

The Effect of Entrepreneurial Motivation on the Business Growth of Indigenous Enterprises in Gunungkidul District

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Abstract. Entrepreneurial motivation is divided into three factors, namely mixed motivation, opportunity motivation, and necessity motivation. Business actors in developing countries tend to have mixed motivation. Entrepreneurial motivation affects the growth of a number of businesses in the Special Region of Yogyakarta, particularly in Gunungkidul District. This study has three objectives: to define the entrepreneurial motivation using Exploratory Factorial Analysis, to determine the level of entrepreneurial motivation, and to test the effect of entrepreneurial motivation on business growth of indigenous enterprises in Gunungkidul District using simple linear regression. This study applies a quantitative approach with a mixed data collection method. Quantitative data are collected using a questionnaire, while qualitative data are collected through in-depth interviews with indigenous enterprises and the Office of Industry and Trade. This study employs purposive sampling with the following criterion: entrepreneurs of small and medium-sized industries (known as *Industri Kecil Menengah*) in the field of craft and fashion business. The results of this study illustrate that entrepreneurial motivation in Gunungkidul District is mixed motivation. Even though entrepreneurial motivation is low, it has an effect on business growth.

Keywords: entrepreneurial motivation, business growth, indigenous enterprise

Introduction

Entrepreneurship, as described by Wadhvani and Lubinski (2017), is the process of having ownership rights in the economy. Entrepreneurship is related to business activities and economic situations. Nowadays, in the global economy, business is not only focused on the leading sector of the country, but also on the indigenous sector. Indigenous is defined as something related to the culture and uniqueness of a place that cannot be found in another place. In a business context, indigenous people have already spread their contribution for about two decades in several countries such as Austria and Canada (Collins et al., 2016). It provides opportunities for indigenous people to participate in the indigenous

economy. Their willingness to get involved is known as indigenous entrepreneurship. Indigenous entrepreneurship may succeed supposing it simultaneously serves the culture and mainstream factors of business success such as cultural capital, language, and culture combined with social capital from the indigenous community (Mika et al., 2019). The main characteristic of indigenous entrepreneurship is that the businesses are owned by indigenous people or in partnership with others (R. H. O. Mrabure, 2018).

Austria and Canada may be the first countries to start focusing on the indigenous economy related to small and medium enterprises (SMEs), even though SMEs dominate the economic sector in most developing countries (Tambunan, 2019).

SMEs are related to local communities (Jamali et al., 2017) and as a developing country, Indonesia dominates its business environment with small businesses. Statistics Indonesia (BPS) defines business as activities held by an individual to produce goods or services to be sold or exchanged with other goods or services. Business activities in Indonesia are dominated by small businesses, also known as Small Medium Enterprises (SMEs). During the economic crisis in 1998, 2005, and 2008, SMEs survived, particularly in the informal business sector, which is the characteristic of SMEs in Indonesia (Nur Sarfiah et al., 2019). Figure 1 shows the growth of SMEs in Indonesia from 2010 to 2015.

SMEs have the opportunities to grow in society and develop in all business sectors. The goods sold are significantly diverse because SMEs are not entrepreneurs starting the business as resellers. SMEs in Indonesia are local entrepreneurs running their business by transforming raw materials into ready-to-sell-goods. While Austria and Canada focus on their local business to develop into a well-performed indigenous economy, Indonesia remains struggling to organize the local businesses into sustainable ones. The geographical diversity of Indonesia may be the issue, as well as an abundant culture that provides different experiences to the indigenous people to start a new business. It is seen as a challenge for policymakers to implement the same policies/rules as every province in Indonesia tends to have different policies, affecting the strategies and focus of the business sector. Several sectors gaining the best performance are oil and gas as well as the creative economy sectors.

