

Chapter 12

PROPENSITY FOR SUSTAINABLE ENTREPRENEURSHIP OF MSEs OWNER IN YOGYAKARTA, INDONESIA

Kartika Nuringsih and Nuryasman MN*

Faculty of Economic and Business, Tarumanagara University, Jakarta, Indonesia

ABSTRACT

The goal of the research is to identify the determinants of the propensity for sustainable entrepreneurship that are perceived by Micro-Small Enterprises (MSEs) at Kulon Progo County, Yogyakarta. Based on 130 respondents, it was identified that perceived feasibility, perceived desirability, and social norm had significant relationships with the propensity for sustainable entrepreneurship. Otherwise, sustainability attitude has not been proven significant. The benefit of the study is to provide information that, at the level of MSEs, has a positive perception of sustainable entrepreneurship so that to broaden the involvement of entrepreneurs needs to be proven through best practices. The collaborations are expected to create a mindset about the triple bottom line. Therefore, integration is in line with the strategy of developing entrepreneurship that is environmentally-local and wisdom oriented in the region.

Keywords: propensity, sustainable entrepreneurship, sustainable development

INTRODUCTION

Entrepreneurship is an approach to encourage economic growth and wealth creation in modern society. Along with the decline in the global ecosystem, the changes need to be addressed by entrepreneurs. In line with sustainable development, the entrepreneurial process is not limited to creating value in an economic context but includes the economic-social value [1]. Following Schumpeter in 1934 through creative destruction, entrepreneurs process to find new opportunities and to stimulate changes in society. It agrees with Belz & Binder [2] who

* Corresponding Author's Email: kartikan@fe.untar.ac.id.

stated that the goals of sustainable development could be implemented through the activities of entrepreneurship. To maintain sustainability, it is necessary to balance business orientation, conservation, and local wisdom so that the entrepreneur does not neglect the welfare of future generations.

The transformation of sustainable development is fostered through sustainable entrepreneurship (SUEs) that integrates the principles of sustainability in business management. It emphasized the term key drivers of sustainable entrepreneurship as a strategy for SUEs. Referring to [2], the terminology of the activities is discovery, creation, evaluation, and exploitation. Other studies highlighted an equal footing the goals of economic, social, cultural, and environmental when exploiting opportunities. Related to Battistella et al. [2], introduced a convergent process model with starting a double bottom line (DBL) than going to triple bottom line (TBL). For the reason, the study [3] noted that the ability in the implementation of TBL has a positive impact on business performance, so [4] suggested the approach to bridge the limitations SMEs are assisted through sustainable business models. The elaboration illustrates the relation between sustainable development and its implementation in business.

In line with the issues, Kuckertz & Wagner [5] declared that the entrepreneur orientation has a relation to the entrepreneurial intention on the TBL. Hence, the concept of sustainability was also proved by [6]. For that reason, the base of the study develops entrepreneurs' interest in sustainable entrepreneurship. Before research [5] used the term of intention while studies [7, 8] used the word of propensity in capturing the interest of small-medium enterprises. Similarly, [9] used the term of entrepreneurial intention of sustainability growth in Philippines's case. In the same case as pointed by [10] which was applied to the urban nascent entrepreneurs in Jakarta. Therefore, extensive studies have been implemented with the intention of owners of a business in rural areas.

Based on the studies, the scale of application for Micro-Small Enterprises (MSEs) was carried out. This group of enterprises is at the bottom of economical pyramid. Therefore, they need education for understanding sustainability in the future. The perceptions of entrepreneurs and the commitment of the government are to shape trends towards business in a sustainable manner. It is an interesting topic in capturing the state of mind among people to empower their potentials and catch up with the opportunity to become sustainable entrepreneurs. Relevant to the issues, Kulon Progo is one of the counties in the province of Yogyakarta which is known to have special features due to cultural and historical factors. The leader has committed to implement the values of sustainable development and even inspired other regions. In line with these achievements, the study aims to determine the principles of sustainability that are considered by owners of MSEs in the county.

Geographically, located in the south coast of Java which condition: (1) the high land area of Menoreh Hill with the elevation on 500–1000 meters above sea level, (2) the hilly area with the elevation on 100–500 meters above sea level, (3) the lowland area with the elevation on 0–100 meters above sea level. The majority of the territorial are in rural areas or villages, therefore appropriately as rural entrepreneurial. This area impacts biodiversity, natural resource, social culture, heritage, business opportunity, and climate. Furthermore, geographically, it is important for economy access, agricultural, and tourism destination. Based on the reasons, the region needs regulation to anticipate environmental risk and maintain sustainability in the entrepreneurial sector.

Based on [7, 8] four constructs are selected as determinants of the propensity for sustainable entrepreneurship. The considerations of MSEs are (1) basically, the ability and knowledge of entrepreneurs to handle waste or pollution is still limited. They face limitations of resources to anticipate the ecological problem so that they seem to ignore the environmental issues [11]. (2) Geographically, Kulon Progo is a quite large mountainous area, therefore the realization of sustainable development needs to be improvised on this rural area. (3) Practically, the highest number at the bottom of the pyramid comes from MSEs. Hence, the point is how to know the perceptions about sustainable development in their activity.

The defining of the propensity for sustainable entrepreneurship (PSE) is the intention of the economic, social, environmental, and cultural objectives of entrepreneurial business. It forms a sustainable behavior among entrepreneurs. The entrepreneurial intention is examined through the entrepreneurial events model (EEM) and the theory of planned behavior (TPB). The first model consists of three enters, namely: perceived desirability, perceived feasibility, and propensity to act as predictors of entrepreneurial intention. It considers the interaction of cultural factors and social conditions when making decisions to become entrepreneurs. The Shapero & Sokol Model places intention specifically on entrepreneurial activities so that the term of an entrepreneurial event is used and the interest in building a business is a choice. The local wisdom, social systems, and regulations are taken into consideration when adopting sustainable development in business activities. The TPB is a continuation of reasoned action theory where individual behavior is generally determined by intention while the intention is determined by attitude toward the behavior and subjective norm. Both are used to investigate the intention of MSEs owners.

To understand perceptions about the intention of MSEs owners, the research question is: Is there a relationship between sustainability attitudes, social norms, perceived desirability, and perceived feasibility to the propensity for sustainable entrepreneurship? Hence, the development of the hypothesis is used to identify the relationship between four determinants toward PSE. The novelty points to the group of the study particularly enterprises at the bottom of the pyramid. It adapts the prior indicators to become instruments for rural sustainable entrepreneurship at a small county level. The goal of the study is to examine the impact of the four variables on the propensity of entrepreneurs to choose the sustainability platform as their business orientation for the future. The result serves as information for the regional government to perfect regulations and prepare necessary technology for entrepreneurs. It can be utilized to mitigate the potentials of environmental degradation and to diminish the social culture's gab from business activities.

METHODS

Population and Sample

The The population consists of MSEs in creative industries at Kulon Progo County. As a part of the province of Yogyakarta, society has strong the root of culture and respect for local wisdom. The sample selection method used purposive sampling with participants as many as 130 respondents. The sample criteria are: (1) involved in the creative industry category of the

Ministry of Trade, (2) belong to the MSME category in the Micro, Small, Medium Enterprises (MSMEs) constitution No. 20 the year 2008, (3) at least 3 years in business to see the effort in pioneering a business. Based on the method, collected samples as much as 130 respondents are from the service and production sector.

Variable Operationalization

The variable of the propensity for sustainable entrepreneurship (PSE) is measured based on entrepreneurial intention questionnaire (EIQ) which is adapted from Liñán & Chen [12] whereas sustainability attitudes (SA), social norms (SN), perceived desirability (PD), and perceived feasibility (PF) are adopted from [7, 8]. Based on EIQ, six items are used as indicators of entrepreneurial intention. Questionnaires were distributed to respondents on May-August, 2018, and filled out by the respondents themselves. They were asked to choose one option from 1 (very not important) up to 4 (very important). The reason for the range is to make it easier for respondents to self-administrate their perception or avoid ambiguity. Furthermore, to ensure the accuracy of the conceptual measurement scale could be used the composite reliability and validity testing. The results are elaborated in the next section.

RESULTS AND DISCUSSIONS

Respondent Profiles

The result summarizes the 12 types of businesses run by 130 respondents consists of 52% of micro and 48% of small enterprises. The highest number is in traditional food production (25%) and fashion (13%). The fewest number is printing (2%). The next group spread to traditional culinary, clothing craftsmen, traditional bride makeup, and management of village tourism with a total of 8% each. A respondent from handicrafts is 7%, meanwhile the performing arts, video shooting, and traditional arts with a total of 5% each. Furthermore, most management is run by husband and wife (38%), while 37% is managed by husband and 25% by the wife. Duration ranges from 3-5 years (37%), 6-10 years (23%), 11-15 years (22%), and over 16 years (18%). The business types grab the advantage of market opportunities from local wisdom, tradition, culture, and conservation. The majority of businesses are in rural areas so they are suitable to be developed into a cluster of sustainable rural entrepreneurship.

