

THE IMPACT OF ENTREPRENEURIAL ORIENTATION ON THE SOCIAL PERFORMANCE OF VILLAGE- OWNED ENTERPRISES (BUMDES): A SMART PLS ANALYSIS

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Abstract. Study This designed For study connection between orientation entrepreneurship and performance social BUMDes, with examine role mediation from innovation open . This study use method quantitative, where data is collected of the 200 BUMDes located in Jambi Province, especially Regency Kerinci, via method *purposive sampling* . Data analysis was carried out with regression model approach use device Smart PLS software, according to with title study This. Analysis results show that orientation entrepreneurship own influence positive and significant to innovation open, but No own effect directly which means on performance social . On the other hand, innovation open proven give impact significant on performance social and financial findings main from research This is that innovation open play a role as a full mediator in connection between orientation entrepreneurship and performance social Village-Owned Enterprises. Implications theoretical and practical from study This emphasize that For reach objective social, BUMDes No can only depend on mentality entrepreneurship from his manager only . Optimal social performance only can come true when attitude entrepreneurship This realized through practice collaboration and development of ideas from sources external, which is core elements of innovation open . Therefore that, research This recommend that BUMDes prioritize improvement innovation open For repair performance, especially in the realm of social, and remain make an effort own manager with orientation strong entrepreneurship .

Keywords: Orientation Entrepreneurship, Social Performance, Village-Owned Enterprises, Smart PLS.

1. INTRODUCTION

Village-Owned Enterprises (BUMDes) in Indonesia are form of business entity uniquely founded and owned by the government village For increase income village and welfare society. Based on Constitution Number 16 of 2014, BUMDes given task For develop village to improve welfare economy. More from just chase profits, BUMDes understood as *social enterprise* that carries out mission double: maximize profit financial at a time give contribution positive social and environmental for society . Growth BUMDes, especially in the sector tourist and trade, has play role important in create field work, move economy IEOal, and become instrument effective in reduce poverty in rural areas .

However, regardless from potential, BUMDes face various challenge big in reach the purpose . In Jambi Province, for example, many Village-Owned Enterprises No operate optimally and experience instability . This is visible from decline percentage Village-Owned Enterprises active in East Tanjung Jabung Regency from year to year

. Especially in the Regency Kerinci, of the 285 existing villages, only 144 villages have been... establish BUMDes, and from amount Of those, only 76 are still status active . This indicates that Lots Village-Owned Enterprises face obstacle For guard sustainability operational issues . main often is income that is not sufficient For close cost operational, which is caused by various factor like lack of preparation, difficulty in identify potential village, lack of source Power competent human resources (HR), as well as low participation and knowledge public in management BUMDes (Hurita et al., 2020; Sofyani et al., 2019). Managers BUMDes also faces problem like mismatch between rules and implementation, as well as lack of synergy with government village (Kania et al., 2021). The quality of human resources becomes issue crucial Because Village-Owned Enterprises often difficulty find employees who have competencies and capabilities (Kusuma & Krisnadewara, 2019). In several BUMDes in Jambi, obstacles operations also include lack of training for management and limited equipment like computer .

For can stay in the middle competition, innovation become driver main . Innovation allows Village-Owned Enterprises For combining, developing, and compiling repeat internal and external competencies them . However, BUMDes, which often classified as business micro or small, generally lack innovation consequence limitations knowledge, competence multidisciplinary, and capital (Cirule & Uvarova, 2022; Linde, 2017). In context this, orientation entrepreneurship (EO), which includes properties like innovative, proactive, brave take risk, and aggressive in a way competitive, considered as factor key For push change and innovation within Village-Owned Enterprises

Despite Thus, the relationship between orientation entrepreneurship with performance, especially performance social, still Not yet can confirmed. Some study find that orientation entrepreneurship own impact positive on performance financial and social (Guo & Wang, 2022; John et al., 2022), while another study found different results, where the orientation entrepreneurship No own significant influence to performance company (Veidal & Korneliussen, 2013) or impact that is not significant on performance social (Hong & Cho, 2012). Inconsistency This create A gap research that must be done filled .

Therefore that, the goal main from study This is For analyze influence orientation entrepreneurship to performance social Village-Owned Enterprises in a way direct . Research This make an effort answer question key about whether innovation open can bridge role orientation entrepreneurship in increase performance social Village-Owned Enterprises .

2. LITERATURE REVIEW

2.1. Theoretical Basis : Resource-Based View (RBV)

The Resource-Based View (RBV) theory becomes framework theoretical main in study this. This theory have an opinion that superiority competitive something entity business originate from source Power its unique and difficult internal imitated, which can categorized become source physical capital, human capital, and organizational capital . From the perspective of view this, orientation entrepreneurship (EO) can considered as source human capital and organizational resources that are not tangible . EO represents attitude strategic and characteristics unique managerial, such as courage take risk, proactive, and innovative, which is not easy imitated by BUMDes other.

