development world that is dynamic and influences performance (Dhamayantie, 2017). Entrepreneurial competence is influenced by internal, external, and environmental factors (Aviati, 2015). Further (Aviati, 2015) stated that internally, entrepreneurial competence is influenced by the desire for achievement, education, and experience, while externally, what encourages entrepreneurial competence is opportunity, experience, and creativity.

The model for forming entrepreneurial intentions comes from the theory of planned behavior (TPB) developed by Icek Ajzen. TPB states that a person's behavior appears regularly and sequentially, does not originate from impulsive and spontaneous decisions, but has gone through a series of planning steps, through many trial and error efforts that evolutionarily shape and strengthen intentions (Ajzen, 1991; Bosnjak et al., 2020). Just as entrepreneurial activity is preceded by a series of sequential steps that strengthen entrepreneurial intentions. According to TPB, a person's intention to behave in a certain way is influenced by 3 variables, namely attitudes, social norms, and self-efficacy.

3. Methods

This study is an observational study to determine the factors that play a role in the development of business intentions as well as the relationships and models between these factors. This study was conducted in Beranggas Timur Village, Alalak District, Barito Kuala Regency, South Kalimantan Province, Indonesia. The study location is a food-insecure village with a high poverty rate. The primary research data

was collected by a survey of village youth as the respondent group for the research. The outline of the results of the multivariate analysis with PLS-SEM facilitated with SmartPLS 3, is a statistical verification analysis consisting of testing the outer model/measurement model, testing the model structural/inner model, and hypothesis testing. The outer model test consists of: 1) convergent validity analysis, 2) discriminant validity test, and 3) reliability test. Test models structural/inner model will produce R-square, F-square, and Q2 predictive relevance.

4. Results and Discussion

Convergent validity is a construct validity test. An indicator is said to have good validity if it has a loading factor value greater than 0.70 (Hair et al., 2017a). Based on the estimation results using the help of the SmartPLS 3 program application, the output of the model test is obtained as follows.

Table 1. Outer model test results.

Construct	Loading factor	R critical	Criteria (loading factor ≥ 0.70)
X1.1 <- Creativity (X1)	0.893	0,70	Valid
X1.2 <- Creativity (X1)	0.837	0,70	Valid
X1.3 <- Creativity (X1)	0.852	0,70	Valid
X1.4 <- Creativity (X1)	0.788	0,70	Valid
X2.1 <- Imagination (X2)	0.911	0,70	Valid
X2.2 <- Imagination (X2)	0.874	0,70	Valid
X2.3 <- Imagination (X2)	0.920	0,70	Valid
X3.1 <- Personality (X3)	0.792	0,70	Valid
X3.10 <- Personality (X3)	0.783	0,70	Valid
X3.2 <- Personality (X3)	0.765	0,70	Valid
X3.3 <- Personality (X3)	0.871	0,70	Valid
X3.4 <- Personality (X3)	0.799	0,70	Valid
X3.5 <- Personality (X3)	0.845	0,70	Valid
X3.6 <- Personality (X3)	0.840	0,70	Valid
X3.7 <- Personality (X3)	0.759	0,70	Valid
X3.8 <- Personality (X3)	0.823	0,70	Valid
X3.9 <- Personality (X3)	0.871	0,70	Valid
Y1 <- Entrepreneurial intention (Y)	0.894	0,70	Valid
Y2 <- Entrepreneurial intention (Y)	0.943	0,70	Valid
Y3 <- Entrepreneurial intention (Y)	0.920	0,70	Valid

Likewise, the AVE value (average variance extracted), which is greater than or equal to 0.5 (R-critical) (Hair et al., 2019), shows that latent variables in research have good convergent validity.

Table 2. Convergent validity.

Latent	The average variance extracted (AVE)	R critical	Criteria (AVE ≥ 0.5)
Creativity (X_1)	0,864	0,5	Valid
Imagination (x_2)	0,885	0,5	Valid
Personality (X_3)	0,944	0,5	Valid
Entrepreneurial intention (Y)	0,908	0,5	Valid

Discriminant validity is seen from the value cross loading produced– according to Fornell and Larcker, by taking into account the correlation value of the indicator to the construct, which must be greater than the correlation value between the indicator and the construct construction others (Ghozali, 2014).

Table 3. Discriminant validity test results.

