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Fisheries Commodity Trading Policy As Agribusiness In South Sulawesi

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INFO ARTICLE

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ABSTRACT

This study aims to obtain the results of studies regarding the behavior of fishery commodity agribusiness development in the province of South Sulawesi. The analysis model in this study uses a structural equation model to examine the relationship between variables according to the proposed hypothesis. The variables studied in this study consist of exogenous variables, including production, marketing, and financial management capabilities. The intermediate variable in this study is the development of sales, and the variable increase in business profit is an endogenous variable. The three types of variables are built based on a theoretical approach that forms a constellation of relationships between variables, where each variable has dimensions and indicators. As for the respondents in this study, there were 250 fishing communities and people's aquaculture groups in Pangkep district. The results of the study found that generally, respondents from fishing communities and farmers had production, marketing, and financial management capabilities for increasing sales volume and increasing profits. Based on the results of this study, it is expected that the agribusiness of fishery commodities (sea and land fish) can develop through the role of the government and related parties so as to be able to improve people's living standards and increase regional income sources.

INTRODUCTION

The fishery products business, both capture fish and ground fish, is a promising business, along with the level of orders for various types of consumer needs, both from various levels of society and from several industries, such as hotels, restaurants, and catering businesses. However, the phenomena found indicate that the prospect of the fish commodity market has not been able to encourage the growth of the number of business units that are able to survive in the long term.

The development of fishery business production is one of the main drivers in the agribusiness sector, which has contributed to increasing people's income. This fact can be seen from the size of the gross regional domestic product, which reached 43.68 percent compared to other sectors in South Sulawesi. On the other hand, the success of national economic development is demonstrated by three main points: 1) developing people's ability to meet their basic needs (basic needs), 2) increasing self-esteem, and 3) increasing people's ability to choose (freedom from servitude), which is one of human rights. Thus, the business potential of fishery products, which is supported by demand that tends to increase, has not yet been able to become a thriving industry. Some areas of South Sulawesi, especially in Pangkep and Maros districts as fisheries center areas, are still facing a number of constraining problems, including the low level of skills and knowledge needed in business management in order to improve the quality and quantity of production, the availability of business capital, feed prices, and market access.

The phenomena found are generally fishermen and fish farmers still using business management that is as simple and impressive as it is. The maintenance patterns found generally still use small land, and some use natural methods without adequate feeding so that it has an impact on reproduction patterns. Likewise with marketing activities, where people generally market chickens that are not old enough through collectors so that the prices received are relatively cheap due to economic pressure. The study in this study relates to the development of production, marketing, and financial activity models that are oriented towards increasing sales volume and increasing operating profits by posing research questions, namely: 1) how does the influence of business behavior based on aspects of production, marketing, and capital on sales volume development in fishery businesses, 2) how does the development of sales volume affect the increase in fishery business profits, and 3) how does the business behavior indirectly influence the aspects of production, marketing, and capital of business actors on increasing profits through the volume of fish sales in Pangkep district?

Small Business Development Strategy

What is fundamental for business development, especially poultry farming, is inseparable from the level of ability and skills of business owners in carrying out business management related to production, marketing, and capital activities. These three elements can determine the level of sales, which in turn can have an impact on the level of business profitability. David (2012) argues that strategic management is the art and knowledge of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its goals. The focus of strategic management lies in the ability to integrate marketing management, finance, and production operations to achieve business goals. Furthermore, the strategic management process consists of three stages: strategy formulation, strategy implementation, and strategy evaluation. In line with this, the sustainable development strategy that is being studied in this study is related to business management control related to aspects of marketing, production, and capital that are oriented towards sales development and the level of profitability.

Hunger and Wheelen (2013) argued that strategic management is a series of managerial action decisions that lead to achieving long-term business performance. According to Mulyadi (2011), strategic management, as a process of compiling plans carried out by managers and employees, is related to formulating and implementing business goals and values. Furthermore, according to Glueck and Jauch (1990), there is a stream of decisions and actions that lead to business development in the future. In line with Dees and Miller (2010), strategic management is a process of combining three activities, namely: strategy analysis, strategy formulation, and strategy implementation. The dynamics and capabilities of company resources can be the reason for small businesses to be able to create and maintain profits in conditions of increasingly fierce competition (Wernerfelt, 2000; Barney, 1991; Conner, 2005; Mahoney and Pandian, 2005; Amit and Schoemaker, 1993). Furthermore, according to Nelson and Winter (2007), Teece et al. (2000), Eisenhardt and Martin (2007), and Winter (2008), the company's advantage in maintaining dynamics and ability to face competition is determined based on differences in the company's capacity to collect, deploy, update, and reconfigure resources in response to changes in the external environment.