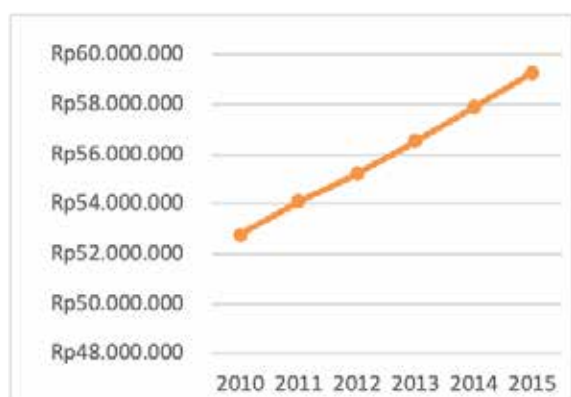


Figure 1. The rapid growth of SMEs in Indonesia during 2010-2015

Source: The Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia, 2018

Table 1
The Comparison of Export Figures and GRDP Growth of the Creative Economy in the top 5 Provinces in Indonesia

Province	Δ -2015 2016	GRDP Growth o.t.y. of 2016
West Java	-1.6%	11.81%
East Java	+3.51%	9.37%
Bali	-0.08%	12.57%
Special Region of Yogyakarta (DIY)	-0.07%	16.12%
North Sumatera	0	4.77%

Source: The Annual Report of Badan Ekonomi Kreatif in 2015&2016

The development of the creative industry in fashion, culinary, and craft subsectors opens an opportunity for SMEs to expand their market to the international market. The data show that the income of Indonesia is mainly from the non-oil and gas sector, namely fashion and craft subsectors. The Creative Economy Agency (Bekraf) is a leading institution in the development of crafts in Indonesia, whose policies are aimed at enhancing the competitiveness of digital and indigenous products. The following data show the comparison between export figures and relative economic growth (Bekraf, 2017).

As observed from Table 1, it can be concluded that East Java has the highest export figures among other provinces, increasing to 3.51%. However, despite the highest export figures, East Java only contributes 9.37% to GRDP growth of the Creative Economy in Indonesia. The province with the highest contribution to GRDP growth of the Creative Economy is the Special Region of Yogyakarta (DIY). DIY contributes 16.12% to GRDP growth even though the export figures decrease to 0.07%. The growth is affected by the increasing number of business activities. In the creative economy, business growth is dependent on the number of enterprises and their productivity. Vice Governor of DIY states that the majority of businesses in DIY are SMEs, reaching approximately 98.4%. Starting from the late colonial era, the indigenous people, particularly the local farmers in DIY, have expanded. The business mainly focuses on the agricultural sector, while the rest focuses on batik as the indigenous product of DIY (Purwanto, 2017).

Years later, entrepreneurial motivation

affects the increase in the number of SMEs (Haryani, 2017). The indigenous people have the motivation to maximize their profit and, most importantly, maintain their indigenous values. These indigenous people tend to gather and have a collectivist approach in running their business (Maritz & Foley, 2018). The uniqueness of cultural background is seen in the products named indigenous products. Selling the products to obtain profits will no doubt lose the cultural values. Among other districts in DIY, Gunungkidul has the potential for indigenous enterprises. It is proven by the increasing number of SMEs from 75,300 in 2006 to 112,600 enterprises in 2016 (Linangkung, 2016). The Decree of the Head of Gunungkidul District No 182/KPTS/2016 on the Second Amendment to the Decree of the Head of the District No 88/KPTS/2010 determines business sectors known as the industrial center in Gunungkidul. The industrial center has different product specifications or different indigenous products and helps the indigenous enterprises in Gunungkidul District.

The role of indigenous enterprises is to increase the local tax income. Such contribution is followed by their motivation for running the business. The motivation found in developing countries is mixed motivation (Eijdenberg et al., 2015). The questions of this study are the factor of entrepreneurial motivation of indigenous enterprises in Gunungkidul District, and the effect of entrepreneurial motivation on the business growth of indigenous enterprises in Gunungkidul District.

Referring to the questions, this study has purposed to discover the factor of entrepreneurial motivation of indigenous enterprises in Gunungkidul District and to analyze the effect of entrepreneurial motivation on the business growth of indigenous enterprises in Gunungkidul District.

