

## **Social urban:entrepreneurial orientationanddiffusion of innovation**

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**Article History:** Received: 11 January 2021; Revised: 12 February 2021; Accepted: 27 March 2021; Published online: 10 May 2021

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**Abstract:** This research aims to examine the influenced social urban by entrepreneurial orientation and diffusion of innovation. This research applies an exploratory-descriptive design. The research data source was primary data collected by questionnaire. The population and sample consisted of the SMME doers in Indonesia, located in tourism objects, 330 respondents. The findings explained that entrepreneurial orientation improved social urban.Diffusion of innovation significantly contributed the social urban improvement. It was proven with the powers of the SMME doers and the increased diffusion of innovation on tourism objects of Indonesia.

**Keywords:** social urban, entrepreneurial orientation, diffusion of innovation

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### **1. Introduction**

The business doers in Indonesia have the skill-oriented spirits of advancement and development. They have sophisticated thought and never give up in any condition. However, the regulation frequently influences their life cycles. The business doers have spirits and entrepreneurial motivation to survive, advance, and develop.

The entrepreneurial spirit is practiced by the business doers either in stable or unstable conditions. The unstable condition influences the business doers' attitudes to survive while during the stable condition contributes to the availability of raw materials and the marketed products.

Essentially, promoting business has various meaning to be reflected in various activities to remain exist. The skills of business doers also to defend them from any condition thus they should be imitated by other business doers. It is expected that the on-going or the new businesses could reflect positive activities. Alves *et al.* (2016) explained that consumers would positively behave when they were supported by media. Akaka & Lusch (2012) explained the supportive social aspect of consumers. Gummerrsson (2006:349) explained the *grand theory* about social natured marketing.

Essentially, urban is a process of moving. Urban provides new hopes for the doers. Urban also explains every influential thought for better intention. Hirschman & Holbrook (1982) argued that urban was caused by social behaviors that preferred to live luxurious, to go shopping, and to spend time having holiday. They also supported the previous explanation that urban was supported by the social behaviors with unique lifestyle. Urban construction is established by the urban citizens' unique life patterns. Baron *et al.* (2010) explained that lifestyle and behaviors caused *social urban*.

Indonesia is a large country with distant range areas among each city. Each city also has specific uniqueness. It also has different social behavior from other cities so that the behavioral differences trigger social upheaval. The social upheaval in Indonesia has different patterns. One of them is caused by business doers. The business doers in Indonesia have the strategy to win the market.

The strategy has an objective. Thus, every issued policy will influence the improvement of social upheaval. This social upheaval is called as social upheaval of modern community with specific behavior. Novaria & Rohimah (2019) explained that tourism conditions in Indonesia caused local urban. A well-managed tourism condition influenced the improved economic source (Yu & Cao, 2013). The economic resources supported the improvement of other sectors, such as social urban partially. It also contributed to the environment.

Several researchers explained that social urban positively influenced tourism objects in Indonesia. However, the negative impacts due to the population density also led to new trade stalls and social insecurity. Social insecurity is caused by population density of the community-object destination. Thus, a more comprehensive management is needed.The background shows the objective of the research, to examine the influenced social urban by entrepreneurial orientation and *diffusion of innovation*.

### **2. Literature Review**

#### **Social Urban**

Social urban is the community movement from a certain area with a purpose to reflect their life in the future (Coiacetto, Eddo.2006). Social urban provides new hopes for the people. The social hopes describe certain

conditions due to social cause in the community. This condition brings hopes for the community to select to move to the better place.

The current social condition is oriented on products while the community does not have sufficient and specific knowledge in a new place. This condition increases social insecurity. Social insecurity is caused by a strong correlation or network in the community (Zadeh & Shandra, 2014). The community network restores to change the perspectives. The changing social perspectives about the economic resource influenced the social existence that wanted to advance (Abid *et al* 2019). Harvey (1975) argued that social urban was a moving social structure. Atkinson & Kintera (2001:2277) argued that social structure provided opportunities to move due to economic force. Jacobs (1998) argued that social structure criteria provided opportunities to move.

