

# VILLAGE-OWNED ENTERPRISES (VOES) AS AGENTS OF SOCIAL ENTREPRENEURSHIP IN WEST SUMATERA: EXAMINING ENTREPRENEURIAL EMOTION AND COMPETITIVE ADVANTAGE

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**Abstract:** *This study examines the role of Village-Owned Enterprises (VOEs) as social entrepreneurship agencies in West Sumatera, focusing on their entrepreneurial emotion factor and competitive advantage. This study adopts a quantitative approach, which includes descriptive analysis to elaborate on respondent characteristics and Structural Equation Modeling (SEM) analysis to test the instrument. This study found that entrepreneurial passion moderated the relationship between entrepreneurial alertness and bricolage, suggesting that emotional motivation is important in improving the effectiveness of resource use. In addition, the entrepreneurial bricolage has a positive and significant effect on VOEs competitive advantage, highlighting the importance of creative use of local resources. Entrepreneurial alertness also has a positive effect on VOEs competitive advantage, showing that the ability to identify business opportunities is essential. Finally, the entrepreneurial bricolage mediated the relationship between entrepreneurial alertness and VOEs competitive advantage, with entrepreneurial passion strengthening the relationship. The result of this study emphasizes the need for VOEs to utilize local resources innovatively to maintain their competitive advantage and contribute to local economic development.*

**Keywords:** *Competitive Advantage, Entrepreneurial Alertness, Entrepreneurial Passion, Entrepreneurial Bricolage, Village-Owned Enterprises*

## Introduction

The presence of social entrepreneurship in Indonesia is becoming increasingly important in the context of improving the welfare of the community and overcoming urgent social problems. In recent years, the emergence of various social entrepreneurship initiatives has shown the potential to create positive impacts in the fields of education, health, and the environment. According to Rezky & Resto (2024), entrepreneurship in Indonesia plays an important role in addressing complex social and environmental challenges, such as poverty, injustice, and inequality of access to basic services. By integrating the principles of entrepreneurship with social goals, social entrepreneurs contribute to the achievement of the Sustainable Development Goals (SDGs) and create a positive impact on society. Research by Desiana et al. (2022) social entrepreneurship initiators in Indonesia have concerns about legality and legal protection because licensing rules for social enterprises are not yet available; therefore, this has an impact on access to funding.

Based on data from the 2020 Global Entrepreneurship Monitor (GEM), around 7% of the adult population in Indonesia is involved in entrepreneurial activities (TEAs). Entrepreneurial activities that are developing in the community are activities based on the environment. Education and health, where their programs are oriented toward solving social problems. If we look at the activities in developed countries, such as countries in continental Europe and Australia, they have already carried out entrepreneurial activities oriented to these things (Bosma et al, 2020;2021). In Indonesia, the number of social entrepreneurial entities increased by more than 25% during the 2016 to 2021 period, spread across the education, health, environment, and economic empowerment sectors (Bosma et al., 2021).

However, the growth of social entrepreneurship practices has not been supported by legal protection and clear legality. This will certainly have a domino effect on the sustainability of these social enterprises. It can be identified that social entrepreneurship has the potential to contribute 1.9% to Indonesia's Gross Domestic Product (GDP). Based on Global Entrepreneurship Monitor (GEM) Data in 2020, the value of this sector reached 1.924 trillion Rupiah or around US\$130 million. Not only in Indonesia, but the global community's interest has also increased in the last decade, resulting in many social entrepreneurship programs having many volunteers. According to data from the Central Statistics Department of Indonesia (2023) and the Indonesian Ministry of Cooperatives and SMEs, in the cooperative database in West Sumatera, social enterprises account for at least 20% of independent cooperative activities in West Sumatera.

West Sumatera Province has been practising entrepreneurship in the past, such as women's empowerment, food assurance, agricultural and fisheries communities, and social-based tourism (community-based tourism), which is being promoted in several areas in West Sumatera. The scope of social entrepreneurship that can be identified in West Sumatera, is concentrated in craftsmanship, gastronomy, agriculture, fisheries, education, and tourism. Until the end of 2024, there are around 3.500 businesses classified as social enterprises, most of which are from the SMEs sector, cooperatives, and community organizations. The social sector (education, health, and environment) dominates 40% of all community-based social enterprises in West Sumatera, where these social-based businesses can contribute to 16-20% of the total income of SMEs in West Sumatera (BPS, 2024).

Based on the definition of Village-Owned Enterprises, its role as a social entrepreneurial entity in the vital economy is very strong. Village-Owned Enterprises (VOEs) from Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises and Regulation on Minister of Villages, development of disadvantaged regions and transmigration means a business entity whose entire or majority of capital is owned by the village government which is a form of collective business of the village community, managed with a business mechanism to support emerging economic development and community empowerment.

