Determinants of The Entrepreneur's Performance of Graduates

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Abstrak

Tujuan peneliti ini untuk mengetahui faktor yang mempengaruhi *entrepreneur's performance* lulusan yang memilih usaha sebagai karir. Apakah karena faktor sosio demografi (terdiri dari; usia, gender, kerja sebelumnya, latarbelakang keluarga), sikap (terdiri dari; *autonomy/authority*, *economic challenge*, *self-realization*, *security* dan *workload, avoid responsibility, social career, perceived behavioral control, subjective norms*), kontekstual (terdiri dari; keikutsertaan mahasiswa dalam pelatihanpendidikan kewirausahaan, *academic support*, *social support*, *environmental support*, *k nowledge of entrepeneurship*, *independensi the entrepreneur*). Penelitian ini merupakan penelitian kuantitatif menggunakan data primer. Hasil penelitian menyimpulkan, ada dua faktor yang dapat terbentuk dari 15 variabel yang dianalisis. Faktor tersebut adalah (1) Faktor 1: Autority, Independensi the Entrepreneur, Social Support, Academic support, Pelatihan Kewirausahaan, Subjective Norms, Perceived Behavioral, Social Career, Avoid Responsibility, Security dan Workload, Self-Realization, Economic Challenge. (2) faktor 2, terdiri dari : Knowledge of Entrepeneurship, Environmental Support, Control, Perceived Behavioral.

Kata Kunci: *The Entrepreneur's Performance*, **Analisis Faktor, Lulusan**

Abstract

The aim of this researcher is to find out the factors that influence the entrepreneur's performance of graduates who choose business as a career. Is it due to socio-demographic factors (consisting of; age, gender, previous work, family background), attitudes (consisting of; autonomy/authority, economic challenges, self-realization, security and workload, avoid responsibility, social career, perceived behavioral control, subjective norms), contextual (consisting of; student participation in entrepreneurship education training, academic support, social support, environmental support, knowledge of entrepreneurship, independence of the entrepreneur). This research is quantitative research using primary data. The research results concluded that there were two factors that could be formed from the 15 variables analyzed. These factors are (1) Factor 1: Authority, Independence of the Entrepreneur, Social Support, Academic support, Entrepreneurship Training, Subjective Norms, Perceived Behavioral, Social Career, Avoid Responsibility, Security and Workload, Self-Realization, Economic Challenge. (2) factor 2, consisting of: Knowledge of Entrepreneurship, Environmental Support, Control, Perceived Behavioral

Keywords: The Entrepreneur's Performance, Factor Analysis, Graduates

Introduction

One of the big problems facing Indonesia is the limited employment opportunities for undergraduates who have graduated from tertiary institutions. This causes the intellectual unemployment rate to continue to increase. A report from the International Labor Organization (ILO) stated that in 2009 the number of open unemployed in Indonesia reached 9.6 million people (7.6%). Where 10% of them are undergraduates.This statement from the ILO was then supported by data submitted by the Indonesian Central Statistics Agency (BPS) that some of the unemployed in Indonesia were university graduates.

This reality is exacerbated by global competition between countries. Therefore, college graduates need to be directed and supported to be ready to create jobs (job creators) and not just as job seekers (job seekers). Developing the entrepreneurial spirit of students needs to be done by universities from an early age, so that it becomes an alternative in reducing unemployment. In theory, a country will ideally be developed if the number of entrepreneurs reaches 5% of the total population. Zimmerer stated that one of the factors driving the growth of entrepreneurship in a country lies in the role of universities through the provision of entrepreneurship education. The university is responsible for educating and providing entrepreneurial skills to its graduates and providing motivation to dare to choose entrepreneurship as a career. Therefore, it is necessary to apply entrepreneurial learning patterns to equip students with knowledge as well as motivation to become entrepreneurs.

To realize the above hopes, one of the things carried out by the Faculty of Islamic Economics and Business (FEBI) State Islamic University Padangsidimpuan is trying to produce graduates with an entrepreneurial spirit as part of the vision. To achieve this vision, FEBI through its two existing study programs has implemented a curriculum based on the Indonesian National Qualifications Framework (KKNI) which refers to achieving the faculty's vision. Apart from that, activities are often held for students to support their knowledge, interest and motivation to become entrepreneurs in the future.

There are more than 1,283 FEBI graduates. With details of 723 alumni of the Sharia Banking study program and 550 alumni of the Sharia Economics study program. Based on an initial survey via study tracer, more than 200 people have become entrepreneurs in various types of business fields and business scales.

However, according to researchers' assumptions, only a small percentage of alumni who enter the business world make it a career. In other words, some alumni still consider entering the business world as an escape or a stepping stone to other jobs.