Related to sustainability, the profile is summarized as follows: (1) the origin of raw materials: the respondents consider that the raw material needs can be met by local suppliers (52%), outside the region (23%), and a combination of both (25%). (2) Raw material capacity: abundant (33%), sufficient (52%), and limited (15%). (3) Marketing areas: district level (38%), provinces (33%), and outside provinces (29%). (4) Sales growth: respondents feel stable (70%), fluctuating (20%), and increasing (10%). (5) Way of marketing: 52% of participants do it themselves and the rest work together with a partner or community. (6) How to innovate: MSEs innovate by combining modern elements (55%) and the rest still maintain traditional values. (7) Starting a business: pioneering alone (75%), continuing the business of parents (15%), and joint ventures (10%). (8) Government assistance: 40% have received

assistance (e.g., training, funding, promotion, assistance). Otherwise, 60% have not. (9) Social or environmental participation: 71% of participants were never involved, but 29% of respondents had participated in social and environmental actions (e.g., planting a fruit tree, herbal plant, mangrove conservation, communal forest protection, cleaning beach, turtle conservation, cooperation, entrepreneurship training for teenagers, and others). Although participation is few, entrepreneurs care about sustainability. Therefore, it needs a mechanism to encourage people to do something for social equity, environmental quality, or cultural preservation.

Tests for Reliability and Validity

To ensure the accuracy of the conceptual measurement scale, the information from composite reliability could be used. According to Werts et al. cited by [13], it can be more appropriate to test internal consistency or construct reliability than Cronbach's Alpha, because the value of Cronbach's Alpha tends to be higher or lower than the estimate. The Smart PLS test produces the value on PSE (0.724), SA (0.799), SN (0.740), PD (0.812), and PF (0.956). Differences in culture and lifestyle are thought to be factors that cause a contradiction in the value of reliability. Further, the testing of validity was verified through bootstrapping processes. The value of the loading factor is above 0.60, while discriminant validity based on the value of cross-loadings on the intended construct must be greater than the value of the other constructs. Based on Table 1, the result of validity scores is less than 0.60, especially in PSE1 and PSE2. However, both values of the cross-loadings are greater than other indicators on the entire constructs. Otherwise, two indicators are not valid to measure the PSE.

Table 1. Validity of propensity for sustainable entrepreneurship

COD E	STATEMENT	LOADI NG
PSE1	I am ready to become an entrepreneur who cares about the preservation of nature, tradition or local cultural wisdom	0.473
PSE2	In running a business, I try to avoid adverse effects on the environment and conflict with the local culture	0.441
PSE3	I capture business opportunities through the use of natural resources or local traditions/culture	0.815
PSE4	I THINK SERIOUSLY TO CONTRIBUTE TO SUSTAINABLE DEVELOPMENT	0.755

Table 2. Validity of independent variables

CODE	LOADING	CODE	LOADING	CODE	LOADING	CODE	LOADING
SA1	0,738	SN1	0,783	PD1	0,652	PF1	0,732
SA2	0,765	SN2	0,879	PD2	0,837	PF2	0,736
SA3	0,510	SN3	0,860	PD3	0,848	PF3	0,931
SA4	0,522	SN4	0,265	PD4	0,614	PF4	0,918
SA5	0,593	-	-	PD5	0,587	PF5	0,924
SA6	0,413	-	-	PD6	0,435	PF6	0,932
SA7	0,393	-	-	-	-	PF7	0,890
SA8	0,588	-	-	-	-	-	-
SA9	0,414	-	-	-	-	-	-

The same happens in indicators of sustainability attitude, social norms, and perceived desirability (Table 2). Although the scores are not appropriate with the criterion of convergent validity, the criterion of cross-loadings meets the requirement of discriminant validity testing. For example, the item of SN4 is not excluded from the indicator because it can change the conceptual relatedness of the social norm. However, it is maintained as an instrument in measuring social norms. The perfect score is indicators of perceived feasibility.

Empirical Results

The result depicts the path analysis among four variables towards PSE. Firstly, the path coefficient between sustainability attitude and PSE produces a statistical *t* value of 0.055. It is smaller than 1.96, so this attitude does not significantly predict the PSE. Original and mean samples in sustainability attitude produce the lowest value compared to others. On the contrary, producing has the highest standard deviation of 11% so that sustainability attitude is not yet a predictor of PSE. This result (first hypothesis) is not following the prior study. Secondly, the path coefficient shows the relationship between social norms and PSE. The *t*-value of statistics is 1.68, it is smaller than 1.96, but the social norm is still able to have a significant effect at the level of 10%, so the second hypothesis (H2) is accepted. Thirdly, the path coefficient between perceived desirability and PSE shows a statistical value of 2.338 so that the third hypothesis (H3) is accepted at the level of 5%. Lastly, the path coefficient between perceived feasibility and PSE identifies a statistical *t*-value of 5.456 so that the fourth hypothesis (H4) is accepted.

It is found that perceived feasibility and perceived desirability produce original sample values and a high mean sample that give a strong influence on the PSE. Although the result is low, H2 is suitable with the previous study [7]. Contrarily, the sustainability attitude has not been significant to PSE, so it is not appropriate with [7, 14]. Moreover, the testing of H3-H4 agrees with [7]. The value of R^2 results is 0.433 which means approximately 43.30% of the determinant of PSE is constructed by three factors. Therefore, 56.70% of the perceived MSEs owner intention is formed by other factors e.g., stakeholders' engagement, government support, sustainability knowledge, and sustainability concerns. The next studies focus on other predictors to determine the PSE.

DISCUSSION

Since sustainable development has been considered in the entrepreneurship field, so the interest among business owners toward sustainability issues is relatively important. Hypothesis testing shows a tendency for MSEs to appropriate with EEM than TPB. This result differs relative to the studies of [7–9], specifically in the relation of sustainability attitude and social norm to the entrepreneurial intention for sustainability. This conclusion is seen in the effect of high significance between perceived feasibility and perceived desirability to PSE. Conversely, the sustainability attitude as an antecedent of TPB has a weak influence on intention. The pattern of paths relatively turns to the EEM. Even though respondents are less aware of the term sustainable entrepreneurship, in the business practices the values of

sustainability were well perceived by micro-small entrepreneurs. Both are strong in forming intention on sustainable entrepreneurship.

Learning from researches, the psychological aspects dominate in constructing the intention in business owners. If the thinking is supported by regulations, the intention behavior will be formed clearly. The interaction of culture, local wisdom, education, and best practice from regional government policies are an inspiration for MSEs to adopt the sustainability value of the business activities. Meanwhile, natural resources are potential in improving the value-added of commodities. Therefore, innovation and creativity must be graded simultaneously for entrepreneurs. Wisdom and cultural heritage are preserved to maintain authentic potentials. For these reasons, conservation must be a routine agenda in developing commitment to sustainability. The changes will improve the state of mind among people to catch up with the opportunity to become a sustainable entrepreneur.

In line with best practices, the regional government has succeeded in promoting sustainable development. The regulation to protect and buy local products and services can move the economy of society. Under the tagline "Bela & Beli Kulon Progo" the phrase could appreciate local products, natural wealth, and culture to prove a positive effect on economic growth, social development, and environmental conditions. The realization of the policy of giving multiplayer effects includes: (1) Capturing green market opportunities through the export of organic brown sugar. Processing and controlling the quality of the product is coordinated by the cooperative. It is beneficial to improve people's welfare, social equity, and ecological protection. (2) Establishing partnerships with tourism-conscious communities as a management system for natural tourist destinations. Kulon Progo has natural tourism potentials with a management system involving the tourism-based community. This approach is effective in moving the rural economy, preserving of communal forests, and appreciating the local wisdom.

Furthermore, in the context of the double bottom line, it is shown: (1) Regulations on the collaboration of retailers and cooperative networks with the branding of "People's Owned Stores". This regulation sided with the interests of the community to provide a positive effect on economic growth and social development. (2) Pioneering the mangrove forest as a tourist area. It is a commitment to enhance economic growth and preserve mangrove ecosystems in coastal communities. (3) Creating batik motifs of regional characteristics. It is an innovation in reviving the local market and opening opportunities for craftsmen to realize economic growth and social culture development. (4) Jamparing village was pioneered to appreciate and preserve archery during the Mataram Kingdom. The practices inspire people so that a positive perception of sustainable development among MSEs has been built. They innovatively exploit the opportunities for economic gains without ignoring society equity, environmental quality, or cultural preservation.

