

CORRELATION BETWEEN ENTREPRENEUR CHARACTERISTIC WITH FARMER MANAGEMENT CAPACITY: CASE ON RICE ORGANIC FARMING IN BANTUL

by Nur Rahmawati

Submission date: 02-Apr-2020 09:29AM (UTC+0700)

Submission ID: 1287472636

File name: Bidang_C._1_Nur_Rahmawati.pdf (162.88K)

Word count: 3420

Character count: 18769

Correlation between Entrepreneur Charactersitic with Farmer Management Capacity: Case on Rice Organic Farming in Bantul

Nur Rahmawati¹, Triyono¹

Email: rahma_wati_mf@umy.ac.id (article id : H65226)

¹(Department of Agribusiness, Faculty of Agriculture, Muhammadiyah University in Yogyakarta, Indonesia)

Abstract: The organic farming system is a method that can be applied in producing high-quality products and ensuring the preservation of the environment for sustainable production. As the farm manager, organic farmers have an important role in as well as an increasing their farming income and family welfare as the goal of their farming activity. This research aims to know the management capacity and know how the characteristics of entrepreneurship against the management capacity of organic rice farming. Survey was done by interviews rice organic farmers from four districts in Bantul on organic rice farmers. The results show that in general the analysis management capacity of organic rice farming is relatively good already. There was a significant positive relationship between the management capacity of farmers with farmers' entrepreneurial characteristics

Keywords - entrepreneurship, entrepreneurial characteristics, capacity management

I. Introduction

Organic products, including organic rice, is the food produced by organic farming [1]. Organic food is believed to be more secure [2] because it is a natural food produced without the use of chemicals and artificial fertilizers [3]. Organic food products resulting from organic farming, a system of production that maintains the health of soils, ecosystems and people [4]

Trends in consumer preferences towards organic products is shown by the demand for organic products, especially rice increasing from year to year. This will be a business opportunity for farmers to increase income from farming during traditionally been run into more business activities of a commercial nature as a form of entrepreneurial farmers through the development of organic agriculture.

Saragih (1998) in [5] stated that the entrepreneurial farmer is one imperative factor in determining the success of market-oriented businesses. Similarly, according to some opinions of other [6] says that through skill expected to grow and develop farmers innovator and motivator entrepreneurial. Entrepreneurship is important for the development of agribusiness because entrepreneurial farmers need to be improved faced pressure market environment that is not conducive [5].

Of the many characters that there may be mentioned a few things that are inherent in entrepreneurship itself, among others, motivation, innovation and creativity, risk and decision making.

Mansor and Mat (2010) [7] looked at motivation as anything that inspires human actions including aspiration or intention in behavior. The motivation for someone to become an entrepreneur is quite diverse. Of most surveys conducted in industrialized countries stated that the motivation that drives men and women doing business is almost the same, in which freedom and the need for achieving self (need of self-achievement) is always at the top [8].

Innovation is the ability to apply creativity in the framework of solving the problem and finding opportunities (doing the new thing) while creativity is capacity to think of something new and different. Newel, Shaw and Simon in [9] divides a creativity into three elements, namely see the viewpoint (perspective) of new, discover new relationships or establish new combinations of objects, concepts or phenomena.

Khasali et al. (2011) [9] defines creativity as an effective shock. Because of the shock, the market can be very attentive, think or even deny (because it is not accustomed to). However, many people feel creative and blamed the job is not in accordance with his talent, a state that does not support or bosses who did not leave wiggle room. Khasali et al. (2011) [9] identified five barriers to creativity, perception, emotion, cultural, and intellectual environment.

Risk taking it as an element of entrepreneurship is very important. Since Cantillon (1734) as quoted [8], who first developed the term entrepreneurship and defines it as someone who bears the risk of profit or loss, risk taking is considered as a fundamental element of self-employment and entrepreneurship [8].

