Influences of the Association Farmers Group (Gapoktan) to Build Farmers Welfare Through Orientation Entrepreneurship, Organization Cultures and Empowering

*Yul Maulini*, *Erie Febrian*, *Sutisna*, a,b,cFakultas Ekonomi dan Bisnis Manajemen Keuangan Terpadu - Universitas Padjadjaran Bandung, Indonesia, *Corresponding Author Email:* a* yulmaulini16001@mail.unpad.ac.id b erie.febrian@unpad.ac.id, c sutisna@unpad.ac.id

The research objective was to look at the Gapoktan Performance Model in Suntenjaya Village. More specifically to find out how much influence entrepreneurial orientation, organizational culture and empowerment have on Gapoktan performance in the welfare of farmers in the Wargi Panggupay Gapoktan in Suntenjaya Village, West Bandung Regency. The research method used mix method (combination method) that is qualitative and quantitative. Data analysis was done using the Partial Least Squares (PLS). The results of this article found that entrepreneurial orientation and organizational culture were not significant had no effect and on the performance of Farmers Group and the welfare of farmers. Only empowerment had a significant effect on Gapoktan performance and farmers' welfare. Overall, the performance model of Gapoktan Wargi Panggupay does not affect the welfare of farmers.

**Key words:** Entrepreneurial Orientation, Organizational Culture, Empowerment and Performance of The Farmer's Group, Farmers Welfare.
Introduction

Indonesia is one of the developing countries that has very promising agricultural potential and is known as an agricultural country. The agricultural sector plays a strategic role in the Indonesian economy. Based on the Indonesian Economic Growth Report Quarter IV-2017 released by BPS, the agricultural sector is the second largest contributor to GDP after the industrial sector. Despite the decline in contribution to GDP by 13.49 percent (2015) to 13.14 percent (2017), the agricultural sector grew by 3.81 percent (2017) compared to 2015 (3.75 percent).

The problems faced by farmers are quite complex, including directly related matters such as production, marketing, payment systems, and life problems faced daily. Farmers often face problems in terms of production, such as crop failures, unstable prices on the market, or very low sale prices of agricultural products. Farmers' lives are very rarely prosperous.

In addition, the quality of human resources working in agriculture is still very low compared to other sectors. The level of education of human resources working in the agricultural sector is very low, of which almost 80 percent only achieve an elementary school education (Desa Suntenjaya, 2018). Most farmers' status in Indonesia is a hereditary factor.

Communities as social beings need to interact with each other and cannot live alone in meeting their social needs. Likewise in the agricultural sector, farmers cannot develop properly if working alone, they need to work together to form farmer groups. Interactions between farmer groups need to be carried out, as a forum for developing agribusiness and strengthening farmer groups in order to be more directed and organized, from production to market. The Combined Farmers Group, hereinafter referred to as ‘Gapoktan’, is a collection of several Farmer Groups that join and work together to increase economies of scale and business efficiency.

Based on the Minister of Agriculture Regulation Number: 273/Kpts/ Ot.160/4/2007, village officials and farmers formed Wargi Panggupay Gapoktan as a forum for agricultural institutional organization in Suntenjaya Village, Lembang District, West Bandung Regency. This organization is expected to be able to contribute to group performance so that the welfare of farmers can increase.

The success of rural agricultural development depends on the implementation of farming. Entrepreneurial orientation, organizational culture and empowerment are necessary parts of a business operation. From the research observations, Wargi Panggupay Gaptantan is a potential organization of farmer group organizations. However, through the results of observations in the field, the authors have not seen the impact on the welfare of farmers in the
village of Suntenjaya. The income earned still does not meet the standard of living costs of the average farmer's family.

