ANALYSIS OF FACTORS AFFECTING THE INCREASE IN INCOME OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) IN PADANGSIDIMPUAN CITY WITH ENTREPRENEURSHIP AS AN INTERVENING VARIABLE

Ikhwan Maksum, Darwis Harahap, Rukiah
Universitas Islam Negeri Syekh Ali Hasan Ahmad Addary Padangsidimpuan
maksumikhwan657@gmail.com
darwisharahap@uinsyahada.ac.id
rukiahlubis@uinsyahada.ac.id

Abstract
This research is motivated by the findings of researchers regarding the phenomenon where MSME actors in the city of Padangsidimpuan in general have not maximized access to financial inclusion, low self-efficacy, low motivation and do not yet have an entrepreneurial spirit and character. This research uses quantitative research methods. The research sample was 177 MSME actors in Padangsidimpuan City. The data collection instrument was carried out by distributing questionnaires to respondents. Then data analysis uses the outer model test, inner model and hypothesis testing. The results of the study show (a) there is a significant effect of financial inclusion on entrepreneurship b) there is no effect of efficacy on entrepreneurship (c) there is a motivational effect on entrepreneurship (d) there is no effect of religiosity on entrepreneurship (e) there is no effect of entrepreneurship on MSME income in the city of Padangsidimpuan (f) there is a significant effect of financial inclusion on MSME income in the city of Padangsidimpuan (g) there is no efficacy effect on MSE income in the city of Padangsidimpuan (h) there is no motivational effect on MSME income in the city of Padangsidimpuan (i) there is no effect of religiosity on MSME income in the city of Padangsidimpuan (j) there is no effect of financial inclusion on the income of MSMEs in the city of Padang Sidimpuan through entrepreneurship (k) there is no efficacy effect on MSME income in the city of Padangsidimpuan through entrepreneurship (l) there is no motivational effect on MSME income in the city of Padangsidimpuan through entrepreneurship (m) there is no effect of religiosity on MSME income in Padangsidimpuan City through entrepreneurship.
Keywords: Income, Entrepreneurship, Financial Inclusion, Efficacy, Motivation

A. Introduction

The economic crisis that occurred in 2008 has left a variety of challenges and economic problems faced by many countries in the world, including Indonesia. The weakening of the national economy was followed by many large-scale businesses having to stop their activities, as raw materials and debt installments drastically increased as a result of the declining value of the rupiah against the dollar. Likewise, the banking sector has also experienced a downturn, which has an impact on the industrial sector, which is getting worse from the aspect of capital. In contrast, the MSME sector is largely able to survive the economic crisis despite its low productivity. MSMEs have better resilience to crises than large businesses, this condition occurs because MSMEs are more flexible in adapting to market changes. In 2017, the number of MSME workers reached 120.2 million people. The number of MSMEs is estimated to reach 62.9 million units and most of them are small-scale businesses amounting to 98.70%. MSME labor and MSME investment have a positive and significant effect on the national income of the MSME sector in Indonesia (Lis Maria Hamzah and Devi Agustien, 2019).

Seeing the large role and function of MSMEs in the national economy, the Government of Indonesia then made Law Number 20/2008 concerning Micro, Small and Medium Enterprises which aims to grow and develop their businesses in order to build a national economy based on equitable economic democracy. In addition to fierce competition, MSME actors also still face many problems, such as marketing products, obtaining raw materials, lack of production techniques and expertise, very minimal managerial knowledge and skills, especially those related to finance and accounting are a series of problems faced by Padangsidimpuan City MSME actors today. Many studies have shown that the existence of capital has a significant influence in increasing the opinions of MSME actors. The results showed that there was a difference in business income between before and after receiving BMT As-Salam financing (Husnu Sulukiah Shafriyani and Nurul Ichsan, 2019). In increasing business income, one of them is the lack of capital, both the amount and the source of funds (Anggraini and Nasution,

2013). Capital is something that is very helpful in creating and producing everything to suit the needs of the community (Darwis Harahap and Ferri Al Fadri, 2020).

Table. 1 Development of Total Revenue of MSMEs per Sub-district Padangsidimpuan City 2019 – 2021

Padangsidimpuan sub-district	Year			
	2018	2019	2020	2021
Utara	13.860.000.000	7.182.000.000	41.418.000.000	12.726.000.000
Selatan	7.740.000.000	3.114.000.000	30.078.000.000	9.990.000.000
Tenggara	90.000.000	198.000.000	918.000.000	2.196.000.000
Hutaimbaru	180.000.000	270.000.000	712.800.000	1.854.000.000
Batunadua	180.000.000	270.000.000	885.600.000	2.142.000.000
Angkola Julu	180.000.000	198.000.000	658.800.000	1.764.000.000
Total	22.230.000.000	11.232.000.000	74.671.200.000	30.672.000.000

Source: Department of Trade, Cooperatives, MSMEs and Tourism of Padangsidimpuan City

Table 1 above shows that the total income of Padangsidimpuan city MSMEs from 2018 to 2021 experienced very sharp fluctuations. The data shows that the highest total income of Padangsidimpuan city MSMEs is in 2020 amounting to IDR 74,671,200,000.- While the lowest total income of Padangsidimpuan city MSMEs is in 2019 amounting to IDR 11,232,000,000. In 2018, the total income of Padangsidimpuan City MSMEs was seen at IDR 22,230,000,000,- and has decreased by IDR 10,998,000,000,- in 2019. This decline occurred because almost half of the number of MSMEs in Padangsidimpuan city (as many as 611 MSMEs) were no longer able to carry out their usual activities due to the absence of business capital. Because business capital has been converted to finance living needs where almost the majority of MSME actors in Padangsidimpuan city when starting their business is with their own capital.