Although, owners of MSEs have a simple vision of sustainable development. The owners have opinions and do the jobs relevant to sustainability. In the process of business management, financial administration, supervision, and motivation, and training of employees have been carried out following the vision of sustainability. The owners also enjoy and enthusiastically run businesses following the expectations of sustainable development. They like and dare to face challenges in maintaining the business. Other proves about the perception of the social norm is their care about ideas given by friends, community leaders, and partners. Their behavior is inspired by best practices so that relations among fellow business actors, academic institutions, and communities provide positive empower the

enterprises. It is relevant to the study of [15] when empowering small enterprises in urban areas. Although not as strong as the two previous determinants, this relationship forms a social pressure on SUEs.

As a part of Yogyakarta's society, the mechanism could motivate people to build an innovative manner when grabbing economic gains without neglecting the economic welfare. The socialization among people will develop the equity of economic, social, and environmental aspects [16]. Through EEM, the founders perceive entrepreneurship as a credible carrier alternative. Entrepreneurs have a perception to protect sustainability by implementing services and production activities. Eventually, the government can encourage the seeds of sustainability citizenship behavior as stages in building sustainable entrepreneurship for SME owners in the region.

CONCLUSION

The mechanism of owners' interest is formed by perceived feasibility, perceived desirability, and social norms that are suitable for EEM. Entrepreneurs feel the right moment to develop a business in line with TBL or limited to DBL. Best practices inspire entrepreneurs and public figures to support each other towards sustainability events. Hence, this atmosphere creates a sense of self-efficacy, then fosters a desire to enjoy or be enthusiastic about sustainable entrepreneurship, and forms the social pressures on sustainability. Conversely, sustainability attitude has a weak influence on PSE. For that reason, the programs of socialization, workshops, and assistance are improved routinely to build a positive attitude towards sustainable development.

Constraints are caused by the limited educational background and knowledge of MSEs' owners. Thus, the process of upgrading information needs to involve community leaders, schools, universities, non-government organizations, and art actors. The result is as information for the regional government that a positive perception about sustainability is formed. To expand the involvement of entrepreneurs, they need to be encouraged through regional regulation, networking, and technology. The collaboration will create a positive mindset in realizing economic growth, social development, and environmental conditions. Integration must be aligned with the strategy of developing environmentally-oriented entrepreneurship of small-medium enterprises and the entire local wisdom. There are some limitations, for instance, as pointed at the quantitative approach that includes determinants by [7]. Furthermore, the avenue for the next studies needs to involve the stakeholder's support, sustainability knowledge, and green market (e.g., green opportunity or green customer behavior) in the entrepreneurial behavioral studies. It is relevant to the goals of sustainable development, especially in a small county of Yogyakarta.

REFERENCES

- [1] Schaltegger, S., & Wagner, M. (2011). Sustainable Entrepreneurship and Sustainability Innovation: Categories and Interactions. *Business Strategy Environment*, 20, 222-237.
- [2] Belz, F. M., & Binder, J. K. (2017). Sustainable Entrepreneurship: A Convergent

- Process Model. *Business Strategy Environment*, 26, 1–17.
- [3] Soto-Acosta, P., Cismaru, D. M., Vatamanescu, E. M., & Ciochina, R. S. (2016). Sustainable Entrepreneurship in SMEs: A Business Performance Perspective. *Sustainability*, 8(342), 1–12.
- [4] Battistella, C., Cagnina, M.R., Cicero, L., & Preghenella, N. (2018). Sustainable Business Models of SMEs: Challenges in Yacht Tourism Sector. *Sustainability*, 10(3437), 1–20.
- [5] Kuckertz, A., & Wagner, M. (2010). The Influence of Sustainability Orientation on Entrepreneurial Intentions - Investigating the Role of Business Experience. *Journal Business Ventura*, 25, 524–539.
- [6] Sung, C. S., & Park, J. Y. (2018). Sustainability Orientation and Entrepreneurship Orientation: Is There a Tradeoff Relationship between Them? *Sustainability*, 10(379), 1–14.
- [7] Koe, W. L., Omar, R., & Sa'ari, J. R. (2015). Factors Influencing Propensity to Sustainable Entrepreneurship of SMEs in Malaysia. *Procedia - Social. Behavior Science*, 172, 570–577.
- [8] Koe, W. L., Omar, R., & Majid, I. A. (2014). Factors Associated with Propensity for Sustainable Entrepreneurship. *Procedia - Social Behavior Science*, 130, 65–74.
- [9] Eddane, T. M. L. (2019). Entrepreneurial Intention Towards Sustainable Growth: The Case of Tourism MSMEs. *DLSU Business Economic Review*, 28(3), 11–20.
- [10] Nuringsih, K., & Puspitowati, I. (2017). Determinants of Eco Entrepreneurial Intention among Students: Study in the Entrepreneurial Education Practices. *Advanced Science Leterst.*, 23(8), 7281–7284.
- [11] Choongo, P., Van Burg, E., Paas, L. J., & Masurel, E. (2016). Factors Influencing the Identification of Sustainable Opportunities by SMEs: Empirical Evidence from Zambia. *Sustainability*, 8(81), 1–24.
- [12] Linan, F., and Chen, Y. (2006). *Testing the Entrepreneurial Intention Model on a Two-Country Sample*, Barcelona, 06, 2006.
- [13] Henseler, J., Ringle, C. M., & Sinkovics, R. R. (2009). The Use of Partial Least Squares Path Modeling in International Marketing, in *New Challenges to International Marketing Advances in International Marketing*, Emerald Group Publishing Limited, 20, 277–319.
- [14] Tonglet, M., Philips, P. S., & Read, A. D. (2004). Using the Theory of Planned Behaviour to Investigate the Determinants of Recycling Behaviour: A Case Study from Brixworth, UK. *Resources Conservation Recycle*, 41, 191–214.
- [15] Siregar, J.H., & Darajat, T. M. (2019). The Role of Local Community and Academic Institution to Empower the Small Enterprises in the Urban Area of Jakarta (Indonesia). *Geographica.Technica*, 14(Special Issue), 148–155.
- [16] Soemardiono, B., Rachmawati, M., Ardianta, D. A., & Nugroho, S. (2019). Spatial Analysis of Urban Dense Area in Developing Criteria Design Based on People Participation: Case Study of Kembang Jepun, Surabaya. *Geographica Technica*, 14 (Special Issue), 12–21.

As Professor at the Universitas Pembangunan Jaya, with daily activities in lecturing, doing research, as well as water resources development planning, I really praise Nova Science Publishers for publishing selected papers from "2020 International Conference on Urban Sustainability, Environment, and Engineering (CUSME 2020)". This publication would be useful for professionals, researchers, scholar, policymakers, and NGO. I believe that currently, many professionals would like to give more attention to the development of sustainable urban. In addition, this publication could be used as a reference for city authorities to make appropriate policy choices to protect the provision of equitable housing, health, and transportation services.

Prof. Ir. Frederik Josep Putuhena M.Sc., Ph.D
Center for Urban Studies - Universitas Pembangunan Jaya

Urban Development and Lifestyle are trend issues for cities around the world. Learning from experience is the most effective way to support cities to be sustainable developed. This book offers knowledge sharing among countries and covers a variety of cities' issues. It also provides great lessons for researchers, officers and policy-makers who are coping with several urban problems.

Associate Professor Sarintip Tantanee, Ph.D.
Director

Center of Excellence on Energy Technology and Environment (CETE)
Faculty of Engineering, Naresuan University, Thailand


nova
science publishers

www.novapublishers.com

ISBN 978-1-53618-560-7



9 781536 185607

URBAN DEVELOPMENT
AND INFRASTRUCTURE

Wayan Suparta, PhD
Editors

**Urban
Development
and
Lifestyle**

NOVA

URBAN DEVELOPMENT AND INFRASTRUCTURE

URBAN DEVELOPMENT AND LIFESTYLE

WAYAN SUPARTA
EDITOR



Copyright © 2020 by Nova Science Publishers, Inc.

All rights reserved. No part of this book may be reproduced, stored in a retrieval system or transmitted in any form or by any means: electronic, electrostatic, magnetic, tape, mechanical photocopying, recording or otherwise without the written permission of the Publisher.

We have partnered with Copyright Clearance Center to make it easy for you to obtain permissions to reuse content from this publication. Simply navigate to this publication's page on Nova's website and locate the "Get Permission" button below the title description. This button is linked directly to the title's permission page on copyright.com. Alternatively, you can visit copyright.com and search by title, ISBN, or ISSN.

For further questions about using the service on copyright.com, please contact:

Copyright Clearance Center

Phone: +1-(978) 750-8400

Fax: +1-(978) 750-4470

E-mail: info@copyright.com.