In West Sumatera Province, VOEs are transformed into Nagari-Owned Enterprises (NOEs), against the background of local identity that characterizes businesses that carry a model of local wisdom. The potential NOEs vary from region because they have different characteristics, which impact the performance of VOEs in West Sumatera. As successful in utilizing the potential of local wisdom, agriculture, or handicrafts, such as the VOEs of The Sungai Nyalo Mudiak Aia on the Pesisir Selatan, have succeeded in managing coastal tourism, as well as Nagari Pandai Sikek, which is famous for its craft. VOEs are recorded to have contributed directly to the Village's Original Income (VOI), which is then used for the development of various Village programs.

The potential contribution of Village-Owned Enterprises (VOEs) to village prosperity and empowerment has become a key focal point. Research conducted by Apriani et al. (2023) indicates that the effective implementation of social entrepreneurship principles can foster deeper concern and care between business units and rural communities. This aligns with the governmental mandate stipulated in Government Regulation No. 11 of 2021, which establishes that a core vision of VOEs is to contribute to the empowerment of the community within their operational areas. Furthermore, Basri et al. (2024) assert the necessity for VOEs to be managed through an entrepreneurial approach, not only to achieve their dual goal but also to build a sustainable competitive advantage.

Nevertheless, the existing empirical literature concerning VOEs is predominantly focused on macro-level analysis, such as issues of governance, legal aspects, or broad financial performance evaluation (Barner, 1991; Li et al., 2006). While these studies establish the structural relevance of VOEs, they often overlook the micro-foundations of entrepreneurial behavior crucial for generating sustainable competitive advantage. A significant gap is thus identified in studies that explicitly investigate the interplay between core entrepreneurial behavioral dimensions and organizational outcomes within this specific context. Specifically, research exploring the sequence of entrepreneurial cognitive processes, such as entrepreneurial alertness (Tang et al., 2012), and the subsequent strategic action of entrepreneurial bricolage, remains limited in the VOE setting (Baker & Nelson, 2005; Halme et al., 2012).

Furthermore, the influence of affective factors, such as entrepreneurial passion, on the alertness-bricolage relationship is rarely examined in the context of social entrepreneurship. Passion is known to enhance persistence and effort, potentially moderating the effect of opportunity recognition on improvisational action (An et al., 2018)

Therefore, this study aims to address this empirical vacuum by providing a detailed structural examination. We investigate the role of VOEs as agents of social entrepreneurship by focusing on the relationship between entrepreneurial alertness and VOE competitive advantage, where

entrepreneurial bricolage is hypothesized to act as a crucial mediating variable. Crucially, the model tests how entrepreneurial passion significantly moderates the relationship between alertness and bricolage, leading ultimately to enhanced Village-Owned Enterprises competitive advantage.

However, it is very difficult to identify the real amount of VOEs contribution to VOI, because not every VOEs has a clear and transparent financial report. Another more structural obstacle is the potential for conflict between the village government and the Customary party. Sometimes, the management of assets such as Customary land becomes an obstacle because of the lack of transparency.

**Table 1. The Number Of Voes In Regencies/Cities In West Sumatera In 2023**

No.	Regency/City	Total Villages	Total VOEs
1.	Pesisir Selatan	182	182
2.	Solok	74	58
3.	Sijunjung	61	61
4.	Tanah Datar	75	72
5.	Padang Pariaman	103	83
6.	Agam	82	76
7.	Limapuluh Kota	79	69
8.	Pasaman	37	37
9.	Kepulauan Mentawai	43	41
10.	Dharmasraya	52	52
11.	Solok Selatan	39	39
12.	Pasaman Barat	19	19
13.	Sawahlunto	27	23
14.	Pariaman	55	47
<b>Total</b>		<b>928</b>	<b>859</b>

Source: Sigamad.Sumbarprov.Go.Id (2023)

The management of VOEs as a business unit in the village government is oriented towards the principles of prudence and transparency in managing Nagari's (Village) assets. Therefore, the addition of value from entrepreneurial activities must be a benchmark for the managers of the VOEs themselves (Lewis, 2024). In the context of entrepreneurship, alertness includes the dimensions of scanning and searching, association, and evaluation. Entrepreneurial alertness includes not only the introduction of new opportunities but also the ability to make connections and make appropriate judgments based on the information available (Tang et al., 2012; Zenning et al., 2022). Based on the research of Zenning et al. (2022), it was found that entrepreneurship and alertness have a positive influence on the identification of entrepreneurial opportunities, which shows the importance of these dimensions in the overall entrepreneurial process.

Alertness will encourage social entrepreneurs to look at the resources they have, which will then encourage them to be able to support the creation of social entrepreneurship (Kuratko, 2018). Entrepreneurial bricolage is a concept that refers to the way entrepreneurs use the resources available around them creatively and innovatively to solve problems and take advantage of business opportunities, especially in conditions of limited or a lack of resources. In resource-constrained business environments, such as in many small and medium enterprises (SMEs) in developing countries,

entrepreneurs who apply bricolage principles tend to focus on maximizing the use of existing resources, rather than being hindered by such shortcomings. Where they can combine and configure existing resources to generate value, accept resource challenges as opportunities to innovate, by experimenting and creating new solutions that do not rely on expensive resources or rare ones, and build social networks and collaborate to support their strategies (Abbukari, 2023).

