

# Success in Management of Student Businesses with Personal Characteristics, Government Assistance and Entrepreneurship Curriculum



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**Abstract:** *This research looks at the success of managing student businesses based on personal characteristics, government assistance, and entrepreneurship curriculum. The study was conducted in South Sulawesi Province, Makassar City, using primary data and secondary data. Primary data is obtained through observation and in-depth interview techniques to students of business actors in the research area, while secondary information collected from various published sources. The analytical method used is a descriptive-analytic approach. The results of this study indicate that: (1) the success of student businesses is supported by personal characteristics, government assistance, and entrepreneurial curriculum learning. (2) The strategic role of students in developing a transaction includes: (a) formulate strategies for developing micro and small enterprises through (i) soft skills-based entrepreneurship and business management and (ii) conducting intensive, systematic and integrated education and training on business management and entrepreneurship based on science and technology. (b) Providing easy access for students of business actors whose business plan is deemed feasible by the assessment team.*

**Keywords:** *Strategy Development, Entrepreneurship, Students, Indonesia*

## I. INTRODUCTION

In the current era of globalization, the world has entered a new era, where people globally have lived with a modern and more open form following the progress of the times. Now people can interact easily through social media without knowing each other. According to Peter Drucker, globalization is an era of knowledge with the primary resources of society no longer relying on nature, but on the experience, "the primary resource will be knowledge."

Society changes from a single society that has political energy, to a pluralistic society that has economic synergy, all government or private institutions in the world make global competition the target of a comprehensive strategy. In the context of a worldwide game that is increasingly open as it is today, many challenges must face. Every country must compete by highlighting the advantages of its resources. Economic resources can be empowered if human resources have creative and innovative skills.

In Indonesia, human resources face challenges and complex competition. Today many people have not got a job to meet their living costs, some of the factors, such as lack of education, lack of sufficient skills, limited employment opportunities and lack of attention from the government to create jobs. Before someone starts or establishes a business, must know about entrepreneurship. Entrepreneurship was first introduced in the 18th century with the primary goal of organizational growth and expansion through innovation and creativity. The notion of entrepreneurship is relatively different, such as the creation of new organizations (Gartner, 1988), carrying out new activities, exploring various opportunities (Kirzner, 1973), facing uncertainty (Knight, 1921) and getting together the factors of production (Say, 1803) as quoted from Sondari (2009). Entrepreneurship is a process of creativity and innovation that has a high risk of generating added value for products that benefit the community and bring benefits. Entrepreneurship is an essential part of development. Kirzner (1973) makes a clear distinction that entrepreneurship makes strategic decisions, while managers do and produce more routine tasks.

Compared to other countries, the development of entrepreneurship in Indonesia is still deficient at fewer than two percent. For comparison, entrepreneurship in the United States was recorded at 11 percent of the total population, Singapore as much as seven percent, and Malaysia as much as five percent. So, developing human resources with competition from the students to become entrepreneurs and create jobs. Entrepreneurship in Indonesia has not adequately provided a positive contribution to the intelligence and welfare of the nation, even though the potential for entrepreneurs in Indonesia is tremendous, especially when viewed from the data on the number of small and medium enterprises that exist. Until 2006, according to data from the Central Bureau of Statistics, Indonesia had 48.9 million small and medium enterprises, which absorbed around 80 percent of the workforce and contributed 62 percent outside oil and gas. The data provides a broad picture of entrepreneurial activity in Indonesia and its impact on the nation's economic progress, especially after the 1998 monetary crisis, but this great potential has not utilized optimally, there are still many problems of unemployment and the poor and the income of the Indonesian people below the poverty line.

Research conducted by Suhartini (2011) about factors that influence student interest in entrepreneurship, the results of his research show that there is a positive influence between income factors, feelings of pleasure, family environment, and education on the interest in entrepreneurship, with the dominant factor is earning income.

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The interest in entrepreneurship in someone formed through direct experience or an impressive experience and this will provide an opportunity to develop skills that lead to personal and hope for satisfying results (Lent, Brown, and Hacket, in Frazier and Niehm, 2008). Important factors that influence career development in a person are the influence of family, education, and first work experience (Krueger and Brazeal, 1994).

Dewi (2010) states that two factors influence students' interest in entrepreneurship, namely intrinsic factors and extrinsic factors. The essential element consists of feelings and emotions, income, motivation, ideas, and self-esteem, while external factors include family environment, community environment, opportunities, education, and knowledge. Intrinsic factors have the highest influence on students' interest in entrepreneurship, income factors with a percentage of 64 percent, while the lowest is self-esteem factor, with a rate of 37 percent. While for extrinsic factors that have the highest influence is the opportunity factor with a percentage of 48 percent and has the lowest impact is the family environment with a proportion of 40 percent. Nastiti et al. (2010) study that Chinese student entrepreneurship interest is influenced by the need for achievement, locus of control, self-efficacy, and readiness of instruments, while Indonesian students affected by self-efficacy.