The decision making process is critical in the development stage of business. Entrepreneurs need to recognize the crucial transition to decision-making model for business growth and learn to understand it to take decisions in the face of rapid business change. National Foundation for Women Business Owner said there gender differences in decision-making [10].

Research results from [11] at least shows that the effect on performansi planning effort, which in previous studies that did not yet exist. Nutfal (2001) [12] says that the conceptual model of the decision-making process conducted by Swedish farmers is very helpful. Decision of starting a new business is a complex process of interaction between individuals with social economic environment [13]), finding [14] states that control of themselves and various aspects of life in society, can collectively come to control the decision-making process and the allocation of resources in the community because they have been accustomed to in his group.

Organic rice farming developed in Bantul district was built only five percent who obtained ISO certification of 58,000 hectares of land available. It shows that the organic rice farming were implemented only a all part of potential land can be developed to capture the market opportunities of organic rice is still quite open.

Based on the above problems it is necessary and important to study how the internal potential of farmers in the form of entrepreneurial skills (entrepreneurship) owned by farmers and how they affect the management capacity of organic rice farming.

II. Research Methods

Research entrepreneurial farmers in organic rice farming in Bantul conducted with survey method in organic rice farmers in Bantul as research objects. Organic rice development center in Bantul district include: District Bambanglipuro, Pandak, Imogiri, Pundong, each sub-district villages have taken samples of organic rice farmer groups, then from each group was selected sample taken growers farm in a non proportionately as many as 40 samples farmers each group. Data were collected by observation and interviews with a guided questionnaire.

In this research using descriptive analysis to describe the characteristics of entrepreneurial farmers and organic rice farm management capacity. The relationship between the characteristics of entrepreneurial farmers with management capacity is analyzed by the analysis Spearman's rank.

III. Result and Discussion

1. The Characteristics Of Entrepreneurial Farmers

Entrepreneurial characteristics consist of motivation, innovation, and creativity, the courage to bear the risk and courage to take decisions. Motivation assessment indicators consist of 10 components, 22 components of innovation and creativity, risk-taking and decision-making component 5 comprises three components so that the total component indicators of at least 40. Score a minimum of 0 and a maximum of 5 so that the average score of the highest and lowest 0 200, so that the characteristics of the category scores entrepreneurship consists of weak (0-66), medium (67-133) and active (134-200). Overall score and the average score entrepreneurial characteristics can be seen in Table 1

Table 1. Characteristics of Entrepreneurship Score Organic Rice Farming

Characteristics	Score	Mean Score
Motivation	4221	36,38
Innovation and creativity	9269	79,90
The courage of risk	1944	16,76
Courage Decisions	1311	11,34
Amount	16745	144,34

Source: Data Primer, 2014

The mean score of 144.34 means the entrepreneurial characteristics of organic rice farmers including category has strong entrepreneurial characteristics. This suggests that strong character is needed in managing organic rice farming due to the success of organic rice farming should be supported by four components namely motivation, innovation and creativity, the courage to bear the risk and decision-making.

The mean score of 36.38 indicates motivation achievement scores above the midpoint score of motivation. When compared with the achievements of the maximum score that can be achieved, then the achievements of farmer motivation mean score of 72.78%. This value indicates that the motivation of the entrepreneurial farmer is quite high in organic rice farming.

The score of innovation and creativity of farmers amounted to 79.90 shows the performance scores above the middle score of innovation and creativity of farmers. When compared with the achievements of the maximum score that can be achieved, then the achievement of the average score for innovation and creativity of farmers amounted to 72.64%. This means that farmers have the innovation and creativity that is quite high in organic rice farming.

The entrepreneurial character of organic rice farmers when farmers face the risk is quite high. The entrepreneurial character of organic rice farmers in the face of risk is quite high. Based on the average score of

Correlation between Entrepreneur Charactersitic with Farmer Management Capacity: Case on Rice..

courage farmers face the risk of 16.76 (close to score above the value of the middle score of courage at risk), and if there is nothing compared to the maximum score that can be achieved, then the average score is close to bravery at risk of 74,66%.