NOTICE TO THE READER

The Publisher has taken reasonable care in the preparation of this book, but makes no expressed or implied warranty of any kind and assumes no responsibility for any errors or omissions. No liability is assumed for incidental or consequential damages in connection with or arising out of information contained in this book. The Publisher shall not be liable for any special, consequential, or exemplary damages resulting, in whole or in part, from the readers' use of, or reliance upon, this material. Any parts of this book based on government reports are so indicated and copyright is claimed for those parts to the extent applicable to compilations of such works.

Independent verification should be sought for any data, advice or recommendations contained in this book. In addition, no responsibility is assumed by the Publisher for any injury and/or damage to persons or property arising from any methods, products, instructions, ideas or otherwise contained in this publication.

This publication is designed to provide accurate and authoritative information with regard to the subject matter covered herein. It is sold with the clear understanding that the Publisher is not engaged in rendering legal or any other professional services. If legal or any other expert assistance is required, the services of a competent person should be sought. FROM A DECLARATION OF PARTICIPANTS JOINTLY ADOPTED BY A COMMITTEE OF THE AMERICAN BAR ASSOCIATION AND A COMMITTEE OF PUBLISHERS.

Additional color graphics may be available in the e-book version of this book.

Library of Congress Cataloging-in-Publication Data

ISBN: 978-1-53618-560-7

Names: Suparta, Wayan, editor.

Title: Urban development and lifestyle / [edited by] Wayan Suparta,
Universitas Pembangunan Jaya Tangerang Selatan, Banten, Indonesia.

Description: Hauppauge : Nova Science Publishers, 2020. | Series: Urban
development and infrastructure | Conference proceedings. | Includes
bibliographical references and index. |

Identifiers: LCCN 2020039650 (print) | LCCN 2020039651 (ebook) | ISBN
9781536185607 (hardcover) | ISBN 9781536186314 (adobe pdf)

Subjects: LCSH: Sustainable urban development--Congresses. | City
planning--Congresses. | Community development--Environmental
aspects--Congresses. | Intelligent transportation systems--Congresses.

Classification: LCC HT241 .U6973 2020 (print) | LCC HT241 (ebook) | DDC
307.1/416--dc23

LC record available at <https://lcn.loc.gov/2020039650>

LC ebook record available at <https://lcn.loc.gov/2020039651>

Published by Nova Science Publishers, Inc. † New York



As Professor at the Universitas Pembangunan Jaya, with daily activities in lecturing, doing research, as well as water resources development planning, I really praise the Nova Science Publishers for publishing selected papers from “2020 International Conference on Urban Sustainability, Environment, and Engineering (CUSME 2020)”. Hence, this publication would be useful for professionals, researchers, scholar, policymakers, and NGO. I believe that currently, many professionals would like to give more attention on development of sustainable urban. In addition, this publication could be used as reference for City authorities to make appropriate policy choices to protect the provision of equitable housing, health, and transportation services.

Prof. Ir. Frederik Josep Putuhena M.Sc., Ph.D.
Center for Urban Studies – Universitas Pembangunan Jaya



Urban Development and Lifestyle are trend issues for the cities around the world. Learning from experiences is the most effective way to support the cities to be sustainable developed. This book offers the knowledge sharing among countries which covers variety of cities’ issues. It also provides the great lessons for researchers, officers and policy makers on coping with several urban problems.

Associate Professor Sarintip Tantanee, Ph.D.
Director
Center of Excellence on Energy Technology and Environment
(CETE)
Faculty of Engineering, Naresuan University, Thailand

CONTENTS

Preface		xiii
Urban Psychology, Cultural, and Communication Studies		1
Chapter 1	Ecological Behavior Model: Explained By Rational and Moral Perspective <i>Hetti Rahmawati, Siti Sendari and Yuni Rahmawati</i>	3
Chapter 2	Mapping Digital Political Communication for Millennials in Indonesia <i>Naurissa Biasini, Emma Rachmawati and Yosaphat Danis Murtiharso</i>	13
Chapter 3	Case Study of Urban Baby Boomer in Hoax Messages Distribution through Whatsapp Application in Indonesia <i>Suci Marini Novianty and Emma Rachmawati</i>	25
Chapter 4	Phubbing in Urban Families (A Case Study on the Families in South Tangerang) <i>Sri Wijayanti and Nathaniel Antonio Parulin</i>	35
Chapter 5	Communication for Risk Reduction in Natural Disaster (Case Study: National Disaster Management Agency – Indonesia) <i>Reni Dyanasari, Fasya Syifa Mutma and Melisa Arisanty</i>	45
Urban Education and Community Services		59
Chapter 6	Development of Social Media-Based Online Shop (Instagram and Facebook) in Economic Learning <i>Iskandar Agie Hanggara</i>	61
Chapter 7	ICT Integration in English Language Teaching in a University: Academic Perspectives <i>Endang Darsih</i>	71

Chapter 8	The Sustainable Community Development in Learning Activities for Children at Suburban Area <i>Fitriyah Nurhidayah, Johannes Hamonangan Siregar and Chaerul Anwar</i>	79
Chapter 9	Introducing Science, Technology, Engineering, Arts, and Math through Creative Exercise to Stimulate a Child's Creativity and Motoric Sense in an Urban Environment <i>Ismail Alif Siregar</i>	93
	Urban Economics and Lifestyle	103
Chapter 10	The Influence of Income and Financial Literacy on Financial Satisfaction through Financial Behavior as a Mediating Variable <i>Khairina Natsir, Made Setini and Agus Zainul Arifin</i>	105
Chapter 11	Marketing and Promoting the Concept of Malaysian Heritage Garden <i>Ahmad Zamil Zakaria, Melasutra Md Dali and Hazreena Hussein</i>	117
Chapter 12	Propensity for Sustainable Entrepreneurship of MSEs Owner in Yogyakarta, Indonesia <i>Kartika Nuringsih and Nuryasman MN</i>	131
Chapter 13	Strategic Facilities Management Approach in Australian Public Healthcare Organisation <i>Yuhainis Abdul Talib, Nor Aini Salleh and Kharizam Ismail</i>	141
Chapter 14	The Impact of Corporate Social Responsibility Implementation on the Value of Construction Firms in Indonesia <i>Muhammad Tony Nawawi and Agus Zainul Arifin</i>	151
Chapter 15	Value of Innovation: Creative Business Strategy of Nyatu Rubber Tree in Central Kalimantan <i>Vivy Kristinae, Made Wardana, I Gusti Ayu Kt Giantari and Agoes Ganesha Rahyuda</i>	167
Chapter 16	Promotion and Brand Trust in Affecting Repurchase Intention on E-Commerce Go-Jek Application <i>I Wayan Gede Antok Setiawan Jodi, Bagus Nyoman Kusuma Putra and I Made Surya Prayoga</i>	181
Chapter 17	Service Quality: Sales Strategy Towards Increasing Customer Satisfaction in Indonesian Modern Markets <i>Hastuti Naibaho and Yohanes Totok Suyoto</i>	189
Chapter 18	Factors Affecting Indonesian Sharia Bank Based on its Performances <i>Yanuar Yanuar and Eliza Christabella Phuanerys</i>	199

Chapter 19	The Influence of Financial Decision and Corporate Social Responsibility on Value of the Firm: Evidence from Manufacturing Companies in Indonesia <i>I Gede Adiputra, Nyoman Suprastha and Kevin Andreas</i>	207
Chapter 20	The Effect of Environmental Accounting and Fundamental Factors on Company Value <i>Irma P. Sofia and Sila Ninin W.</i>	217
Urban Architecture and Green Technology		231
Chapter 21	Atrium Design as Noise Control in Buildings <i>Santi Widiastuti and Jennie Kusumaningrum</i>	233
Chapter 22	IoT (Internet of Things) for Participatory Planning and Sustainable Urban Planning <i>S. Hariyani, E. B. Kurniawan, F. Usman and F. Shoimah</i>	247
Chapter 23	Amphibious Architecture: An Alternative Floodproof Design for Urban Flood Mitigation in Palembang, Indonesia <i>Harrini Mutiara Hapsari Wahyu, Rizka Drastiani and Sri Lilianti Komariah</i>	259
Agricultural Technology and Cultivation		269
Chapter 24	The Effect of Stem Cutting Type and Plastic-Covered on Bougainvillea Growth in Green Open Space <i>Heti Herastuti and E. K. Siwi Hardiastuti</i>	271
Chapter 25	Propagation of Arrowroot Plants <i>In Vitro</i> for the Agroforestry Environment Development <i>Endah Wahyurini and Susilowati</i>	281
Chapter 26	Potential of Kirinyuh (<i>Chromolaena odorata</i>) and Cow Manure to Increase the Nitrogen Uptake of Tomatoes (<i>Lycopersicum esculentum L.</i>) on Sandy Beach Soil <i>Lelanti Peniwiratri and Dyah Arbiwati</i>	289
Chapter 27	Optimum NPK Uptake of Paddy Soil By Applying Legume Residue and Combining Organic-Inorganic Fertilizer <i>Oktavia S. Padmini</i>	299
Chapter 28	The Role of Guano Phosphate in Improving the Quality of Compost from Household and Mushroom Media Waste in Supporting the Zero Waste Concept <i>Tuti Setyaningrum and Dyah Arbiwati</i>	307