This study attempts to explain the theoretical background of entrepreneurial motivation and business growth from previous studies. The following paragraphs explain several theoretical concepts used in this study.

Entrepreneurship is significant for the formal and informal sectors in terms of national development, particularly in the context of SMEs (Al Mamun et al., 2019). It also has several impacts such as business

growth (Prasastyoga et al., 2021). In the context of indigenous, entrepreneurship is defined as the development of indigenous economy and sustainability that encourages the well-being of indigenous communities (Mrabure, 2019). There are six factors of indigenous entrepreneurship, namely a generation of local people; dominated by the local people; the local people maintaining socio-cultural institutions and norms; inbound to the land and resources; the purpose is more likely to continue living by fulfilling their primary needs; associated with different local languages.

Human behavior called motivation provides humans with motives to react and fulfill their needs. This leads humans to plan and act to fulfill their goals or expectations (Gopalan et al., 2017). Others say that motivation can influence workplace outcomes (Ouakouak et al., 2020) and most experts define motivation as a desire coming internally and externally. In conclusion, motivation is the human desire to reach their goals. In the context of entrepreneurial motivation, the desire to start a new business becomes the scope of this discussion.

The term entrepreneurial motivation used by the authors in this study is the dichotomy between opportunity and necessity factors (Fairlie & Fossen, 2018). The current study differentiates opportunity and necessity motivation by examining socioeconomic characteristics, personality, and perceptions of barriers to entrepreneurship (van der Zwan et al., 2016). The desire of an individual to improve identity is the scope of entrepreneurial motivation (Mahto & McDowell, 2018). This study applied three factors including predominantly opportunity motivation, necessity motivation, and mixed motivation as described by (Eijdenberg et al., 2015) as follows.

The first factor is predominantly opportunity motivation. This factor is found in developing countries where the supporting conditions for entrepreneurship are weak and the spread of market failures dominates the entrepreneurs (Amorós et al., 2021). The ability to seek opportunities affects the decision-making in the short and long term of the business (García-Cabrera et al., 2016). Individuals tend to start a new business by overtaking the market, rendering them ambitious (Carreón-Gutiérrez & Manuel Saiz-Álvarez, 2019). Several factors of predominantly motivation are the ease of

obtaining a loan, the available market for a new product, the opportunity to connect with the network, financial opportunities, the opportunity to resource/raw materials, the desire to start a new business, the opportunity to recruit employees, a favorable circumstance for starting a new business, and the needs to start a new business (Eijdenberg et al., 2015).

The second factor is necessity motivation, related to push motivation and frequently involved in product innovation (van der Zwan et al., 2016). Problems in developing regions/countries such as unemployment motivate entrepreneurs to start their businesses (Mota et al., 2019). This motivation is driven by the internal and external environment to ensure that they can fulfill their basic needs (Mohan, 2019). Thus, several indicators to indicate necessity motivation are unemployment, poverty that causes the inability to take care of their family, having no legal certification to obtain a job, inability to find a job at that time, getting fired from the last job, and dissatisfaction with the previous job (Eijdenberg et al., 2015).

The last factor is mixed motivation, arguing that the dichotomy between opportunity motivation and necessity motivation is not that rigid to be classified. The factors that affect mixed motivation are family background, the customers are provided; family background, funding to start the business are provided; family background, continuing the existing family business; experience in starting a new business; experienced in managing a new business; incentives provided by the local government to start a new business, ease of the loan; the goal to decrease poverty; and the desire to increase personal income (Eijdenberg et al., 2015).

Entrepreneurial motivation is embedded in every small and medium enterprise (SME), particularly Indigenous Enterprises in Gunungkidul District. Indigenous people are often defined as people of origin in several cultural views of geographical areas that place special meaning in the interaction between humans and nature (Junaidi, 2017). People who incorporate local values (Pocock & Lilley, 2017) and share land/territory (Porter, 2017) are indigenous people.