The role of small businesses in the economic system is shown through the formation of new business units that form linkages between downstream and upstream businesses by utilizing affordable resources and generally using their own capital so as to be able to provide business opportunities for the community. According to the Ministry of Industry of the Republic of Indonesia in 1991, small-scale businesses are small handicraft industries carried out by the community in groups with a total asset value of less than Rp. 600 million, excluding the value of the land and buildings they use. Meanwhile, according to Law Number 9 of 1995, the criteria for a small business are: 1) having a net worth of at most Rp. 200 million (excluding land and buildings for business premises); 2) having sales proceeds of at most Rp. 1 billion per year; 3) being owned by Indonesian citizens; 4) being independent, not a subsidiary or branch of a company owned, controlled, or affiliated either directly or indirectly with medium or large businesses; and 5) being formed as an individual business, a business entity that is not a legal entity, or a business entity that is a legal entity, including cooperatives. Meanwhile, according to Bank Indonesia, it refers to the definition in accordance with Law No. 9 of 1995 because the criteria for small and medium enterprises in Bank Indonesia Regulations relating to the provision of Small Business Credit (PBI No. 3/2/PBI/2001) refer to this Law.

Furthermore, according to Presidential Instruction No. 10 of 1999, medium businesses are activity units that have a net worth greater than Rp. 200 million up to a maximum of Rp. 10 billion (excluding land and buildings for business premises), are owned by Indonesian citizens, are independent, and are not a subsidiary or branch of a company owned, controlled, or affiliated, either directly or indirectly, with a large business. Other agencies, such as the Ministry of Industry and Trade, also issued provisions regarding small and medium-scale industries as outlined in the Decree of the Minister of Industry and Trade (Kepmenperindag) No. 257/MPP/Kep/7/1997, namely businesses with a maximum investment value of Rp. 5 billion, including land and buildings. While the BPS divides the types of SMEs based on the number of workers, namely: 1) household crafts, with a workforce of under 3 people, including unpaid workers; 2) small businesses, with a total workforce of 5–9 people; and 3) medium enterprises, with a total workforce of 20–99 people.

Small businesses or small-scale businesses in South Sulawesi generally have the impression that they are still using traditional business management in carrying out their activities. So that not a few of them experience stagnation and even close their businesses. Another thing that can be said is that most of them cannot be categorized as bankable businesses. In addition to the lack of government attention, business actors are on two unfavorable sides. In this case, the tendency of business actors to build a business is usually faced with various impartial government regulations and policies and the difficulty of accessing market information and raw material needs. On the other hand, some of them are faced with internal business problems related to their low knowledge of business management, especially in the aspects of production, marketing, and finance.

Production Management Concept

The word management comes from the Old French ménagement, which means the art of executing and managing. Thus, management is the art of getting work done through other people (Robins, 2007). So that the term management can be interpreted as a tool used to regulate and direct managers in achieving business or organizational goals through collaboration with other parties. Meanwhile, Griffin (2006) defines management as a process of planning, organizing, coordinating, and controlling resources to achieve goals effectively and efficiently. Effective means that goals can be achieved according to planning, while efficient means that existing tasks are carried out correctly, organized, and according to schedule.

Furthermore, Assauri (2004:12) suggests an activity or effort undertaken to achieve goals by using or coordinating the activities of other people. Thus, it can be stated that management is a tool for managers to use in managing their businesses to achieve the desired performance. In relation to production activities, a manager is required to be able to control production activities by utilizing resources efficiently and effectively to improve business performance. The definition of production put forward is essentially a process of creating goods or services that can directly or indirectly meet human needs. According to Meyers (1972; 13), production is an activity that causes objects or services to arise. Likewise, Assauri (2004:11) defines an activity as one that transforms input (input) into the result of output (output). Thus, the word production in general can be interpreted as a process of making or producing an item or service through a combination of various factors of production. While the meaning of management is to manage or regulate the resources that are used effectively and efficiently through management functions, namely: planning, organizing, placing, directing, and supervising, so that the desired goals, both in terms of quality and quantity of products or services, can be effectively achieved, optimal.

According to Assauri (2004), "*production management*" is an activity that regulates and coordinates the use of resources in the form of human resources, tool resources, and financial and material resources effectively and efficiently to create and increase the utility of an item or service. Furthermore, Prawirosentono (2008: 1) defines the planning, implementation, and supervision of a series of activities (set of activities) to make goods (products) derived from raw materials and other auxiliary materials. In short, the scope of production management includes several dimensions, namely: 1) production planning; 2) production processes; and 3) production control. Every production process must have a technical basis, which in economic theory is called the production function. Saleh (1991; 13) says that to produce goods and services, a combination of factors of production is needed with the help of the production function. Ismail further said that the production function shows the relationship that exists between inputs and commodity results in a systematic and simple way. Mubyarto (1993; 58) says that the production function is a function that shows the relationship between physical production results (output) and production factors (input). In simple mathematical form, this production function is written as follows: Y = f(X1, X2, X3,...Xn), where Y is the result of physical production through production factors X1 to Xn, which are called factors of production.

Production capability can generally be seen from the extent to which the company carries out production planning and the ability to determine the amount of production efficiently and effectively in accordance with the available production capacity. This is needed in an effort to maintain the continuity and smoothness of production activities as well as to ensure consistent product quality, timeliness, and quantity in meeting market demand (delivery orders). The company's ability to control production can be determined by the extent to which it plans the amount of raw materials used in production activities. Errors in controlling raw materials can lead to excess or shortages of raw materials, thus reducing opportunities for companies to utilize part of their capital for other investment activities. To overcome the possibility of losses due to overstock and understock, companies are required to be able to carry out careful planning, both in terms of the amount of raw or auxiliary materials used as well as the number of products to be produced. This is done to adjust the production plan to the existing production capacity.