### **entrepreneurial orientation**

Covin & Slevin (1989) argued that entrepreneurial orientation was the spirit of business doers. Lumpkin & Dess (1996), Lee & Peterson (2000) explained that entrepreneurial orientation was an attribute. Herliawati *et al.* (2019); Macmud (2009) explained that SMMEs improved due to their entrepreneurial spirit.

Entrepreneurial spirit is a responsibility of business owners. The entrepreneurs are also the owners, initiators, and business doers that should have entrepreneurial spirit. The existence of business doers should always exist in business. Thus, it needs relevant and consistent mentality and attitudes toward the given vision and mission of the organization.

Lyon *et al.* (2000) explained that entrepreneurial orientation was an implementation and actual action to reach the objective. Boso *et al.* (2013) explained that entrepreneurial orientation contributed the marketing performance. Kuncoro *et al.* (2020) argued that higher entrepreneurial orientation led to better marketing performance. Tang *et al.* (2001); Never & Slater (2000) explained that entrepreneurial orientation brought many colors. Wiklund & Shepherd (2003) provided better entrepreneurial orientation descriptions. From the explanation, the entrepreneurial orientation was also the spirit for business doers to be better.

### **diffusion of innovation**

Rogers (2003) argued that diffusion of innovation was a relatively-excellent process. Wissler (1923:51) argued that *diffusion of innovation* was a cultural matter. The fact showed that the distribution process was very intense for the assessment development. Rusmiarti (2015) argued that diffusion of innovation influenced performance. Annur (2013) found that diffusion of innovation influenced the information. Rohimah & Novaria (2014) argued that diffusion of innovation was an innovation process to express certain channels. Diffusion provides ideas for social changes to define their changes.

Roger & Shoemaker (1971) argued that diffusion was a process. Roger (1995) provided four main reviews, the theoretical process of innovative decisions, individual theory, adoption level theory, and attribute theory. The reviews of experts are explained that diffusion of innovation was a communicated innovation process through certain solutions.

### **3. Previous Studies**

Annur (2013) discussed about diffusion of innovation by using *social system* and information to reach the target. Rohimah & Novaria (2014) studied about diffusion of innovation that explained about social marketing. Mahmud & Herliana (2019) argued that entrepreneurial orientation provided business success descriptions. Zade & Sharda (2014) found that in certain parts of social media could facilitate the people to move Baro *et al.* (2010) argued that business participants facilitated to improve *social urban*. Rauch *et al.* (2009) explained that entrepreneurial spirit was significant for business doers.

4. Research Conceptual Framework

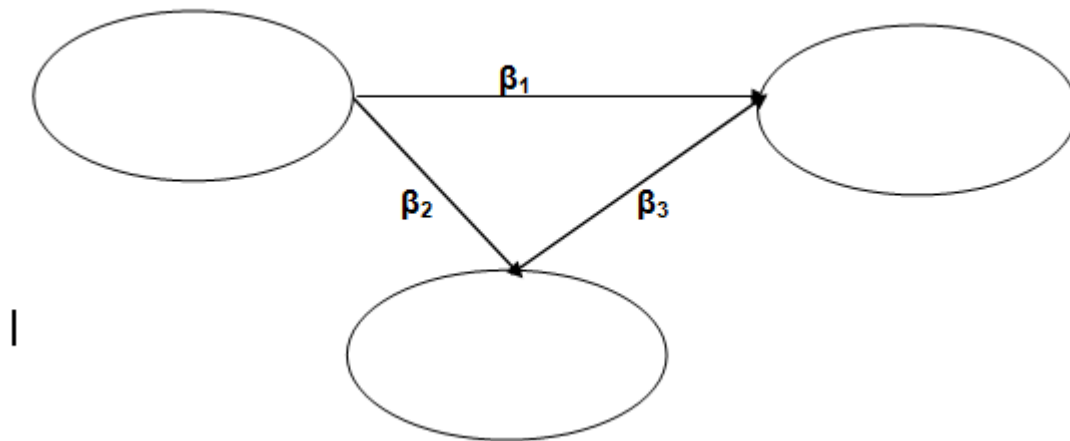


Figure 1 Conceptual Framework

5. Methodology

This research is an *explanatory research* with primary data. It aims to explain the causal correlation between exogenous and endogenous variables. It also explains the research model by Kuncoro & Sudarman (2018:68). The research sample consisted of 330 veteran *furniture industries* in Indonesia that had operational license listed by the Trade Service, 330 respondents. The research analysis unit consisted of decision making in furniture industry and was assumed able to reflect the furniture business.

