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International Journal of Economics, Business and Management Research
SJIF 2019: Impact Factor : 5.013

ISSN : 2456-7760

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FAILURES AND SUCCESSES TO BECOME AN ENTREPRENEUR

(Case Study It has a Persistent Spirit)

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Abstract

Purpose – The paper aims to present the author's view of failure and success to become an entrepreneur.

Design/ methodology /approach – Sampling method of this research is using purposive sampling with 120 respondents. The data has been analyzed by using program software SPSS version 25

Finding – This research concludes that failure and success has significant effect on to become entrepreneur,

Originality/ value – The research contributes to the literature to become an entrepreneur and the t value is greater than the t table with a significant level of 0.05 which is 1.96, which means there is a mediating effect

Keywords: failures, successes, entrepreneurship program, an entrepreneur

Introduction

Related to this, reported in the Kompasiana article with regard to the conditions regarding the community in a country said to be prosperous, if the percentage of the number of entrepreneurs in the country is at least 2% of the total population. In 2017 the Minister of Cooperatives and Small and Medium Enterprises (UKM) Anak Agung Gede Ngurah Puspayoga said the number of Indonesian entrepreneurs reached 3.1% of the population. Although it has indeed increased compared to 2013/2014, which was still 1.67%. However, the ratio is still lower compared to other countries such as Malaysia 5%, Singapore 7%, China 10%, Japan 11% and the US 12%. By knowing this explanation, the public and the government need to continue to increase the number of entrepreneurial level ratios, given the high unemployment rate Table 1.

Table 1. The High Unemployment Rate 2015 – 2017

No.	Graduates of Education	2015		2016		2017	
		February	August	February	August	February	August
5	Senior High School	1.762.411	2.280.029	1.546.699	1.950.626	1.552.894	1.910.829
6	Vocational High School	1.174,366	1.569.690	1.348.327	1.520.549	1.383.022	1.621.402
7	Academy/Diploma	254.312	251.541	249.362	219.736	249.705	242.937
8	University	565.402	653.586	695.304	567.235	606.939	618.758
	Total	7.454.767	7.560.822	7.024.172	7.031.775	7.005.262	7.005.262

Source: Badan Pusat Statistik Indonesia, 2018

According to Bygrave (1994), entrepreneurs are people who break down existing economic systems by introducing new goods and services, by creating new forms of organization or processing new raw materials. The person carries out his activities through a new business organization or can also be done in an existing business organization. Seeing the low level of graduates who have been employed or employed have an impact on increasing unemployment, it is therefore important to increase the number of entrepreneurs as a solution to the impact. However, according to Prayitno and Hadian (2017), the phenomenon that occurs today states that the majority of college graduates are more job seekers than job creators. This is due to the learning system applied in various universities today, which is generally more focused on the accuracy of graduation and the speed of getting a job and marginalizes readiness to create jobs. Then there are also other problems, when someone has tried entrepreneurship but is still said to have failed.

In a previous study, presented by Mehralizadeh and Sajady (2005) regarding the successes and failures of entrepreneurs, are as follows: From the point of view of entrepreneurs failing, in accordance with existing phenomena, the following are important impacts on their weak performance and failure of their business. Weak management of technical skills, financial problems, planning and organizing their business, economic problems, information problems, weak conceptual skills, personnel skills, low education and training, and weak human relations

Literature Review

Entrepreneur

An entrepreneur is someone who creates a business dealing with risks and uncertainties aimed at gaining profit and experiencing growth by identifying opportunities and utilizing the necessary resources (Yohnson, 2003; Muhammad, 2017, Pearce, et al., 2008, Nainggolan and Pulungan, 2017, Mehralizadeh and Sid Sajady, 2005, Kasmir, 2011). The number of experts who describe the characteristics of entrepreneurship. As someone who wants to try to own a business or business, it is necessary to know the characteristics of the success of an entrepreneur. Bygrave (2004) explains that entrepreneurs have a higher locus of control compared to non-entrepreneurs, which means that entrepreneurs have a higher locus of control than non-entrepreneurs, which means that they have a higher desire to be in control of their on fate.

Entrepreneurship Function

Kristanto (2009) Entrepreneurship is related to human efforts to increase the value of life, create a new, different value and improve people's lives. Entrepreneurship has significance for individuals and community life. Micro-entrepreneurial functions can function as planners and innovators. Planner or good planning is the accumulation of entrepreneurial experience and education during running a business activity that is always changing. Experience for some time makes entrepreneurs have the ability to plan all business activities better, structured, systematic and measurable.

The function of innovator or innovation is the ability of entrepreneurs to make continuous changes to business activities according to the progress and development of the era. The nature of innovation arises based on experience for some time from the ability of entrepreneurs to see, hear, ask and make changes in business life. Macro function is related to the role of entrepreneurship in increasing the value of life or prosperity of the people, driving, controlling and using the economic development of a nation. Even the government through regulations, policies is trying to increase entrepreneurship to accelerate the prosperity of the nation.

Entrepreneurial Failures and Successes

In 2007, William realized his goal to have his own company by establishing Tokopedia. William founded Tokopedia with Leonthinus Alpha Edison who later served as COO. Someone in conducting entrepreneurial business, according to Hendro (2011) is influenced by various factors. Among them are pesronil, work atmosphere, education level, personality, educational achievement, family encouragement, environment and relationships, self esteem, and compulsion.