Therefore, researchers are interested in knowing the factors that influence the entrepreneur's performance of alumni who choose business as a career. Through the results of this research, it is hoped that socio-demographics (which consist of; age, gender, previous work, family background and so on), attitudes (which consist of; autonomy/authority, economic challenges, self-realization, security and workload, avoid responsibility, social career, perceived behavioral control, subjective norms), contextual (which consists of; student participation in entrepreneurship training/education, academic support, social support, environmental support, knowledge of entrepreneurship, independence of the entrepreneur) are factors that can influence entrepreneurs' performance. In this way, it can strengthen the implemented curriculum as well as consideration for future student activities in order to achieve the faculty's vision and mission.

Theoretical study

Entrepreneur's Performance

Gibson, Ivancevich and Donelly define performance as a series of management activities that provide an overview of the extent to which results have been achieved in carrying out duties and responsibilities as a form of accountability to the public. Meanwhile, Darma said that effective performance appraisal will affect productivity and work quality. Philosophically, entrepreneurship means a person's ability to think creatively and behave innovatively in facing various challenges.

There are several important terms in entrepreneurship, namely: business opportunities, enthusiasm, attitudes and behavior, and the ability to manage a business. Meanwhile, entrepreneurs are people who carry out entrepreneurship. In various literature, "entrepreneur" is used to refer to someone who intends or has opened a new business and is willing to take responsibility for the results they will achieve. The term entrepreneur was introduced in the 19th century, to define someone who creates a new business, especially a contractor, who acts as a bridge between capital and labor.

In general, the world has paid great attention to entrepreneurship, as this was illustrated at the World Entrepreneurship Forum in Lyon, France in 2010. There are

several recommendations in the forum entitled "Shaping the World of 2050: The Entrepreneurial Impact", including:

1. The acceleration of entrepreneurial development can be increased through holding meetings of successful entrepreneurs, creating conditions for sharing experiences, and developing a global network of high-growth incubators.

2. Entrepreneurship can be fostered by accelerating changes in the mindset of the poor, developing conducive government policies and creating clusters and incubators through the Base of the Pyramid (BoP).

3. Developing research collaboration with various related parties, appointing entrepreneurial ambassadors and providing retail facilities at low costs.

4. Educate entrepreneurs by designing an accreditation system and teaching modes through creativity and courage to take risks, encouraging various parties to better appreciate entrepreneurship from both a social and economic perspective, as well as designing training programs to encourage entrepreneurial sensitivity.

Determinants of Entrepreneurship

Basically, the formation of an entrepreneurial spirit is influenced by internal and external factors (Priyanto, 2008). Internal factors can be in the form of personal traits, attitudes, willingness and individual abilities which can give an individual the strength to become an entrepreneur. Meanwhile, external factors consist of elements of the surrounding environment such as family, business, physical, socio-economic and others. Several psychological characteristics and characteristics according to several studies as factors that influence entrepreneurial behavior include: (a) the need for achievement (Gorman et al., 1997; Littunen, 2000; Nishanta, 2008), (b) the presence of initiative and creativity (Gorman et al., 1997; Gerry et al., 2008), (c) the courage to take risks/the propensity to take risks (Hisrich & Peters, 1995; Gerry et al., 2008), (d) having a sense of trust self and locus of control (Gorman et al., 1997; Nishanta, 2008), (e) have self-esteem and innovative behavior (Robinson et al., 1991), (f) have personal goals (Gorman et al., 1997) and (g) leadership (Gerry et al., 2008).

Apart from the factors above, other researchers also highlight the influence of individual attitudes on entrepreneurial intentions. Gurbuz & Aykol (2008) and Tjahjono & Ardi (2010), stated that the attitude elements contained in the Theory of

Planned Behavior model from Fishbein and Ajzen have an influence on students' entrepreneurial intentions. The attitude elements in question include autonomy/authority, economic challenge, self-realization, and perceived confidence, security & workload, avoid responsibility, and social career. Other research also states that socio-demographic factors will encourage a person's intention to become an entrepreneur. The factors referred to include; gender and age (Johnson et al., 2010) as well as parental occupation (Gerry et al., 2008; Nishanta, 2008). In addition, contextual factors that influence are the role of entrepreneurial education and entrepreneurial experience (Vesper & McMullan, 1988; Kourilsky & Carlson, 1997; Gorman et al., 1997; Rasheed, 2000).

In theory, it is predicted that providing entrepreneurial education and entrepreneurial experience can increase a person's potential to become an entrepreneur in the future. Apart from that, academic support, social support and business environment support are also thought to influence (Gurbuz & Aykol, 2008). Besides that, an entrepreneur must have high motivation, knowledge of entrepreneurship and independence of the entrepreneur's performance. With the various factors above, the quality of an entrepreneur's work will be better.