To encourage entrepreneurial alertness in the management of resources owned by VOs managers, they need a dimension of emotional entrepreneurship, namely, entrepreneurial passion. Entrepreneurial passion is a strong and positive emotional state that is often experienced by entrepreneurs related to their entrepreneurial activities. This includes a deep sense of passion and dedication to creating, developing, and managing a business (Zenning et al., 2022). Some of the key points regarding entrepreneurial passion are motivation and resilience, which can serve as motivation that helps entrepreneurs survive in the face of challenges and failures (Cardon et al., 2005; Murnieks et al., 2020). Furthermore, the influence on performance can strengthen its ability to innovate and adapt, which is very important in a competitive and dynamic business environment. Increased creativity, which can increase the creativity of entrepreneurs, is enthusiastic and tends to be more open to exploring new ideas and creating innovative solutions in dealing with problems. Lastly, the development of social networks, where high passion can help entrepreneurs build and expand social networks, which in turn can provide access to greater resources and new opportunities. Overall, entrepreneurial passion is a crucial element that affects the success of an entrepreneur and the development of their business in complex competition (Feng & Chen, 2020).

The estuary of synergy of alertness, bricolage, and passion is crucial to the formation of competitive advantage. Competitive advantage is a condition or situation where a company has an advantage over its competitors in terms of product quality, production costs, customer service, or other factors that can provide more value to customers. This advantage allows the Company to attract customers' attention more effectively, increase market share, and ultimately achieve better financial performance (Abukari, 2023). Meanwhile, according to research by Zenning et al. (2022), competitive advantage is based on the ability of entrepreneurs to identify business opportunities related to the introduction, evaluation, and exploration of potential business opportunities from the market.

The purpose of this study is to find out how the influence of entrepreneurial alertness on entrepreneurial bricolage moderated by entrepreneurial passion and to find out how the influence of entrepreneurial bricolage on VOs competitive advantage as a social entrepreneurship agent in West Sumatra, to find out the influence of entrepreneurial alertness on VOs competitive advantage, and to find out how the role of entrepreneurial bricolage can be mediating between entrepreneurial alertness and VOs competitive advantage. This is interesting because this study will look at the influence of the emotional approach of entrepreneurs who are managers of VOs on the formation of competitive advantage. This is important because few people research the preparation of VOs in the face of competition, and creating a competitive advantage. The researcher argues that the preparation of products, systems, and networks by the company is not enough; it is also necessary to prepare how entrepreneurial emotions can optimize the use of its assets so as to create a competitive advantage over Nagari-owned Enterprises.



## Literature Review

### Social Entrepreneurship

Social entrepreneurship is a form of entrepreneurship that focuses on creating social value and providing benefits to society, while maintaining financial sustainability (Rezky & Rasto, 2024). In the case of social entrepreneurship in India, it is built based on religion and respect for local culture and values, where social entrepreneurs in non-munificent contexts can build their legitimacy by collaborating with local entrepreneurs and leveraging existing trust in the community to support their initiatives (Hota et al., 2019). Social enterprises in Indonesia implement various business models, including a buy-and-sell approach where profits are used to fund social programs. Some social enterprises use a hybrid model that links elements from the nonprofit and profit sectors to achieve financial sustainability while remaining focused on social goals (Heriyati et al., 2024). Social entrepreneurship aims not only for economic gain but also to achieve significant social change. Their mission often includes community empowerment, environmental protection, and social welfare improvement. However, social entrepreneurship in Indonesia is faced with challenges such as limited resources, ineffective coordination, a lack of focus on capacity building, and weak legal protection for this type of business (Apriani et al., 2023).

### Entrepreneurial Alertness

Entrepreneurial alertness refers to an individual's ability to recognize and capitalize on business opportunities before other competitors. It is considered a combination of information processing skills and specific perceptual abilities and is influenced by a variety of cognitive, environmental, and social factors linking previously unrelated information, as well as evaluating whether the new information represents an opportunity. Entrepreneurial alertness is linked to several important elements: environmental awareness, identifying information patterns and market trends, and creativity. Entrepreneurs who are sensitive to market changes can be more successful in responding to social needs through innovation, which is characterized by creativity and effectiveness in the use of existing resources (Araujo et al., 2023; Ratnayake et al., 2022). Meanwhile, the research of Zenning et al. (2022), it is states that entrepreneurial alertness is a mental model that motivates the entrepreneurial team to filter and process internal and external information to identify entrepreneurial opportunities.

There are three key components of entrepreneurial alertness, namely scanning and searching for information, connecting disparate information, and evaluating potential business opportunities (Tang et al., 2012; Zenning et al., 2022). They also emphasized that entrepreneurial alertness can be enhanced through personal disposition, experience, and education, guiding aspiring entrepreneurs in identifying viable business opportunities. More broadly, in the corporate context, entrepreneurial alertness is considered the ability to detect and understand relevant market incomprehensions for the identification of new opportunities (Daniel et al., 2021).