Terry (2006:6) argues that inventory control or supervision is part of the management elements that aim to determine and direct the company in achieving the goals determined by utilizing resources optimally. Inventory management can be said to be a form of supervision or control of company assets that will be used in the normal production process with the aim of selling. According to Harding (2001: 77), inventory control aims to minimize investment in inventory while remaining consistent with the provision of the requested level of service. Thus, an efficient and effective inventory control system is the main goal for industrial companies to avoid the occurrence of both excess inventory (overstock) and shortages of inventory (understock), which can cause losses both in terms of costs and investment opportunities. Thus, inventory control is the main element that must be done properly so as not to reduce the planned production value.

Marketing Capability Concept

The success of a company is not only determined by its ability to produce products or services; on the other hand, marketing activities are activities that also contribute to the development of sales of the products or services produced. The development of product or service sales is usually a measure of the success of a profit-oriented company. Therefore, it is not uncommon for a company to place more emphasis on the production aspect than the marketing aspect, which can result in losses caused by overstock or understock. Therefore, company managers are required to be able to make adjustments to production estimates through marketing estimates to prevent overstock or understock.

In many cases, it is often found that there are weaknesses in developing livestock products, one of which is a lack of attention to marketing issues. According to Mubyarto (1993), the marketing of agricultural products is a kind of economic activity that functions to carry or deliver goods from producers to consumers. Downey and Erickson (1989) said that marketing is a process that results in the flow of products through a system from producers to final consumers. Basically, the notion of marketing is a liaison between producers and consumers where both interests can be brought together. Kotler and Armstrong (2002:14) state that marketing management is an activity that includes analysis, planning, implementation, and control of programs designed to create, build, and maintain profitable exchanges with target buyers with a view to achieving organizational goals. While Boyd, Walker, and Larreche (2000:16) define marketing as the process of analysis, planning, implementation, coordination, and control of marketing programs that include product policies, prices, promotions, and distribution of products, services, and ideas offered to create and improve the exchange of benefits with the target market in an effort to achieve organizational goals, Likewise, Shultz (2000: 30) says that marketing management is the activity of planning, directing, and supervising all marketing activities of a company or part of a company.

Along with the development of science and technology, every company is required to be able to find and take advantage of opportunities by focusing on creativity and innovation capabilities to produce goods or services that are different from those that already exist. In this regard, the service factor also determines the company's success in increasing market share and sales growth. Timeliness, quantity, and product quality are the most important factors in building customer trust and loyalty to the company. Companies must put customers first, provide a set of processes that are more efficient and convenient, have high performance, and be run by the right employees. The marketing mix strategy known as the 4Ps includes product, price, place, and promotion. In its development, to win the competition, the four elements, namely 4P, were changed to Product, Process, Performance, and Person. Thus, it can be the basis for companies to carry out delivery orders that are oriented towards customer satisfaction with the products offered. Order delivery is a customer service process that prioritizes timeliness, quantity, and quality according to orders with the aim of providing customer satisfaction.

Several other opinions were put forward by experts, including those of Finch (2003: 575), who distinguished between product performance and service performance. Performance for a product may include the actual functions the product is able to perform," while "performance for a service refers to the ability to respond accurately to customer needs." Furthermore, Yeh and Huang (2004) summarized several criteria for measuring manufacturing performance in their research, including cost, efficiency, productivity, quality, dependability, short delivery times, reliable transportation, return on investment, flexibility in adjusting to volume changes, and flexibility in adjusting to product changes. Meanwhile, Kallio, Saarinen, Tinnilä, and Veppäläinen (2000) provide the four most common performance measurements in providing services to customers, namely: time, cost, quality, and efficiency. Then they also added that of the four measurements, time, cost, and quality were easier to measure and could be seen more clearly.

Financial Management Concept

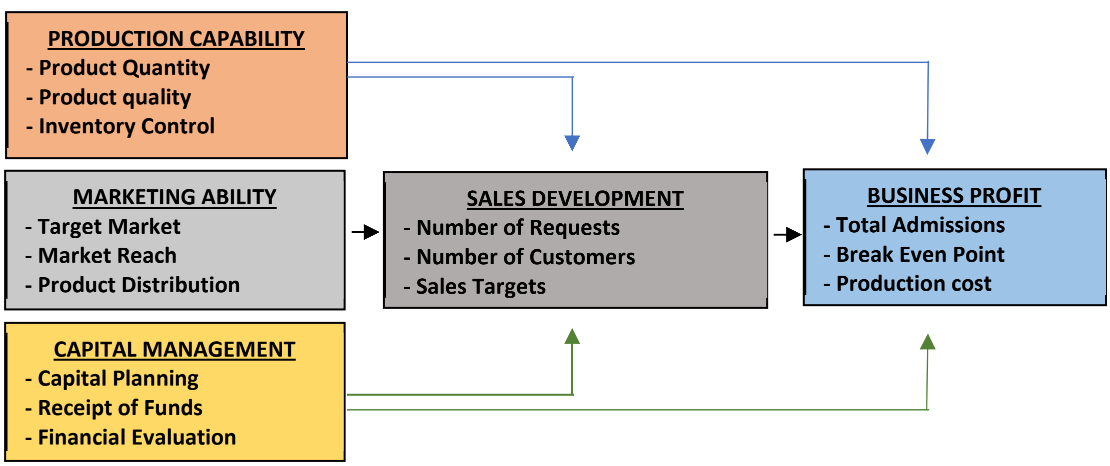
Financial problems are often used as the main reason for the underdevelopment of small businesses. So the government is trying to overcome it through several business development programs, such as community empowerment activities in the small and medium-scale poultry farming sector, training activities, and providing business capital loans. Another obstacle that is often a problem faced by poultry farming business actors is their lack of knowledge about financial management or business capital, so it is not uncommon for them to experience a discrepancy between the use of funds or business capital and the desired business target. The failure experienced by small and medium enterprises in general in achieving their goals can be caused by weak business planning. A good business plan is a plan that becomes a blueprint that describes the direction, goals, and steps taken to achieve the goal. Likewise, business capital planning is one of the main factors that determines the smooth operation of a company that needs attention.

