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## Entrepreneur Behavior of Broiler Farmers in Banyumas

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**Abstract.** Entrepreneurial behavior is a series of actions of business actors to freely combine innovative resources to identify and pursue opportunities. This behavior is influenced by self-efficacy, perceptions of supporting contexts and ability to control attitudes. This study aims to identify the extent of and contributing factors to entrepreneurial behavior of broiler farmers in Banyumas. The data were collected from a survey engaging 60 farmers-members of partnership farming. The data were analyzed using descriptive statistical and correlation analysis. The results showed that the entrepreneurial behavior of farmers was in high category with an average score of 65.45. Farmers have a high category of self-efficacy with an average score of 18.55. Farmers' perceptions of supporting contexts and the ability of farmers to control attitudes are in the medium category with an average of 30.04 and 33.70 respectively. There was a significant relationship between entrepreneurial behavior and self-confidence and perceptions of supporting context, but no significant relationship with the ability to control attitudes. The relationship between entrepreneurial behavior and farmer self-confidence is in the weak category, while the relationship between entrepreneurial behavior and farmers' perceptions of supporting contexts is in the moderate category.

**Key words:** entrepreneurial behavior, self-efficacy, supporting contexts, ability to control attitudes, broiler farmers

**Abstrak.** Perilaku kewirausahaan merupakan serangkaian tindakan pelaku usaha secara bebas dalam upaya mengkombinasikan sumberdaya secara inovatif untuk mengidentifikasi dan mengejar peluang. Perilaku kewirausahaan ini dipengaruhi oleh kepercayaan diri, persepsi terhadap konteks pendukung dan kemampuan mengendalikan sikap. Penelitian ini bertujuan untuk mengidentifikasi perilaku kewirausahaan dan faktor yang mempengaruhinya pada peternak ayam broiler di kabupaten Banyumas. Metode yang digunakan adalah survei terhadap 60 peternak anggota kemitraan. Data yang diperoleh dianalisis menggunakan analisis statistik deskriptif dan analisis korelasi. Hasil penelitian menunjukkan bahwa perilaku kewirausahaan peternak ayam broiler di kabupaten Banyumas termasuk dalam aktivitas tinggi dengan rerata skor 65,45. Peternak memiliki tingkat kepercayaan diri dalam kategori tinggi dengan rerata skor 18,55. Persepsi peternak terhadap konteks pendukung dalam kewirausahaan dan kemampuan peternak dalam mengendalikan sikap berada dalam kategori sedang dengan rerata skor masing-masing 30,04 dan 33,70. Terdapat hubungan yang signifikan antara perilaku kewirausahaan dengan kepercayaan diri dan persepsi konteks pendukung serta tidak terdapat hubungan yang signifikan antara perilaku kewirausahaan dengan kemampuan pengendalian diri peternak. Analisis korelasi juga menunjukkan bahwa hubungan antara perilaku kewirausahaan dengan kepercayaan diri peternak dalam kategori lemah, sedangkan hubungan antara perilaku kewirausahaan dengan persepsi peternak terhadap konteks pendukung berada pada kategori sedang.

**Kata kunci:** perilaku kewirausahaan, kepercayaan diri, persepsi konteks pendukung, pengendalian sikap, peternak broiler

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### Introduction

Smallholder farms, in general, have major weaknesses in relatively small capital, lack of maintenance management capabilities, and relatively high feed prices, whereas broilers demand is high (60 - 70% production costs). Another emerging problem is marketing; the

unclear market share has reduced the farmer's selling price below market price. These weaknesses can be overcome through a mutually beneficial and dignified cooperation with large companies. Eaton and Shepherd (2001) defines the pattern of partnership as an agreement between farmers and the core company in providing production,

cultivation/production, and marketing input with a predetermined price agreement.

The partnership pattern is a strategic step in empowering small-scale broiler breeders towards business reliance. Small farmers as partners collaborate with companies (integrators) and are bound by mutually beneficial business contracts. Barrett et al. (2012) explained that livestock business partnerships have a positive impact on the local economy by increasing the welfare of family farmers. In general, this partnership pattern brings together two common interests but is motivated by management ability, lack of understanding in legal knowledge and different capital, so that plasma is very vulnerable to be in a dominated position.

Partnership as a concept of empowerment must be able to improve technical and social competence which in turn prepares farmers to be independent, ready to excel/innovate, be prepared to face risks, and be competitive. Partnerships should be able to produce farmers who have entrepreneurial attitudes and orientations. Rural economic growth can increase rapidly when breeders have and entrepreneurial attitudes. The development of entrepreneurial behavior will foster a positive attitude towards entrepreneurship and the formation of the ability to control the situation and focus on the results to be achieved (Khayri et al., 2011).