### Entrepreneurial Bricolage

Entrepreneurial bricolage is a strategy for utilizing existing resources to overcome challenges and create new opportunities in limited resources. There are two dimensions in bricolage, namely planned bricolage, which is a more structured approach where strategies are prepared before resource arrangements are made, and improvised bricolage, which is a flexible and

reactive approach where actions are taken based on situations that arise suddenly (Zenning et al., 2022). Entrepreneurial bricolage refers to the entrepreneur's efforts to make optimal use of available resources, especially in situations of limitations. It includes the combination and use of existing resources in innovative ways to create new solutions and achieve competitive advantage (Abukari, 2023; Bacq et al., 2015). It can also be said to be an innovative approach used by entrepreneurs to overcome resource limitations and challenges that arise in the context of entrepreneurship (Aaoud et al., 2024).

There are three main aspects of bricolage: active engagement despite challenges, recombination of existing resources for purposes different from their original use, and utilization of resources that are rarely used at low or no cost. The concept of entrepreneurial bricolage is increasingly relevant to use in crises or when faced with limited resources, so entrepreneurs must find new ways to survive and adapt to these limitations (An et al., 2018; Rahman et al., 2020). There are three main dimensions of passion: passion for effort, passion for process, and passion for others. The existence of passion also increases confidence and intrinsic motivation, which contribute to the achievement of entrepreneurial goals. In the entrepreneurial process, passion has an important role in the search and utilization of opportunities.

### **Entrepreneurial Passion**

Entrepreneurial passion is a positive emotion possessed by an individual or an entrepreneurial team towards entrepreneurial activities. This passion can increase entrepreneurs' commitment to sustainability and strengthen the creative use of resources in the context of entrepreneurship (Zenning et al., 2022). This emotional approach to entrepreneurship refers to the strong positive feelings and dedication felt by individuals towards entrepreneurial activities. Entrepreneurial passion is divided into three types, namely the passion to create, the passion to establish, and the passion to develop (Rahman et al., 2020). Entrepreneurial passion is a significant concept in the study of entrepreneurship because of its important role in motivating individuals to engage in entrepreneurial activities. As expressed by Hu et al. (2022), entrepreneurial passion reflects deep emotional involvement with the business being run, encouraging entrepreneurs to commit, innovate, and survive challenges. Other research shows that passion not only contributes to resilience but also to creativity and innovation in resource management (Lee & Herrmann, 2021).

### **Village-Owned Competitive Advantage**

Competitive advantage is the capacity of a company to carry out its activities in a different way and cannot be imitated by competitors. Competitive advantages can arise from various factors, such as lower product costs, faster innovation, or higher product quality (Abukari, 2023). Nagari-Owned Enterprise's competitive advantage is interpreted as an index that measures the company's competitive position compared to its competitors (Soniewicki & Paliszkiwicz, 2019). The Company's continuous good performance can also strengthen its competitive advantage because it has dominated the market. This will have an impact on every innovation that is developed; it will always be accepted in the market with a small innovation cost (Wang et al., 2022). Competitive advantage refers to a company's ability to produce products or services in a better way than competitors, which allows it to attract more customers and gain a larger market share. Innovative solutions and product uniqueness are often the keys to success in achieving and maintaining competitive advantage (Matwiejczuk, 2023). Companies that

successfully adopt competitive strategies and emphasize innovation and resource management allow them to differentiate themselves from competitors and offer more value to customers (Breznitz, 2019).

### **The Role of Entrepreneurial Passion as a Moderator between Entrepreneurial Alertness and Entrepreneurial Bricolage.**

Research from Ratnayake et al. (2022) states that entrepreneurial alertness can act as a moderator that strengthens the relationship between entrepreneurial bricolage and social innovation. Entrepreneurial alertness also contributes to increasing creativity. In a meta-analysis study conducted by Araujo et al. (2023) which compiled and analyzed 125 empirical studies regarding the positive relationship of entrepreneurial alertness to opportunity recognition, where invidius with a high level of entrepreneurial alertness tended to be able to identify new opportunities, as well as on innovation and performance where entrepreneurial alertness was also positively related to the company's innovation and overall performance. Tang et al. (2012) stated that entrepreneurial alertness is a key factor in recognizing and developing new business opportunities. This has led to an increase in bricolage activities, both planned and improvised (Zenning et al., 2022).

*Hypothesis 1: Entrepreneurial passion moderates the relationship between entrepreneurial alertness and entrepreneurial bricolage in West Sumatera VOEs.*

### **Impact of Entrepreneurial Bricolage on the Village-Owned Enterprises Competitive Advantage**

In the research of Abukari (2023), it is stated that there is a strong positive relationship between entrepreneurial bricolage and competitive advantage, where this relationship is concentrated on the ability of entrepreneurs to utilize limited resources and create new value in innovative ways. In the context of small, medium, and large businesses, especially in challenging environments with limited resources. However, research by Zenning et al. (2022) found that entrepreneurial bricolage has a positive impact on the recognition of entrepreneurial opportunities. The research of An et al. (2018) adds that entrepreneurship not only serves as a way to overcome resource limitations in the context of new companies, but also as a valid method to identify new opportunities in the context of existing companies, because the more companies do bricolage, the more likely they are to identify more diverse and innovative opportunities. Furthermore, the bricolage approach can help social entrepreneurs utilize existing resources creatively to create innovative solutions and add business value in a sustainable manner (Bacq et al., 2015; Nor-Aishah et al., 2020a).