But the influence of the impact of the Covid19 pandemic which is not over and is still in the recovery phase which is then followed by the existence of government programs and policies regarding Restrictions on Community Activities (PKM) has a huge impact on MSME players in Padangsidimpuan City. So that in 2021 the number of MSMEs has decreased by 5,210 MSMEs

because they are no longer able to carry out activities and caused a very large and significant decrease in the total income of Padangsidimpuan City MSMEs, namely IDR 43,999,200,000.- In fact, very many of the Padangsidimpuan City MSME players were then unable to pay their installments. The main objective of all MSME empowerment programs is to increase the income of MSME players in Padangsidimpuan City.

Table 2. Development of Micro, Small and Medium Enterprises Padangsidimpuan City 2018 – 2021

NO	Sub-district	Year			
		2018	2019	2020	2021
1	Padangsidimpuan Utara	700	399	3.835	707
2	Padangsidimpuan Selatan	430	173	2785	555
3	Padangsidimpuan Tenggara	5	11	85	122
4	Batunadua	10	15	82	119
5	Hutaimbaru	10	15	66	83
6	Angkola Julu	10	11	61	98
	Total	1.235	624	6.914	1.704

Source: Department of Trade, Cooperatives, MSMEs and Tourism of Padangsidimpuan City

Table 2 above shows that the development of MSMEs in Padangsidimpuan city is very fluctuating and the largest distribution is in two sub-districts, namely North Padangsidimpuan and South Padangsidimpuan. The largest number of MSMEs in Padangsidimpuan City was in 2020 and this is related to the birth of Presidential Regulation Number 114 of 2020 concerning the National Strategy for Inclusive Finance that financial products and services provided must be accepted by the community according to their needs and easy to access in terms of requirements and services. Then in 2021 it experienced a very drastic decline and the main cause was the covid pandemic19. Factors that influence the decline in MSME income during the covid19 pandemic are social distancing, PSBB, raw materials, sales, technology, financial assistance, influencers, banking, consumption and structural policies. So that many Padangsidimpuan City MSME players are forced to use their business capital to make ends meet and some others are exposed to the banking collectibility category (Slamet dan Dwi Harini, 2022).

As business actors, knowledge, understanding and utilization of financial inclusion are needed by MSME actors because this is closely related to business continuity on the one hand and increasing income on the other. Financial inclusion is the availability of access to financial products and services needed by the community to improve their welfare. Financial inclusion is a process that ensures access to financial products and services at an affordable cost for the poor and/or low-income people (Deepali, 2011).

Motivation is a driving energy that comes from both inside and outside a person to carry out a goal. People who have high motivation are certainly different from people with low motivation to complete a task as well as in the business world. Motivation is a desire from within a person that causes that person to act to achieve a goal (Robert and Jackson, 2006). So motivation is a drive that is regulated by goals. Motivation and creativity variables affect the entrepreneurial success of Micro, Small and Medium Enterprises (MSME) (Nanik and Diah, 2016).

The issue of religiosity is something that is individual, subjective and complex, therefore it is very difficult to know and measure a person's level of religiosity because this relates to the inner and outer aspects. This means that religiosity is a distinctive belief about religious values that a person believes in or adheres to accompanied by a commitment to practicing the principles he believes in based on his understanding of religiosity. Therefore, the religious values possessed or embraced by an entrepreneur will encourage him to always be honest in running his business. Religiosity has an influence on business success.

Entrepreneurship is defined as the simultaneous combination of a person's actions related to opportunity-seeking behavior and strategic actions seeking competitive advantage to create value. Entrepreneurship must become the work ethic and culture of MSME actors to increase their income and business development. There are differences in entrepreneurial skills in students before and after treatment. After the treatment of entrepreneurial ability in students is increasing. That entrepreneurial

characteristics have a real and positive effect on entrepreneurial competence and business performance (Indarto and Djoko Santoso, 2020).

B. Theoretical Review

1. Micro, Small and Medium Enterprises (MSME) Income

The urgent issue that has always been an obstacle for MSMEs in managing their businesses to increase their income is market access and capital. Capital is the dominant variable that affects income, the higher the capital will increase the amount of additional production, thereby increasing income (Artini, 2019). Revenue is income or an increase in assets or a reduction in liabilities that causes additional economic benefits or an increase in capital and does not come from capital investors during one accounting period (Nurjanna, 2020). Inadequate access to markets and capital for MSME players often forces them to operate in low-income market segments. This situation will certainly limit their sales levels, which will have an impact on income because they compete in the same market and consumers. On the other hand, the presence of covid19 has had a considerable impact on MSME players, resulting in a decline in household consumption and a weakening of the purchasing power of the community at large (Stevanus, 2021).

2. Financial Inclusion

Financial inclusion is a process that emphasizes the ease and availability of access to financial services that can be used by everyone. So as to create great benefits towards improving the standard of living of the community, especially for people who are in areas with areas and geographical difficulties to reach.   Therefore, financial inclusion plays an important and strategic role through its intermediary function in promoting economic growth, income equality, poverty alleviation and achieving financial stability. Inadequate access to financial services can lead to a slowdown in the rate of economic growth (Hairatunnisa Nasution, 2017).