	Creativity (X1)	Imagination (x2)	Personality (X3)	Entrepreneurial intention (Y)
X1.1	**0.893**	0.737	0.700	0.560
X1.2	**0.837**	0.701	0.782	0.637
X1.3	**0.852**	0.749	0.713	0.630
X1.4	**0.788**	0.754	0.593	0.521
X2.1	0.768	**0.911**	0.818	0.756
X2.2	0.795	**0.874**	0.764	0.687
X2.3	0.796	**0.920**	0.820	0.735
X3.1	0.730	0.748	**0.792**	0.628
X3.2	0.652	0.700	**0.765**	0.580
X3.3	0.738	0.819	**0.871**	0.699
X3.4	0.625	0.658	**0.799**	0.744
X3.5	0.755	0.838	**0.845**	0.734
X3.6	0.665	0.704	**0.840**	0.628
X3.7	0.670	0.628	**0.759**	0.727
X3.8	0.606	0.683	**0.823**	0.577
X3.9	0.726	0.797	**0.871**	0.835
X3.10	0.594	0.643	**0.783**	0.585
Y1	0.653	0.743	0.717	**0.894**
Y2	0.667	0.754	0.814	**0.943**
Y3	0.614	0.726	0.774	**0.920**

With a high cross-loading value compared to construction otherwise, it can be concluded that the model in this study has good discriminant validity. The quality of construct reliability was determined based on the resulting Cronbach's alpha and composite reliability scores. Good reliability criteria that must be met are 0.6 - 0.7 (Hair et al., 2017, 2019). As for the reliability of the three constructs of this study, the latent construct has a Cronbach's alpha value of more than 0.6 (Table 4), which indicates that the latent construct has reliability the good one. In addition, the composite reliability value of all latent constructs also

has a value greater than 0.60. Based on Cronbach's alpha and composite reliability values obtained show that the model has good reliability.

Table 4. Cronbach's alpha value and composite reliability.

Latent	Cronbach's alpha	Composite reliability
Creativity (X_1)	0,864	0,908
Imagination (x_2)	0,885	0,929
Personality (X_3)	0,944	0,952
Entrepreneurial intention (Y)	0,908	0,943

The next test is the model test structural/inner mode and hypothesis testing. Evaluation of the inner model is an analysis of the results of the relationship between constructs. Inner model testing consists of R-square, F-square, and Q-square predictive relevance and hypothesis testing. The criterion for a strong model is the R-square value of 0.670; 0.33 moderate/moderate; and 0.19 is weak (Chin, 1998). The R-square produced in this study is presented in Table 5 below.

Table 5. R-square.

	R square	Strong relationship
Entrepreneurial intention (Y)	0,725	Strong

Based on the criteria above, then the R Square value with a value of 0.67 indicates a strong model, a value of 0.33 indicates a moderate model and a value of 0.19 indicates a weak model. From the results of Table 5 it can be seen that the R-Square for the variable Entrepreneurial Intention (Y) is 0.725, which means that Creativity (X_1), Imagination (X_2), and Personality (X_3) simultaneously influence Entrepreneurial Intention (Y) by 72.5%, while the remaining 27.5% is influenced by other variables not examined in this study.

An F-square value of 0.02 indicates a small rating, an effect size of 0.15 shows a medium rating, and an effect size of 0.35 indicates a large rating (Cohen, 1988 in Yamin, 2011). Based on the test results with SmartPLS 3, the F Square results are as follows.

Table 6. F-square.

Variable	Effect size	Rating
Entrepreneurial intention (Y)		
Creativity (X_1)	0,020	Small
Imagination (X_2)	0,086	Small
Personality (X_3)	0,273	Moderate

Based on the above criteria, the creativity variable (X_1), Imagination (X_2), and Personality (X_3) each have an influence with small, small, and moderate categories in influencing the variable Entrepreneurial Intention (Y).

Testing Q-square is used to measure how well the observed values are produced by the model and also the parameter estimates. The Q-square value is bigger than 0 (zero), indicating that the model has a predictive value relevance, whereas a Q-square less

than 0 (zero) indicates that the model lacks predictive relevance (Cohen, 1988 in Yamin, 2011). Q-value square, which is obtained using the value of R^2 in the table above, the following calculation results are obtained:

Table 7. Q^2 predictive relevance.

Variable	R Square	1-R Square
Entrepreneurial intention (Y)	0,725	0,275
Q^2 =	Q^2 = 1- (1-0,725) = 72,5%	
Error =	Q^2 = 100% - 72,5% = 27,5%	

The results of the analysis show that the Q square value is greater than 0. This means that the observed values have been reconstructed properly so that the model has predictive relevance. This means that there is 0.725 or 72.5% relative effect of the structural model on observational measurements for endogenous latent variables, and as much as 27.5% is a model error.

The original sample value (O), which is equal to 0.618, indicates that the direction of influence from Personality (X_3) on entrepreneurial intentions (Y) is positive and unidirectional, meaning that the more personality increases, the more entrepreneurial intentions increase. Personality influence (X_3) on entrepreneurial intention (Y) is significant, with a t-statistical value of 2.181 greater than the t-table or 2.181 > 1.96, as well as a p-value of 0.030 smaller than alpha 5% (0.05). Thus personality (X_3) has a significant effect on entrepreneurial intention (Y).

5. Conclusion

Creativity has no significant effect on Entrepreneurial intention; Imagination has no significant effect on entrepreneurial intention; and personality has a significant effect on entrepreneurial intention.

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