
Entrepreneurial Resilience In MSMEs Food in Disaster-Prone areas in West Sumatra

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Abstract

This study resulted in the effect of social capital, entrepreneurial experience and knowledge on entrepreneurial resilience. West Sumatra is one of the disaster-prone areas in Indonesia, so it is necessary to examine whether social capital, entrepreneurial experience and knowledge have an influence on entrepreneurial resilience with the case of food SMEs. We need to do this research to find out whether in disaster areas social capital, experience and knowledge contribute to creating entrepreneurial resilience. This study used 384 samples of food SMEs spread over 5 disaster areas in West Sumatra. Data were collected using a questionnaire which was processed using the SPSS tool with the questionnaire measurement scale being the Likert scale. The unit of analysis is the owner of food SMEs in West Sumatra specifically in disaster areas. By collecting as many as 384 respondents it is believed to be representative because the number of food MSMEs is definitely not contained in any information because it is rapidly growing. The results of the study reveal that the variables of social capital, entrepreneurial experience and knowledge have an effect on entrepreneurial resilience by 43.4%, while the rest are influenced by other variables that have not been taken into account in this study. Further research can be done by including other variables such as business performance, or entrepreneurial orientation.

Keywords: *Entrepreneurial Experience, Social Capital, Entrepreneurial Resilience*

INTRODUCTION

West Sumatra is one of the disaster-prone areas in Indonesia. There have been many disasters in West Sumatra such as earthquakes and tsunamis, floods, landslides and others. Earthquake/tsunami disasters such as 2004, 2009 and 2013 were very large conditions that occurred in West Sumatra and even claimed an infinite number of lives and material victims and floods and landslides occurred at any time that could not be predicted and predicted. . This certainly has an impact on conditions in West Sumatra specifically regarding businesses or businesses that already exist in this area. Many businesses or businesses that exist, when there is a disaster experience problems or obstacles and even close the business. In addition, the business or special food business so far is a very large number of businesses because it is influenced by cultural factors that have been passed down from generation to generation that the food business is one of the advantages of the West Sumatra region. The West Sumatra area has so far produced Rendang and Padang restaurants which have spread throughout Indonesia and even internationally. Entrepreneurial resilience in disaster areas is indeed not the same as other regions because the supporting factors in disaster areas must be strong compared to other regions. Businesses or businesses in other areas may still see entrepreneurial resilience in how to manage or manage business, but in disaster areas other than that, of course, they must be able to increase other factors to be able to be resilient, such as social capital factors. Although so far it cannot be denied that small businesses or SMEs are very vulnerable to failure or have low resilience (Battisti and Deakin, 2012; Ingirige et al., 2008). This is very worrying because we know that MSMEs are the biggest contributor to economic recovery, so they must have certain strategies in order to continue, of course, by being resilient and resilient to disasters (Linnenluecke et al., 2012; May and Koski, 2013). For this reason, in maintaining a business or business so that it can always grow and develop, it is necessary to increase social capital in

achieving it. Furthermore, West Sumatra has quite a large number of MSMEs, namely 580,344 units spread over 19 districts/cities with employment of 968,225 people. In other words, 48.44% of the population of West Sumatra has a source of livelihood from MSMEs (BPS, 2019).

Aldrich (2015) describes how social capital is like a network which reveals in his research that resources are formal or informal to explain the ability to deal with disasters and recover. This study assesses the role of social capital from networks, trust through certain groups in creating entrepreneurial resilience. So far, there are so many food businesses that really need social capital in creating their success because in running a business carried out by entrepreneurs it is not only the ability or soft skills of the owner but rather how to manage a business by utilizing the existing community and moreover the people of West Sumatra have the ability to tend to manage their business. together through networking and building business innovation and also through togetherness.

Food business in West Sumatra in general is a hereditary business that is run so that there are no patents on the name of the dish and also on how to make the dish itself so that togetherness and social capital are necessary in creating business resilience and sustainability. In addition, West Sumatra is one of the disaster-prone areas, so it is necessary to investigate how social capital is after the disaster and what is being done and whether it has anything to do with creating entrepreneurial resilience. Indicators in social capital will be a reference in providing information and also in producing information for food business owners. In addition, to see resilience, it is also necessary to take into account knowledge and experience. We know that West Sumatra is the center for producing entrepreneurs and the most famous is the food business so that the experience produced from generation to generation is very influential because almost all the characteristics and food products produced are still old products so that the experience gained by entrepreneurs or owners business influences in generating resilience in entrepreneurship. In addition to experience, knowledge is something that is important to see because knowledge is not only through formal channels but also in non-formal channels and West Sumatra in general, the Minang ethnic has already run a business and many of them are already in the third and fourth generation in continuing their business and thus whether this knowledge also affects in creating resilience because in general they start a business or business is done from a young age. Through this research, all existing variables will be tested on the research unit, namely the owners of SMEs specifically for food in disaster-prone areas in West Sumatra.