3. Efficacy

Self-efficacy is something that is needed by every individual in life because it is directly related to the belief in their abilities. This self-efficacy

will be a strengthening energy for a person in finding solutions and solving every problem he faces wisely and wisely. Of course, it is very different from people who do not have self-efficacy so that they will be more inclined to always think negatively and always avoid challenges or problems. With high self-efficacy individuals will be more confident in their ability to complete very diverse tasks so that individuals have a high interest in entrepreneurship. Self-confidence that a person has will develop a way of thinking, acting and feeling so that it is more functional and instrumental in facing the problems and challenges of life wherever it is. It can even be a determinant of a person's success or failure in achieving the goals he will achieve.

4. Motivation

Motivation can build enthusiasm and provide a positive response to opportunities to get many benefits for themselves so that they do not depend on others. Motivation is a drive from within a person that encourages that person to do something, including becoming a young entrepreneur. Motivation comes from the Latin word "movere" which means "drive" or driving force. Motivation is important because with motivation every individual wants to work hard and enthusiastically to achieve work productivity (Malayu, 2016).

5. Religiosity

Religiosity is a level of belief in God that is accompanied by a commitment to follow and implement the principles he believes in on the basis of the religion. In other words, religiosity is defined as a specific level of belief in religious values and ideals practiced by a person. It is an appreciation of the depth of belief expressed by performing daily worship such as praying and reading the scriptures manifested in various sides of life in the form of activities that are visible and can be seen by the eye, as well as invisible activities that occur in a person's heart.

6. Enterpreneurship

Entrepreneurship is a business activity that is creative, innovative, optimistic, risk-taking and responsible and able to survive in business

dynamics and challenges. Being able to see business development opportunities and then realize them so as to provide good results for the economy and for the environment. For example, a teak wood entrepreneur in one region who has been running his business for 3 years. For 3 years in running his business, the timber entrepreneur has not received optimal results and profits because he has not received customers/consumers so he has not been able to penetrate the market. Then the entrepreneur made a new breakthrough by taking the risk of making new products with better and more beautiful wood models, motifs and accessories following consumer trends.

Entrepreneurship is the science, art, character, behavior, nature and characteristics of a person who has the ability to realize innovative ideas creatively in the real world. The definition of entrepreneurship emphasizes 4 basic aspects of being an entrepreneur, namely: (1) Involves the process of creating and creating new value (2) Demands a certain amount of time and effort required (3) Responds and makes changes through action (4) Action converges on behavior as a form of response to decisions based on considerations regarding opportunities for profit (Bahri, 2014).

C. Research Method

1. Type of Research

The type of research used in this study is associative research, namely research that aims to determine a relationship between two or more variables. With this associative research, a theory can be built that can serve to explain, predict and control a symptom (Sofyan Siregar, 2017). In this study, researchers want to explain whether financial inclusion, efficacy, motivation and religiosity have an effect on increasing the income of Padangsidimpuan City MSMEs if entrepreneurship is used as an intervening variable.

2. Location and Time of Research

This research was conducted in Padangsidimpuan City. This research was conducted from September 2022 to January 2023.

3. Population and Sample

Population is the totality of sample parts that are physically limited by certain criteria from the measurement results. So the population in this study are micro, small and medium enterprises (MSME) in Padangsidimpuan City. The population in this study amounted to 624 MSME and the number of samples used in this study amounted to 177 MSME.

4. Data Collection Technique

The data collection technique used in this research is to provide questionnaires to 177 respondents as a sample, then through interviews, observations, questionnaires (questionnaires), and inventories conducted directly by researchers.

5. Data Analysis and Processing

The data analysis used is Partial Least Square (PLS) which is part of the Structural Equation Modeling (SEM) method. The meaning of PLS specifically means that there is an optimal least square fit calculation of the correlation or variance matrix. Variance measures the deviation of data from the mean or sample value, so it is a measure for matrix variables. It can also be said that the variance is the mean square of the standard deviation (Haryono and Siswoyo, 2017).

In general, PLS-SEM aims to test the predictive relationship between constructs by seeing if there is a relationship or influence between these constructs. The logical consequence of using PLS-SEM is that testing can be done without a strong theoretical basis, does not require several assumptions (non-parametric) and the accuracy of the prediction model is seen from the coefficient of determination (R2). PLS-SEM is very appropriate for use in research that aims to develop theory. PLS is the latest technique that has been in great demand by researchers lately because the method does not require a normal distribution or it can be said to be a study with a small number of samples. One of the other advantages of PLS-SEM is that it is able to handle complex models with multiple exogenous and endogenous variables with many indicators, and can be used in samples with small numbers, and skewed distribution data (Haryono and Siswoyo, 2017).

D. Result and Discussion

1. Structural Equation Model (SEM) Analysis with SmartPLS

Analyzing data in this study using the Partial Least Square Structural Equation Model (PLS-SEM). The SEM analysis process includes several stages, including creating a path diagram for evaluating the measurement model (outer model) and structural model (inner model). After getting the results of these stages, the researcher will continue by conducting hypothesis testing using the smartPLS application.