The average score of courage of farmer decision 11.34 shows close to score above the value of the middle score of courage taking decisions of farmers. If there is nothing compared to the maximum score that can be achieved, then the close score average courage of farmer decision 67,03%. This value indicates that the courage of entrepreneurial decisions farmers high enough in organic rice farming. However this item is still the lowest score that is nothing compared with the other elements in the entrepreneurial farmer of organic rice.

Courage to face the risk score showed the highest achievement scores than another entrepreneurial character. Risk is the most prominent part in the entrepreneurial and often studied by several researchers in the farming.

2. Capacity management

Capacity management in this study was measured through four indicators: planning, organizing, implementation and monitoring. Based on the results of research and management functions that have been done by farmers in general can be categorized either. This is indicated by a score of 1 to 3 for planning and organizing, while a score of 3 to 5 for the implementation and supervision of management functions.

2.1. Plan

Planning made by the organic rice farmers are already said to be good. The results showed 40 percent of farmers are already planning five things: the planning of the variety, land, technology, and marketing costs, although not in writing. There is 37 percent of the farmers who had planned 3 of 5 things planned. There is still 8 percent of farmers who are not yet perfectly perform the function of planning, which is rarely done in the planning function is about technology, marketing and land area.

Table 2. Scores Answer Farmers on Organic Rice Farming Planning

Score	Component	Freq	Percent
5	Varieties, land, technology and marketing planned in writing	17	15
4	Varieties, land, technology, cost and marketing planned unwritten	48	40
3	Only planned three terms of four above	45	37
2	Only planned two terms of four above	7	6
1	only one case of the four above	2	2

The results showed that the level of planning at the farm level can already be categorized either. This indication is shown by the written plan made at the time of going planting, there is planning on varieties that will be planted, there is planning on land and technology will be applied.

In general, the mean score of organic rice farm planning is at 3.69 or approximately 73.79% of the maximum performance score of planning that can be achieved. The value indicates that the farmers have to plan well in running an organic rice farm that has been done so far

2.2. Organizing

Organizing farmers do good enough, 63 percent of farmers are already making preparations seeds, fertilizer, and determination of labor. While organizing the allocation of family labor schedule is rarely done because usually family workers directly involved in organic rice farming only family head only or the farmers themselves

Table 3. Scores response to the Organizing Farmers Organic Rice Farming

Score	Component	Freq	Percent
5	There seed preparation, fertilizer supply, the determination of labor and family labor allocation schedule	28	23
4	There are only three things out of four at the top	75	63
3	There are only two terms of four above	13	11
2	There is only one case of the four above	2	2
1	There is no organization at all, as long as the road course	1	1

Indicators that the farmers have to organize a good enough because it is already doing the following things that no preparation to seeds, no preparation of fertilizer to be used and there is a determination of the workforce that will be used in the production process.

In general, the mean score of the organization of organic rice farming is at 4.17 or approximately 83.44% of the maximum performance score of organizing that can be achieved. The value indicates that the farmers have to organize well in running an organic rice farm that has been done so far.

2.3. Implementation

The results showed that the organic rice farmers implement plans that have been made ranging done consistently until consistent. More than 70 percent of farmer's already organic rice farming implement by the plans that have been made although in this production process is commonly practiced by farmers.

Table 4. Score Answer Farmers towards Implementation of Organic Rice Farming

Score	Component	Freq	Percent
1	Planning is not done consistently	7	6
2	There is only one part of the planning done	6	5
3	There are only two part of the planning done	20	17
4	There are only three part of the planning done	45	38
5	The fourth part of the planning done consistent	41	34

In general, the mean score of the implementation of organic rice farming is of 4.00 or approximately 80.00% of the maximum performance execution score that can be achieved. The value indicates that farmers have done well in carrying out the implementation of the organic rice farming that has been done so far.