*Hypothesis 2: Entrepreneurial bricolage has a positive and significant effect on VOEs competitive advantage.*

### **Impact of Entrepreneurial Alertness on the Village-Owned Enterprises Competitive Advantage**

In the context of research on the influence of entrepreneurial alertness on competitive advantage in Village-Owned Enterprises (VOEs), it can be explained that entrepreneurial alertness refers to the ability of individuals or organizations to recognize opportunities and threats that arise in their business environment (Abukari, 2023). This includes the ability to



observe market trends, understand consumer needs, and anticipate changes in competition (Tang et al., 2012).

In the early stages, VOEs often operate in dynamic environments, where limited resources can be a barrier. However, by increasing the level of entrepreneurial alertness, managers and owners of VOEs can be more responsive to opportunities that may be overlooked by less vigilant competitors. This shows that VOEs that have high entrepreneurial alertness tend to be able to identify and take advantage of new opportunities more quickly, so that they can increase their competitiveness in the local market (Araujo et al., 2023; Onwe et al., 2024).

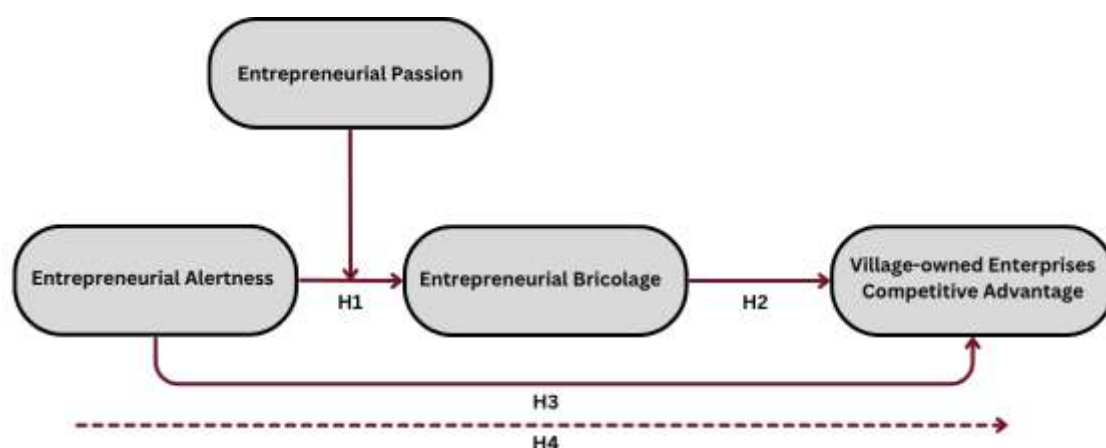
*Hypothesis 3: Entrepreneurial alertness has a positive and significant effect on VOEs competitive advantage.*

### **The Role of Entrepreneurial Bricolage Mediates the Relationship between Entrepreneurial Alertness and Village-owned Enterprises Competitive Advantage**

In the context of Village-Owned Enterprises (VOEs), entrepreneurial alertness is the ability of entrepreneurs to recognize and take advantage of opportunities that exist in the business environment. The VOEs Management who have a high level of entrepreneurial acumen can effectively identify opportunities that may be missed by other competitors (Tang et al., 2012). However, to convert this alertness into a real practice, business owners need to have a high entrepreneurial passion (Abukari, 2023). After the implementation of bricolage practices, VOEs can leverage existing resources to develop innovative products and services, which in turn increases their competitive advantage (Kuratko, 2018; Zenning et al., 2022).

*Hypothesis 4: Entrepreneurial Bricolage Mediates the relationship between Entrepreneurial Alertness and VOEs Competitive Advantage*

From the development of the hypothesis, the conceptual framework in this study can be described as follows:



**Figure 1. Research Framework (2025)**

## Methods

This study uses a quantitative approach by distributing questionnaires to research subjects who are new entrepreneurs who have been operating for less than 8 years (Zenning et al., 2022). The Village-owned Enterprises (VOEs) are defined as the unit of analysis and represent the population under investigation. Consequently, the sampling frame strictly includes VOEs in West Sumatera that satisfy a crucial organization requirement: they must have been in operation for a minimum of three years (Abukari, 2023). This duration ensures the enterprises possess the established operational history and accumulated experience necessary for a reliable assessment of their strategic behaviors, resource utilization patterns (bricolage) and sustained competitive outcomes. The number of questionnaires distributed to respondents was 200. Data collection for this study was conducted via a self-administered survey directed toward the acting VOEs Executives. Despite the VOEs being the definitive unit of analysis, the executives are designated as the most informed and suitable organization representatives for data procurement. To ensure the veracity and depth of reported data, the executives were required to meet separate eligibility criteria: possessing at least one year of managerial tenure within the focal VOEs. This prerequisite ensures that the respondent has sufficient experiential knowledge of the enterprise's internal dynamics and external environment, enabling them to accurately report on complex organizational variables like entrepreneurial alertness, bricolage, and the Firm's competitive standing, thereby bolstering the study's construct validity. The determination of sample size is adapted from the theory of Hair et al. (2019), which states that in studies that use SEM analysis, it is better to use a minimum sample size of 100 to 200 because the sample size measurement in this study is as many as 200 samples.