Entrepreneurial behavior is a series of actions of business actors freely to combine resources innovatively to identify and pursue opportunities. This entrepreneurial behavior is influenced by self-efficacy, perceptions of supporting contexts (freedom of action, access to resources and other supporting factors) and ability to control attitudes (as reflected in empathy and self-assessment) (Okeke et al., 2015; Chaurasiya et al., 2017). The concept of entrepreneurial behavior in farmers is important because it has an impact on the

performance of farmers (Arisena, 2016; Rahmawati et al., 2018; Konte et al., 2019).

However, empirical reality shows that the concept of partnership tends to meet the production needs of farmers and does not provide free space for farmers to innovate. Farmers lack the social power to make decisions. On the other hand, broiler breeders in partnership must build their business existence and develop their business branding (Tur-Porcar et al., 2018; Wanyonyi and Bwisa, 2015). This can be done if farmers have entrepreneurial behavior that will make them creative, innovative and competitive (Gellynck, et al., 2014). In this regard, this study examines entrepreneurial behavior and identifies levels of self-efficacy, perceptions of supporting contexts (freedom of action, access to resources and other supporting factors) as well as the ability to control attitudes (as reflected in empathy and self-assessment) in Broiler chicken breeders apply use independent business patterns and partnerships in Banyumas Regency.

## Materials and Methods

The research conducted a survey to 60 broiler farmers in Banyumas Regency that were selected from a proportional sampling. The survey (observation and direct interview) collected primary data describing farmers entrepreneurial behavior and capacity that influenced entrepreneurial behavior. The measured variables of entrepreneurial behavior were initiative to act, control activities, empower abilities and respect the results of one's own work. Farmer capacity variables were measured based on self-confidence, perception of supporting context (freedom of action, access to resources and other supporting factors) and ability to control attitude (empathy and self-assessment).

The secondary data were obtained from the records from Livestock Service Office,

Baperlitbangda, the core company (integrator) and Banyumas Statistics Bureau which included production data, livestock population, breed population, geographical and ecological conditions of the region, and economic data of Banyumas Regency. The database was subject to validity and reliability test. Research variables were measured in a Likert scale, and grouped to high, medium or low categories. The collected data were subject to descriptive statistical analysis and Spearman Rank correlation analysis

## Results and Discussion

In this study, the 60 respondents were the members of different core companies, including integrator companies, companies affiliated with large companies, and non-affiliating independent companies. The integrator company is a core company that has its own production facilities, both for hatching seedlings and feed production which are not only used by breeders of partner members, but also marketed to other companies.

Affiliated core companies are companies that collaborate with integrators in the procurement of production facilities (seeds and feed) and have partner farmers, while non-affiliating independent companies are core companies that procure production facilities for breeders, their partners are not dependent on a particular integrator company.

### Farmer Entrepreneurial Behavior

Someone who has an entrepreneurial behavior will show credibility, creativity and

dare to take advantage of existing opportunities. Farmer entrepreneurial behavior that includes perspectives of achievement, self-control, innovation, and self-esteem are important inputs in business development and sustainability. In this study, indicators used to look at entrepreneurial behavior are initiatives to act, control activities, empower abilities and appreciate the results of their own work. The results of the analysis of farmer's entrepreneurial behavior are listed in Table 1.

The average number of entrepreneurial behavior scores in broiler breeders in Banyumas Regency was 63.45 and included in the medium category. When viewed from each of its core patterns, the average entrepreneurial behavior is also in the medium category with a score of 62.4; 62.15 and 64.66, respectively for integrator, affiliation and non-affiliation patterns. Farmers exhibit high entrepreneurial behavior in terms of initiative to act, determine activities and respect the results of their own work. Farmers have the freedom to decide when to produce even though they are part of a partnership. There is no binding number of maintenance periods in one year, because the contract is based on only one production period. However, farmers exhibit low entrepreneurial behavior in empowering abilities, as indicated by the average score of 14.70. Although farmers have the freedom to determine the time of production, but farmers have limited ability to determine the quality of production inputs and the determination of selling prices.

Table 1. Average entrepreneurial behavior score of broiler farmers in Banyumas Regency

Indicator	Company			Average
	Integrator	Affiliation	Non Affiliation	
Acting Initiative	16.7	15.83	16	16.07
Control activities	15.6	16.12	17.96	16.93
Empower ability	14.0	14.3	15.23	14.70
Respect the work itself	16.1	16.5	16.65	16.50
Total	62.4	62.15	64.66	63.45

Farmers do not have the ability to choose brands of feed, medicine and only accept what is provided by the core company.