Others define an indigenous enterprise as a business started and managed by the local community (Mika et al., 2019). The

measurement is determined by the business ownership, business identity, cultural values, and welfare. Indigenous enterprises in Gunungkidul District are small and medium industries (SMEs). Indigenous enterprises are related to the indigenous economy defined as the traditional economy with tangible and intangible assets such as values, knowledge, and culture (Murphy et al., 2020).

Indigenous enterprises or locally defined as SMEs have various businesses. The aforementioned concept is the reference used by the authors to define indigenous enterprises as SMEs in Gunungkidul District because SMEs in Gunungkidul District produce their indigenous products from raw materials into semi/finished goods without missing the cultural values attached to the products. The Office of Industry and Trade in Gunungkidul District has determined several industrial centers by the indigenous products produced in each industrial center.

Another variable of this study is business growth. Business growth is a basis to calculate the success of a business by measuring its productivity (Sabila & Wijayangka, 2019). Other experts mention that the indicators of business growth are market shares, assets, profits, physical outputs, employees, resources, and sales (Rafiki, 2020). Eijdenberg, Paas, & Masurel (2015) define the factors of business growth as the change in the number of employees, sales, assets, and income.

The hypotheses in this study are business growth in Gunungkidul District is not affected by entrepreneurial motivation (H_0) and business growth in Gunungkidul District is affected by entrepreneurial motivation (H_1).

Research Methodology

This study applied a quantitative approach to measure theories, observation, and comparison between expressions and conceptual studies with the real conditions at the site of the study (Grisot, 2017). Applying a cross-sectional study, this study was conducted from November until December 2019 in Gunungkidul District. The data were collected using a mixed-method, in which the quantitative data were collected through a questionnaire and the qualitative data were collected using an in-depth interview with the representatives of indigenous enterprises as well as the Office of Industry and Trade

in Gunungkidul District. The questionnaire was collected using purposive sampling to help the authors determine the respondents with specific characteristics of indigenous enterprises.

Therefore, the characteristics of the sampling are: the enterprises are part of SMEs in Gunungkidul District (craft and fashion subsectors), the goods are produced by indigenous people, there is a value-added process to the goods, and the entrepreneurs conduct their business activities in the industrial center as written in the Decree of the Head of Gunungkidul District No 182/KPTS/2016 on the Second Amendment to the Decree of the Head of the District No 88/KPTS/2010 on the Establishment of Craft/Industrial Centers in Gunungkidul District.

To analyze the data, this study employed descriptive and inferential statistics to discover entrepreneurial motivation using exploratory factorial analysis (EFA). Factor analysis based on the indicators of entrepreneurial motivation was then analyzed using a mathematic model (Possebon et al., 2018). EFA in general has three purposes, namely to evaluate and assess validation, to develop theory, and to conclude correlation between factors (Luo et al., 2019). Inferential statistics were used to regress entrepreneurial variables and business growth variables, therefore, the purpose is to conclude and analyze observational data in a simple yet useful manner.

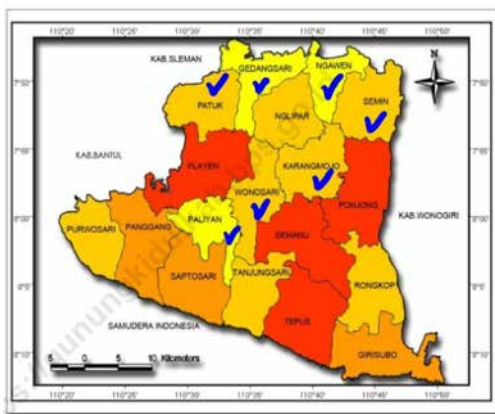


Figure 2. *The Distribution Map of Indigenous Enterprises in Gunungkidul District*
 Source: Annual Report of Gunungkidul District, 2018

Results and Discussion

The Profile of Indigenous Enterprises

Figure 2 describes seven subdistricts as the location of the study in Gunungkidul District. Of 18 subdistricts, only 7 subdistricts have business potential and a promising number of indigenous enterprises. Table 2 below shows the distribution of indigenous enterprises in 7 subdistricts.

