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How Indonesian Students Define Entrepreneur Profession?

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Abstrak

Pada tahun 2018, wirausahawan di Indonesia meningkat signifikan dari 1,6% menjadi 3,1% dalam kurun waktu tiga tahun. Dalam rangka meningkatkan jumlah wirausahawan di Indonesia, pendidikan kewirausahaan pada perguruan tinggi memiliki peranan yang penting untuk menumbuhkan minat berwirausaha. Berdasarkan studi pustaka mengenai pendidikan kewirausahaan, pola pikir berwirausaha pada pelahar diperkuat dengan adanya kemampuan pendidikan dalam membedakan profesi wirausahawan dengan profesi lainnya. Studi ini bertujuan untuk mengkonstruksi konsep diri tertentu yang mendefinisikan karakteristik profesi wirausaha. Dalam menguji bagaimana atribut membentuk karakteristik profesi, penelitian ini menggunakan PLS-SEM untuk mengkonfirmasi model. Penelitian ini menggunakan sampel 303 mahasiswa yang berpartisipasi dalam pendidikan yang mendidik pola pikir kewirausahaan. Hasil penelitian menunjukkan bahwa profesi wirausaha yang mendefinisikan konsep diri meliputi kreativitas wirausaha, kemampuan pengenalan peluang, dan kemampuan manajemen risiko.

Kata Kunci: Indonesia, entrepreneurial mindset, entrepreneurial attitudes, entrepreneurship education, entrepreneur

Abstract

In 2018, the growth of Indonesian entrepreneur increased significantly from 1,6 % to 3,1 % over three years. In order to increase the number of entrepreneurs in Indonesia, entrepreneurship education at universities has an important role to foster interest in entrepreneurship. Drawing on entrepreneurship education literature, entrepreneurial mindset in students will be strength if education have ability to distinguish entrepreneurs from other profession. This study aims to construct attributable to the particular self-concept which define entrepreneur profession characteristics. In testing how attributes forming profession characteristics, this study uses PLS-SEM to confirm the model. This study uses a sample of 303 undergraduate students participating in the educational setting that educate entrepreneurial mindset. Findings shows that self-concept defining entrepreneur profession include entrepreneurial creativity, opportunity recognition capability, and risk management capability.

Kata Kunci: Indonesia, entrepreneurial mindset, entrepreneurial attitudes, entrepreneurship education, entrepreneur

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INTRODUCTION

The Indonesian economy in 2018 have increased 5.17% higher than the achievement in 2017. The significance of this growth was driven by the business sector, especially the service sector, which contributed 9.08% to the Indonesian economy (Badan Pusat Statistik, 2019). In that year, the number of entrepreneurs, which were dominated by MSMEs, increased significantly over the past three years from 1.6% to 3.1% of people in productive age (CNN Indonesia, 2018) Even though the number of entrepreneurs has reached the minimum percentage of 2% of the population, this figure is still lag behind from South-east Asian countries, namely Malaysia (5%), Singapore (7%), Thailand (4.5%), and Vietnam (3.3%) (KOMINFO, 2018). Therefore, the existence of the entrepreneur profession in Indonesia is important to support economic prosperity.

Establishing an entrepreneurial mindset is important to sustain the competitiveness of economic organizations and the socioeconomic lifestyle of the population through value and job creation (Asenge, Diaka, & Soom, 2018). The implementation of concrete entrepreneurship education will basically equip students with knowledge and attitudes that can encourage the entrepreneurial spirit among students (Wu & Wu, 2008). More specifically, Mudde, Widhiani, & Fauzi, (2017) argues that universities should accommodate entrepreneurship education (as a method to generate an entrepreneurial mindset, encourage students to become entrepreneurs, and commercialize research results into products and services.

Drawing on entrepreneurship education literature, various formulas have been found to define entrepreneurial mindset. Robinson and Gough (2020) Robinson and Gough (2020) argue the value in defining entrepreneurial mindset need to identify valuable characteristics yet beneficial to capture the way of thinking as entrepreneur. Previously, entrepreneurial mindset was considered cannot be taught in education. However, the development of attitude model of entrepreneurial mindset raise significant implication for education. In providing useful attributes of an entrepreneurial mindset, entrepreneur profession must be able to capture distinguishable characteristics from other profession (Robinson & Gough, 2020). Meaning entrepreneurial mindset can be educated if educators successfully differentiate entrepreneurs from people who are not entrepreneurial.