Another study conducted by Gallyn (2011) that family environment variables, mental attitudes, and perceptions of student entrepreneurship have a positive influence on the interest in entrepreneurship student at the Education University of Indonesia. Another study conducted by Lestari and Wijaya (2012) that entrepreneurship education has a positive effect on the interest in entrepreneurship in students. For students who have a focus on entrepreneurship development, the focus of this study looks at how the management of student businesses with at the student's character indicators, how entrepreneurial spirit is carried out. The second indicator relates to government assistance; this research also tries to look at how business management conducted by students with support from the government in managing the funds. The third indicator is the entrepreneurial curriculum, containing material to foster an entrepreneurial spirit in students. Based on the description, this study will analyze the factors that influence the management of entrepreneurship in students.

## II. METHODOLOGY

This study uses a case study with a qualitative approach. This approach will be holistic and naturalistic observation, while the analysis uses the interactive model approach of Miles and Huberman (Matthew B. Miles, 2014). The primary data of this study came from interviews with purposive sampling techniques to students who owned businesses in South Sulawesi. Therefore, to ensure the level of trust from the results of this study, the validity of the data is done using: a) perseverance of observation, b) triangulation, c) carrying out the examination through discussion conclusions, d) presenting detailed descriptions; d) audit holding. The data analysis technique used in this study is an interactive model (Matthew B. Miles, 2014). This analysis consists of three necessary components, namely; data reduction, data presentation, and conclusions.

The mechanism takes place interactively; the study starts with data collection and continues until the research ends.

## III. RESULT AND DISCUSSION

Based on the results of research on the success of managing student businesses based on personal characteristics, government assistance, and entrepreneurship curriculum obtained the following results: **Personal Characteristics**

According to Tarmudji in Ginting and Yuliawan (2015), mentioning interest is a feeling of being interested or related to a thing or activity without anyone asking or telling. Furthermore, Tarmudji stated that someone's interests could express through statements that show a person is more interested in another object and through participation in an activity.

Super and Crites in Ginting and Yuliawan (2015) state that someone who has an interest in a particular object can know from speech, action, and by answering several questions. It can conclude that the investment in entrepreneurship is a feeling of attraction in creating, organizing, and running a business of its own. Whereas according to Fuadi (2009), interest in entrepreneurship is the desire, willingness to work hard to the maximum to meet their needs without feeling afraid of the risks that will occur, and strong will to learn from failure.

The results showed that the self-esteem variable had a positive and significant effect. Means that self-esteem will affect the interest of student entrepreneurship. The perception is more valued, or the emergence of self-esteem when owning a business makes students have an interest in entrepreneurship. Self-esteem is an individual's assessment of his honor, which he expressed through his attitude. For this reason, students have an interest in entrepreneurship. This research is relevant to a study conducted by Putra (2012), which states that one of the factors that influence the interest in entrepreneurship is self-esteem.

Personal challenges create a sense of wanting to try new things related to entrepreneurship interests. Problems, according to Putra (2012), is a challenge for oneself that makes someone want to prove whether he can do something that might have never done so that it triggers him to learn and try. Someone who likes challenges makes it interesting to do, or in other words, problems are opportunities that need to be explored and resolved.

Influence in students also arises because of the desire to be a boss, giving rise to a sense of interest entrepreneurship in students. One of one's obsessions is to be the boss in his own business; the desire to be a boss arises because there is a sense of wanting to own, manage, and develop their own business, just like the research conducted by Praswati (2013). The desire to be a boss has a positive and significant effect on the interest in entrepreneurship.

### Government Assistance

The results of the study indicate that the variable of government assistance has a positive and significant effect, means that government assistance raises interest in entrepreneurship in students.

Government assistance, according to Bhandari in Putra (2012), is a new thing or develops something that already exists to be different from the others. Schumpeter in Rambat (2004) supports the opinion that entrepreneurs are innovators, who are not always inventors. Entrepreneurs play a role as people who regulate the allocation of resources to exploit findings that may already exist before. With the help of the government, it will shape student leadership that gives rise to interest in entrepreneurship, as well as research conducted by Praswati (2013), that the desire to be a boss has a positive and significant influence on the interest in entrepreneurship. Means that there is capital assistance in student businesses that is flexible so that it creates interest in entrepreneurship. Some entrepreneurs use their freedom to compliant their lives and work behaviors. Many entrepreneurs do not prioritize flexibility on the one hand. They value liberty in an entrepreneurial career such as doing business on their own, picking their profits, and managing their schedules (Hendro, 2005), the results of research conducted by Mahesa and Rahardja (2012) show that flexibility in working variables has a positive influence on the interest in student entrepreneurship.

The Ministry of Cooperatives and Small and Medium Enterprises prepares a new scheme for entrepreneurship assistance in the 2018 budget. The system was developed to expand recipients of entrepreneurial aid from the previous year, one of which was for students. Entrepreneurship remains a priority program in 2018 because the allocated budget is also higher so that recipients can be further improved. There are two funding schemes in force in 2018, the government assistance scheme for new entrepreneurs with the help of a maximum of 13 million capitals. In this scheme, prospective new entrepreneurs will get training first. Then the trainees will be required to make a business proposal or plan to assess its feasibility. Projects that pass the selection will receive capital assistance. Beginner entrepreneurs are targeted to reach 1,700 to 1,800 participants.