Chapter 29	Increasing the Performance of Bougainvillea with Top Grafting for the Green Line in Urban Environment <i>Tutut Wirawati, Heti Herastuti and M. Husain Kasim</i>	317
Chapter 30	The Efforts to Improve the Quality of Growing Bulbil Iles-Iles (<i>Amorphophallus muelleri</i> Blume) with Oligo Chitosan Immersion <i>Sumarwoto and Sugeng Priyanto</i>	327
Chapter 31	Land Suitability Evaluation for Cassava Development in Integrated Farming System in Monggol <i>Purbudi Wahyuni, Dyah Sugandini, Didi Saidi, Sari Bahagiarti K and Olga Sisca Novaryan Scandiskti</i>	337
Chapter 32	The Screening of Growth, Yield Component, and Resistance of Various Sweet Corn Lines against Downy Mildew on S-3 Generation <i>Bambang Supriyanta, O. S. Padmini, M. Kundarto and Danar Wicaksono</i>	347
Chapter 33	Bamboo Construction Strengthening Techniques with Metal Materials in the Furniture Industry <i>Teddy Mohamad Darajat</i>	355
	Urban Computing, Technology, and Smart Transportation	363
Chapter 34	Sefaira and Autodesk FormIt360: A Comparison of Energy-Efficient Building Simulation <i>Beta Paramita and Sarah Luziani</i>	365
Chapter 35	Fuzzy Time Series to Predict the Volume of Yield of Arrowroot <i>Rifki Indra Perwira, Danang Yudhiantoro and Endah Wahyurini</i>	375
Chapter 36	Computational Fluid Simulation of Self Bed Feedstock in Rice Husk Bubbling Fluidized Bed Gasification <i>Mummayyis Pramono, Hafif Dafiqurrohman, Kania Amelia Safitri, Iwan Setyawan and Adi Surjosatyo</i>	385
Chapter 37	Images Matching Using the SURF Method on the Face of Buddha Statue <i>Linda Marlinda, Supriadi Rustad, Ruri Sukobasuki, Fikri Budiman and Muhamad Fatchan</i>	397
Chapter 38	Analysis of Performance Proximity Sensor SRF-05 and Maxsonar-EZ2 Implemented Using Arduino <i>Erwan Eko Prasetyo and Farid Ma'ruf</i>	405
Chapter 39	Smartgrid Technology and Development in Thailand <i>Jirawadee Polprasert, Sarawut Wattanawongpitak, Suchart Yammen and Thitipong Samakpong</i>	415

Chapter 40	Product and Visual Development of Portable Dynamic Message Sign <i>Desi Dwi Kristanto, Resdiansyah and Prio Handoko</i>	425
Chapter 41	Magnesium-Based Solid Storage for Fuel Cell Vehicle Application <i>Zulkarnain Jalil, Adi Rahwanto and Erfan Handoko</i>	435
Chapter 42	The Important Factors for Sustainable Padang - Pariaman Train Operation <i>Purnawan and Widia Safira</i>	443
Climate Change, Disaster, and Environmental		453
Chapter 43	The Relation Pedestrian Age and Gender to Walkability in Commercial Area of Pangkalpinang City <i>Revy Safitri and Ririn Amelia</i>	455
Chapter 44	Synthesis CdS/Pt-TiO ₂ with Enhanced Its Performance for Photocatalytic Degradation of Palm Wastewater Treatment <i>Ratnawati, Singgih Hartanto, Yuli Amalia Husnil and Christin Rina Ratri</i>	463
Chapter 45	The Efficiency of Produced Water Treatment Using Combination of Coagulation Process and Membrane Bioreactor <i>Ayu Utami, Wibiana W. Nandari, Ekha Yogafanny, E. A. Kristiati, Tedy A. Cahyadi and Nur Ali Amri</i>	475
Chapter 46	The Application Practice of Solar Energy Generation in Indonesia's Textile Industry <i>Herawati Rubiana, Mochammad Chaeron and Apriani Soepardi</i>	485
Chapter 47	Towards Sustainable Food Landscape: Generating and Protecting Spatial Context <i>Hedista Rani Pranata, Dalhar Susanto and Toga H. Panjaitan</i>	495
Chapter 48	Perception and Adaptation of Farmers on Climate Change (A Case Study at Clove Farmer in Samigaluh Kulonprogo, Yogyakarta) <i>Antik Suprihanti, Dwi Aulia Puspitaningrum, Eko Amiadji Julianto and Herwin Lukito</i>	505
About the Editor		515
Index		519

PREFACE

One of the issues of urban development and urban lifestyle, which can be studied from the sea to space, has posed important challenges for humanities, environmental management of cities and urban areas, and the economy. This field is one of the pillars of sustainable development from urban studies towards sustainability welfare. Research and development (R & D) in this part plays a crucial role where urban problems are always alive and increasing every year because of changing customer preferences and needs. City authorities must make appropriate policy choices to protect the provision of equitable housing, health, and transportation services in the future. The megatrends 2030 triggered by the Industrial Revolution 4.0 estimates urbanization will increase sharply, massive move from rural to urban areas, and the land is getting narrower, especially in Asia. New directions and developments in this field and discussion of future priorities must be well anticipated, meticulous, dignified, and innovative.

This book highlights the latest views and solutions to technological innovations adapted to achieve prosperity in urban sustainability. For instance, adapting new buildings for urban needs with low-cost and modern design materials, the housing environment and the layout of city space, weather changes to disaster, and smart transportation systems are also taken into account. It also involves electricity, environmental management, and ways to use agricultural land to increase income. The ease of technology produced will change the business model.

This contributed volume presents solicited selected papers of the 2020 International Conference on Urban Sustainability, Environment, and Engineering (*CUSME 2020*) with the theme "Urban Life and Technology". The book covers the point of view in urban architectures with green technology, sustainable environmental, management, agrotechnology, and smart transportation systems. The impact of urban development such as psychological and cultural influences, communication and social complexity, information systems and technology is also discussed with various solutions offered. The outcomes of the conference will certainly support government policy, stakeholders, policymakers, scientists, and engineers by bringing together their latest findings towards achieving a sustainable economy, improved quality of life, and protecting the environment. The findings of this study will create opportunities for further collaboration and are expected to improve the welfare of humanity.

The conference committee and all our contributors wish to pleasantly thank for their efforts and cooperation in finalizing this volume. We wish to acknowledge and gratitude

Nova Science Publishers Team for supporting our book proposal and for granting the opportunity to publish these conference proceedings and for their cooperation and support.

Wayan Suparta

Chairperson of CUSME 2020

The Editor-in-Chief

URBAN ECONOMICS AND LIFESTYLE

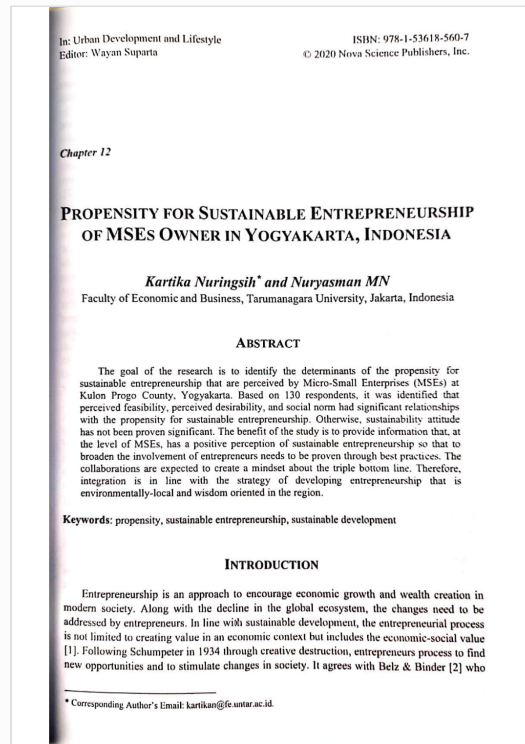


Digital Receipt

This receipt acknowledges that Turnitin received your paper. Below you will find the receipt information regarding your submission.

The first page of your submissions is displayed below.