The goal of Teaching entrepreneurship often associated with developing a sense of initiative and entrepreneurship (Morselli, 2018). The building blocks of an entrepreneurial mindset are composed by entrepreneurial attitudes (Lackeus, 2015). The feature of entrepreneurial attitude which must be instilled in entrepreneurship students are creativity, risk-taking, autonomy, and responsibility (Morselli, 2018). Lackeus (2015) suggests dealing with uncertainty and ambiguity construct entrepreneurial attitudes. Functional attributes in entrepreneurial attitudes are generating novel ideas, evaluating opportunities and risks, and initiate the ideas (Asenge et al., 2018).

Although entrepreneurial attitude enrich what takes to become entrepreneurial, research aim to construct rigid entrepreneurial identity still few. According to Donnellon, Ollila, & Williams Middleton (2014), developing entrepreneurial identity within educational setting occurs identity conflicts in students mind. Identity conflicts associated with what constitute entrepreneur profession occur in some culture and social groups. Culture and social groups primary shape social cues that influence individual sense of belonging which probably differentiate them from social groups (Donnellon et al., 2014). Indonesia has highly diversity in culture and social group. Hence, identity conflicts associated with entrepreneur profession may occur within educational settings.

Kusmintarti, Anshori, Sulasari, & Ismanu (2018) study cluster of Indonesian students` due to entrepreneurial attitude and motivation. Based on the study, there are three clusters of entrepreneurial attitudes : creativity, social networking, and need for achievement in develop undergoing business. This study aim to reinforce by focusing on management skills in finding out idea in enterprising the business namely entrepreneurial creativity, opportunity

identification capability, and risk management capability.

The definition of entrepreneurial creativity is acts as well as thinking process to discover a product/services (Hultén & Tumunbayarova, 2020). Creativity are recognized the decision-making ability and insightfulness (Papagiannis, 2018). Continues creation of new and innovative products or services requires ability to think creatively (Kuckertz & Wagner, 2010). Due to business sustainability, continuity in creative have major effect on SMEs performance in the long run (Asenge et al., 2018).

Discovery spectrum in entrepreneurial creativity depends on entrepreneur environment and their works to make opportunity into existence (Clydesdale, 2012). Opportunity identification capability (OIC) enable entrepreneur to translate idea into opportunity of business potential (Hultén & Tumunbayarova, 2020; Lindberg, Bohman, & Hultén, 2017). Recognizing opportunity embedded in entrepreneur's cognitive mechanism through obtaining information from various sources (Ozgen, 2011). Identifying how opportunities arise requires sensitivity to market and non-market dynamics.

Raising opportunity into existence requires entrepreneurs' sensitivity regarding market and non-market dynamics. Both dynamics considered to be uncertain, volatility, complex, and ambiguous (Clydesdale, 2012). Uncertainty in business condition forced entrepreneurs getting tolerance with ambiguous situations. Risk management capability (RMC) associated with a person's ability to manage ambiguities, risk, and intuition when they are developing new product (Hultén & Tumunbayarova, 2020; Lindberg et al., 2017).

METHODS

The respondent of this study were students from all departments, both engineering and business, who were taking entrepreneurship study as a mandatory course for all departments at the State Polytechnic of Bandung, Indonesia. The students took the course in 2020, with a number of 303 students (155 engineering & 148 business), 69 % female and 31% male. The participants were 61.1 % students from middle year, 30.4% students from final year, and 8.6% students from first year. According to Slovin's formula, the minimum sample size is 269 students from a total 825 with a confidence interval of 95 %. Herein, the participant of study reached minimum sample.

This study used deductive approach and utilized **the** existing theory to understand research problems. There are four variables to be tested, namely entrepreneurial creativity (EC), opportunity identification capability (OIC), risk management capability (RMC), entrepreneur profession (EP). Measurement of EC, OIC, and RMC was based on Hultén & Tumunbayarova (2020) study which measures the impact of these variables to entrepreneurial mindset. This study also modified EC targeting inventive thinking (Boyles, 2012) and creative self-identity (Karwowski, 2014). The measurement of EP is based on statement from Robinson & Gough (2020) who stated that there are distinctive views of entrepreneur from others.