1) Path Diagram Structural Equation Model

Path diagrams are used to describe the hypotheses that have been proposed by researchers and to show the direction and influence between variables in the study. There are two types of variables in this study, namely exogenous and endogenous variables. The exogenous variables in this study are financial inclusion (X1), efficacy (X2), motivation (X3), religiosity (X4) while the intervening variables in this study are entrepreneurship (Z) and income (Y) as endogenous variables. To see clearly the form of the path diagram in this study can be seen as follows:

Figure 1. Path Diagram of Research Results
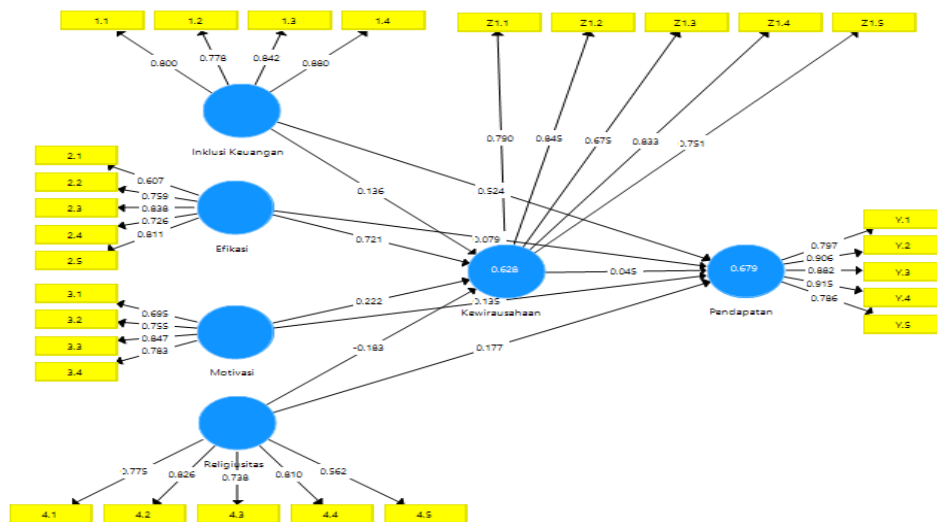
2) Outer Model Evaluation

Outer model testing is carried out to determine the results of the validity and reliability of the instruments given to respondents. This measurement model can show how variables in representing latent variables to be measured. There are two stages in conducting this outer model, namely the construct validity test which includes convergent validity and discriminant validity, and the reliability test which includes composite reliability and Cronbach'alpha.

a) Convergent Validity Loading Factor

The convergent validity test is a test conducted to see whether the indicators in this study are valid against latent variables which are assessed based on the loading factor. An indicator can be said to be valid if the loading factor value in the variable is> 0.6. Based on the results of the outer model test, the convergent validity test can be seen as follows:

Table 3. Convergent Validity Test

Variable	Efficacy	Financial Inclusion	*Entrepre neurship*	Motivation	Income	Religiosity	Description
X1.1		0.800					Valid
X1.2		0.778					Valid
X1.3		0.842					Valid
X1.4		0.880					Valid
X2.1	0.607						Tidak Valid
X2.2	0.759						Valid
X2.3	0.838						Valid
X2.4	0.726						Valid
X2.5	0.811						Valid
X3.1				0.695			Tidak Valid
X3.2				0.755			Valid
X3.3				0.847			Valid
X3.4				0.783			Valid
X4.1						0.775	Valid
X4.2						0.826	Valid
X4.3						0.738	Valid
X4.4						0.810	Valid
X4.5						0.562	Tidak Valid
Y.1					0.797		Valid
Y.2					0.906		Valid
Y.3					0.882		Valid
Y.4					0.915		Valid
Y.5					0.786		Valid
Z1.1			0.790				Valid
Z1.2			0.845				Valid
Z1.3			0.675				Tidak Valid
Z1.4			0.833				Valid
Z1.5			0.751				Valid

The data above shows that there are several indicators that have an outer loading value below 0.7. The consequence is that each unqualified indicator must be removed from the calculation gradually starting with the indicator that has the smallest outer loading value, because each unqualified indicator if removed can cause the outer loading value or correlation value of other indicators to increase. Furthermore, recalculation is carried out with the PLS algorithm, and the results are shown in the table below:

Table 4. Convergent Validity Test with Retest

Variable	Efficacy	Financial Inclusion	*Entrepre neurship*	Motivation	Income	Religiosity	Description
X1.1		0.802					Valid
X1.2		0.779					Valid
X1.3		0.841					Valid
X1.4		0.878					Valid
X2.2	0.797						Valid
X2.3	0.841						Valid
X2.4	0.744						Valid
X2.5	0.810						Valid
X3.2				0.743			Valid
X3.3				0.845			Valid
X3.4				0.856			Valid
X4.1						0.794	Valid
X4.2						0.845	Valid
X4.3						0.748	Valid
X4.4						0.822	Valid
Y.1					0.794		Valid
Y.2					0.907		Valid
Y.3					0.882		Valid
Y.4					0.916		Valid
Y.5					0.787		Valid
Z1.1			0.790				Valid
Z1.2			0.845				Valid
Z1.3			0.675				Tidak Valid
Z1.4			0.833				Valid
Z1.5			0.751				Valid

The table above shows that the outer loading value varies quite a bit on each variable with its latent variable. Then the data above also illustrates that all variables can be declared valid, this can be seen from the loading factor value> 0.60 so it can be concluded that all variables are valid in measuring their latent variables.

b) Convergent Validity AVE

After completing the convergent validity test and validating the variables, the next stage is the convergent test by looking at the Average Variance Extracted (AVE) value on each latent variable. The decision in determining AVE is made by seeing whether the AVE value is greater than 0.5 or not. This is done to find out how much the measuring variable contributes to the latent variable being measured. As for the results of the AVE test can be seen in the table below:

Table 5. Convergent Validity Test Using AVE

No	Variable	Value (AVE)	Description
1	Financial Inclusion	0.682	Valid
2	Efficacy	0.638	Valid
3	Motivation	0.666	Valid
4	Religiosity	0.645	Valid
5	Entrepreneurship	0.668	Valid
6	Income	0.738	Valid

The table above shows that all latent variables in this study have an Average Variance Extracted value above> 0.5 and all variables can be declared valid. The highest AVE value is in the income behavior variable with an AVE value of (0.738) and the lowest is the efficacy variable, namely (0.638).

c) Discriminant Validity

The discriminant validity test is carried out to ensure that a construct from each latent model has a difference with other variables. This test aims to determine the extent to which the accuracy of a measuring instrument performs its measurement function. To carry out this test, a comparison of the cross loading value of a construct indicator with the cross loading value of other construct indicators is carried out. The cross loading value on a construct indicator must be greater than the cross loading value on other construct indicators and must have a minimum value of 0.60. Thus, it will be known whether a construct has adequate or inadequate discriminant validity. As for seeing the croos loading value in this study, it can be seen in the table below:

Table 6. Discriminant Validity Test using Cross Loading

Variable	Efficacy	Financial Inclusion	*Entreprenerurship*	Motivation	Income	Religiosity
1.1	0.505	0.802	0.511	0.485	0.686	0.505
1.2	0.312	0.779	0.351	0.362	0.557	0.316
1.3	0.429	0.841	0.396	0.398	0.621	0.433
1.4	0.417	0.878	0.422	0.429	0.621	0.420
2.2	0.797	0.397	0.617	0.518	0.487	0.796
2.3	0.841	0.386	0.535	0.466	0.513	0.839
2.4	0.744	0.439	0.526	0.523	0.519	0.735
2.5	0.810	0.412	0.676	0.610	0.553	0.812
3.2	0.496	0.350	0.437	0.743	0.432	0.500
3.3	0.537	0.469	0.477	0.845	0.570	0.540
3.4	0.594	0.428	0.644	0.856	0.502	0.593
4.1	0.792	0.395	0.616	0.514	0.483	0.794
4.2	0.843	0.387	0.538	0.470	0.517	0.845
4.3	0.746	0.440	0.526	0.523	0.526	0.748
4.4	0.819	0.428	0.694	0.625	0.562	0.822
Y.1	0.455	0.585	0.423	0.446	0.794	0.458
Y.2	0.561	0.669	0.502	0.568	0.907	0.564
Y.3	0.552	0.681	0.528	0.556	0.882	0.551
Y.4	0.618	0.694	0.573	0.557	0.916	0.617
Y.5	0.592	0.617	0.590	0.507	0.787	0.594
Z1.1	0.602	0.404	0.794	0.516	0.452	0.604
Z1.2	0.670	0.522	0.863	0.592	0.576	0.669
Z1.4	0.600	0.419	0.834	0.510	0.534	0.605
Z1.5	0.546	0.317	0.775	0.480	0.421	0.549

From the data results above, it can be concluded that the cross loading value of each indicator on the intended latent variable is greater than the indicators on other latent variables. In addition, the cross loading value is also greater than 0.6. Thus, it can be concluded that all variables in this study have good discriminant validity.

d) Reliability Test

Construct reliability testing in this study aims to measure how accurate and consistent the instruments used are in measuring constructs. In this study, the construct reliability test was carried out using the smartPLS application and could be carried out through two methods, namely composite reliability and Cronbach's alpha. If the composite reliability and

Cronbach's alpha values are greater than 0.7, the variable can be said to be reliable. As for the results of the research conducted by researchers, the results of the composite reliability and Cronbach's alpha tests can be seen as follows:

Tabel 7. Reliability Test Composite Reliability

No	Variable	*Composite reliability*	*Cronbach' alpha*
1	Financial Inclusion	0.895	0.844
2	Efficacy	0.876	0.810
3	Motivation	0.856	0.749
4	Religiosity	0.879	0.816
5	Entrepreneurship	0.889	0.834
6	Income	0.933	0.910

Based on the results of the reliability test carried out, all variables in this study show a composite reliability value and Cronbach's alpha greater than 0.7. This shows that the instruments used in this study can be considered to have good accuracy and consistency in measuring constructs. Thus, it can be concluded that all variables in this study can be considered reliable.

3) Inner Model Evaluation

To show the specification of the reciprocal relationship between latent variables in the proposed model, a structural model evaluation is carried out. In research using PLS-SEM, structural model evaluation is carried out by looking at the coefficient of determination (R2) value, as for seeing the results of the inner model analysis are as follows:

a) Coefficient Of Determination

CoD is the proportion of variation in the dependent variable that can be predicted from the independent variables. In evaluating the structural model, one way that can be done is to pay attention to the R2 value as a measure of the level of variance that can be explained by the model for endogenous latent constructs. There are three criteria for assessing R2, namely an R2 value of 0.67 which indicates a strong model, an R2 value of 0.33 which indicates a moderate model, and an R2 value of 0.19 which indicates a weak model. Thus, a high R2 value indicates a better model in

explaining the relationship between latent variables in the study. To see the value of R2 in this study can be seen in the following table:

Tabel 8. R Square Adjusted Test

No	Variable	*R Square*	*R Square Adjusted*
1	Entrepreneurship	0.605	0.596
2	Income	0.684	0.675