This study discovers that indigenous enterprises in Gunungkidul District are spread in several subdistricts, as shown in Table 2. Each subdistrict has several types of businesses as stated in the Decree of the Head of Gunungkidul District No 182/KPTS/2016 on the Second Amendment to the Decree of the Head of the District No 88/KPTS/2010 on the Establishment of Craft/Industrial Centers in Gunungkidul District. The respondents are dominantly around 41-

Table 2
Distribution of Business Type by Subdistricts

Subdistrict	Village	Dusun	Business Type
Paliyan	Pampang	Jetis	Silver/copper craft
	Sodo	Pelemgede	Silver/copper craft
	Sodo	Tembakrejo	Bamboo Craft
Patuk	Putat	Bobung	Batik Wood Craft
	Putat	Batur	Batik Wood Craft
Ngawen	Tancep	Sumberan	Batik Fabric Craft
	Tancep	Banteng Wareng III	Batik Fabric Craft
	Tancep	Sendangrejo	Batik Fabric Craft
Karangmojo	Tegalrejo	Gedangsari	Batik Fabric Craft
	Bejiharjo	Bulu	Blangkon Craft
Wonosari	Bejihargo	Karanglor	Blangkon Craft
	Kepek	Bansari	Akarwangi Craft
Gedangsari	Tegalrejo	Tanjong	Batik Fabric Craft
	Semin	Mandesan	Bamboo Craft
Semin	Semin	Ngepoh	Bamboo Craft

Source: Data Processed, 2019



Figure 3. Silver/Copper Craft in Paliyan Subdistrict

Source: Research Documentation, 2019

45 and 46-50 years old, indicating that it is rare for indigenous enterprises to be owned by indigenous people around 20-25 years old.

The respondents are dominated by men (72%). Using cross-tabulation, it is shown that the majority of enterprises are owned by men and those living in Patuk Subdistrict tend to produce Batik Wood Craft. On the other hand, indigenous enterprises in Gunungkidul District also produce Silver/Copper Craft, Bamboo Craft, Batik Fabric Craft, Blangkon Craft, and Akarwangi Craft, as presented in Table 2.

A famous craft from Paliyan Subdistrict is the Silver/Copper Craft as presented in Figure 3. The Office of Industry, Trade, and Cooperatives of Gunungkidul District have assigned Paliyan to be central of Silver/Copper Craft. The indigenous enterprises convey that they provide the demand for gold in Kota Gede (Yogyakarta), even though it is not sufficient to fulfill their financial expenses. The representatives of Silver/Gold Craftsmen state that the demand may fluctuate and affect the profits earned from producing and selling Silver/Gold.

Bamboo Craft is another business type started by indigenous enterprises in Gunungkidul District, particularly in Paliyan and Semin Subdistricts (Gunungkidul, 2019). The indigenous enterprises state that the business was started by their grandmother, while the next generation continues the business and maintains the uniqueness of their products, such as *klunthung* (home decoration) and *othok-othok* (traditional game) shown in Figure 4.

The next business type is Batik Wood Craft that is popular in Patuk Subdistrict with its legendary product of '*batik topeng*'. The mask is made of wood with batik decoration on its surface as shown in Figure 5. Referring to the interview with the representatives of Batik Wood Craftsmen, their business resilience is based on the political situation



Figure 4. Bamboo Craft

Source: Research Documentation, 2019



Figure 5. Batik Topeng

Source: Research Documentation, 2019

and export policy because of the high demand of orders that come from Japan and other countries. Furthermore, they also serve orders from Bringharjo Market in the city of Yogyakarta, prioritizing foreign customers over local customers.