The target recipients are students or prospective entrepreneurs from various regions, including underdeveloped areas and low-income communities, therefore, expected that students could use this scheme to prepare themselves as potential entrepreneurs. The government assistance scheme for beginner entrepreneurs in 2018 is different from the 2017 entrepreneurial plan that applies the e-proposal system. In 2018 proposals are registered online and require a minimum of six months of business running and have a training certificate.

The second scheme for 2018 is loan assistance of 25 million to 50 million. This loan assistance scheme targets young entrepreneurs with information technology-based businesses or startup businesses. Funds allocated for a project of 100 billion. For example, the target is students, as many as 200 students gathered to trained in business, and then participants will be asked to make proposals to be competed for and judged which ones are business-worthy.

### 3) Entrepreneurship curriculum

The results showed that entrepreneurial curriculum variables had a positive and significant effect. That entrepreneurial knowledge raises a sense of interest in students. Entrepreneurial education is the profit that students get as a way of entrepreneurship, can provide income to meet their daily needs. The desire to earn income

raises interest in entrepreneurship (Suhartini, 2011). Research conducted by Suhartini (2011) concluded that income influences the interest in entrepreneurship. Someone will be interested in becoming an entrepreneur because the income earned if success will exceed employees. Someone with the hope of higher profit than working as an employee is an attraction to becoming an entrepreneur.

Environmental factors have a significant role in the formation of entrepreneurial spirit. Interest can change depending on the factors that influence it, one of which is environmental factors, because the environment that supports someone's entrepreneurship, the environment plays a role in printing someone who has an entrepreneurial spirit. According to Lupiyoadi (2004), environmental factors influence interests such as family environment, educational environment, and community environment. Similar to the study by Koranti (2013), the ecological factors of students proved to have a significant effect on student interest in entrepreneurship.

According to the United Nations, a country can develop independently if the number of entrepreneurs in the country is at least two percent of the total population. At present, the number of entrepreneurs in Indonesia is only 0.24 percent of Indonesia's population of 238 million. This number is lower than the number of entrepreneurs in some countries with higher economic levels, such as the United States has entrepreneurship amounting to 4 percent of the total population, Singapore's number of entrepreneurs is 7 percent of the people, and Malaysia has 5 percent of the community.

Various strategies are implemented by the government to increase the number of entrepreneurs in Indonesia; one of them is by entering entrepreneurship courses in the education curriculum, especially education at the university level. Bogor Agricultural Institute is one of the educational institutions that participated in implementing the curriculum. The Entrepreneurship study is intended to broaden students' knowledge of the world of entrepreneurship and motivate them to be directly involved in the world of entrepreneurship as a robust young entrepreneur so that they can contribute to improving the Indonesian economy.

The real evidence of government policy is to include entrepreneurial learning in the curriculum, especially at the level of universities. A large number of unemployed and lack of interest in entrepreneurship are autocritical of the role of higher education. Higher education has a significant role in instilling a mental attitude so that graduates can give birth to new entrepreneurs who are ready to become economic heroes. So far, there has been criticism that universities only provide specific knowledge and skills to be applied in a company. The college educates its students to become job seekers, pass the selection, and work well in the company. When the absorption of the company is insufficient to accommodate all college graduates, unemployment occurs because graduates do not know to create new jobs. Students can only create innovations or develop a product, but have not been able to make it economically valuable and can be sold on the market in the form of original products and are in demand by consumers.

#### IV. CONCLUSION

The results showed that the personal characteristics variable had a positive and significant influence, which means that self-esteem will influence the interest of student entrepreneurship.

The emergence of self-esteem when owning a business makes students have an interest in entrepreneurship. Personal characteristics are one's judgment of his honor, expressed through his attitude. For this reason, students have an interest in entrepreneurship. This research is relevant to a study conducted by Putra (2012), which states that one of the factors that influence the interest in entrepreneurship is a personal characteristic factor.

The results of this study indicate that the government assistance variable has a positive and significant influence, which means that government assistance increases the interest in student entrepreneurship. Government assistance, according to Bhandari in Putra (2012), is something new or developing that already exists to be different from the others. Schumpeter in Rambat (2004) supports the idea that entrepreneurs are innovators, not necessarily as inventors. Employers act like people who manage the allocation of resources to exploit discoveries that may exist beforehand.

The results showed that entrepreneurial curriculum variables had a positive and significant influence, which means that entrepreneurial knowledge creates a sense of interest in students. Entrepreneurship knowledge is an advantage derived from business knowledge acquired by students. One way to get profit is entrepreneurship. Entrepreneurship can provide income that can be used to fulfill living needs. The desire to earn an income is what can generate interest in entrepreneurship (Suhartini, 2011).

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