Based on table above the R2 value above, it can be seen that the R2 value of the entrepreneurship variable is 0.605, meaning that the entrepreneurship variable is strong in explaining the research variable. From the R2 value above, it can also be seen that the entrepreneurship variable in this study is able to explain 60.5 percent of the income variable, while 39.5 percent is explained by other variables outside this study. The R2 value for the income variable is 0.684 or 68.4 percent can explain the variables in this study while 31.6 percent is explained by other variables in this study.

b) Effect Size (F^2)

In this study to see the effect of certain variables on other variables in the model structure. The measurement standards are 0.02 (small), 0.15 (medium), and 0.35 (large). The test results conducted by researchers are as follows:

Tabel 9. Effect Size Test (F2)

Variable	Entrepreneurship	Religiosity
Financial Inclusion	0.028	0.586
Efficacy	0.000	0.001
Motivation	0.066	0.032
Religiosity	0.006	0.000
Entrepreneurship		0.008

Based on table above, it can be seen that the financial inclusion variable shows a value of 0.028 on entrepreneurship, this value indicates that financial inclusion has a small effect on entrepreneurship (0.028> 0.02). While the income shows a value of 0.586, this indicates that financial

inclusion has a large influence on the income of MSMEs in Padangsidimpuan city (0.586> 0.35). The efficacy variable shows a value of 0.000 on entrepreneurship, this value indicates that efficacy has no effect on entrepreneurship (0.000 <0.02). While the value of income is 0.001, this shows that efficacy has a very small effect on the income of MSMEs in Padangsidimpuan city (0.001 <0.02).

The motivation variable shows a value of 0.066 on entrepreneurship, this value indicates that motivation has little effect on entrepreneurship (0.066>0.02), while the income is 0.032, this indicates that motivation has little effect on the income of MSME in Padangsidimpuan city (0.032>0.02). The religiosity variable shows a value of 0.006 on entrepreneurship, this value indicates that religiosity has a small effect on entrepreneurship (0.066>0.02). While the value of income is 0.000, this shows that religiosity has no effect on the income of MSME in Padangsidimpuan city (0.000 <0.02). The entrepreneurship variable is worth 0.008 on income, this shows that entrepreneurship has a very small effect on the income of MSMEs in Padangsidimpuan city (0.08>0.02).

c) Predictive Relevance Test (Q2)

The Predictive Relevance Q2 test is conducted to evaluate how well the model predicts the value of observations and parameter estimates. If the Q2 value> 0, it can be concluded that the model has good predictive relevance, whereas if the Q2 value < 0, the model is less relevant in making predictions. The magnitude of Q2 has a value with a range of 0 < Q2 < 1 where the closer to 1 means the better the model. This Q2 magnitude is equivalent to the coefficient of total determination in path analysis. The results of the Predictive Relerevance Q2 test are as follows:

Tabel 10. Predictive Relevance Q2 Test

Variable	SSO	SSE	Q^2 (1-SSE/SSO)
Financial Inclusion	708.000	708.000	

Efficacy	340.000	708.000	
Motivation	531.000	531.000	
Religiosity	708.000	708.000	
Entrepreneurship	708.000	439.407	0.379
Income	885.000	451.664	0.490

Table above shows that the endogenous variables in this study have $Q^2 > 0$, where the endogenous variable for entrepreneurship is 0.379> 0 and income is 0.490> 0. So it can be concluded that this study has good predictive relevance.

4) Hypothesis Testing

a) Effect of Financial Inclusion on Entrepreneurship

Based on the results of research data processing conducted by researchers, it is then known that the original sample value is 0.128, the statistical value is 2.232 and the p-value is 0.026 and the significance value set is the t-value of 1.96 and the p-value is smaller than 0.05. When viewed from the t-statistic value> t-table (2.232> 1.96) and p-value <0.05 (0.026 <0.05) this indicates that there is a significant effect of financial inclusion on entrepreneurship, meaning that H1 is accepted and H0 is rejected.

b) Effect of Self-Efficacy on Entrepreneurship

The results of research data processing conducted by researchers, then the negative original sample value of -0.154 is known. The statistical value is 0.162 and the p-value is 0.871 and the significance value set by the t-value is 1.96 and the p-value is less than 0.05. When viewed from the value of t-statistic < t-table (0.162 < 1.96) and p-value > 0.05 (0.871 > 0.05) this indicates that there is no effect of efficacy on entrepreneurship, meaning that H0 is accepted and H1 is rejected.

c) Effect of Motivation on Entrepreneurship

The results of research data processing conducted by researchers, then the original sample value is 0.225, then the statistical value is 2.150 and the p-value is 0.032 and the significance value set is the t-value of 1.96 and the p-value is smaller than 0.05. When viewed from the t-statistic value> t-table (2.150> 1.96) and p-value < 0.05 (0.032 < 0.05) this indicates that

there is a significant effect of motivation on entrepreneurship, meaning that H1 is accepted and H0 is rejected.

d) Effect of Religiosity on Entrepreneurship

The results of research data processing conducted by researchers, then the original sample value is 0.683. The statistical value is 0.722 and the p-value is 0.470 and the significance value set is a t-value of 1.96 and a p-value smaller than 0.05. When viewed from the t-statistic value < t-table (0.722 < 1.96) and p-value > 0.05 (0.470 > 0.05) this indicates that there is no effect of religiosity on entrepreneurship, meaning that H1 is accepted and H0 is rejected.