### Capacity of Farmers Associated with Entrepreneurial Behavior

Entrepreneurial behavior is a series of actions of business actors freely in an effort to combine resources innovatively to identify and pursue opportunities. Having entrepreneurial behavior will increase the ability of farmers to manage businesses better technically and economically. The ability to innovate in animal husbandry, access to finance and marketing, and develop informative communication will make entrepreneurs become more progressive in production. In the entrepreneurship domain, competence takes on the importance of starting and succeeding in a new business (Bird, 2002). Likewise, Onstenk (2003) states that entrepreneurial competencies and behaviors are needed to successfully start, operate and ensure the survival of new businesses in the market.

This entrepreneurial behavior is influenced by self-efficacy, perceptions of supporting contexts (freedom of action, access to resources and other supporting factors) and ability to control attitudes (as reflected in empathy and self-assessment). The concept of entrepreneurial behavior in farmers is important because it impacts on farmers' performance. The results of the analysis of the capacity of farmers related to entrepreneurial behavior in broiler breeders in Banyumas Regency are presented in Table 2 as follows.

The average capacity score of breeders related to entrepreneurial behavior of broiler breeders in Banyumas Regency was 33.72 and in the medium category. If observed based on the core company pattern, the average capacity of farmers is also in the medium category with a score of 34.30; 33.05 and 33.96, respectively for integrator patterns, affiliation patterns and non-affiliation patterns.

Farmer confidence with an average score of 18.55 included in the high category. This is reflected in the courage of breeders in choosing the business of broiler chickens. This broiler chicken business requires mastery of strict maintenance management due to high production risk and market price fluctuations. Only those highly-confident to success are willing to partake in this endeavor.

Supporting context in this study uses indicators of innovation and the desire to do entrepreneurship, has a score of 30.40 and is included in the medium category. Likewise, attitude control has a mean score of 33.72 and in the medium category. Engagement in the contract causes farmers to have limited choices, especially in the innovation use of production inputs. Allocation of the use of inputs, time of delivery or application are all scheduled in the partnership program. Farmers have leeway in determining and selecting production equipment. In determining the breeder's production equipment, it adapts to their capital capability. There is no attachment to the core company that farmers must use automatic or manual equipment. What is important for this

Table 2. Average farmer capacity scores associated with entrepreneurial behavior in Banyumas District

Indicator	Company			Mean
	Integrator	Affiliation	Non-Affiliation	
Confidence	18.30	18.25	18.83	18.55
Supporting context	30.10	29.65	31.00	30.40
Attitude control	34.30	33.05	33.96	33.72

Table 3. Correlation analysis between farmer capacity and entrepreneurial behavior in broiler breeders in Banyumas Regency

Indicator	Coefficient correlation	Significant
Confidence	0.003	0.0449*
Supporting context	0.480	0.0006**
Attitude control	0.281	0.165

company is the adequate and sufficient amount of equipment during the production process.

Further analysis was carried out to determine the relationship between the capacity of farmers and entrepreneurial behavior of broiler breeders. The results of the analysis are presented in Table 3.

The results of the analysis indicate that there is a significant relationship between entrepreneurial behavior with farmer confidence and supporting context. Entrepreneurial behavior will be able to encourage the creation of successful and competitive entrepreneurs. The ability of farmers in business management, marketing, finance, and technical results in livestock business will have better performance. Having entrepreneurial behavior will increase the ability of farmers to manage businesses better technically and economically.

From the perspective of attitude, entrepreneurs as individuals with: the need for achievement (Miner, 2000), risk takers (Kuratko, 2007), desire, desire to innovate (Bolton and Lane, 2012). Bolton and Thompson (2004) states that entrepreneurs usually create and innovate to build something that is recognized value around perceived opportunities. They are certain types of people whose innovative risk-taking and prowess are suitable for identifying and exploiting beneficial opportunities that result in organizational and economic growth (Kuratko, 2007). Kuratko et al., (2011) stated that innovation involves risk taking, and the higher the organization innovates, the more risk is needed. Only people who have a high

level of confidence and dare to take risks that show high entrepreneurial behavior.

## Conclusions

Entrepreneurial behavior of broiler breeders in Banyumas district is included in high activity. Farmers have a high level of confidence in the category. Farmers' perceptions of supporting contexts in entrepreneurship are in the medium category, and the ability of farmers to control attitudes is in the medium category. There is a significant relationship between entrepreneurial behavior with self-confidence, and perception of supporting context, but there is no significant relationship between entrepreneurial behavior with the ability to control farmers themselves. Correlation analysis also shows that the relationship between entrepreneurial behavior and farmer self-confidence is in the weak category, while the relationship between entrepreneurial behavior and farmers' perceptions of supporting contexts is in the moderate category. Although farmers have entrepreneurial behavior and a high level of confidence, but the correlation is low. This happens because in running the business, farmers are bound to the core company. Engagement in the contract causes farmers to have limited choices, especially in the innovation of the use of production inputs.

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