There are similarities between Batik Wood Craft and Batik Fabric Craft in terms of motifs and colors. Different from the wooden-based craft, the fabric-based craft has different stages in manufacturing, starting from drawing the motifs on the fabrics until coloring the fabrics into finished products to sell. There are two ways in the process of drawing motifs, namely manually and using wax to facilitate the canting process (motif coloring). Sales of batik cloth vary widely and the marketing reach starts locally, nationally, and internationally. According to one craftsman, their local market is the local officials (state civil servants) from the ministries who frequently order batik uniforms as well as local people. The national market is reached by participating in exhibitions held by relevant agencies and other agencies. The international market can be achieved by direct orders from customers who already know the quality of batik fabrics from attending exhibitions in Indonesia as well as advertisements on e-commerce.

Another type of business is Blangkon. Central Java and DIY are known for their distinctive Blangkon handicraft that can only be found in these 2 provinces (figure 6). The quality of the Blangkon depends on the batik



Figure 6. Blangkong Craft
Source: Research Documentation, 2019



Figure 7. Akarwangi Craft
Source: Research Documentation, 2019

fabric used, the supporting equipment, as well as the complexity of creating the Blangkong. Blangkong handicraft in Gunungkidul District can be found in Karangmojo Subdistrict. The indigenous enterprises also convey that they also receive orders from Bringharjo Market as well as from the Yogyakarta palace.

The capital of Gunungkidul District is located in Wonosari Subdistrict that is famous for its Akarwangi Crafts (B. P. S. K. Gunungkidul, 2018). The vetiver material is processed in such a way that it can be shaped into an animal-shaped decoration with a distinctive aroma of the vetiver (figure 7). This handicraft is frequently found in gift shops in Yogyakarta.

Entrepreneurial Motivation of Indigenous Enterprises in Gunungkidul District

The main finding of the study is to answer the research questions (RQ). The first RQ to be answered is the factor motivating indigenous enterprises in Gunungkidul District to conduct their business activities. As mentioned in the method of the study, this study employed KMO and Cronbach's Alpha to answer the first RQ. Table 3 shows the EFA of entrepreneurial motivation and business growth.

The data shown in the table are the second attempt subsequent to reducing several indicators with a value of less than 0.5. The scores of validity of the entrepreneurial variable are 0.725, 0.604, and 0.524 which is higher than 0.5, indicating that each category of entrepreneurial motivation is valid. Meanwhile, the value of

Table 3
EFA Result

	Entrepreneurial Variable (X)	Business Growth Variable (Y)		
Validity	Mixed motivation	0.725	Validity	0.735
	Predominantly opportunity motivation	0.604		
	Necessity motivation	0.524		
Reliability	Mixed motivation	0.816	Reliability	0.872
	Predominantly opportunity motivation	0.169		
	Necessity motivation	0.308		

Source: Data Processed, 2019

reliability should be 0.7 or higher to obtain a reliable result. Unfortunately, of the three categories, only mixed motivation scores higher than 0.7, namely 0.816. The two other categories, namely predominantly motivation and necessity motivation, only obtain a score of 0.169 and 0.308. To conclude the EFA result, the mixed motivation factor of entrepreneurial motivation is valid and reliable.

Table 3 also describes the results of validity and reliability tests on business growth variables. The validity of the business growth variable is 0.735, higher than 0.5, thus the result is valid. In addition, the business growth variable is reliable because the score is 0.872 which is higher than 0.7. It means that business growth is relevant to indigenous enterprises in Gunungkidul District and possible to be processed and answer the RQ 2 by defining the linear regression between entrepreneurial motivation and business growth.

The Effect of Entrepreneurial Motivation on Business Growth

Simple linear regression was employed to answer RQ 2. This inferential statistical method is used to test the hypothesis of the effect of X \square Y, in this regard the effect of business motivation on business growth. Following the validity and reliability tests, the factor in Entrepreneurial Motivation with the highest value of validity and reliability is the mixed motivation factor. Therefore, in testing the effect of entrepreneurial motivation, this study used the computation

Table 4
Model Summary

R-value	R ² Value	Adjusted R ²	Standard of Error
0.392	15.4%	0.110	3.987

Source: Data processed, 2019

Table 5
ANOVA Result

Model	Unstandardized Coef.		Standard of Error	T	Sig.
	B	Std. Error	Beta		
(Constant)	10.785	1.389		7.763	0.0
X	0.179	0.062	0.353	2.899	0.05

Source: Data Processed, 2019

on mixed motivation (Table 4).