The data analysis in this study uses the SEM (Structural Equation Modeling) approach because it includes moderation and mediation tests (Abukari, 2023). SEM can be used as a data testing method if there are variables intervening so that the research construct can be developed first before testing the statistics (Hair et al., 2019).

**Table 2. Operationalization of Research Variables**

No.	Variable	Item
1.	Entrepreneurial Alertness (Tang et al., 2012)	<ul style="list-style-type: none"> <li>• I can identify new business opportunities that are relevant to the Village-owned enterprises,</li> <li>• I often monitor the development of the surrounding environment to determine opportunities,</li> <li>• I am sensitive to changes in the business environment that may affect the Village-owned enterprises,</li> <li>• I feel that I can identify strategic risks and opportunities well,</li> <li>• I use the available information to identify opportunities for the Village-owned enterprises.</li> </ul>
2.	Entrepreneurial Passion (Smith et al., 2001)	<ul style="list-style-type: none"> <li>• I feel enthusiastic when working to drive the achievement of the goals of the Village-owned enterprises,</li> <li>• I feel emotionally involved in solving problems and driving innovation for the Village-owned enterprises.</li> <li>• I have a high spirit when leading Village-owned enterprises,</li> <li>• I feel confident that our Village-owned enterprises will have a social impact on the surrounding community,</li> </ul>

No.	Variable	Item
3.	Entrepreneurial Bricolage (Baker & Nelson, 2005; Halme et al., 2012)	• I feel satisfied when the Village-owned enterprises plan is going well.
		• I was able to solve the problem of Village-owned enterprises using limited sources,
		• I often use available goods or tools to create new innovations,
		• I can find a way to reuse old resources for new changes,
		• In my limitations, I still find a way to carry out tasks efficiently,
4.	VOEs Competitive Advantage (Barner, 1991; Li et al., 2006)	• I believe in my ability to overcome obstacles and find solutions quickly.
		• The Village-owned enterprises are more unique than the competitors,
		• Own enterprises can provide the best products/services to the local community compared to competitors,
		• The Village-owned enterprises have a strong ability to maintain an edge in the local market,
		• We can respond quickly to changes in the needs of customers or communities,
		• Village-owned enterprises strategy focuses on sustainability, making us a competitive advantage.
		• Innovations implemented in village-owned enterprises help us lead in this sector,
		• We make the most of local resources to win the competition,
		• We can reduce operational costs without reducing the quality of products/services,
		• In the long term, our village-owned enterprises will become the dominant business players in the region

This study used a 7-point Likert scale (strongly disagree, disagree, somewhat disagree, neutral, agree, somewhat agree, strongly agree). This scale aims to make the data in an ordinal form so that statistical analysis can be carried out using SEM (Sekaran & Bougie, 2016). This model describes a relationship structure that indicates how latent variables affect each other. In inner modeling, researchers tested hypotheses regarding the relationship between latent variables in this study (Creswell & Creswell, 2018).

## Result

The results of the descriptive analysis of this study are divided into two(2) major parts, namely the characteristics of respondents and efforts, and data analysis. The respondent profile will explain in more detail the characteristics of the research respondents, using several variables such as those seen in Table 3.