RESEARCH METHODS

This study uses quantitative methods using a questionnaire as a data collection tool. The survey method involved 382 food MSME owners in the disaster area to see the effect of the entrepreneurial resilience variable in which there are three independent variables, namely social capital, entrepreneurial experience and knowledge. The results of the questionnaire were processed using SPSS to see the effect. Five research locations were involved in this study where the locations were seen from the frequency of disaster-prone that had been conveyed by the disaster management agency, namely Padang City, Pariaman City, Padang Pariaman Regency, Agam Regency and Pesisir Selatan Regency.

RESULTS AND DISCUSSION

Results

This study involved 382 food MSME owners in the West Sumatra disaster area which was carried out in 2022. The results revealed that entrepreneurial resilience in disaster areas was not only influenced by MSME performance factors but also influenced by social capital factors, entrepreneurial knowledge and experience. Social capital in food businesses in disaster areas in West Sumatra is influenced by social capital although in this study it takes resilience in the aftermath of the disaster, but social capital is an entrepreneurial condition so far specifically for the Minang ethnic and this is in line with previous research that has been carried out. Social capital has been embedded in the daily life of the Minang ethnic community because the Minang ethnic is a community that has been more dominant in entrepreneurship so that wherever they go, both other regions and their own regions always carry out social capital. This is evidenced by the Minang ethnic community who always live in groups wherever they are and always have a very strong regional organization in maintaining their integrity living in other areas. This condition also contributes in terms of business development and also in running a business. The existing organizational groups also have a vision and mission so that the results will also help in the development of their respective regions and this is still true today. Moreover, in dealing with disasters, organizations overseas or in other areas will definitely help because it involves the area of origin and also relates to their families and relatives. So much assistance, both moral and material, was given both during the disaster and in the post-disaster. Many relatives and families affected by the disaster will find direct relatives who will help their businesses both in supplying goods and in distributing business experience that needs to be carried out by business owners in disaster areas. Likewise with entrepreneurial experience, so far the Minang ethnic if they want to develop a business or want to recruiting employees will prioritize those from the same area and even from family or relatives. This has been done since time immemorial which is an expression of togetherness and strengthening of kinship. In this study, it has been proven that the three variables, namely social morals, entrepreneurial experience and knowledge, have an effect on entrepreneurial resilience and this is in line with previous research that has been carried out such as research (Sokolankaya, 2016) which reveals that entrepreneurial experience will actually accelerate the achievement of goals. and success (Mosey and Wright, 2007) but the difference is the case for this study in disaster-prone areas.

Discussion

Produce testing in this research is done first by testing Multicollinearity because it is done with multiple regression. To find out a regression model free from multicollinearity, which has a VIF (Variance Inflation Factor) value of less than 10 and has a Tolerance number of more than 0.1. Multicollinearity test results can be seen as follows:

Table 1. Multicollinearity Test Results

| | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|---|---------------------|-----------------------------|------------|---------------------------|--------|-------|-------------------------|-------|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | 41,905 | 5,500 | | 7,619 | 0,000 | | |
| | Social Capital (X1) | -0,029 | 0,035 | -0,033 | -0,837 | 0,403 | 0,985 | 1,015 |

| | | | | | | | |
|---------------------------------|--------|-------|--------|--------|-------|-------|-------|
| Entrepreneurial Experience (X2) | 0,860 | 0,050 | 0,665 | 17,134 | 0,000 | 0,987 | 1,014 |
| Knowladge(X3) | -0,008 | 0,051 | -0,006 | -0,163 | 0,871 | 0,998 | 1,002 |

a. Dependent Variable: Entrepreneurial Resilience

From Table 1, it can be seen that the Tolerance value of the three variables is more than 0.10 and the VIF value is less than 10. It can be concluded that there is no multicollinearity problem in the regression model so that this model can be used. The multiple regression model in this study is :

$$Y = a + b1X1 + b2X2 + b3X3 + e$$

Description: Y = Entrepreneurial Resilience, X1 = Social Capital, X2 = Entrepreneurial Experience and X3 = Knowledge.

a = Constant b = Regression coefficient of each variable e = Error (assumed value 0)