Small and medium enterprises generally do not have a written plan, but it is important to have one as a basis for determining the direction and goals to be achieved. One of them relates to planning the amount and sources of business capital, as well as the way of managing it related to loan repayments and the use of funds to support business operations. Likewise with regard to knowledge about the amount of net profit and the amount of costs or expenses, So that it is not uncommon among business actors to experience difficulties in determining their financial condition and continue to decrease the level of profitability. In general, net income, or profit, is the difference between total income and total expenses. Technically, profit is calculated from the subtraction of total revenue and total costs. The dimensions of the variable level of profitability that will be studied in this study are total business revenue, total cost, total value of product, and total factor of cost.

THEORETICAL FRAMEWORK

The development of an aquaculture agribusiness requires seriousness and business management skills or abilities, including aspects of production, marketing, and finance or venture capital. Therefore, careful planning is needed, including determining the amount of livestock production by adjusting the capacity or available resources, planning steps for marketing activities, and managing finances by taking into account the sources of funds and their use. The framework chart can be seen in the following figure:

Figure Framework for Fisheries Business Development Strategy



HYPOTHESIS

a. There is an influence of business behavior based on aspects of production, marketing, and financial management on the development of sales in the livestock fishery agribusiness business in Pangkep district.
b. There is an influence of the development of sales on increasing the profit of the fishery products business in Pangkep district.
c. There is an indirect effect of business management behavior based on aspects of production, marketing, and financial management on increasing business profits through the development of sales in fishing businesses in Pangkep district.

RESEARCH METHODOLOGY

In this study, the data used were qualitative, which were quantified and arranged in the form of a cross-section. The cross-sectional method involves the collection of data over the required period of time (Husain, 2004:43). The research design is grouped into descriptive research to describe the characteristics of variables related to phenomena that occur based on the perceptions of respondents, in this case fishery business actors. As for answering the research hypothesis, explanatory research is used, namely research that examines the relationship between variables.

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The variables studied are: production capabilities with symbols (ξ_1), marketing capabilities with symbols (ξ_2), and financial capabilities (ξ_3). These three variables are exogenous variables or independent variables. Next is the development of sales with symbols (η_1) as an intermediate variable (intervening variable), and business profitability with symbols (η_2) as the dependent variable (dependent variable or endogenous variable).

The population in this study is all members of the fisherman and fish farmers group in Pangkep Regency, South Sulawesi Province, in 2021, for a total of 250 people who are business owners (Kantor Dinas Perikanan Provinsi Sulsel, 2021). Furthermore, the determination of the number of samples is done by using saturated sampling. Sugiyono (2008) suggests that a saturated sample is a sampling technique when all members of the population are used as samples. Furthermore, taking samples based on the existing population allows researchers to generalize with very small errors. Another term for saturated sample or census, where all members of the population are sampled. Data tracking was carried out using documentation, observation, questionnaires, and interview techniques. Secondary data was collected based on documentation techniques, which are data collection techniques from documents that are relevant to the problem under study. Primary data collection is carried out through the following steps: 1) observation, namely direct observation of the object under study to obtain more accurate information, 2) questionnaires, namely collecting data through written questionnaires using a closed questionnaire type through a set of questions containing alternative answers based on a Likert scale, 3) Interview, in which the researcher conducts direct interviews with respondents by asking a number of questions at once as a cross-check of the questionnaire data.

a. **Research Instrument Testing**

Testing of research instruments was carried out through the validity and reliability of the instruments empirically to find out whether the instruments were understood and responded to by the respondents. The validity test technique used is the correlation technique through computerized product moment correlation coefficients from Pearson. The coefficient significance test ***r*** done by test ***t*** (significance level 5%). The decision is said to be valid if the tcount value is greater than ttable. Based on the computational results, it appears that the instrument test results for all items are valid. Furthermore, an instrument reliability test was carried out to find out whether the instrument questions showed the level of accuracy, stability, or consistency in expressing certain symptoms from the respondents, even though they were carried out at different times for valid questions.