**Table 3. Results of Respondent Characteristics**

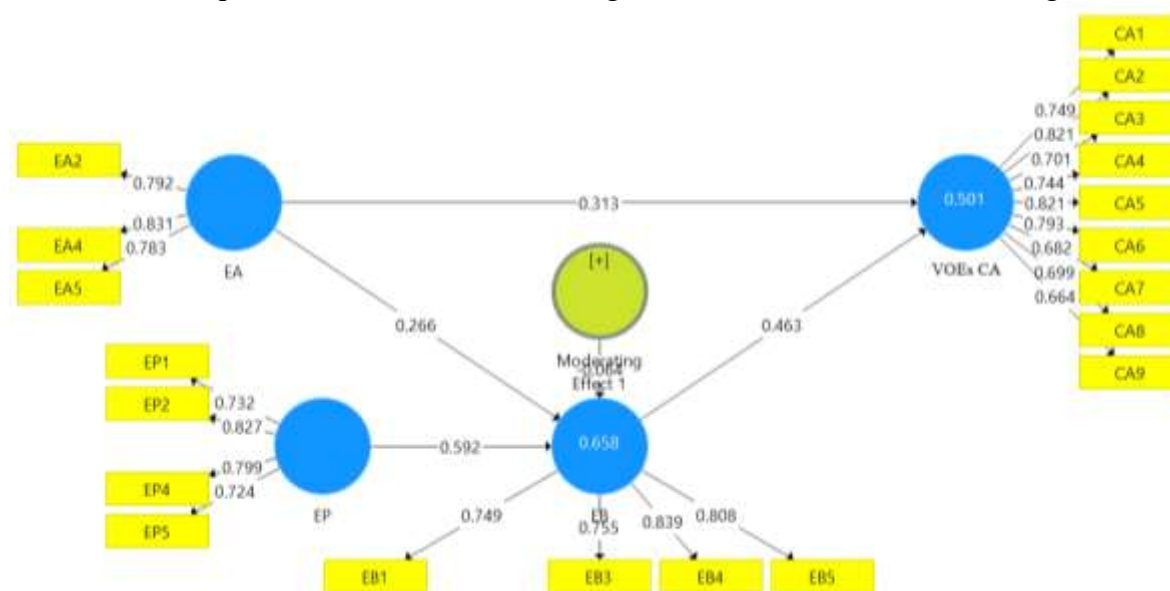
No.	Characteristic	Frequency	Percentage
1.	Positioning at VOEs	200	
	Director	83	41.5%
	Manager	88	44%
	Operational Supervisor	29	14.5%
2.	Age of Respondent	200	
	< 30 years	48	24%
	30-40 years	41	20.5%
	41-50 years	50	25%
	>50 Tahun	61	30.5%
3.	Long Working at VOEs	200	
	≥1 year	46	23%
	23 years	55	27.5%
	4-6 years	62	31%
	>6 years	37	18.5%
4.	Gender	200	
	Men	100	50%
	Women	100	50%
5.	Level of Education	200	
	Elementary School	1	5%
	Junior High School	3	1.5%
	Senior High School	66	33%
	Diploma	57	28.5%
	Bachelor	66	33%
	Master	7	3.5%
	Doctoral		
6.	Work Experience Before join VOEs	200	
	<1 year	58	29%
	1-2 years	69	34.5%
	3-4 years	51	25.5%
	>5 years	22	11%

Based on the results of the descriptive analysis in Table 3, it is shown that the participants of this study have a diversity of positions in Village-owned Enterprises (VOEs), namely as managers, directors, and operational staff. On average, they have worked for 4-6 years in VOEs, this is relevant to the results of business characteristics, which state that the average VOEs have been operating for 3-8 years. Based on the nomenclature of managerial recruitment from VOEs must be based on professionalization, where the person who fills the managerial position is required to have work experience that is relevant to the VOEs' field of business. Furthermore, the recruitment process must be supervised by the relevant agencies along with Village officials (KAN, Village Official, Community). The average respondent has 1-2 years of experience before joining VOEs.

The business sector of VOEs is also quite diverse, where the trade sector is the most dominant with a score of 46%, then services with a score of 21%, agriculture 19% and others 13.5%. The selection of this sector must be based on Nagari's superior products and has previously been deliberated with its stakeholders. However, based on the marketing area, the most dominant VOEs are local 45%, then regional 38%, but there are 4 units of VOEs that have been able to penetrate the international market. This is a positive achievement for the sustainability of VOEs and advancing the community's economy.

Furthermore, the workforce absorbed by VOEs is also diverse, with less than 5 people at 43%, 6-19 workers at 41%, and 20-99 workers at 16%. This means that there are VOEs that have developed and show satisfactory development. When correlated with the clustering of small, medium, and large enterprises from the Law, it states that there are VOEs that can be categorized as medium enterprises. If it is associated with the monthly turnover of VOEs, this becomes more valid, where the average VOEs have a turnover of 5-15 million rupiah per month. In fact, the number of VOEs that have income in the range of 25-50 million rupiah is 18.5%, and more than 50 million rupiah is 1%. If the management of VOEs has strong consistency, then this will be very good for the vital economy. As previously explained, these VOEs can play a role as social entrepreneurship agents in their respective regions, both from the absorption of labor, contribution to regional development through allocation to regional revenue, environmental conservation, and solving other social problems.

The next data analysis is the analysis of data instruments through SEM analysis, which is divided into 3 parts: the outer model, the inner model, and hypothesis testing (Hair et al., 2019). However, before entering the test of the instrument, it is necessary to form a construct of each causal relationship of the research variable being studied, this can be seen from Figure 4.



**Figure 2. Research Construct**

The research construct shows that several indicators are dropped because they do not meet the f factor, which must pass 0.6 or have an AVE value higher than 0.5. So, in the EA variable, two indicators are dropped, in the EP variable, there is one indicator that is dropped, and in the EB variable, there is one variable that is dropped. Then the final construct will be tested again



to see if all indicators have the requirements to carry out a bootstrapping assessment to see the causality.