Submission author: Nuryasman Mn
Assignment title: Quick Submit
Submission title: Propensity for Sustainable Entrepreneurship of MSEs Owner...
File name: ble_Entrepreneurship_of_MSEs_Owner_in_Yogyakarta,_Indon...
File size: 3.92M
Page count: 10
Word count: 4,552
Character count: 25,644
Submission date: 15-Mar-2022 08:38AM (UTC+0700)
Submission ID: 1784498453



Propensity for Sustainable Entrepreneurship of MSEs Owner in Yogyakarta, Indonesia

by Nuryasman Mn

Submission date: 15-Mar-2022 08:38AM (UTC+0700)

Submission ID: 1784498453

File name: ble_Entrepreneurship_of_MSEs_Owner_in_Yogyakarta,_Indonesia.pdf (3.92M)

Word count: 4552

Character count: 25644

Chapter 12

3
**PROPENSITY FOR SUSTAINABLE ENTREPRENEURSHIP
OF MSEs OWNER IN YOGYAKARTA, INDONESIA**

Kartika Nuringsih* and Nuryasman MN

Faculty of Economic and Business, Tarumanagara University, Jakarta, Indonesia

ABSTRACT

2
The goal of the research is to identify the determinants of the propensity for sustainable entrepreneurship that are perceived by Micro-Small Enterprises (MSEs) at Kulon Progo County, Yogyakarta. Based on 130 respondents, it was identified that perceived feasibility, perceived desirability, and social norm had significant relationships with the propensity for sustainable entrepreneurship. Otherwise, sustainability attitude has not been proven significant. The benefit of the study is to provide information that, at the level of MSEs, has a positive perception of sustainable entrepreneurship so that to broaden the involvement of entrepreneurs needs to be proven through best practices. The collaborations are expected to create a mindset about the triple bottom line. Therefore, integration is in line with the strategy of developing entrepreneurship that is environmentally-local and wisdom oriented in the region.

Keywords: propensity, sustainable entrepreneurship, sustainable development

INTRODUCTION

Entrepreneurship is an approach to encourage economic growth and wealth creation in modern society. Along with the decline in the global ecosystem, the changes need to be addressed by entrepreneurs. In line with sustainable development, the entrepreneurial process is not limited to creating value in an economic context but includes the economic-social value [1]. Following Schumpeter in 1934 through creative destruction, entrepreneurs process to find new opportunities and to stimulate changes in society. It agrees with Belz & Binder [2] who

* Corresponding Author's Email: kartikan@fe.untar.ac.id.

stated that the goals of sustainable development could be implemented through the activities of entrepreneurship. To maintain sustainability, it is necessary to balance business orientation, conservation, and local wisdom so that the entrepreneur does not neglect the welfare of future generations.

The transformation of sustainable development is fostered through sustainable entrepreneurship (SUEs) that integrates the principles of sustainability in business management. It emphasized the term key drivers of sustainable entrepreneurship as a strategy for SUEs. Referring to [2], the terminology of the activities is discovery, creation, evaluation, and exploitation. Other studies highlighted an equal footing the goals of economic, social, cultural, and environmental when exploiting opportunities. Related to Battistella et al. [2], introduced a convergent process model with starting a double bottom line (DBL) than going to triple bottom line (TBL). For the reason, the study [3] noted that the ability in the implementation of TBL has a positive impact on business performance, so [4] suggested the approach to bridge the limitations SMEs are assisted through sustainable business models. The elaboration illustrates the relation between sustainable development and its implementation in business.

In line with the issues, Kuckertz & Wagner [5] declared that the entrepreneur orientation has a relation to the entrepreneurial intention on the TBL. Hence, the concept of sustainability was also proved by [6]. For that reason, the base of the study develops entrepreneurs' interest in sustainable entrepreneurship. Before research [5] used the term of intention while studies [7, 8] used the word of propensity in capturing the interest of small-medium enterprises. Similarly, [9] used the term of entrepreneurial intention of sustainability growth in Philippines's case. In the same case as pointed by [10] which was applied to the urban nascent entrepreneurs in Jakarta. Therefore, extensive studies have been implemented with the intention of owners of a business in rural areas.

Based on the studies, the scale of application for Micro-Small Enterprises (MSEs) was carried out. This group of enterprises is at the bottom of economical pyramid. Therefore, they need education for understanding sustainability in the future. The perceptions of entrepreneurs and the commitment of the government are to shape trends towards business in a sustainable manner. It is an interesting topic in capturing the state of mind among people to empower their potentials and catch up with the opportunity to become sustainable entrepreneurs. Relevant to the issues, Kulon Progo is one of the counties in the province of Yogyakarta which is known to have special features due to cultural and historical factors. The leader has committed to implement the values of sustainable development and even inspired other regions. In line with these achievements, the study aims to determine the principles of sustainability that are considered by owners of MSEs in the county.

Geographically, located in the south coast of Java which condition: (1) the high land area of Menoreh Hill with the elevation on 500–1000 meters above sea level, (2) the hilly area with the elevation on 100–500 meters above sea level, (3) the lowland area with the elevation on 0–100 meters above sea level. The majority of the territorial are in rural areas or villages, therefore appropriately as rural entrepreneurial. This area impacts biodiversity, natural resource, social culture, heritage, business opportunity, and climate. Furthermore, geographically, it is important for economy access, agricultural, and tourism destination. Based on the reasons, the region needs regulation to anticipate environmental risk and maintain sustainability in the entrepreneurial sector.

Based on [7, 8] four constructs are selected as determinants of the propensity for sustainable entrepreneurship. The considerations of MSEs are (1) basically, the ability and knowledge of entrepreneurs to handle waste or pollution is still limited. They face limitations of resources to anticipate the ecological problem so that they seem to ignore the environmental issues [11]. (2) Geographically, Kulon Progo is a quite large mountainous area, therefore the realization of sustainable development needs to be improvised on this rural area. (3) Basically, the highest number at the bottom of the pyramid comes from MSEs. Hence, the point is how to know the perceptions about sustainable development in their activity.

The defining of the propensity for sustainable entrepreneurship (PSE) is the intention of the economic, social, environmental, and cultural objectives of entrepreneurial business. It forms a sustainable behavior among entrepreneurs. The entrepreneurial intention is examined through the entrepreneurial events model (EEM) and the theory of planned behavior (TPB). The first model consists of three enters, namely: perceived desirability, perceived feasibility, and propensity to act as predictors of entrepreneurial intention. It considers the interaction of cultural factors and social conditions when making decisions to become entrepreneurs. The Shapiro & Sokol Model places intention specifically on entrepreneurial activities so that the term of an entrepreneurial event is used and the interest in building a business is a choice. The local wisdom, social systems, and regulations are taken into consideration when adopting sustainable development in business activities. The TPB is a continuation of reasoned action theory where individual behavior is generally determined by intention while the intention is determined by attitude toward the behavior and subjective norm. Both are used to investigate the intention of MSEs owners.

To understand perceptions about the intention of MSEs owners, the research question is: Is there a relationship between sustainability attitudes, social norms, perceived desirability, and perceived feasibility to the propensity for sustainable entrepreneurship? Hence, the development of the hypothesis is used to identify the relationship between four determinants toward PSE. The research points to the group of the study particularly enterprises at the bottom of the pyramid. It adapts the prior indicators to become instruments for rural sustainable entrepreneurship at a small county level. The goal of the study is to examine the impact of the four variables on the propensity of entrepreneurs to choose the sustainability platform as their business orientation for the future. The result serves as information for the regional government to perfect regulations and prepare necessary technology for entrepreneurs. It can be utilized to mitigate the potentials of environmental degradation and to diminish the social culture's gap from business activities.

METHODS

Population and Sample

The The population consists of MSEs in creative industries at Kulon Progo County. As a part of the province of Yogyakarta, society has strong the root of culture and respect for local wisdom. The sample selection method used purposive sampling with participants as many as 130 respondents. The sample criteria are: (1) involved in the creative industry category of the

Ministry of Trade, (2) belong to the MSME category in the Micro, Small, Medium Enterprises (MSMEs) constitution No. 20 the year 2008, (3) at least 3 years in business to see the effort in pioneering a business. Based on the method, collected samples as much as 130 respondents are from the service and production sector.

Variable Operationalization

The variable of the propensity for sustainable entrepreneurship (PSE) is measured based on entrepreneurial intention questionnaire (EIQ) which is adapted from Liñán & Chen [12] whereas sustainability attitudes (SA), social norms (SN), perceived desirability (PD), and perceived feasibility (PF) are adopted from [7, 8]. Based on EIQ, six items are used as indicators of entrepreneurial intention. Questionnaires were distributed to respondents on May-August, 2018, and filled out by the respondents themselves. They were asked to choose one option from 1 (very not important) up to 4 (very important). The reason for the range is to make it easier for respondents to self-administrate their perception or avoid ambiguity. Furthermore, to ensure the accuracy of the conceptual measurement scale could be used the composite reliability and validity testing. The results are elaborated in the next section.