The test technique used is the split-half correlation technique using the Spearman-Brown formula. The interval scores of items that are in an odd sequence are added together to obtain a total score of odd divisions. Likewise, the intervals of even consecutive items are added together to obtain a total score of even divisions. The test decision is taken by comparing the values t_{hitung} with value t_{tabel}. The instrument is considered reliable if the value $t_{hitung} > t_{tabel}$. Based on the computational results, it shows that the results of the instrument reliability test are declared reliable, indicated by the *Cronbach' Alpha* value above 0.8 and are stated to be very good.

b. **Data Analysis Design**

Ordinal data obtained through the Likert scale method related to respondents' responses regarding production activities, marketing, finance, sales volume, and the level of business profitability. As for capturing data based on respondents' responses to the variables studied, it is done by grouping data based on class intervals so that the classification of answers can be determined based on the Likert scale by following the order starting from Very Capable (VC), Capable (C), Capable Enough (CE), Less Able (LA), and Not Able (NA). This was done to equate the data obtained from each of the variables studied (Husain, 2004). Ordinal data obtained through a Likert scale is then converted into interval data using the method of successful interval (MSI). The obtained interval data were then analyzed using Structural Equation Modeling (SEM) analysis. Testing the hypothesis in this study was carried out empirically based on technical analysis of Structural Equation Modeling (SEM) with the help of Lisrel Version 8.5 software. The hypothesis put forward in this study aims to obtain the results of studies related to the relationship between exogenous and endogenous variables. Exogenous Variable (ξ) consists of variable Production Capability (ξ_1), Marketing Capability (ξ_2), and Financial Management Capability (ξ_3). While the intervening or intervening variable is Sales Development (η_1), while the endogenous variable is Business Profit (η_2).

RESEARCH RESULT

a. Structural Equation Modeling

The use of Structural Equation Modeling (SEM) is based on two model approaches, namely the measurement model and the structural model. Each of these two models contributes both to the size or value of the relationship between each variable and indicator and to the structure of the relationship between variables, which describes a constellation of relationships between variables built on the basis of theory or theoretical constructivity.

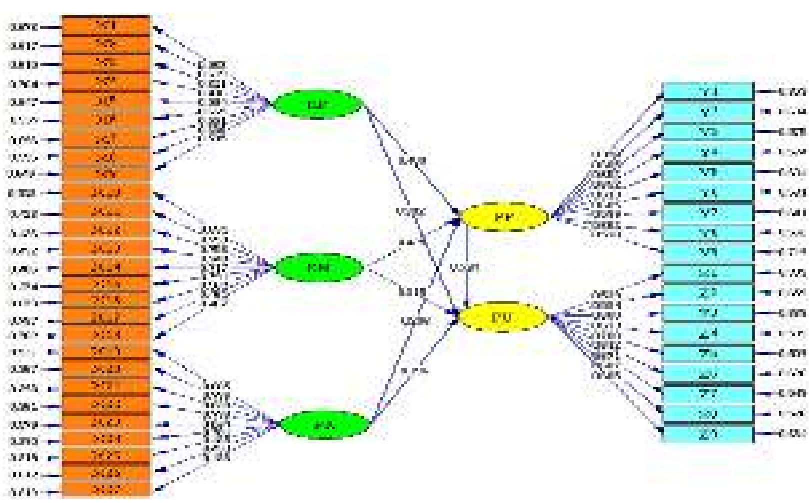
b. Measurement Models

An empirical model can be said to meet the criteria if the absolute fit measurement results show goodness of fit on the RMSEA measure. The test results show that the RMSA value is close to 1, so it can be said that the resulting model meets the goodness of fit index requirements. The measurement model of all latent variables shows that the magnitude of the contribution of each dimension or manifest variable is above the specified degree of conformity, namely 0.7 with a calculated t value greater than the critical t value of 1.645 obtained through an alpha of 0.05 in degrees of freedom (df) of 250. Furthermore, the variance extracted value obtained is above the recommended value, namely 0.5.

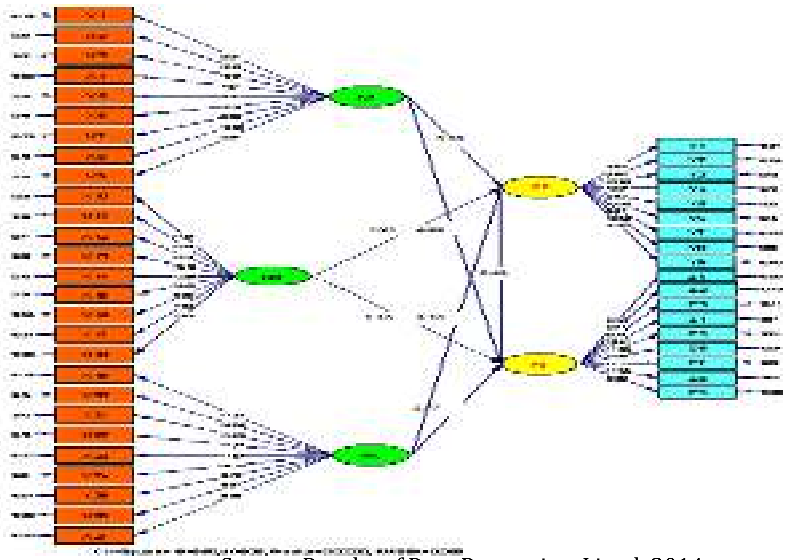
c. Structural Models

The results of data processing, obtained a full model path diagram as shown in the following table.