Research methods

This research is quantitative research, which uses primary data. The research consists of attitude variables, the indicators consist of; autonomy/authority, economic challenges, self-realization, security and workload, avoid responsibility, social career, perceived behavioral control, subjective norms. Meanwhile, contextual variables consist of: level of student participation in entrepreneurship training/education, academic support, social support, environmental support, knowledge of entrepreneurship, independence of the entrepreneur. Meanwhile, the dependent variable of this research is the entrepreneur's performance of FEBI graduates (Y).

Results and Discussion

To ensure that a variable falls into which factor group, it can be determined by looking at the largest correlation value between the variable and the factor (component) formed.

Table 2
Rotated Component Matrixa

	Component	
	1	2
Authority	,714	,479
Economic Challenge	,875	,345
Self-Realization	,719	,075
Security dan Workload	,757	,314
Avoid Responsibility	,806	,349
Social Career	,885	,276
Perceived Behavioral	,654	,654
Control	,137	,931
Subjective Norms	,816	,337
Pelatihan Kewirausahaan	,786	,327
Academic support	,676	,184
Social Support	,777	,166
Environmental Support	,472	,624
Knowledge of Entrepeneurship	,195	,931
Independensi the Entrepreneur	,810	,212

Based on this table, it is explained that:

Table 3

Correlation Matrix Between Indicators

Factor	Variable
1	Autority, Independensi the Entrepreneur, Social Support, Academic support, Pelatihan Kewirausahaan, Subjective Norms, Perceived Behavioral, Social Career, Avoid Responsibility, Security dan Workload, Self-Realization, Economic Challenge
2	Knowledge of Entrepeneurship, Environmental Support, Control, Perceived Behavioral

a. Partial Correlation

This components matrix shows the correlation value or relationship between each variable and the factors that will be formed. From the output below, it can be seen that:

Table 4
Component Matrix

	Component	
	1	2
Authority	,858	,058
Economic Challenge	,930	-,139
Self-Realization	,660	-,295
Security dan Workload	,812	-,107
Avoid Responsibility	,873	-,101
Social Career	,904	-,204
Perceived Behavioral	,893	,239
Control	,584	,738
Subjective Norms	,875	-,117
Pelatihan Kewirausahaan	,844	-,110
Academic support	,677	-,179
Social Support	,756	-,244
Environmental Support	,721	,305
Knowledge of Entrepeneurship	,634	,709
Independensi the Entrepreneur	,807	-,222

Based on this table, it is explained that:

1. Authority, the correlation value of the variable with factor 1 is 0.930. Meanwhile, the correlation value of the variable with factor 2 is 0.058.

2. Economic Challenge, the correlation value of the variable with factor 1 is 0.858. Meanwhile, the correlation value of the variable with factor 2 is -0.139.

3. Self-Realization, the correlation value of the variable with factor 1 is 0.660. Meanwhile, the correlation value of the variable with factor 2 is -0.295.

4. Security and Workload, the variable correlation value with factor 1 is 0.812. Meanwhile, the correlation value of the variable with factor 2 is -0.107.

5. Avoid Responsibility, the correlation value of the variable with factor 1 is 0.858. Meanwhile, the correlation value of the variable with factor 2 is 0.058.

6. Social Career, the variable correlation value with factor 1 is 0.873. Meanwhile, the correlation value of the variable with factor 2 is -0.204.

7. Perceived Behavioral, the correlation value of the variable with factor 1 is 0.893. Meanwhile, the correlation value of the variable with factor 2 is 0.239.

8. Control, the correlation value of the variable with factor 1 is 0.858. Meanwhile, the correlation value of the variable with factor 2 is 0.058.

9. Subjective Norms, the correlation value of the variable with factor 1 is 0.858. Meanwhile, the correlation value of the variable with factor 2 is -0.117.

10. Entrepreneurship Training, the correlation value of the variable with factor 1 is 0.844. Meanwhile, the correlation value of the variable with factor 2 is -0.110.

11. Academic support, the correlation value of the variable with factor 1 is 0.677. Meanwhile, the correlation value of the variable with factor 2 is -0.179.

12. Social Support, the correlation value of the variable with factor 1 is 0.756. Meanwhile, the correlation value of the variable with factor 2 is -0.244.

13. Environmental Support, the correlation value of the variable with factor 1 is 0.721. Meanwhile, the correlation value of the variable with factor 2 is -0.305.

14. Knowledge of Entrepreneurship, the correlation value of the variable with factor 1 is 0.634. Meanwhile, the correlation value of the variable with factor 2 is 0.709.

15. Independence of the Entrepreneur, the correlation value of the variable with factor 1 is 0.807. Meanwhile, the correlation value of the variable with factor 2 is -0.222.

b. Kaiser-Meyer Olkin Method (KMO)

Bartlett's KMO test is useful for determining the suitability of a variable. Can it be processed further using factor analysis techniques or not? This is done by looking at the KMO MSA (Kaiser-Meyer-Olkin Measure of Sampling Adequacy) value. If the KMO value is greater than 0.50, then the factor analysis technique can be continued for this research.