6. Finding and Discussion

Finding

This research used primary data by presenting the respondents’ descriptions, such as sex types, age, and education in Table 1.

Table 1. The Respondents’ Descriptions based on Sex Types, Age, and Education

Descriptions			Notes
Sex Types	Male	Female	
	300	30	
Age	< 50	> 50	
	298	32	
Education	SHS	Bachelor	
	101	229	

Source: Primary Data, 2021

Table 1 shows the male respondents, consisting of 300 respondents, dominate the *decision making* in *furniture industry* in Indonesia. It could also possibly the entrepreneurial spirit was dominated by males. On the other hand, the remaining respondents were dominated by female. The respondents’ descriptions based on age were dominated by productive age, younger than 50 years old, consisting of 298 respondents. On the other hand, the remaining participants were older 50 years old, 32 respondents. The respondents’ educations with bachelor education background were 229 participants while those with senior high school were 101. It meant most Indonesia furniture business doers had bachelor degree and they might have more comprehensive resource managements.

The Construct Validity Test

The validity test analysis results of the research instruments showed the r-count score was greater than r-table score for n=330 and  $\alpha =5\%$ . Thus, it could be concluded all research instruments are valid. The instruments could be used to measure the items. They are all research questions presented in the questionnaire.

The Construct Reliability Test

Table 2. The Research Instrument Reliability Test Results

Variables	Alpha Cronbach	Minimum Score	Notes
entrepreneurial	0.861	0.600	Reli

<i>orientation</i>			<i>able</i>
<i>Diffusion of Innovation</i>	0.709	0.600	<i>Reli</i>
			<i>able</i>
Social Urban	0.620	0.600	<i>Reli</i>
			<i>able</i>

Source: Processed Primary Data, 2021

The research instrument reliability test results are shown in Table 2. The obtained score of *alpha cronbach* for the *entrepreneurial orientation* is 0.861. The diffusion of innovation is 0.709 and the social urban is 0.620. The findings showed that the *alpha cronbach* score of all research variables were more than 0.600. Thus, it could be concluded all research instruments were reliable.

The respondent description test showed various results and could be explained based on the condition of research object. The outliers test is presented to detect each research construct. Table 3 consists of outliers test results.

**Table 3. The Outlier Test Results**

Observation number	Mahalanobis d-squared	p1	p2
38	76.6854	.000 0	.0000
145	58.7316	.000 0	.0000
23	42.9553	.000 3	.0000
79	42.9198	.000 3	.0000
.	.	.	.
.	.	.	.
.	.	.	.
153	12.3311	.720 9	1.0000
42	12.3016	.723 0	1.0000
156	12.3016	.723 0	1.0000

Source: Primary Data, 2021

The detection toward outliers was conducted by considering Mahalanobis distant score (Ghozali, 2011: 2011). The applied criteria are based on Chi-Square in a degree of freedom 95. It is the numbers of the indicator variables in significant level  $p < 0.01$ . The Mahalanobis distant score is  $X^2(95, 0.01) = 129.972$ . Thus, it could be concluded there is no score higher than the Mahalanobis.

**The Structural Equation Model Test Result**

The SEM-assumption test shows no normality, outliers, and multicollinearity problems. It means the data have met the requirement to be tested in the SEM of this research assisted by AMOS (Analysis Moment of Structure).