Data collection method was survey method using online questionnaires. Responses were put in 5-level-likert scale with 1 represents strongly disagree, 2 for disagree, 3 for moderately agree, 4 for agree, and 5 for strongly agree. Online questionnaire was distributed from courses lecturer to students who have finished a compulsory course on entrepreneurship. The hypotheses regarding mindset forming were tested using PLS-SEM. This study tested following hypotheses:

H1 : there is positive relationship between entrepreneurial creativity and entrepreneur profession

H2 : there is positive relationship between opportunity recognition capability and entrepreneur profession

H3 : there is positive relationship between risk management capability and entrepreneur profession

RESULT AND DISCUSSION

The PLS method was first used to assess self-concept pertaining entrepreneur profession: entrepreneurial creativity, opportunity identification capability, risk management capability. Using the data from a sample of 303 students, the measurement of the model's parameters was estimated, such as factor loadings, Cronbach's alphas, average variance extracted (AVE), composite reliability (CR), and discriminant validity. The first component of measurement item evaluation was the reliability of each statement that corresponds a variable. The value of factor loading represented statement strength to explained variables (see table 1). Hair, Sarstedt, Ringle, & Mena (2012) argue that factor loadings value greater than 0.7 have represented at least 50% of the indicator's variance and have to be explained. Reliability of variable was assessed using Cronbach's alpha (α) and composite reliability (CR). The α values for variable constructs were all more than 0.8 indicating the measurement is reliable (Nunnally, 1978). The CR value for each variable also exceeded the acceptable level of 0.6 (Bagozzi, R. P., & Youjae, 1988) ranging from 0.893 to 0.920, which indicated the measures for these constructs were highly reliable (see table 1).

Table 1. The result of measurement item evaluation

Variable	Queries	tems	Parameter		
			Factor Loading	Reliability of variable	Validity of variables
Entrepreneur Profession (EP)	Way of thinking as entrepreneur must be different from worker	P1	.851	α = .840 CR= .893	AVE = .676
	Leadership of entrepreneur must be different from worker	P2	.825		
	Responsibility of entrepreneur must be different from worker	P3	.826		
	Entrepreneur has different impact from worker	P4	.786		
Entrepreneurial Creativity (EC)	Be able to generate various ideas	C1	.829	α = .891 CR= .920	AVE = .696
	Recognize patterns and think differently	C2	.836		
	Be able to bring something new and original into existence	C3	.864		
	Good capability to think creatively	C4	.832		
Opportunity Identification Capability (OIC)	Learn from and adapt to the best solutions	IC1	.812	α = .870 CR= .906	AVE = .658
	Be able to evaluate multiple ideas to determine the true opportunities	IC2	.824		
	Often find potential opportunities to improve	IC3	.829		
	Making new product or service innovation	IC4	.797		
Risk Management Capability (RMC)	Entrepreneur can make business decisions from limited data	MC1	.870	α = .880 CR= .917	AVE = .735
	Entrepreneur can measure business risk	MC2	.859		

	Entrepreneur can analyze the experience to develop new strategies to anticipate disadvantage in the future	MC3	.859		
	Entrepreneur will do the plan although the condition is uncertain	MC4	.841		

Validity of variable was assessed using average variance extracted (AVE) in table 1 and the square root of the AVE value (the bold value in diagonal line) in table 2. Convergent validity was measured using the AVE and AVE values greater than 0.5 represents convergent validity (Anderson & Gerbing, 1988). Table 1 shows AVE values greater than 0.5 for all seven observed variables. The square root of the AVE value (the bold value in diagonal line) of the construct should be above the correlation among the variables to be considered to have discriminant validity (Ravand, 2016). Discriminant validity represents whether the constructs are sufficiently distinct from each other. Table 2 depicts that each dimension of variable shows the value fewer than square root of AVE.