Figure 2. Full Model Path Diagram



Source: Results of Data Processing, Lisrel, 2014



Source: Results of Data Processing, Lisrel, 2014

Figure 3. Structural Model and Measurement of T Values

d. Hypothesis testing

The formulation of structural equations between construct variables used to test the hypothesis in this study is as follows.

$$\eta_1 = 0{,}409\,\xi_1 + 0{,}425\,\xi_2 + 0{,}206\,\xi_3 + 0.694$$
$$(5.386) + (4.043) + (3.023)$$

$$\eta_2 = 0{,}303\,\xi_1 + 0{,}316\,\xi_2 + 0{,}196\,\xi_3 + 0.5245\,\eta_1 + 0{,}9875$$
$$(2.878) + (2.197) + (2.768) + (3.207)$$

a) Test Hypothesis One

The formulation used for testing the first hypothesis is:

$$\eta_1 = 0{,}409\,\xi_1 + 0{,}425\,\xi_2 + 0{,}206\,\xi_3 + 0.694$$

The results of the path analysis revealed that the magnitude of the contribution of the overall direct influence of the independent variables on marketing development was 39 percent. This amount is far greater than the indirect effect through the independent variables, namely 0.098 or 9.8 percent. Meanwhile, the magnitude of the direct influence contribution is obtained by multiplying the path coefficients of each independent variable. The influence value based on the path coefficient shows that the marketing ability variable is more dominant, has a significant level of direct or indirect influence on marketing development compared to other variables, and is followed by the production capacity variable. Overall, the contribution of the influence of the three independent variables (production ability, marketing, and financial management) on marketing development can be said to be quite significant, namely 0.5 or 50 percent. Thus, the results of the first hypothesis test are in accordance with the proposed hypothesis.

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b) Second Hypothesis Test

The formulation used for testing the first hypothesis is as follows.

$$\eta_2 = 0{,}303\,\xi_1 + 0{,}316\,\xi_2 + 0{,}196\,\xi_3 + 0.5245\,\eta_1 + 0{,}9875$$

Based on this equation, the magnitude of the contribution of the influence of sales development on business profit is $(0.5245)^2$, namely: 0.2751 or 28 percent. Furthermore, the calculated t value is 3.21 greater than the critical t value of 1.703 so that it can be said that the sales development variable has a significant influence on the business profit variable or the results of the second hypothesis test are in accordance with the proposed hypothesis.

c) Third Hypothesis Test

The formulation used for testing the third hypothesis is as follows.

$$\eta_1 = 0{,}409\,\xi_1 + 0{,}425\,\xi_2 + 0{,}206\,\xi_3 + 0.694$$

$$\eta_2 = 0{,}303\,\xi_1 + 0{,}316\,\xi_2 + 0{,}196\,\xi_3 + 0.5245\,\eta_1 + 0{,}9875$$

The level of significance of the total effect indirectly can be known through the calculated F value with the following formulation:

$$[(R^2)/K] \,/\, [(1 - R^2)/(n - k - 1)$$

Where:

R^2 : standardized quadratic loading
K : number of variables that follow
n : number of respondents

Determining the value of F table can be done through the following formula formulation.

FINV(probability, deg_freedom)

The calculated F value obtained is 1.4939, while the F table value obtained is 1.2333 at alpha 0.05, where df1 = 245 and df2 = 250. Thus, the simultaneous influence of the variables of production capacity, marketing, and capital management on business profit through marketing development is significant, and the results of statistical tests are in accordance with the hypothesis proposed in this study. As for the variable that dominates the indirect effect on business profit through marketing development, it is the marketing capability variable, followed by the production capability variable. Thus, it can be said, both directly and indirectly, that the marketing ability variable has a dominant influence on business profit.

RESULT AND DISCUSSION

The results of the analysis explain that there is an influence of business behavior based on aspects of production, marketing, and financial management on the development of sales in fishery and agribusiness businesses in Pangkep district. Furthermore, it was found that the marketing capability variable has a dominant influence among the other independent variables and is followed by the production capability variable. On the other hand, the significance level of the influence of each independent and intervening variable is quite significant on operating income. So that it can be stated that in general, the business actors of fishing communities and small-scale land fish farmers in the two Pangkep districts have production, marketing, capital management, and marketing development capabilities that significantly affect operating profits.

The results of the respondents' responses indicated that the majority of respondents responded that production capabilities were based on efforts to find various ways to increase the quantity of fishery product production. This indicates that, in general, respondents tend to try to create new methods or ideas for increasing the quantity of their production based on the development of entrepreneurial character among fishery business actors in Pangkep district. Ajzen (2005:3) suggests that attitude is a response to an attitude object that influences a person to support or not support, to please or not, through a cognitive, affective, and psychomotor evaluation process. Furthermore, according to Harris et al. (2000: 5), the success of an entrepreneur is based on ability or competence, namely knowledge, skills, willingness, and individual qualities shown through personality values such as the desire to realize new ideas or ideas to support the business activities being carried out. While Timmons (2008: 7–11) identified several characteristics of entrepreneurs, including: 1) having power and driving force; 2) dealing with failure; 3) having initiative and personal responsibility; and 4) tolerance for uncertainty. Thus, it can be stated that the behavior of fisheries businesses in Pangkep Regency generally seeks to increase the production of land fish and captured fish through creativity and innovation. This is based on internal and external factors that shape a person's attitude toward perceiving a stimulus through his cognitive, affective, and conative abilities. Fishery business actors generally have creative and innovative abilities, as indicated by partial personality values. Production ability has a significant positive influence based on entrepreneurial-oriented attitudes and behaviors.