ANOVA table functions for the F test (test of significance) in simple linear regression analysis. Supposing the significance value is ≤ 0.05 , then the regression model is linear. Based on Table 5, the significance value is 0.05, thus the regression model of Entrepreneurial Motivation and Business Growth is linear.

a: 10.785

The alpha (α) value shows that the consistent value of Business Growth is 10.146 supposing there is no Entrepreneurial Motivation.

b: 0.179

The value of the regression coefficient in Table 5 is 0.179. This value means that Business Growth will increase by 0.179 with every 1% increase in the level of Entrepreneurial Motivation. The regression coefficient value is positive (+) on business growth. The following is the result of a simple wild regression equation.

Hypothesis Testing

The authors propose the hypotheses as follows.

Recent literature review shows that entrepreneurial motivation will not directly affect business growth without mediators

$$Y = 10.785 + 0.179x$$

Figure 8. Linear Regression Model
Source: Data Processed, 2019

such as positive effect, goal clarity, goal commitment, goal challenge, grit, drive, and assessment. The other moderating variables affecting business growth are self-control, risk-taking climate, cognitive style, personality, regulatory focus, age, and entrepreneurial experience (Murnieks et al., 2020). To obtain business growth, entrepreneurs should face challenges that exist or will exist in the future as well as new ideas in the market and manage the risks (Yimamu, 2018). Thus, the first hypothesis is as follows:

H₀: Business Growth in Gunungkidul District is not affected by Entrepreneurial Motivation

Entrepreneurial motivation affects business growth in the context of small businesses in Rwanda (Eijdenberg et al., 2015). Other findings reflect that entrepreneurial motivation has influenced business performance (Machmud & Sidharta, 2016). The increasing number of SMEs in Gunungkidul District from 75,300 enterprises in 2006 to 112,600 enterprises in 2016 has proven how entrepreneurial motivation affects the desire to start a new business (Linangkung, 2016). Therefore, the second hypothesis developed is:

H₁: Business Growth in Gunungkidul District is affected by Entrepreneurial Motivation

Table 5 depicts the significance value (Sig.) of the SPSS results used to determine the results of hypothesis testing. The requirements are (1) Assuming the significance value \leq the probability value (0.05), it means Entrepreneurial Motivation affects Business Growth; (2) Assuming the significance value $>$ the probability value (0.05), it means Entrepreneurial Motivation does not affect Business Growth.

The significance value in Table 5 is 0.05, equal to the probability value of 0.05. Referring to the hypothesis testing using a simple linear regression test on the variables of entrepreneurial motivation and business growth, H₀ is rejected and H₁ is accepted. The Motivation of Indigenous Enterprises in Gunungkidul District affects Business Growth.

The results of this study show that the reliability score of the entrepreneurial motivation variable is low except for the mixed motivation factor. Observed from the EFA analysis, it can be concluded that the

entrepreneurial motivation of indigenous enterprises is mixed motivation. It answers and confirms the theory of Ejidenberg, Paas, & Masurel (2015) that entrepreneurial motivation in a developing country is more likely to be mixed motivation. The mean number of all indicators in the mixed motivation factor is 3.2, classified as low. The interviewed respondents also state that they start a business because they need the income. They agree that they see the opportunity to start a business, yet they particularly want to conserve their cultural values. The mixed motivation factor has a low score of 2.15 because most indigenous enterprises start their business without being provided with incentives from the local government. Next, indigenous enterprises do not provide financial support to their family, hence the mean score of 2.41. Another indicator is the background of the family business that persuades them to start their business, obtaining a low mean score of 2.72. Several respondents admit that they start the business by themselves without involving their family background. Lastly, the ease of obtaining a loan has a low score of 2.82, implying that not all indigenous enterprises have the same opportunity to access loans and mostly start their business by self-financing.