This research was conducted to obtain an overview of the facts that were the findings of the gapoktan performance model, where entrepreneurial orientation, organizational culture and empowerment had an influence on the performance of gapoktan, so that farmers could prosper in Suntenjaya Village. Based on the paradigm related to the research variables described previously, the research hypothesis can be described as:

H1: Entrepreneurship orientation influences Gapoktan performance
H2: Organizational Culture influences Gapoktan performance
H3: Empowerment has an effect on Gapoktan performance.
H4: Entrepreneurship orientation affects the welfare of farmers.
H5: Organizational culture influences the welfare of farmers.
H6: Empowerment affects the welfare of farmers.
H7: Entrepreneurship Orientation, Organizational Culture and Empowerment of the welfare of farmers through Gapoktan performance

Literature Review

Based on the Minister of Agriculture Regulation Number: 273 / Kpts / ot.160 / 4/2007, the Joint Farmers Group working together can improve the economy and efficiency. A collection of farmers is formed into groups based on common interests, environmental conditions (in social, economic, resource) and familiarity in improving and developing joint ventures. Combined farmer groups are the highest institution in the countryside; the farmer groups have a function as the central institution of agricultural activities in the countryside. Combined farmer group functions based on the Minister of Agriculture Regulation above are as production business units where producing agricultural products for members and markets guarantees quality, quantity, continuity and price stability, including providers of facilities and infrastructure such as production needs in the form of seeds, fertilizers and/or pesticides. These are provided from credit or farming capital obtained from self-financing and business results.

Lumpkin & Dess (1996) in his research looked at the importance of entrepreneurial orientation through the dimensions of innovation, risk taking and proactivity that can be used to vary independently from each other in certain contexts. This research is the basis for Gema, Rani, Pandi (2017) looking at broccoli farmers in Lembang, where entrepreneurial orientation based on innovation and proactivity is very effective. Their business is increasingly competitive and able to run sustainably.
Organizational culture is one of the determinants of the success or failure of a business operation. Robbins's research (2001) explains that the dimensions of organizational culture can be seen from individual orientation, team orientation and results orientation; human behaviour in groups for a long period of time, has regular, structured and coordinated activities that have their own goals and identity.

In addition to entrepreneurial orientation and organizational culture, empowerment is also an important factor for the success of an organization's performance. Ife (1995) argues that in shaping community empowerment the capacity of existing potential needs to be improved, prospects, skills and knowledge possessed as determinants of the future, and participate and influence life in the community itself. Participation and companionship are important indicators in empowerment by Anwas (2014).

Research by Dyah Puspita Ratna, Wuradji, Nur Djazifah ER, (2012) gives the conclusion that the mechanism of gapoktan performance through empowerment can improve the welfare of farmers. Every organization has a target that must be achieved by an organization. To find out the final goal of the organization, an assessment of the target organization is needed. This assessment is in the form of performance from the organization.

The results of the research by Bernardin and Russell (1993), Gomes (2003) and Nawawi (2006), to measure performance, include quantity of work indicators, quality of work, ability to cooperate, creativity, awareness and trustworthiness, creativity and initiative, extensive knowledge and personal integrity, timeliness and effective use of resources (human, financial, technological and material) and independence.

In measuring the level of household welfare in an area, the Indonesian Central Bureau of Statistics (2000) uses 5 indicators in the form of family income, household expenses, education, health and housing conditions and facilities. It is hoped that collaboration from entrepreneurial orientation, organizational culture and empowerment can improve the performance of Gapoktan, so that farmers' welfare in the form of income, education and health can be fulfilled.

**Methodology Research**

This study uses mixed methods (mixed methods) because the related problems are very complex. To understand them it is necessary to incorporate wider and deeper qualitative and quantitative research. This combination research is to explore the phenomenon of entrepreneurial orientation, organizational culture and empowerment of the performance of the Wargi Panggupay farmer group, in Suntenjaya Village, on the welfare of farmers. The use of this research design is expected to facilitate researchers in achieving final conclusions.
In exploring and processing qualitative data, researchers take the principles of the Leiden Ethnosystem Approach. This method has three basic principles (Slikkerveer, 1991), namely:

1. Participant View (PV), which is conducting interviews directly with informants related to research.
2. Field of Ethnological Study (FES), where the object of research is the Suntenjaya village community.
3. Historical Perspective (HP), which is to see the object under study from its historical view.