2.4. Supervision

Management capacity of oversight does is start from planting until harvest. Based on the results of the study of organic rice farmers 90 percent already do well supervision ranging from planting until harvest with the expectation can be input for the next planting. Most farmers do not usually do this activity, but just look at the condition of the plants, but the results of this study indicate that farmers think more forward to the success of farming

Table 5 show, the average score is an organic rice farm supervision of 4.42 or approximately 88.44% of the maximum performance score oversight that can be achieved. The value indicates that farmers have done well in carrying out supervision with organic rice farming that has been done so far.

Table 5. Score Answer Farmers to Control Organic Rice Farming

Score	Component	Freq	Percent
1	Did not do any oversight	0	0
2	Supervision is done as needed	8	7
3	Supervision is done on maintenance activities	2	2
4	Supervision is done on the maintenance until harvest	54	45
5	Always supervision from beginning to end and the result becomes the reference or the input for the next planting season	55	46

3. Characteristics of Entrepreneurial Relationships with Organic Rice Farming Management Capacity

Entrepreneurial characteristics that have associated with the management capacity of organic rice farming is the pull factor of motivation, innovation and creativity, and courage to bear the risk. The third element of the entrepreneurial characteristics is positively correlated to the management capacity of farmers in organic rice farming. The results of Spearman's rank correlation analysis of the relationship between the characteristics of entrepreneurship with management capacity are presented in Table 6.

Based on the results of Spearman's rank correlation analysis shows that the factors motivating entrepreneurship is not correlated significantly to the management capacity of farmers in organic rice farming. However, the pull factors of motivation correlated significantly to the management capacity of farmers at 95% confidence level. This means that the motivation of entrepreneurial farmers pull factor significantly affected the management capacity of farmers in organic rice farming. Although it has only safe degree of correlation of 0.224, but the relationship is positive which means that if the pickup is getting stronger motivating factor then the management capacity is also higher, otherwise if the pull factors of motivation is weak then the management capacity of farmers are also lower.

Table 6. Characteristics of Enterprise Relationship with Organic Rice Farmers Management Capacity

No	Characteristics of entrepreneurship	Coefficient Correlation (r_s)	prob
1.	Push factors Motivation	0.011	0.911
2.	Pull factors Motivation	0.224*	0.016
3.	Innovation and Creativity	0.366*	0.000
4.	The courage to take risks	0.285*	0.002
5.	Courage to take decisions	-0.194*	0.037

*= Significant $\alpha = 5\%$

Innovation and entrepreneurial creativity correlated significantly with the management capacity at the 99% confidence level. This indicates that the innovation and creativity of entrepreneurial influence on the

management capacity of farmers in organic rice farming. Although it has only a small degree of correlation of 0.366, the relationship is active which means that if farmers increasingly innovative and creative then the management capacity is also higher, otherwise if farmers increasingly innovative and creative then the management capacity of farmers are also lower.

Courage to take risk correlated significantly with the management capacity at the 99% confidence level. This indicates that the entrepreneurial courage to face the possibility of influence on the management capacity of farmers in organic rice farming. Although it has only a low degree of correlation of 0.285, the relationship is positive which means that if the farmer is getting the courage to face the risk management capacity is also higher, otherwise if the farmer is getting not dare to face the risk management capacity of farmers are also lower.

IV. Conclusions and Recommendations

In general, the management capacity of farmers in organic rice farming has been good with a mean score of more than 75%. Only in management planning component, the mean score was still relative low as less than 75% score reached the maximum value that can be achieved. Capacity management is a significant positive correlation with entrepreneurial characteristics on the elements of the pull factors of motivation, innovation and creativity and courage to face the risk of organic rice farm.

Based on the research mentioned above, the need to increase management capacity planning capabilities that farmers, especially organic rice farm management can be improved. Although management capacity is relatively good, it needs to be further assessed whether the capacity of good management also has an impact on farming performance is also good.