The mean score of business growth is relatively high, namely 4 from the scores of 1 - 5. It means that business growth depends on the changes in the number of employees, sales, assets, and income. Subsequent to obtaining the results of descriptive statistics, the two variables were regressed. The result is $Y = 10.785 + 0.179x$, meaning that H1 is accepted. The entrepreneurial motivation affects business growth on indigenous enterprises in Gunungkidul District. Even though the entrepreneurial motivation is low, it still affects business growth by 0.179 to every percent of business growth.

Figure 8 shows that entrepreneurial motivation affects the business growth of Indigenous Enterprises in Gunungkidul District. The interview conducted with the respondents shows that they agree that mixed motivation (their reason for starting a business) increases their desire to be more productive, allowing the business growth to increase despite relatively fluctuating annual income. The effect of entrepreneurial motivation is about 12.5%, while the rest (87.5%) is affected by other factors. To some extent, the reasons for the influence

are as follows: the indigenous enterprises tend to produce goods only when there are orders. The Office of Industry and Trade in Gunungkidul District calls it made by order. This is a condition where indigenous enterprises do not have stock of their goods. Several respondents confirm that it is because their business financing does not meet the expenses of producing indigenous products; the trend of necessity motivation still exists because most of the indigenous enterprises produce goods as a side job. Even though they admit that they want to sustain the cultures and values embedded in the products, they have dominantly observed it as a necessity by producing and selling indigenous products; the indigenous enterprises sell the product mostly in Beringharjo market, implying that not all of the indigenous enterprises have their own market. It can be concluded that the indigenous enterprises have difficulty in distributing their products; the business groups or communities or associations in every industrial center are not well established. Institutions in each industrial center have different characteristics. They share the orders to provide similar opportunities to every member merely at several projects. In contrast, several industrial centers tend to seek profit for themselves.

The implications of this study are specifically defined for the two stakeholders, namely the business groups and the Office of Industry and Trade of Gunungkidul District.

Observed from the perspective of business groups, this study concludes that the motivation of the indigenous enterprises in Gunungkidul District is based on the mixed motivation factor. Even though the predominant motivation and necessity motivation factors have low validity and reliability values, several things can be improved for the benefit of the business groups. It can be said that market opportunities and network building in the silver and copper handicraft group is low due to inadequate order management within the business group. This causes income inequality for indigenous enterprises in the same business group. It is essential to optimize the management of the business group to ensure the proper achievement of the welfare of each group member.

The Office of Industry and Trade in Gunungkidul District has a big role in the establishment of industrial centers in Gunungkidul District. The implication that

has a direct impact is the updating of data on industrial centers in Gunungkidul District. It is important to update relevant data every one or three years instead of every five years. It will certainly facilitate the agencies and data users. It will also help to map the training needed for industrial centers to ensure that the indigenous enterprises propose not a one-way but a thorough discussion at Development Plan Deliberation (Musrenbang).

Conclusion

Based on the findings of the study, it can be concluded that the entrepreneurial motivation of indigenous enterprises in Gunungkidul District is dominated by mixed motivation. However, the level of mixed motivation that is calculated using the mean of all indicators is low. It means that indigenous enterprises simultaneously have predominantly and necessity motivation, as stated by the informants that the entrepreneurial motivation is supported by the urge to sustain the indigenous products.

The effect of entrepreneurial motivation on business growth, calculated using simple regression, shows that H1 is accepted, indicating that entrepreneurial motivation has an effect on the business growth of indigenous enterprises in Gunungkidul District. To summarize this study, the authors discover that indigenous enterprises in Gunungkidul District are mixed motivated to start and run their business. However, entrepreneurial motivation is affected by how their business grows within 5 years.

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