e) Effect of Entrepreneurship on MSME Income

The results of research data processing conducted by researchers, then the original sample value is 0.080, then the statistical value is 1.052 and the p-value is 0.293 and the significance value set is the t-value of 1.96 and the p-value is smaller than 0.05. When viewed from the t-statistic value < t-table (1.052 < 1.96) and p-value> 0.05 (0.293 > 0.05) this indicates that there is no effect of entrepreneurship on MSME income in Padangsidimpuan city, meaning that H0 is accepted and H1 is rejected.

f) Effect of Financial Inclusion on MSME Income

The results of research data processing conducted by researchers, then the original sample value is 0.528. The statistical value is 3.781 and the p-value is 0.000, while the significance value set is a t-value of 1.96 and a p-value smaller than 0.05. When viewed from the t-statistic value> t-table (3.781> 1.96) and p-value <0.05 (0.000 <0.05) this indicates that there is a significant effect of financial inclusion on MSME income in Padangsidimpuan City, meaning that H1 is accepted and H0 is rejected.

g) Effect of Efficacy on MSME Income

The results of research data processing conducted by researchers, then the original sample value is 0.259. The statistical value is 0.342 and the p-value is 0.732. and the significance value set is a t-value of 1.96 and a p-value smaller than 0.05. When viewed from the t-statistic value < t-table (0.342 < 1.96) and p-value> 0.05 (0.732> 0.05) this indicates that there is

no effect of self-efficacy on MSME income in Padangsidimpuan city, meaning that H0 is accepted and H1 is rejected.

h) The Effect of Motivation on MSME Income

The results of research data processing conducted by researchers, then the original sample value is 0.145. The statistical value is 0.722 and the p-value is 0.470, the significance value set is a t-value of 1.96 and the p-value is smaller than 0.05. When viewed from the t-statistic value < t-table (0.722 < 1.96) and p-value > 0.05 (0.470 > 0.05), it shows that there is no effect of motivation on MSME income in Padangsidimpuan city, meaning that H0 is accepted and H1 is rejected.

i) The Effect of Religiosity on MSME Income

Based on the results of research data processing conducted by researchers, it is then known that the original sample value is -0.035 and the statistical value is 0.046 and the p-value is 0.964, the significance value set is the t-value of 1.96 and the p-value is smaller than 0.05. When viewed from the t-statistic value < t-table (0.046 < 1.96) and p-value> 0.05 (0.964 > 0.05) this indicates that there is no effect of religiosity on MSME income in Padangsidimpuan city, meaning that H0 is accepted and H1 is rejected.

j) The Effect of Financial Inclusion on MSME Income in Padangsidimpuan City Through Entrepreneurship

The results of research data processing conducted by researchers, then the original sample value is 0.012 and the statistical value is 0.763 and the p-value is 0.445. The significance value set is a t-value of 1.96 and a p-value smaller than 0.05.

k) The Effect of Efficacy on MSME Income in Padangsidimpuan City Through Entrepreneurship

The results of research data processing conducted by researchers, then it is known that the original sample value is -0.012. as well as a statistical value of 0.126 and a p-value of 0.899 and the significance value set is the t-value of 1.96 and the p-value is smaller than 0.05. When viewed from the t-statistic value < t-table (0.126 < 1.96) and p-value> 0.05 (0.899 > 0.05) this indicates that there is no effect of efficacy on MSME income in

Padangsidimpuan City through entrepreneurship, meaning that H0 is accepted and H1 is rejected.

l) The Effect of Motivation on MSME Income in Padangsidimpuan City Through Entrepreneurship

Based on the results of research data processing conducted by researchers, it is known that the positive original sample value is 0.018 and the statistical value is 0.018 and the p-value is 0.966. Then the significance value set is a t-value of 1.96 and a p-value smaller than 0.05. When viewed from the t-statistic value < t-table (0.018 < 1.96) and p-value > 0.05 (0.335 > 0.05) this indicates that there is no effect of motivation on MSME income in Padangsidimpuan city through entrepreneurship, meaning that H0 is accepted and H1 is rejected.

m) The Effect of Religiosity on MSME Income in Padangsidimpuan City Through Entrepreneurship

Based on the results of research data processing conducted by researchers, it is known that the original sample value is 0.055 and the statistical value is 0.502 and the p-value is 0.616 and the significance value set is the t-value of 1.96 and the p-value is smaller than 0.05. When viewed from the t-statistic value < t-table (0.502 < 1.96) and p-value> 0.05 (0.616 > 0.05) this indicates that there is no effect of religiosity on MSME income in Padangsidimpuan city through entrepreneurship, meaning that H0 is accepted and H1 is rejected.

E. Conclusion

1. Financial inclusion shows a significant influence on entrepreneurship of MSME actors in Padangsidimpuan City with a t-statistic value> t-table (2.232 < 1.96) and p-value < 0.05 (0.026 < 0.05).

2. Efficacy shows no influence on entrepreneurship of MSME players in Padangsidimpuan city with a t-statistic value < t-table (0.162 < 1.96) and p-value> 0.05 (0.871> 0.05).

3. Motivation shows a significant influence on MSME entrepreneurship in Padangsidimpuan city with a t-statistic value> t-table (3.147> 1.96) and p-value <0.05 (0.032 <0.05).

4. Religiosity shows no influence on MSME entrepreneurship in Padangsidimpuan city with a t-statistic value < t-table (0.722 < 1.96) and p-value > 0.05 (0.470 > 0.05).

5. Entrepreneurship shows no effect on MSME income in Padangsidimpuan city with a t-statistic value < t-table (1.052 < 1.96) and p-value> 0.05 (0.293 > 0.05).