Table 2. Multiple Linear Regression Test Results
Coefficientsa

| Models | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|----------------------------|-----------------------------|------------|---------------------------|--------|-------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 41,905 | 5,500 | | 7,619 | 0,000 |
| Social Capital | -0,029 | 0,035 | -0,033 | -0,837 | 0,403 |
| Entrepreneurial Experience | 0,860 | 0,050 | 0,665 | 17,134 | 0,000 |
| Knowladge | -0,008 | 0,051 | -0,006 | -0,163 | 0,871 |

Dependent Variable: Entrepreneurial Resilience

Based on Table 2, the results of multiple linear regression analysis, the regression equation model obtained is as follows:

$$Y = 41,905 - 0,029X_1 + 0,860X_2 - 0,008X_3$$

The value of constant (a) is 41,905. This means that if the value of Social Capital, Entrepreneurial Experience and Knowledge is 0 or none, the value of Entrepreneurial Resilience will be 41,905. The regression coefficient value of the Social Capital variable (b1) is negative, namely -0.029. This means that for every increase in the Social Capital variable by 1 unit, Entrepreneurial Resilience will decrease by -0.029 units assuming the other independent variables have a fixed value. The regression coefficient value for the location variable (b2) is positive, namely 0.860. This means that for every 1 unit increase in the Entrepreneurial Experience variable, Entrepreneurial Resilience will also increase by 0.860 units assuming the other independent variables have a fixed value. The regression coefficient value for the location variable (b3) is negative, namely -0.008. This means that for every increase in the Knowledge variable by 1 unit, Entrepreneurial Resilience will decrease by -0.008 units assuming the other independent variables have a fixed value.

The t-test can be seen in the processing results where the social capital variable (X1), the significant value is 0.403 0.05 and the t value is -0.837 the t value is 1.966. This means that the social capital variable partially has no significant effect on entrepreneurial resilience. The entrepreneurial experience variable (X2) has a significant value of 0.000 0.05 and a t-value of 17.134 a t-value of 1.966. This means that the entrepreneurial experience variable partially has a significant effect on entrepreneurial resilience. While the knowledge variable (X3), the

significant value is 0.871 0.05 and the t-count value is -0.163 the t-table value is 1.966. This means that the knowledge variable partially has no significant effect on entrepreneurial resilience. The results of the F test to see how the effect simultaneously on the variables that have been set.

**Table 3. Test ResultsF
ANOVA^a**

| | Model | Sum of Squares | Df | Mean Square | F | Sig. |
|---|------------|----------------|-----|-------------|--------|--------------------|
| 1 | Regression | 12984,362 | 3 | 4328,121 | 98,315 | <,001 ^b |
| | Residual | 16640,623 | 378 | 44,023 | | |
| | Total | 29624,984 | 381 | | | |

a. Dependent Variable: Entrepreneurial Resilience

b. Predictors: (Constant), Knowledge, Entrepreneurial Experience, Social Capital

Based on Table 3, it can be seen that the significance value is 0.001 0.05 and the calculated F value is 98.315 Table F value is 2.628. Thus, it can be concluded that social capital, entrepreneurial experience and knowledge simultaneously (simultaneously) have a significant effect on entrepreneurial resilience. The next measurement is the Coefficient of Determination Test (R²). The results of the coefficient of determination can be seen in Table 4 below:

**Table 4. Test Results F
Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .662 ^a | 0,438 | 0,434 | 6,635 |

a. Predictors: (Constant), Knowledge, Entrepreneurial Experience, Social Capital

Based on Table 4, the results of data analysis show that the amount of Adjusted R Square is 0.434 or 43.4%. This means that the percentage contribution of social capital, entrepreneurial experience and knowledge variables to entrepreneurial resilience is 43.4%, while the rest (100% - 43.4% = 56.6%) is influenced by other variables not taken into account in this study.

CONCLUSION

Social capital in the disaster area, especially in West Sumatra, has been running so far in carrying out recovery for MSMEs in the disaster red zone and such conditions make the role of social capital must be utilized to increase entrepreneurial resilience. Entrepreneurial experience in disaster areas is something that we must appreciate because entrepreneurial experience in the Minang ethnic group has been passed from generation to generation in running a daa business. This also applies to disaster areas in West Sumatra. Cultivating social capital and also the knowledge possessed by the Minang ethnic will be a strong capital in creating business resilience so that it can survive and be easy to develop. Further research needs to be done by exploring how social capital in disaster areas is one of the capitals in creating entrepreneurial resilience and also writing down the values of social capital such as what has already existed and is able to be a source of capital that needs to be taken into account.

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