References

- [1]. Biao, Xie, Wang Xiaorong, Ding Zhuhong dan Yang Yaping.. Critical impact assessment of organic agriculture. *Journal of Agricultural and environmental Ethics* vol. 16, 2003. 297-311
- [2]. Canavari, M., Guido Maria Gazzani, Roberta Spadoni dan Domenico Regazzi. Food safety and organic fruit demand in Italy: a survey. *British Food Journal*. 104 (3-5), 2002, 220-232
- [3]. Connor, R. dan Lesley Douglas. Consumer attitudes to organic foods. *Nutrition and Food Science*, 31 (4/5) , 2002. 254-258.
- [4]. Badan Standardisasi Nasional. Standar Nasional Indonesia, . 2002, nomor 01-6729-2002 tentang Sistem pangan organik.
- [5]. Priyanto, Sony Heru. Structural Model of Business Performance : Empirical Study on Tobacco Farmers. *Gadjah Mada International Journal of Business*, (1) January-April 2006.
- [6]. Hartono, Slamet. Pengembangan Bisnis Petani Kecil. *Peran Agribisnis Usaha Kecil dan Menengah untuk Memperkokoh Ekonomi Nasional*. (Liberty. 2005) Yogyakarta
- [7]. Mansor, Norudin dan Azman Che Mat. The Significance of Psychology and Environment Dimensions for Malaysian Muslim Women Entrepreneurships Venturing. *International Journal of Human Science*, 7(1), 2010, 253-269.
- [8]. Hisrich, Robert D., Michael P. Peters and Dean A. Shepherd. *Entrepreneurship*. (New York., Mc Graw-Hill 2005)
- [9]. Kasali, Rhenald et.al. *Modul Kewirausahaan Untuk Program Strata 1*. (Jakarta , Hikmah, 2011)
- [10]. Ndemo, Bitange dan Fides Wanjiku Maina. Women Entrepreneurs and Strategic Decision Making, *Management Decision* 45(1), 2007, 118-130.
- [11]. Orser, Barbara J., Sandy Hogarth-Scott dan Allan L. Ridding. Performance Firm Size and Management Problem Solving. *Journal of Small Business Management*., 2000
- [12]. Nuthall, P.L., Managerial Ability – A Review of Its Basic and Potential Improvement Using Psychological Concept. *Agriculture Economic Vol. 24*, 2001, 247-262

CORRELATION BETWEEN ENTREPRENEUR CHARACTERISTIC WITH FARMER MANAGEMENT CAPASITY: CASE ON RICE ORGANIC FARMING IN BANTUL

ORIGINALITY REPORT

4%

SIMILARITY INDEX

%

INTERNET SOURCES

4%

PUBLICATIONS

%

STUDENT PAPERS

PRIMARY SOURCES

1

Darmadji, . "Entrepreneurship as New Approach to Support National Agriculture Development Program to Go Self Sufficient Food", Agriculture and Agricultural Science Procedia, 2016.

Publication

1%

2

"Re-Thinking Organic Food and Farming in a Changing World", Springer Science and Business Media LLC, 2015

Publication

1%

3

Kenenisa Lemi, Reta Megersa, Mekonnen Bogale. "The effect of financial management practice on entrepreneurial performance of micro, small and medium scale enterprises in West Oromia", Journal of Process Management. New Technologies, 2020

Publication

1%

4

Dustin C. Read, Suzanne M. Leland. "Toward Understanding Another Gender Gap: How Women in Economic Development Perceive

1%

Access to Capital", Journal of Women, Politics & Policy, 2017

Publication

5

Fuzirah Hashim, Zaini Amir, Norizan Abd Razak.
"Empowering rural women entrepreneurs with
ICT skills: An impact study", Procedia - Social
and Behavioral Sciences, 2011

Publication

1%

Exclude quotes On

Exclude matches < 1%

Exclude bibliography Off