In terms of the development of sales, it is mainly related to the ability of breeders to provide many choices, both in terms of size and price levels, that are attractive to consumers. In addition, fishery business actors pay attention to the level of control related to the balance between the amount of fish production and the number of market needs, as well as the timeliness of market distribution, so as to overcome the occurrence of excess or shortage of supplies as well as the timely sale of products that are carried out correctly so as to avoid losses. Production capability is not only based on the number of products produced but also on the ability to control the smooth production process so as to be able to balance the desired capital, marketing, and sales capabilities. Production capability has an indirect positive effect that is less significant on operating income through sales growth, as indicated by the positive contribution of the loading factor of 0.034, or 3.4 percent, compared to the direct effect of 0.09, or 9 percent. This indicates that the ability of fishing businesses to increase sales development is not absolute from managed fishery production but can be sourced from farmers and other fishermen with a profit-sharing system or sold to collector traders. Rasyaf (102: 2000) argues that domestic chicken sales still adhere to a traditional marketing system where the purchase and sale of fish are carried out through collectors, both juveniles and adults, and then distributed to the market.

The findings in the field show that not a few fishermen and fish farmers in Pangkep district are involved in the fish farming system by receiving seeds and fish feed along with medicines and selling them back to breeders to be raised again for a certain period of time. The results of the enlargement are then handed over to the collectors at an agreed-upon price level. Saptana et al. (2002) argue that fish farming has developed so far through a business partnership system with the owner of capital as the core and the fishing business as the plasma, which provides cultivation locations, equipment, and workers to receive feed, vaccines, and regulation and supervision of production programs. The fisheries expert further stated that it is not uncommon for fishing businesses to be in a weak position, especially with regard to bargaining power, because everything is determined by the owner of capital. This is an indication of the lack of contribution from the aspect of production capability to sales development, which has an impact on increasing profit or operating profit.

Based on the two results of the analysis above, it can be explained that the contribution of the direct influence of the production capacity variable on sales development is far greater than the indirect effect by taking into account other variables, namely marketing ability and capital or financial management ability, on sales development. Furthermore, the direct effect of the production capacity variable on profit or business profit is much smaller than the indirect effect through sales development. So increasing business profits is far more important if the company emphasizes production capabilities that are oriented towards sales development than if they are oriented towards business profits. Thus, the achievement of fishery business profits can be realized through production capabilities that are oriented towards increasing sales by taking into account marketing capabilities and financial management capabilities.

Marketing capability for small-scale businesses is generally constrained by access to market information and the strong role of capital owners who are willing to buy and accommodate several chicken breeders at a certain price level. Under these conditions, it is an obstacle for some breeders to be able to increase sales growth, which in turn has an impact on increasing their business profits. This study discusses the effect of marketing capabilities on increasing sales development and its effect on increasing operating profits. Gusasi and Saade (2006) suggest that differences in operating profit can be determined by marketing ability through sales development, so that the differences in benefits and profits obtained at each level of business scale can be clearly defined based on marketing management.

The results of the analysis show that marketing ability has a positive influence of 42.5 percent on sales development. The influence contribution is shown through three dimensions and nine indicators of marketing ability. The most dominant indicator contributing to increased sales is an indicator of product distribution related to the ability to adapt to consumer needs, both in terms of product quantity and quality as well as the timeliness of delivering products to consumers. The next dimension is the target market, especially related to the ability to plan target markets and market segmentation. Solomon and Elnora (2003:221) define segmentation as "the process of dividing a larger market into smaller pieces based on one or more meaningful, shared characteristics". Market segmentation can assist managers in utilizing their resources effectively and efficiently in order to improve service and customer satisfaction, which in turn can increase the number of sales through regular and potential customers.

From this opinion, it can be said that market segmentation is a customer-oriented manager's policy for cost savings. This emphasizes the importance of customer orientation (current customers) as a more cost-effective way to build customer loyalty, which has an impact on a profitable business. Increased customer loyalty will be an opportunity for the formation of advocates for companies in disseminating information to other consumers, such as friends, relatives, and colleagues, so they want to buy products and services from the same company. Thus, it can be stated that marketing capabilities based on targets and market size through the development of market segmentation are demands for fishing communities and inland fish farmers to be able to increase their business sales volume. Meanwhile, other factors that play a role are the broad dimensions of the market, especially those related to indicators of expanding the distribution of goods.