Quantitative data collection was performed by giving questionnaires to respondents. A data collection technique is in the form of a questionnaire containing a set of questions or written statements to be answered by respondents. This technique is very efficient in data collection. This questionnaire aims to describe the welfare of farmers, who are members of the Wargi Panggupay Gapoktan.

The quantitative analysis of this study uses the Smart PLS software Partial Least Square (PLS) program. Ghozali (2014) states that PLS is a powerful analysis method because it does not require many terms or assumptions and does not require large sample sizes. The samples taken were 80 (eighty) respondents from a person 300 population in Suntenjaya Village. For validity test, the researcher used the Convergent Validity and Discriminant Validity methods. Reliability Test, from data analysis with calculations seen from composite reliability and cronbach's alpha. The t-statistic test was used in analysing the research hypothesis.

**Discussion**

**Results**

Evaluation of the measurement model (outer model) includes checking individual convergent validity (seen from the value of outer loadings), average variance extracted (AVE), discriminant validity and composite reliability.

Testing between variables by means of calculating PLS Algorism from the Smart PLS Program based on the indicators or results of tabulation of respondents' data that has been made before the matrix. Then the indicators are entered into each variable to be tested. The test results are described as follows:
The results of the hypothesis test of this study can be seen in Table 4.1 as follows:

**Table 4.1: Results of PLS Test**

<table>
<thead>
<tr>
<th>Variable to Variable</th>
<th>Original Sample</th>
<th>t-statistics</th>
<th>P Value</th>
<th>Result of Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurship Orientation (X1) → Performance of Gapoktan (Y)</td>
<td>0.238</td>
<td>1.206</td>
<td>0.228</td>
<td>Rejected</td>
</tr>
<tr>
<td>Organizational Culture (X2) → Performance of Gapoktan (Y)</td>
<td>0.360</td>
<td>1.507</td>
<td>0.132</td>
<td>Rejected</td>
</tr>
<tr>
<td>Empowering (X3) → Performance of Gapoktan (Y)</td>
<td>0.318</td>
<td>1.783</td>
<td>0.075</td>
<td>Accepted</td>
</tr>
<tr>
<td>Entrepreneurship Orientation (X1) → The Farmers Welfare (Z)</td>
<td>0.553</td>
<td>4.498</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>Organizational Culture (X2) → The Farmers Welfare (Z)</td>
<td>-0.143</td>
<td>0.769</td>
<td></td>
<td>Rejected</td>
</tr>
</tbody>
</table>
Variable to Variable | Original Sample | t-statistics | P Value | Result of Hypothesis
--- | --- | --- | --- | ---
Empowering (X3) ➔ The Farmers Welfare (Z) | 0.416 | 2.656 | 0.008 | Accepted
Performance of Gapoktan (Y) ➔ The Farmers Welfare (Z) | 0.169 | 1.279 | 0.201 | Rejected

Figure 2. Result of Calculation by PLS

Discussion

**Hypothesis 1**

Effect of Entrepreneurship Orientation on Gapoktan Performance (H1)

The direct effect of entrepreneurial orientation variable on the performance of Gapoktan is (0.238) 2 x 100% = 5.67%, indicating that entrepreneurial orientation has an influence of 5.67% on the performance of Gapoktan. The results of calculations using the PLS program obtained positive values so that the influence of entrepreneurial orientation on the performance of Gapoktan proved positive. The higher or the better the entrepreneurial orientation, the better performance of Gapoktan will be.
Hypothesis 1; the influence of entrepreneurial orientation variables on gapoktan performance variables obtained the following results:
- Value of P Value \( <(\alpha) \): 0.228 \( >0.10 \)
- Value of t-statistics \( > t\)-table: 1.206 \( >1.65 \)

Evidently entrepreneurial orientation does not have a significant influence on the performance of Gapoktan. The conclusion of the H1 study is that Hypothesis 1 was rejected.

Hypothesis 2

Effect of Organizational Culture on Gapoktan Performance (H2)

The direct influence of organizational culture variables on the variable performance of Gapoktan is \((0.360) \times 100\% = 12.98\%\), indicating that organizational culture has an effect of 12.98\% on the performance of Gapoktan. The results of the calculation obtained a positive value so that the influence of organizational culture variables on the variable performance of Gapoktan is positive, meaning that the higher or better the organizational culture, the performance of Gapoktan will be better.