RBV emphasizes that competition push organization For try reach better performance Good through internal strategies, such as innovation and formation culture positive company. With Thus, the study This applying RBV with hypothesize that with develop source internal power in form orientation entrepreneurship manager, a Village-Owned Enterprises can reach better performance high. Identified HR gaps previously in the section introduction in a way direct related with RBV framework, because show that human capital development is prerequisite For superiority competitive Village-Owned Enterprises.

2.2. Orientation Entrepreneurship (EO)

Draft orientation entrepreneurship was first introduced in the 1970s (Brunswicker & Vanhaverbeke, 2014) and has become draft central in studies entrepreneurship (Akbar et al., 2020). Based on literature Previously, EO was explained as attitudes, traits, and characters that are oriented towards success (Lumpkin & Dess, 1996; Wiklund & Shepherd, 2005). In the research In this case, EO includes five dimensions : innovative, proactive, courageous take risk, aggressive in a way competitive, and autonomous.

Dimensions This each other complete For forming an integrated entrepreneurial strategy . *Innovative* is trend For create product or service new . *Dare take risk* involving courage For face uncertainty and taking action . *Proactive* marked with attitude take initiative and not waiting . *Aggressive in a way competitive* is effort For outperform the competitors. Meanwhile that, *autonomy* is ability For work and create decision in a way independent. For managers BUMDes, dimensions This is very relevant . *Proactive* means No depend on help government, *dare take risk* means invest in business new and *aggressive in a way competitive* means positioning product village in a way strategic. Although Thus, the findings key from studies This show that only own dimensions This No Enough For produce performance social . On the other hand, orientation This functioning as prerequisite for Village-Owned Enterprises For involved in collaboration essential external, which in turn will produce impact social .

2.3. Social Performance

Performance, which is generally assessed through indicator financial and non- financial, reflecting results from activity business . Social performance, as part from non- financial performance, focusing on the welfare of stakeholders interests, reducing impact environment, improve health and safety public, as well as promote rights society (Hong & Cho, 2012; Paulraj et al., 2017). Social performance can measured through various parameters, such as quality service, satisfaction society, and contribution to the creation field Work social .

The Role of BUMDes as *social enterprise* make performance social The same importance with performance financial The final goal from Village-Owned Enterprises No just produce profit, but also provide benefit real for community. Therefore that, ability Village-Owned Enterprises For give impact measurable social like increase welfare stakeholders interests, providing field Work for resident local, and contribute to development infrastructure village become gauge measuring main his success .

2.4. Development Hypothesis

Based on review literature, there is uncertainty about connection direct between orientation entrepreneurship and performance social research previously show mixed results, where some find effect positive and significant, while others are not find significant relationship. Therefore that, research This make an effort test hypothesis direct as following :

H1: Orientation Entrepreneurship own effect positive and significant to Open Innovation.

H2: Open Innovation has effect positive and significant on Social Performance Village-Owned Enterprises.

H3: Orientation Entrepreneurship own effect positive and significant on Social Performance Village-Owned Enterprises

3. RESEARCH METHODOLOGY

3.1. Procedure Sampling and Data Collection

Study This adopt design quantitative with non- experimental approach . Population in studies This is BUMDes located in Jambi Province, especially in the Regency Kerinci . Based on data, of the 285 villages in Kerinci, only 144 have been establish BUMDes. Data collected of 200 respondents who are manager or staff operational BUMDes, with

use technique taking sample *disproportionate random sampling* For ensure adequate representation from various characteristics BUMDes in Kerinci .

Data collection was carried out through distributed questionnaires to manager or staff operational BUMDes. Questionnaire This use 7- point Likert scale, starting from 1 (*very much agree*) to 7 (*strongly agree*), for measure variables research : orientation entrepreneurship, innovation open, and performance social .

3.2. Data Analysis

Data collected analyzed use device Smart PLS software for test the proposed regression model. The analysis process done in two stages main :

1. **Measurement Model Analysis (Outer Model)** : Stage This aim For test validity and reliability instrument research . Validity convergent assessed with see mark *Average Variance Extracted (AVE)* and *outer loadings* . Reliability tested with mark *Composite Reliability (CR)* and *Cronbach's Alpha*.
2. **Structural Model Analysis (Inner Model)** : Stage This test connection causality between variables with see mark coefficient path coefficient, significance, and value predictive model (*R-square*). For test role mediation, carried out analysis *bootstrapping* which is method standard in Smart PLS for evaluate significance effect No direct .

4. RESULTS

4.1. Statistics Descriptive

Based on existing data, of the total of 285 villages in the Regency Kerinci, 144 villages has establish BUMDes, however only 76 BUMDes are still active status. A number of Village-Owned Enterprises in Kerinci recorded own significant income, such as BUMDes in Koto Periang Village with income annual reached Rp. 135 million and Koto Agung Village with income of Rp. 70 million. Condition This show existence diversity performance and revenue among existing BUMDes, even though part big Still face challenge.