Table 2. Discriminant validity of model variable

	Distinctive Profession	Entrepreneurial Creativity	Opportunity Identification Capability	Risk Management Capability
Entrepreneur Profession	0.822			
Entrepreneurial Creativity	0.630	0.834		
Opportunity Identification Capability	0.683	0.800	0.811	
Risk Management Capability	0.638	0.777	0.803	0.857

The next step in the data analysis is theoretical model evaluation. The procedure estimates the measurement and theoretical model simultaneously. PLS software was used to test research hypothesis and assess direction, strength, and level of significance of the path coefficient. the dependent variable is explained through the associated independent variable (Ramayah, Chuah, Hwa, & Ting, 2016). The relationships among the variables were then assessed. Figure 1 shows significant link in the structural model. A significant relationship among the variables in the research hypothesis was represented by a path coefficient with a significant level of p-value. Based on the hypothesis testing, all hypotheses have been supported in the different level of significance. A level of significance of 0.01 was represented in H1, H2, H3.

The first significant factor was opportunity identification capability (H2). This study improve prior study of Kusmintarti, Anshori, Sulasari, & Ismanu (2018) who have not added opportunity identification in entrepreneurial characteristics. The strongest representative statements of OIC was "often find potential opportunities to improve" (OIC3) and the weak was "Learn from and adapt to the best solutions" (OIC1). The statement OIC3 strongly associated with entrepreneurial alertness. Entrepreneurial alertness makes entrepreneurs have better ability in evaluation as well as judgment of entrepreneurial opportunities (van de Sandt & Mauer, 2019). Neneh (2019) argue entrepreneurial alertness plays significant contribution in identifying opportunity.

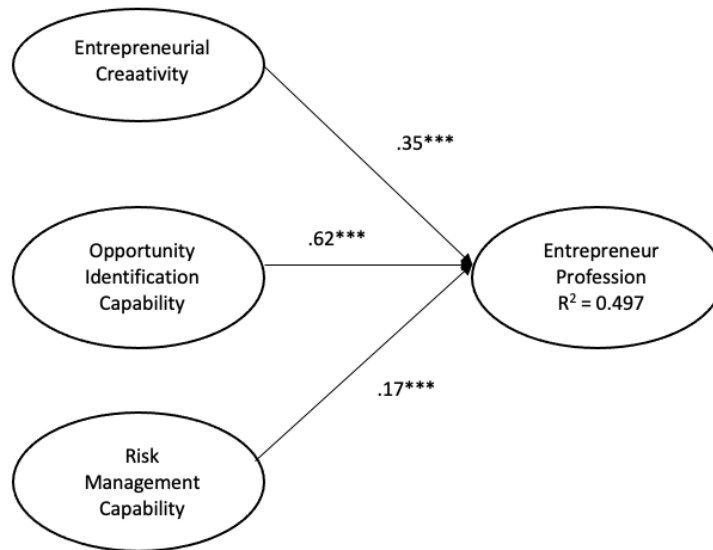


Figure 1 Theoretical Model Evaluation

The second significant factor was entrepreneurial creativity (H1). This study is consistent with the prior study of Kusmintarti, Anshori, Sulasari, & Ismanu (2018) in Indonesian student perspective regarding creativity. The strongest representative statements of EC was “Be able to bring something new and original into existence” (EC3) and the weak was “Be able to generate various ideas” (EC1). The statement EC3 strongly associated with the core of inventive thinking from the study of Boyles (2012). Furthermore, inventive thinking requires several attributes such as higher order thinking skills, allowing the application of analysis, comparison, inference and interpretation, evaluation, and synthesis to develop new solutions to complex problems (Ozgen & Minsky, 2013). Meaning that, the most salient perspective of EC to represent entrepreneur profession was inventive thinking.

The third significant factor was risk management capability (H3). This study is consistent with the prior study of Kusmintarti, Anshori, Sulasari, & Ismanu (2018) in Indonesian student perspective regarding risk propensity. The strongest representative statements of risk management capability (RMC) was “entrepreneur can make business decisions from limited data” (RMC1) and the weak was “Entrepreneur will do the plan although the condition is uncertain” (RMC4). Hayes and Richmond (2017) argued orientation of risk is dynamic and can be influenced by many constraint and assumption.

CONCLUSION

This study aims to construct attributable to the particular self-concept which define entrepreneur profession characteristics. Findings shows that self-concept defining entrepreneur profession include entrepreneurial creativity, opportunity recognition capability, and risk management capability. The most significant self-concept is opportunity identification capability. The least significant self-concept is risk management capability. These finding suggest improvement in risk propensity explaining how entrepreneur manage business risk.

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