Hypothesis Testing 2; the influence of culture on gapoktan performance was obtained:
- P value \( <(\alpha) \): 0.132 \( >0.10 \)
- Value of t-statistics \( > t\)-table: 1.507 \( >1.65 \)

It is evident that organizational culture does not have a significant influence on the performance of Gapoktan. The conclusion of the H2 study is Hypothesis 2 rejected.

Hypothesis 3

The Influence of Empowerment on Gapoktan Performance (H3)

The direct effect given by empowerment on the performance of Gapoktan is \((0.318) \times 100\% = 10.11\%\), indicating that empowerment has an effect of 10.11\% on the performance of Gapoktan. The calculation results obtained a positive value so that the influence of empowerment on the positive gapoktan performance, meaning that the higher or the better the empowerment, the better performance of Gapoktan will be.

Hypothesis Testing 3; the influence of entrepreneurial orientation on the performance of Gapoktan was obtained:
- Value of P Value \( <(\alpha) \): 0.075 \( <0.10 \)
- Value of t-statistics \( > t\)-table: 1.785 \( >1.65 \)

It is proven that empowerment has a significant influence on the performance of Gapoktan. The conclusion of the H3 study is that Hypothesis 3 is accepted.
Hypothesis 4

Effect of Entrepreneurship Orientation on Farmers Welfare (H4)

The direct effect of the variable Entrepreneurial orientation on the welfare of farmers is (0.553) 2 x 100% = 30.58%, indicating that entrepreneurial orientation variables have an effect of 30.58% on welfare variables through the performance of Gapoktan. The test results were positive so that the influence of entrepreneurial orientation on the welfare of farmers proved positive. The higher or better the entrepreneurial orientation, the better welfare of farmers, Hypothesis Testing 4; the influence of entrepreneurial orientation on the welfare of farmers obtained the following results:

- Value of P Value <(α): 0.000 <0.10
- Value of t-statistics> t-table: 4.498> 1.65

It is evident that the entrepreneurial orientation variable has a significant influence on the variable welfare of farmers. The conclusion of the H4 study is Hypothesis 4 is accepted.

Hypothesis 5

Hypothesis of Organizational Culture on Farmer Welfare (H5)

The direct effect given by organizational culture on the welfare of farmers is (-0.143) 2 x 100% = 2.04%, indicating that the organizational culture does not have an effect of 2.04% on the welfare of farmers. The calculation results obtained a negative value so that the influence of organizational culture variables on the variable welfare of farmers is negative, meaning that the lower the organizational culture, the welfare of farmers will be lower. Hypothesis Testing 5; the influence of organizational culture on the welfare of farmers is obtained:

- Value of P Value <(α): 0.442> 0.10
- Value of t-statistics> t-table: 0.769 <1.65

It is evident that organizational culture does not have a significant influence on the welfare of farmers through the performance of Gapoktan. The conclusion of the H5 study is that Hypothesis 5 is rejected.

Hypothesis 6

The Effect of Empowerment on Farmers Welfare (H6)

The direct influence given by empowerment on the welfare of farmers is (0.416) 2 x 100% = 17.31%, indicating that empowerment has an effect of 17.31% on the welfare of farmers
through. The calculation results obtained a positive value so that the influence of the empowerment variable on the variable welfare of farmers is positive, meaning that the higher or the better the empowerment, the better welfare of farmers will be. Hypothesis Testing 6; the influence of empowerment variables on farmer welfare variables is obtained:

- Value of P Value <(α): 0.008 <0.10
- Value of t-statistics> t-table: 2.656> 1.65

It is proven that empowerment has a significant influence on the welfare of farmers. The conclusion of the H6 study is that Hypothesis 6 is accepted.