**Table 4. Confirmatory Factor Analysis**

No	Research Variable	Factor Loading
1	Entrepreneurial Alertness (Cronbach Alpha: 0.723, Composite Reliability: 0.844, AVE: 0.644)	
	EA2	0.787
	EA4	0.825
	EA5	0.795
2	Entrepreneurial Passion (Cronbach Alpha: 0.775, Composite Reliability: 0.855, AVE: 0.596)	
	EP1	0.732
	EP2	0.827
	EP4	0.799
3	Entrepreneurial Bricolage (Cronbach Alpha: 0.796, Composite Reliability: 0.868, AVE: 0.622)	
	EB1	0.749
	EB3	0.755
	EB4	0.839
4	VOEs Competitive Advantage (Cronbach Alpha: 0.898, Composite Reliability: 0.917, AVE: 0.553)	
	C1	0.750
	C2	0.820
	C3	0.703
	C4	0.746
	C5	0.822
	C6	0.794
	C7	0.679
	C8	0.696
	C9	0.661

Table 5 shows the factor loading value of each indicator in the final test, where it can be seen that all indicators have exceeded 0.6 and have an AVE value above 0.5. To see the reliability of the data, it can be seen that the Cronbach alpha and composite reliability values of each variable are higher than 0.7. In other words, each instrument in this study is reliable and produces consistent data that is suitable for further measurement.

**Table 5. Fornell-Larcker Criterion**

	EA	EP	EB	VOEs CA
<b>EA</b>	<b>0.802</b>			
<b>EP</b>	0.587	<b>0.772</b>		
<b>EB</b>	0.651	0.740	<b>0.789</b>	
<b>VOEs CA</b>	0.613	0.738	0.667	<b>0.744</b>

Furthermore, the value of the research's discriminant validity is seen from the Fornell-Lacker Criterion, where the correlation value between variables is higher than the value in the matrix. The correlation value was obtained from the square root of the AVE value in the convergent validity test. It can be seen that all correlation values have a higher count, which ensures that the concept or variable measured by the instrument is a unit and does not overlap with other concepts.

**Table 6. R Square**

Variable	R Square	R Square Adjusted
EB	0.658	0.652
VOEs CA	0.501	0.496

The goodness of fit value of this study is seen from the R2 value, where entrepreneurial alertness and passion can affect EB by 65.8%, which is a moderate influence. While the EA, EP, and EB variables can affect VOEs CA by 50.1%, compared to 49.9% is influenced by other variables that are not studied in this study.

**Table 7. Hypothesis Testing**

Path	Original Sample	T-Statistic	P Value	Hypothesis Test
EA*EP→EB	0.238	2.391	0.024	H1 Supported
EB→VOEs CA	0.463	6.431	0.000	H2 Supported
EA →VOEs CA	0.313	4.086	0.000	H3 Supported
EA→EB →VOEs CA	0.123	2.821	0.005	H4 Supported

The results of data testing through SEM show that EA has a positive and significant effect on EB (0.002), EP can even moderate between EA and EB (0.024), so the first hypothesis can be accepted. The significant influence caused is a condition that the search for the effect of mediation can be carried out (Hair et al., 2019). A positive and significant influence was also found on EB on VOEs CA (0.000), so the second hypothesis was accepted. The influence of EA on VOEs also has a positive and significant influence (0.000) so that the third hypothesis can be accepted, For the EB mediation test between EA and VOEs CA has a positive and significant effect (0.005), and has a partial mediating effect because the direct influence of EA on VOEs CA is significant and the indirect influence is also significant causing EB to mediate partial, so the fourth hypothesis can be accepted.

## Conclusion

This research reveals that entrepreneurial alertness and entrepreneurial bricolage play an important role in building a Village-Owned Enterprises competitive advantage in West Sumatra. The entrepreneurial bricolage has been proven to make a significant contribution to the VOEs competitive advantage by utilizing local resources creatively and innovatively. This shows that the ability to use existing resources optimally is very important in creating added value and maintaining an edge in the market.

In addition, entrepreneurial alertness also has a positive effect on the VOEs competitive advantage. Managers of VOEs with a high level of alertness are able to identify and capitalize on business opportunities more effectively, thereby increasing their competitiveness in the

local market. Entrepreneurial passion was found to moderate the relationship between entrepreneurial awareness and bricolage. This research emphasizes the importance of innovation and the utilization of local resources for VOs to maintain their competitive advantage and contribute to local economic development.

### Limitation

This research has several limitations that need to be considered. The data collection method was used online. This research has several limitations that need to be considered. The data collection method using online questionnaires may not fully capture the complexity and nuances of the social entrepreneurship experience faced by VOs managers. The variables studied were limited to entrepreneurial alertness, entrepreneurship bricolage, entrepreneurial passion, and competitive advantage, while other factors such as government support, access to funding, and social networks were not taken into account. In addition, the research sample is limited to the West Sumatra region, so the results of this study may not be generalized to other regions in Indonesia or other countries with different social and economic contexts. The challenges faced by VOs managers. The variables studied were limited to entrepreneurial awareness, entrepreneurship bricolage, entrepreneurial passion, and competitive advantage, while other factors such as government support, access to funding, and social networks were not taken into account. In addition, the research sample is limited to the West Sumatra region, so the results of this study may not be generalized to other regions in Indonesia or other countries with different social and economic contexts.

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