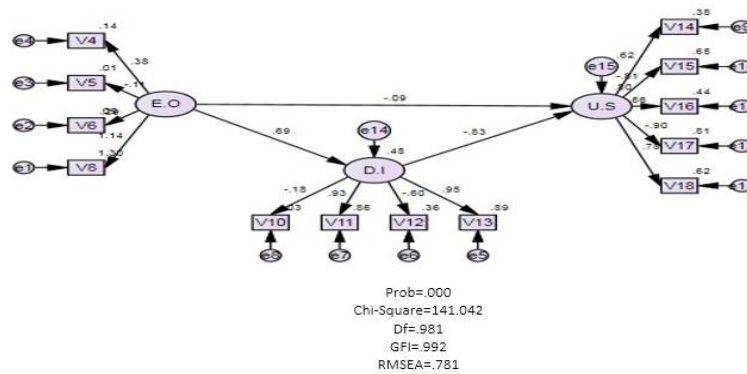


Figure 1 The Results of the Research’s SEM

**The Goodness of Fit Index**

The overall model analysis results in this research are compared to *cut-off value* score of each *goodness of fit index* criteria as presented in table 4.

**Table 4.** The Goodness of Fit Test

<i>Goodness of Fit Index</i>	<i>Cut-off Value</i>	<b>Results</b>	<b>Evaluation</b>
X <sup>2</sup> Chi-Square	X <sup>2</sup> with df; 62; p:1%=159.972	141,042	Excellent
Significancy probability	≥ 0,05	0.000	Excellent
CMIN/DF	≤ 2,00	0.981	Excellent
RMSEA	≤ 0,08	0.781	Excellent
TLI	≥ 0,95	0.982	Excellent
GFI	≥ 0,90	0.992	Excellent

Source: Primary Data, 2021

Table 4 explains that the structural model test has the criteria of *goodness of fit* for *chi-Square* (141.042) under the *chi-Square* of table ( $\alpha=1\%$ , DF = 62) with probability level 0.000 > level of  $\alpha=1\%$ . This comparison explains that the null hypothesis is accepted. It means no significant difference found in the *structural equation model*. It was established by the observation data and theoretical bases to explain the investigated phenomenon condition. Therefore, the structural equation model could be accepted and used as analysis tool.

**Discussion**

Entrepreneurial orientation was an attitude and bravery of the business doers to reach the objectives and win the market. The entrepreneurial orientation with bravery support to keep developing the products contributed the movement process of business doers from a place to a new place. This movement supported the business behaviors to prioritize the process on product line specification.

This findings were supported by Mahmud & Herliana (2019) and Baro *et al.* (2010) stated that entrepreneurial orientation could improve the marketing performance so it influenced social urban. Covin & Slevin (1989); Lumpkin & Dess (1996); Lee & Peterson (2000) agreed that entrepreneurial orientation could provide positive information for business doers. The business doers also needed long-term plans to arrange the future activity plan.

Diffusion of Innovation (DOI), E.M. Rogers (1983), over time, an idea or product gains momentum and spreads through a particular population or social system. The higher the diffusion of one's innovation in viewing new innovative ideas, behaviors or products, the easier it will be for a person or social system to adopt even though it requires time for the adaptation process. Spread or diffusion is a person, as part of a social system, a new idea, behavior, or product policy.

This finding is supported by research by Dearing, James W., Jeffrey G. Cox. (2018) who say that voluntary adoption decisions in accelerating the rate of diffusion are usually the result of influential members of the social system making decisions and then communicating them to others to follow in their footsteps. Meanwhile, research by Halila Fawzi (2007) found that the adoption of environmental innovations for MSMEs is not an easy job, but using networks facilitates the adoption facilitation process.

## Conclusion

The entrepreneurial orientation contributes to improving urban social and innovation diffusion which is able to mediate between entrepreneurial and urban social orientations.

## Suggestion

The role of the function of innovation explains that the increase in social urban areas in tourism in Indonesia is very dominant, so it needs to be maintained.

## Research implication

The theoretical implication provides a new phenomenon that social urban has an impact on the level of social vulnerability due to the density of the population who come to open a business.

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