**Hypothesis 7**

The Influence of Entrepreneurial Orientation, Organizational Culture and Empowerment through Gapoktan Performance there is Farmer Welfare (H7)

The direct effect given by entrepreneurial orientation, organizational culture, empowerment through gapoktan performance on farmers' welfare is (0.169) 2 x 100% = 2.86%, indicating that entrepreneurial orientation, organizational culture, empowerment through Gapoktan performance does not have an effect of 2.86% of the welfare of farmers. The calculation results obtained positive values so that the variables of entrepreneurial orientation, organizational culture, empowerment through the performance of Gapoktan provide a positive influence on the welfare of farmers. The higher or better the entrepreneurial orientation, organizational culture, empowerment through Gapoktan performance on the welfare of farmers, the better the influence.

Hypothesis Testing 7; the influence of entrepreneurial orientation, organizational culture, empowerment through gapoktan performance on the welfare of farmers is obtained:

- P Value <(α): 0.201 > 0.10
- Value of t-statistics> t-table: 1.279 <1.65

It is evident that entrepreneurial orientation, organizational culture, empowerment through the performance of Gapoktan does not have a significant influence on the welfare of farmers. The conclusion of the H7 study is that Hypothesis 7 is rejected.

**Conclusion and Suggestions**

**Conclusion**

This research was conducted with the aim of examining and knowing the factors (entrepreneurial orientation, organizational culture and empowerment) that affect the welfare of farmers through the performance of the gapgi wargi Panggupay in Suntenjaya Village, Lembang District, West Bandung Regency, West Java.
Based on the results of data analysis that has been collected and processed, the conclusions of the research results are as follows:

1. Entrepreneurship orientation does not have a direct and significant effect on Gapoktan performance, meaning that with entrepreneurial orientation, by engaging in innovation, being proactive and daring to take risks, one cannot affect the performance of the gapoktan Wargi Panggupay.

2. Organizational culture does not provide a positive and significant direct influence on Gapoktan performance, meaning that organizational culture through individual orientation, team orientation and results orientation which are important indicators of business performance does not affect Gapoktan work performance.

3. Empowerment has a positive and significant direct effect on Gapoktan performance, meaning that empowerment affects the performance of Gapoktan. This can be seen from the existence of good participation and assistance provided by the government, the private sector and academics. So that empowerment has an influence on the performance of Gapoktan in Suntenjaya Village.

4. Entrepreneurial orientation has a positive and significant direct influence on the welfare of farmers through gapoktan performance, meaning that the entrepreneurial orientation has a direct effect on the welfare of farmers without going through Gapoktan performance.

5. Organizational culture does not provide a positive and not significant direct influence on the welfare of farmers through gapoktan performance, meaning that organizational culture through individual orientation, team orientation and results orientation does not affect the welfare of farmers.

6. Empowerment has a positive and significant direct effect on the welfare of gapoktan through gapoktan performance, meaning that empowerment through participation and assistance affects the welfare of farmers in Suntenjaya Village. This was felt by the village community with the existence of road access and transportation, making it easier and faster the process of sending agricultural produce.

7. The orientation of entrepreneurship, organizational culture and empowerment through the performance of Gapoktan does not have a significant influence on the welfare of farmers, meaning that entrepreneurial orientation, organizational culture and empowerment if done together through Gapoktan performance does not affect the welfare of farmers.

**Suggestions**

Based on the limitations and weaknesses in this study, some suggestions can be put forward that can be taken into consideration for academics that wants to conduct further research:

1. Although Gapoktan performance for other parties is considered good enough and becomes a comparative study for related parties, especially in terms of agriculture, the results of the study show that business performance supporting factors in the form of entrepreneurial orientation and organizational culture which are an important part of organizational
elements do not affect Gapoktan performance. It is better for Gapoktan administrators to improve their organizational culture through improving and managing internal relations with members. Individual orientation and team orientation and results orientation need to be re-evaluated and intensified.

2. The government, both from the agricultural office and village administrators in collaboration with Gapoktan administrators, socialized the importance of Gapoktan as a rural economic institution in improving the village economy. With government programs in the form of improving quality, quantity and continuity, it will increase people's income. In implementing this government program a strong and good entrepreneurial orientation and organizational culture are needed.

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