RESULTS AND DISCUSSIONS

Respondent Profiles

The result summarizes the 12 types of businesses run by 130 respondents consists of 52% of micro and 48% of small enterprises. The highest number is in traditional food production (25%) and fashion (13%). The fewest number is printing (2%). The next group spread to traditional culinary, clothing craftsmen, traditional bride makeup, and management of village tourism with a total of 8% each. A respondent from handicrafts is 7%, meanwhile the performing arts, video shooting, and traditional arts with a total of 5% each. Furthermore, most management is run by husband and wife (38%), while 37% is managed by husband and 25% by the wife. Duration ranges from 3-5 years (37%), 6-10 years (23%), 11-15 years (22%), and over 16 years (18%). The business types grab the advantage of market opportunities from local wisdom, tradition, culture, and conservation. The majority of businesses are in rural areas so they are suitable to be developed into a cluster of sustainable rural entrepreneurship.

Related to sustainability, the profile is summarized as follows: (1) the origin of raw materials: the respondents consider that the raw material needs can be met by local suppliers (52%), outside the region (23%), and a combination of both (25%). (2) Raw material capacity: abundant (33%), sufficient (52%), and limited (15%). (3) Marketing areas: district level (38%), provinces (33%), and outside provinces (29%). (4) Sales growth: respondents feel stable (70%), fluctuating (20%), and increasing (10%). (5) Way of marketing: 52% of participants do it themselves and the rest work together with a partner or community. (6) How to innovate: MSEs innovate by combining modern elements (55%) and the rest still maintain traditional values. (7) Starting a business: pioneering alone (75%), continuing the business of parents (15%), and joint ventures (10%). (8) Government assistance: 40% have received

assistance (e.g., training, funding, promotion, assistance). Otherwise, 60% have not. (9) Social or environmental participation: 71% of participants were never involved, but 29% of respondents had participated in social and environmental actions (e.g., planting a fruit tree, herbal plant, mangrove conservation, communal forest protection, cleaning beach, turtle conservation, cooperation, entrepreneurship training for teenagers, and others). Although participation is few, entrepreneurs care about sustainability. Therefore, it needs a mechanism to encourage people to do something for social equity, environmental quality, or cultural preservation.

Tests for Reliability and Validity

To ensure the accuracy of the conceptual measurement scale, the information from composite reliability could be used. According to Werts et al. cited by [13], it can be more appropriate to test internal consistency or construct reliability than Cronbach's Alpha, because the value of Cronbach's Alpha tends to be higher or lower than the estimate. The Smart PLS test produces the value on PSE (0.724), SA (0.799), SN (0.740), PD (0.812), and PF (0.956). Differences in culture and lifestyle are thought to be factors that cause a contradiction in the value of reliability. Further, the testing of validity was verified through bootstrapping processes. The value of the loading factor is above 0.60, while discriminant validity based on the value of cross-loadings on the intended construct must be greater than the value of the other constructs. Based on Table 1, the result of validity scores is less than 0.60, especially in PSE1 and PSE2. However, both values of the cross-loadings are greater than other indicators on the entire constructs. Otherwise, two indicators are not valid to measure the PSE.

Table 1. Validity of propensity for sustainable entrepreneurship

COD E	STATEMENT	LOADI NG
PSE1	I am ready to become an entrepreneur who cares about the preservation of nature, tradition or local cultural wisdom	0.473
PSE2	In running a business, I try to avoid adverse effects on the environment and conflict with the local culture	0.441
PSE3	I capture business opportunities through the use of natural resources or local traditions/culture	0.815
PSE4	I THINK SERIOUSLY TO CONTRIBUTE TO SUSTAINABLE DEVELOPMENT	0.755

Table 2. Validity of independent variables

CODE	LOADING	CODE	LOADING	CODE	LOADING	CODE	LOADING
SA1	0,738	SN1	0,783	PD1	0,652	PF1	0,732
SA2	0,765	SN2	0,879	PD2	0,837	PF2	0,736
SA3	0,510	SN3	0,860	PD3	0,848	PF3	0,931
SA4	0,522	SN4	0,265	PD4	0,614	PF4	0,918
SA5	0,593	-	-	PD5	0,587	PF5	0,924
SA6	0,413	-	-	PD6	0,435	PF6	0,932
SA7	0,393	-	-	-	-	PF7	0,890
SA8	0,588	-	-	-	-	-	-
SA9	0,414	-	-	-	-	-	-

The same happens in indicators of sustainability attitude, social norms, and perceived desirability (Table 2). Although the scores are not appropriate with the criterion of convergent validity, the criterion of cross-loadings meets the requirement of discriminant validity testing. For example, the item of SN4 is not excluded from the indicator because it can change the conceptual relatedness of the social norm. However, it is maintained as an instrument in measuring social norms. The perfect score is indicators of perceived feasibility.

Empirical Results

The result depicts the path analysis among four variables towards PSE. Firstly, the path coefficient between sustainability attitude and PSE produces a statistical t value of 0.055. It is smaller than 1.96, so this attitude does not significantly predict the PSE. Original and mean samples in sustainability attitude produce the lowest value compared to others. On the contrary, producing has the highest standard deviation of 11% so that sustainability attitude is not yet a predictor of PSE. This result (first hypothesis) is not following the prior study. Secondly, the path coefficient shows the relationship between social norms and PSE. The t value of statistics is 1.68, it is smaller than 1.96, but the social norm is still able to have a significant effect at the level of 10%, so the second hypothesis (H2) is accepted. Thirdly, the path coefficient between perceived desirability and PSE shows a statistical value of 2.338 so that the third hypothesis (H3) is accepted at the level of 5%. Lastly, the path coefficient between perceived feasibility and PSE identifies a statistical t -value of 5.456 so that the fourth hypothesis (H4) is accepted.

It is found that perceived feasibility and perceived desirability produce original sample values and a high mean sample that give a strong influence on the PSE. Although the result is low, H2 is suitable with the previous study [7]. Contrarily, the sustainability attitude has not been significant to PSE, so it is not appropriate with [7, 14]. Moreover, the testing of H3-H4 agrees with [7]. The value of R^2 results is 0.433 which means approximately 43.30% of the determinant of PSE is constructed by three factors. Therefore, 56.70% of the perceived MSEs owner intention is formed by other factors e.g., stakeholders' engagement, government support, sustainability knowledge, and sustainability concerns. The next studies focus on other predictors to determine the PSE.

DISCUSSION

Since sustainable development has been considered in the entrepreneurship field, so the interest among business owners toward sustainability issues is relatively important. Hypothesis testing shows a tendency for MSEs to appropriate with EEM than TPB. This result differs relative to the studies of [7–9], specifically in the relation of sustainability attitude and social norm to the entrepreneurial intention for sustainability. This conclusion is seen in the effect of high significance between perceived feasibility and perceived desirability to PSE. Conversely, the sustainability attitude as an antecedent of TPB has a weak influence on intention. The pattern of paths relatively turns to the EEM. Even though respondents are less aware of the term sustainable entrepreneurship, in the business practices the values of

sustainability were well perceived by micro-small entrepreneurs. Both are strong in forming intention on sustainable entrepreneurship.

Learning from researches, the psychological aspects dominate in constructing the intention in business owners. If the thinking is supported by regulations, the intention behavior will be formed clearly. The interaction of culture, local wisdom, education, and best practice from regional government policies are an inspiration for MSEs to adopt the sustainability value of the business activities. Meanwhile, natural resources are potential in improving the value-added of commodities. Therefore, innovation and creativity must be graded simultaneously for entrepreneurs. Wisdom and cultural heritage are preserved to maintain authentic potentials. For these reasons, conservation must be a routine agenda in developing commitment to sustainability. The changes will improve the state of mind among people to catch up with the opportunity to become a sustainable entrepreneur.

In line with best practices, the regional government has succeeded in promoting sustainable development. The regulation to protect and buy local products and services can move the economy of society. Under the tagline "Bela & Beli Kulon Progo" the phrase could appreciate local products, natural wealth, and culture to prove a positive effect on economic growth, social development, and environmental conditions. The realization of the policy of giving multiplayer effects includes: (1) Capturing green market opportunities through the export of organic brown sugar. Processing and controlling the quality of the product is coordinated by the cooperative. It is beneficial to improve people's welfare, social equity, and ecological protection. (2) Establishing partnerships with tourism-conscious communities as a management system for natural tourist destinations. Kulon Progo has natural tourism potentials with a management system involving the tourism-based community. This approach is effective in moving the rural economy, preserving of communal forests, and appreciating the local wisdom.