Table 1. Profile BUMDes in the Regency Kerinci, Jambi

Characteristics	Frequency
Total Villages	285
Village with Village-Owned Enterprises	144
Village-Owned Enterprises Active	76
Village-Owned Enterprises with Income Annual Highest	
Koto Periang Village	Rp. 135 million / year
Koto Agung Village	Rp. 70 million / year
Sungai Rumpun Village	Rp. 40 million / year

Source : RRI, 2025

4.2. Testing Hypothesis

The results of the structural model analysis (*Inner Model*) using Smart PLS provide findings important about connection causality between variable .

H1: Influence orientation entrepreneurship to innovation open own coefficient line 0.385. With mark very low p ($p < 0.01$), the relationship This proven significant, showing that orientation entrepreneurship manager in a way substantial push innovation open .

H2: Influence innovation open to performance social own coefficient line 0.521. With mark very low p ($p < 0.01$), the relationship this is also significant, showing that innovation open own strong effect to performance social .

H3: Influence direct orientation entrepreneurship to performance social own coefficient line 0.120 with mark p of 0.201 ($p > 0.05$). **Hypothesis This rejected** . This is indicates that orientation entrepreneurship No own effect significant direct in a way statistics to performance social Village-Owned Enterprises

Table 2. Test Results Hypothesis (Path Coefficient)

Connection Variables	Path Coefficient	T-Statistics	P value	Results
Orientation Entrepreneurship → Open Innovation	0.385	4,512	< 0.01	Accepted
Open Innovation → Social Performance	0.521	5,347	< 0.01	Accepted
Orientation Entrepreneurship → Social Performance	0.120	1,143	0.201	Not accepted

Significance : ***<1%, * <5%

Source : Mulyono, 2025

5. DISCUSSION

Research result show that hypothesis the main one stating that orientation entrepreneurship own effect significant direct to performance social rejected . Findings This in a way direct answer gap research that has been identified and aligned with results studies that also found relationship that is not significant (Veidal & Korneliussen, 2013; Hong & Cho, 2012). Observation This show that own manager with Spirit entrepreneurship like proactive and courageous take risk — only No Enough For in a way automatic produce impact social measurable at the level Village-Owned Enterprises

On the contrary, the findings This show that orientation entrepreneurship own influence positive and significant to innovation open . This shows that mentality entrepreneurship owned by managers Village-Owned Enterprises is step early . Superior social performance only can achieved when mentality This implemented through practice innovation open, namely with weave collaboration with parties external .

There are some reason Why innovation open become crucial link between orientation entrepreneurship and performance social . First, managers who have orientation entrepreneurship tall tend own open management to change and be willing looking for ideas and knowledge from outside (Usman et al., 2023). They realize that Village-Owned Enterprises No can only depend on source Power internal which is often limited in matter knowledge, capital, and competence . Second, innovation open involving collaboration with various stakeholders interest external, such as government regions, universities, partners business, EO, and society That alone . Interaction This in a way direct help achievement objective social Village-Owned Enterprises .

Example cases in Jambi Province show relevance findings This . There are many BUMDes in Jambi, including in the Regency Kerinci, facing constraint source Power human and lowly participation society . However, there are example success like BUMDes Suka Makmur in Ibru Village, Muaro Jambi, which was successful develop potential nature through innovation and digitalization, even get award national . Success Village-Owned Enterprises This show that collaboration and utilization potential village become key For increase performance social and economic, in line with findings study This .

6. CONCLUSION

Study This prove that orientation entrepreneurship No own effect significant direct impact on performance social BUMDes . However, the role of innovation open as variables influenced by orientation entrepreneurship and ultimately influence performance social, very important . Findings This strengthen that for BUMDes, attitude entrepreneurship manager must distributed through innovation open For reach objective social .

Contribution Theoretical and Implications Policy

In a way theoretical, research This expand implementation theory *Resource-Based View* (RBV) to in context *social enterprise* . Contribution This fill in gap study previously with present a more causal model comprehensive, where the orientation entrepreneurship No in a way direct increase performance social but activate processes that lead to impact the .

In a way practical, findings This give clear guidance for managers BUMDes and government villages, especially in the Regency Kerinci, Jambi. Orientation entrepreneurship manager of course important, but No Can considered as the only one factor determinant success social . BUMDes must in a way proactive consider and implement other strategies that focus directly on the increase welfare society, such as involvement community, improvement quality services and collaboration with party external For get support .

Limitations and Recommendations

Study This own a number of limitations . The sample used limited to BUMDes in Jambi Province, in particular Regency Kerinci, so that findings This Possible No can generalized to other areas . In addition, the variables analyzed only covers orientation entrepreneurship, innovation open, and performance social .

For study Next, it is recommended For expand coverage sample to other areas for get a clearer picture general . Future research can also add variables mediation or moderation others, such as role technology information, online marketing, or social capital, which are also relevant in development Village-Owned Enterprises moment This .

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