6. Financial Inclusion shows a significant influence on MSME income in Padangsidimpuan city with a t-statistic value> t-table (3.781> 1.96) and p-value <0.05 (0.000 <0.05).

7. Efficacy shows no effect on MSME income in Padangsidimpuan city with a t-statistic value < t-table (0.342 < 1.96) and p-value> 0.05 (0.732 > 0.05).

8. Motivation shows no effect of motivation on the income of MSMEs in Padangsidimpuan city with a t-statistic value < t-table (0.722 < 1.96) and p-value > 0.05 (0.470 > 0.05).

9. Religiosity shows no effect on the income of MSMEs in Padangsidimpuan city with a t-statistic value < t-table (0.046 < 1.96) and p-value > 0.05 (0.964 > 0.05).

10. Financial Inclusion shows no effect on the income of Padangsidimpuan city MSMEs through entrepreneurship with a t-statistic value < t-table (0.763 < 1.96) and p-value > 0.05 (0.445 > 0.05).

11. Efficacy shows no effect on the income of Padangsidimpuan city MSMEs through entrepreneurship with a t-statistic value < t-table (0.126 < 1.96) and p-value> 0.05 (0.899 > 0.05).

12. Motivation shows no effect on the income of MSMEs in Padangsidimpuan city through entrepreneurship with a t-statistic value < t-table (0.018 < 1.96) and p-value > 0.05 (0.335 > 0.05).

13. Religiosity shows no effect on the income of Padangsidimpuan city MSMEs through entrepreneurship with a t-statistic value < t-table (0.502 < 1.96) and p-value > 0.05 (0.616 > 0.05).

REFERENCES

Anggraini & Nasution, 'Peranan Kredit Usaha Rakyat Bagi Pengembangan UMKM Di Kota Medan (Studi Kasus Bank BRI).', *Jurnal Ekonomi Dan Keuangan, 1(3), 105–116*, 2013.

Artini, Ni Rai, 'Analisis Faktor-Faktor Yang Mempengaruhi Pendapatan Umkm Di Kabupaten Tabanan'.

Bahri, 'Kewirausahaan Islam: Penerapan Konsep Berwirausaha Dan Bertransaksi Syariah Dengan Metode Dimensi Vertikal (Hablumminallah) Dan Dimensi Horizontal (Hablumminannas)', *Jurnal Ekonomi Syariah Dan Bisnis, 1(2): 70-73*, 2018.

Ermawati, Nanik and Diah Ayu Susanti, 'Pengaruh Motivasi Dan Kreativitas Terhadap Keberhasilankewirausahaan Usaha Mikro Kecil Menengah (Umkm) (Studi Kasus Umkm Jenang Kudus', *Prosiding Penelitian Seminar Nasional Seri 6 'Menuju Masyarakat Madani Dan Lestari'ISBN: 978-602-60361-3-1*, 2016.

Hamzah, Lies Maria and Devi Agustien, 'Pengaruh Perkembangan Usaha Mikro, Kecil, Dan Menengah Terhadap Pendapatan Nasional Pada Sektor UMKM Di Indonesia', *Jurnal Ekonomi Pembangunan, 8 (2) 2019, 127-135*, 2019.

Harahap, Darwis and Ferri Al Fadri, *Pengantar Ekonomi Makro Kajian Integratif*, 2020.

Haryono and Siswoyo. *Metode SEM Untuk Penelitian Manajemen Dengan AMOS LISREL PLS*. Luxima Metro Media, 2017.

Hasibuan, Malayu S.P, *Manajemen Sumber Daya Manusia*. Bumi Aksara, Jakarta, 2016.

Husnu Sulukiah Shafriyani and Nurul Ichsan, 'Faktor-Faktor Yang Mempengaruhi Peningkatan Pendapatan Usaha Mikro (Studi Pada Nasabah BMT As-Salam)', *Jurnal Ilmiah Ekonomi Islam, 5(01), 2019, 73-80*, 2019.

Indarto and Djoko Santoso, 'Karakteristik Wirausaha, Karakteristik Usaha Dan Lingkungan Usaha Penentu Kesuksesan Usaha Mikro Kecil Dan Menengah', *Jurnal Riset Ekonomi Dan Bisnis*, 13.1 (2020), 54.

Joshi, Deepali Pant, 'Financial Inclution and Financial Literacy', *Rbi-Occd Seminar, Indiia Reserve Bank of India*, 2011.

Nasution, Hairatunnisa, 'Analisis Financial Inclusion Terhadap Pemberdayaan Masyarakat Miskin Di Medan (Studi Kasus Pembiayaan Mikro SS II Di Bank Sumut Syariah) *Jurnal Ekonomi Dan Bisnis Islam* Vol. 2, No. 1 2017.

Nurjanna, N, 'Pengakuan dan Pengukuran Pendapatan Berdasarkan PSAK NO. 23 Pada Kalla Toyota Makassar, *Jurnal Keuangan Dan Perbankan, 2(1),*2020.

Riono, Slamet Bambang, Warpuah, and Dwi Harini, , 'Analisis Faktor Yang Mempengaruhi Pendapatan UMKM Pada Maa Pandemi Covid19 (Study Kasus Pada UMKM Kluban Di Banjaratama)', *Jurnal Akuntansi Dan Bisnis (Akuntansi) Vol.2, No.1 2022, Pp.49-57*, 2022.

Siregar, Syofian, *Statistik Parametrik untuk Penelitian Kuantitatif*. Bumi Aksara, 2017.

Stevanus, 'Dampak Besar Pandemik Di Sektor Ekonom'.