This study explained the contribution of marketing ability to business profits through sales growth. The results of the analysis show that the magnitude of the contribution of the indirect effect of the marketing capability variable on business profits through sales growth is 0.2397, taking into account the variables of production capacity and financial management ability. Meanwhile, the direct effect of the marketing ability variable on business profit is 0.035, much smaller than the indirect effect. In other words, the influence of the marketing capability variable is far greater in its contribution to increasing business profits if you pay attention to aspects of production capability and financial management capabilities that are oriented towards increasing sales than if marketing capabilities are only oriented towards achieving profits or business profits without considering the aspects of production and management capabilities. financial and sales development. Gaspersz (2008:74) argues that marketing strategy is closely related to distribution channel activities in increasing the sales turnover of a product. This indicates that achieving sales targets is inseparable from the company's ability to plan and execute appropriate marketing programs. Furthermore, according to Freddy Rangkuti (2009: 207), sales volume is indicated by achieving the target number of sales of products or services assessed, both in units and rupiahs, in a certain period of time.

Freddy further stated that companies that have good performance can be measured by the growth in the number of customers and increased sales volume through appropriate marketing programs, which will have an impact on achieving the desired company profit or operating profit. While Dalimunthe (2004: 83) says that the amount of profit earned depends on the number of sales of goods marketed through well-planned marketing programs, it can be argued that marketing capabilities require analysis of several aspects of marketing before starting a business because the company's main source of income comes from selling the products it produces.

In this regard, marketing capabilities have a major contribution to make in increasing operating profits through achieving sales targets by taking production capabilities and financial management capabilities into account. Based on the results of the analysis related to the hypothesis testing proposed in this study, the results are in accordance with the researchers' expectations that marketing ability has an indirect influence on increasing operating profits through the development of sales of fishery products in Pangkep Regency.

Furthermore, regarding the ability to manage finances or business capital, one of the weaknesses generally faced by small and medium enterprises in evaluating the level of success achieved is a lack of attention to the importance of financial records related to spending activities and financial receipts from every business activity carried out. One of the skills that must be possessed by entrepreneurs, especially small and medium-sized ones, is the ability to manage finances to avoid failure in running a business. Not a few businesses have failed due to the lack of skills and knowledge of business actors in managing finances, including those related to recording and evaluating business finances. Business financial management requires reports or financial records related to business activities carried out. Based on the results of the analysis, it shows that most of the respondents have a fairly good ability to manage their finances. Furthermore, from the results of the SEM analysis, information was obtained that the ability to manage finances had an influence on sales development by 0.042 percent, or 4.2 percent, and had a positive value taking into account the variables of production capability and marketing ability. The magnitude of the contribution of this influence can be said to be less significant or not have a large impact, but it has an influence on increasing sales development by taking other variables into account.

Gill et al. (2006) argued that financial management is part of business control based on financial statement records, which can provide an overview of the level of business success and assist in planning business development in the future. The financial reports contain information, including the achievement of profit or loss, the amount of costs, and capital, so that they can be used as a basis for determining business development plans through production, marketing, sales, and plans for achieving the expected profit in the future. Furthermore, the Bank Indonesia Financial Management Institute (2013) states that, in general, the objectives of financial management include achieving future funding targets, protecting and increasing the wealth owned, managing cash flow (incoming and disbursing money), and managing debts. Thus, through proper financial management, it does not absolutely have a direct effect on sales development but makes a major contribution to the smooth running of other activities, such as marketing, production, and administration, so that it greatly assists the company in determining the direction and goals of business development in the future, especially those related to business development.

One of the company's main goals is to achieve profit, also known as being profit-oriented. The achievement of maximum profit is, of course, based on the ability of business owners to manage various activities needed for the smooth running of their business, including good financial management. The ability to manage finances is a form of skill that needs to be possessed by every business actor, including small and medium scale business actors. In this case, the research unit is the fishery business actor in Pangkep Regency. As for the contribution of indirect influence to business profits through sales growth, it was obtained at 0.1234 percent, or 12.34 percent, taking into account the variables of production capability and marketing ability. Meanwhile, the direct effect of the financial management capability variable on business profit yielded a result of 3.84 percent, which was much smaller than the indirect effect through sales growth. This indicates that the ability to manage finances has a much greater contribution if it is based on a sales growth orientation than if it is profit-oriented. Manage or manage finances well, so you can know when a company needs funding and know the company's performance through the level of business profitability achieved within a certain period of time. Thus, proper financial management can provide opportunities for companies to develop towards increasing profitability through production, marketing, and sales activities.

CONCLUSION

Based on the responses of respondents, fisheries business actors in Pangep Regency generally have quite good production, marketing, and financial management capabilities, as well as the development of sales and business profits that have been achieved so far. Furthermore, the development of fishing business sales in the area is generally determined by the ability of the production, marketing, and financial management of business actors, as indicated by the positive influence of the variables of production capacity, marketing, and financial management on sales development. On the other hand, partially marketing ability has a dominant influence on sales development, followed by production ability. While the development of marine capture fisheries business sales has a positive effect on operating profit, Next, it concludes that the achievement of operating profit is determined by the ability of production, marketing, and money management through sales development. This can be seen from the magnitude of the indirect influence of endogenous variables that have a positive value on operating profit through the intervening variable of sales development. On the other hand, directly or indirectly, the development of sales has a dominant and positive influence on operating income.

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