Table 5
KMO and Bartlett's Test Results

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,881
Bartlett's Test of Sphericity	Approx. Chi-Square	928,035
	Df	105
	Sig.	,000

Based on the output in the table 5, it is known that the KMO MSA value is 0.881, this value is greater than 0.50. Meanwhile, the Bartlett's Test of Sphericity (significance) value is 0.000. This value is smaller than 0.10. So the factor analysis in this research can be continued because it meets the requirements for factor analysis.

Factor Extraction Results

a. Principal Components Analysis

　　　To see whether the variable's ability to explain factors or not can be seen from the communalities table below. A variable will be considered capable of explaining factors if the extraction value of the variable is greater than 0.50. The following table shows this.

Table 6
Communalities

	Initial	Extraction
Authority	1,000	,739
Economic Challenge	1,000	,885
Self-Realization	1,000	,522
Security dan Workload	1,000	,671
Avoid Responsibility	1,000	,772
Social Career	1,000	,859
Perceived Behavioral	1,000	,855
Control	1,000	,886
Subjective Norms	1,000	,780
Pelatihan Kewirausahaan	1,000	,724
Academic support	1,000	,490
Social Support	1,000	,631
Environmental Support	1,000	,612
Knowledge of Entrepeneurship	1,000	,905
Independensi the Entrepreneur	1,000	,701

Extraction Method: Principal Component Analysis.

　　　Based on table 6, it is known that the extraction value for all variables is greater than 0.50, except for the academic support variable. The extraction value of the academic support variable is 0.490. Thus, the academic support variable cannot be used to explain the factors in this variable. Meanwhile, other variables can be used to explain factors.

Results of Rotating Factors

　　　The Anti image matrices table functions to find out and determine which variables are suitable for use in factor analysis. Letter (a) in anti image corelation means that it is a sign for Measure of Sampling Adequacy (MSA). This MSA value must be above 0.50 so that the second requirement for factor analysis can be met.

The following is the Anti Image Matrices table. Based on Anti Image Matrices, it is known that all variables have an MSA value > 0.50. So it can be concluded that the second requirement for factor analysis has been fulfilled. Envalues show the factors that are formed. If all factors are added up, it will show the number of variables (9.497 + 1.536 + 0.932 + 0.660 + 0.536 + 0.488 + 0.337 + 0.304 + 0.208 + 0.139 + 0.107 + 0.096 + 0.068 + 0.059 + 0.033). Whereas in extraction the sums of squared loadings show the number of variations or the number of factors that can be formed, in the output results above there are 2 factor variations

Table 8
Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9,497	63,317	63,317	9,497	63,317	63,317	7,505	50,033	50,033
2	1,536	10,241	73,557	1,536	10,241	73,557	3,529	23,525	73,557
3	,932	6,213	79,771						
4	,660	4,400	84,170						
5	,536	3,576	87,747						
6	,488	3,256	91,003						
7	,337	2,244	93,247						
8	,304	2,030	95,277						
9	,208	1,387	96,664						
10	,139	,926	97,589						
11	,107	,712	98,301						
12	,096	,639	98,940						
13	,068	,450	99,390						
14	,059	,392	99,782						
15	,033	,218	100,000						

Extraction Method: Principal Component Analysis.

Meanwhile, based on the total variance expended output table in the "initial eigenvalues" section, there are two factors that can be formed from the 15 variables analyzed. Where the requirement to become a factor is that the eigenvalues must be greater than 1. The eigenvalues of component 1 are 63.317 > 1, so it becomes factor 1 and is able to explain 63.38% of the variation. Meanwhile, the eigenvalue of component 2 is 10.241 > 1, so it becomes factor 2 and is able to explain 10.24% of the variation. If factors 1 and 2 are added together, they can only explain 73.62% of the

variation. Meanwhile, components 3-15 are declared not to be factors, because the eigenvalues are < 1.

Conclusion

There are two factors that can be formed from the 15 variables analyzed. Where the requirement to become a factor is that the eigenvalues must be greater than 1. The eigenvalues of component 1 are 63.317 > 1, so it becomes factor 1 and is able to explain 63.38% of the variation. Meanwhile, the eigenvalue of component 2 is 10.241 > 1, so it becomes factor 2 and is able to explain 10.24% of the variation. If factors 1 and 2 are added together, they can only explain 73.62% of the variation. Factor 1: Authority, Independence of the Entrepreneur, Social Support, Academic support, Entrepreneurship Training, Subjective Norms, Perceived Behavioral, Social Career, Avoid Responsibility, Security and Workload, Self-Realization, Economic Challenge. Meanwhile, factor 2 consists of: Knowledge of Entrepreneurship, Environmental Support, Control, Perceived Behavioral.

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