Furthermore, in the context of the double bottom line, it is shown: (1) Regulations on the cooperation of retailers and cooperative networks with the branding of "People's Owned Stores". This regulation sided with the interests of the community to provide a positive effect on economic growth and social development. (2) Pioneering the mangrove forest as a tourist area. It is a commitment to enhance economic growth and preserve mangrove ecosystems in coastal communities. (3) Creating batik motifs of regional characteristics. It is an innovation in reviving the local market and opening opportunities for craftsmen to realize economic growth and social culture development. (4) Jamparing village was pioneered to appreciate and preserve archery during the Mataram Kingdom. The practices inspire people so that a positive perception of sustainable development among MSEs has been built. They innovatively exploit the opportunities for economic gains without ignoring society equity, environmental quality, or cultural preservation.

Although, owners of MSEs have a simple vision of sustainable development. The owners have opinions and do the jobs relevant to sustainability. In the process of business management, financial administration, supervision, and motivation, and training of employees have been carried out following the vision of sustainability. The owners also enjoy and enthusiastically run businesses following the expectations of sustainable development. They like and dare to face challenges in maintaining the business. Other proves about the perception of the social norm is their care about ideas given by friends, community leaders, and partners. Their behavior is inspired by best practices so that relations among fellow business actors, academic institutions, and communities provide positive empower the

enterprises. It is relevant to the study of [15] when empowering small enterprises in urban areas. Although not as strong as the two previous determinants, this relationship forms a social pressure on SUEs.

As a part of Yogyakarta's society, the mechanism could motivate people to build an innovative manner when grabbing economic gains without neglecting the economic welfare among people will develop the equity of economic, social, and environmental aspects [16]. Through EEM, the founders perceive entrepreneurship as a credible carrier alternative. Entrepreneurs have a perception to protect sustainability by implementing services and production activities. Eventually, the government can encourage the seeds of sustainability citizenship behavior as stages in building sustainable entrepreneurship for SME owners in the region.

CONCLUSION

The mechanism of owners' interest is formed by perceived feasibility, perceived desirability, and social norms that are suitable for EEM. Entrepreneurs feel the right moment to develop a business in line with TBL or limited to DBL. Best practices inspire entrepreneurs and public figures to support each other towards sustainability events. Hence, this atmosphere creates a sense of self-efficacy, then fosters a desire to enjoy or be enthusiastic about sustainable entrepreneurship, and forms the social pressures on sustainability. Conversely, sustainability attitude has a weak influence on PSE. For that reason, the programs of socialization, workshops, and assistance are improved routinely to build a positive attitude towards sustainable development.

Constraints are caused by the limited educational background and knowledge of MSEs' owners. Thus, the process of upgrading information needs to involve community leaders, schools, universities, non-government organizations, and art actors. The result is as information for the regional government that a positive perception about sustainability is formed. To expand the involvement of entrepreneurs, they need to be encouraged through regional regulation, networking, and technology. The collaboration will create a positive mindset in realizing economic growth, social development, and environmental conditions. Integration must be aligned with the strategy of developing environmentally-oriented entrepreneurship of small-medium enterprises and the entire local wisdom. There are some limitations, for instance, as pointed at the quantitative approach that includes determinants by [7]. Furthermore, the avenue for the next studies needs to involve the stakeholder's support, sustainability knowledge, and green market (e.g., green opportunity or green customer behavior) in the entrepreneurial behavioral studies. It is relevant to the goals of sustainable development, especially in a small county of Yogyakarta.

REFERENCES

- [1] Sabarudin, G. (2017). Sustainable Entrepreneurship and Sustainability Innovation: Categories and Interactions. *Business Strategy Environment*, 20, 222-237.
- [2] Belz, F. M., & Binder, J. K. (2017). Sustainable Entrepreneurship: A Convergent

- Process Model. *Business Strategy Environment*, 26, 1–17.
- [3] Soto-Acosta, P., Cismaru, D. M., Vatamanescu, E. M., & Ciochina, R. S. (2016). Sustainable Entrepreneurship in SMEs: A Business Performance Perspective. *Sustainability*, 8(342), 1–12.
- [4] Battistella, C., Cagnina, M.R., Cicero, L., & Preghenella, N. (2018). Sustainable Business Models of SMEs: Challenges in Yacht Tourism Sector. *Sustainability*, 10(3437), 1–20.
- [5] Kuckertz, A., & Wagner, M. (2010). The Influence of Sustainability Orientation on Entrepreneurial Intentions - Investigating the Role of Business Experience. *Journal Business Ventura*, 25, 524–539.
- [6] Sung, C. S., & Park, J. Y. (2018). Sustainability Orientation and Entrepreneurship Orientation: Is There a Tradeoff Relationship between Them? *Sustainability*, 10(379), 1–14.
- [7] Koe, W. L., Omar, R., & Sa'ari, J. R. (2015). Factors Influencing Propensity to Sustainable Entrepreneurship of SMEs in Malaysia. *Procedia - Social. Behavior Science*, 172, 570–577.
- [8] Koe, W. L., Omar, R., & Majid, I. A. (2014). Factors Associated with Propensity for Sustainable Entrepreneurship. *Procedia - Social Behavior Science*, 130, 65–74.
- [9] Ezzamel, T. M. L. (2012). Entrepreneurial Intention Towards Sustainable Growth: The Case of Tourism MSMEs. *DLSU Business Economic Review*, 28(3), 11–20.
- [10] Nuringsih, K., & Puspitowati, I. (2017). Determinants of Eco Entrepreneurial Intention among Students: Study in the Entrepreneurial Education Practices. *Advanced Science Letterst.*, 23(8), 7281–7284.
- [11] Choongo, P., Van Burg, E., Paas, L. J., & Masurel, E. (2016). Factors Influencing the Identification of Sustainable Opportunities by SMEs: Empirical Evidence from Zambia. *Sustainability*, 8(81), 1–24.
- [12] Linan, F., and Chen, Y. (2006). *Testing the Entrepreneurial Intention Model on a Two-Country Sample*, Barcelona, 06, 2006.
- [13] Henseler, J., Ringle, C. M., & Sinkovics, R. R. (2009). The Use of Partial Least Squares Path Modeling in International Marketing, in *New Challenges to International Marketing Advances in International Marketing*, Emerald Group Publishing Limited, 20, 277–319.
- [14] Tonglet, M., Philips, P. S., & Read, A. D. (2004). Using the Theory of Planned Behaviour to Investigate the Determinants of Recycling Behaviour: A Case Study from Brixworth, UK. *Resources Conservation Recycle*, 41, 191–214.
- [15] Siregar, J.H., & Darajat, T. M. (2019). The Role of Local Community and Academic Institution to Empower the Small Enterprises in the Urban Area of Jakarta (Indonesia). *Geographica.Technica*, 14(Special Issue), 148–155.
- [16] Soemardiono, B., Rachmawati, M., Ardianta, D. A., & Nugroho, S. (2019). Spatial Analysis of Urban Dense Area in Developing Criteria Design Based on People Participation: Case Study of Kembang Jepun, Surabaya. *Geographica Technica*, 14 (Special Issue), 12–21.

As Professor at the Universitas Pembangunan Jaya, with daily activities in lecturing, doing research, as well as water resources development planning, I really praise Nova Science Publishers for publishing selected papers from "2020 International Conference on Urban Sustainability, Environment, and Engineering (CUSME 2020)". This publication would be useful for professionals, researchers, scholar, policymakers, and NGO. I believe that currently, many professionals would like to give more attention to the development of sustainable urban. In addition, this publication could be used as a reference for city authorities to make appropriate policy choices to protect the provision of equitable housing, health, and transportation services.

Prof. Ir. Frederik Josep Putuhena M.Sc., Ph.D
Center for Urban Studies - Universitas Pembangunan Jaya

Urban Development and Lifestyle are trend issues for cities around the world. Learning from experience is the most effective way to support cities to be sustainable developed. This book offers knowledge sharing among countries and covers a variety of cities' issues. It also provides great lessons for researchers, officers and policy-makers who are coping with several urban problems.

Associate Professor Sarintip Tantanee, Ph.D.
Director

Center of Excellence on Energy Technology and Environment (CETE)
Faculty of Engineering, Naresuan University, Thailand


nova
science publishers

www.novapublishers.com

ISBN 978-1-53618-560-7



9 781536 185607

Propensity for Sustainable Entrepreneurship of MSEs Owner in Yogyakarta, Indonesia

ORIGINALITY REPORT

8%

SIMILARITY INDEX

8%

INTERNET SOURCES

4%

PUBLICATIONS

%

STUDENT PAPERS

PRIMARY SOURCES

1

ecojoin.org

Internet Source

3%

2

ijebe.feb.unila.ac.id

Internet Source

3%

3

novapublishers.com

Internet Source

2%

Exclude quotes Off

Exclude matches < 1%

Exclude bibliography On