Entrepreneur Failure

According to Honjo (2000), business failure on a small scale is a situation in which the business cannot fulfill its obligations. Failure is defined as 'deviation from the expected and desired results'. When defined in this way, failure can occur when entrepreneurs perform poorly in terms of critical processes or when desired targets are not achieved (Cannon and Edmondson, 2005, Perry, 2001; Cope, 2011; Mehralizadeh and Sajady, 2005).

Factors that cause the failure of a business in SMEs (Arasti, et al., 2014). Economic situation, economic policy, technological development, social factors, customer relationships, supplier relationships, intensity of competition, poor management of banks, accidents, lack of motivation, lack of skills, lack, lack of ability, poor characteristics, executive issues partnership, strategy and investment, and staffing (Hyder and Lussier, 2015; Gaughan, 2010; Ali and Kodrat, 2017; Atsan, 2016; Ahmad, et al., 2010; Mehralizadeh and Sajady, 2005)

Entrepreneur Success

Furthermore, the success of a business is essentially the success of a business achieving its goals, a business is said to be successful when it makes a profit, because profit is the goal of someone doing business (Noor, 2007). The success of yourself as an entrepreneur can come from getting the desired opportunity and the benefits of the work done. A dynamic environment causes an entrepreneur to face the need to adjust and develop themselves so that success can be achieved. An entrepreneur not only follows the changes that occur in the business world but needs to change often and quickly has innovative thinking and future-oriented (Srimulyani, 2014; Riyanti, 2003; Mehralizadeh and Sajady, 2003). Business Capital, Business Experience, Education Level and Labor (Alfina Dewi Ratnasari, 2017). Whereas according to Pamungkas and Magnadi (2014) business success is influenced by several factors, including (1) having a vision and business goals; (2) dare to take risks and money; (3) able to draw up a business plan; (4) organizing resources, and their implementation; (5) able to work hard; (6) able to build relationships with customers, workers, suppliers, and so on.

Research Methods

Validity Test

Validity tests are conducted to ensure that the questionnaire used meets the requirements of measurement and reliability. Questionnaire validity test was conducted using program of SPSS version 25 (Santoso, 2018).

Reliability Test.

Reliability test is done on this research to show the accuracy and accuracy of the measuring instrument used in this research is Likert scale. Reliability test is performed by using program SPSS version 25 (Santoso, 2018), with parameter of Cronbach’s alpha > 0.7 (Ghozali & Latan, 2015: 77)

The number of samples used in this study is 120 respondents selected only companies engaged in the plastic industry in the city of Surabaya, especially for medium scale.

Result and Discussion

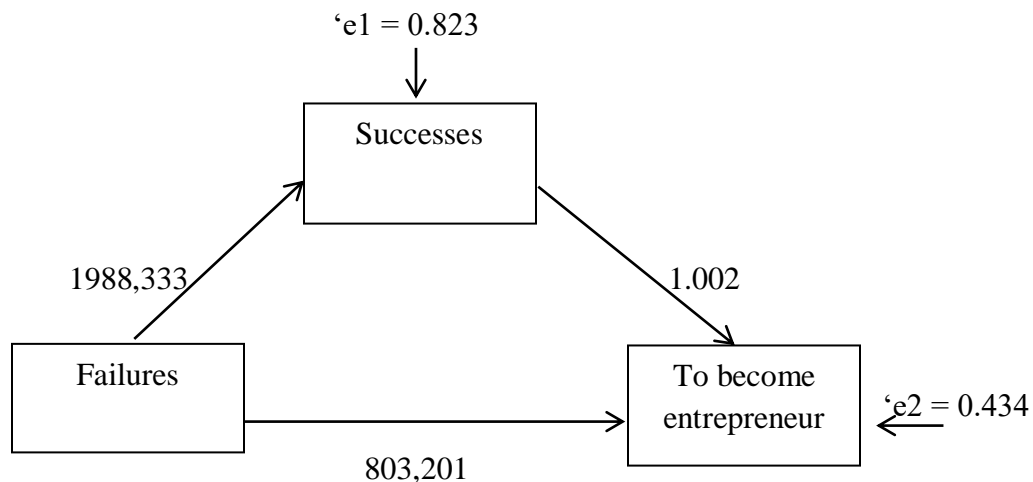


Figure 1. Research Model

Based on SPSS output results provide the value of the calculation results failure variable = 1988.333 with a significance = 0.000, which means failure affects success. While the value of the influence coefficient on success is 1988.333 is the value of path or path p2. On output of SPSS, the result of failure = 803,201 and success = 1,002 are all significant. The result of failure = 803,201 is the path value of path p1 and the value of the variable success to become entrepreneur 1,002 is the value of path p3. The magnitude of the value $e^1 = (1 - 0.322) = 0.823$, and the value of $e^2 = (1 - 0.812) = 0.434$

The results of the path analysis show that failure can directly influence entrepreneurs coming and can also indirectly influence that is success to be entrepreneurs as an intervening variable on become entrepreneurs. The magnitude of the direct effect = 1638,333, while the magnitude of the indirect effect must be calculated by the formula = $(1988,333) \times (1,002) = 1992,310$

The effect of mediation was stated significant or not, tested with the Sobel test as follows:

Calculate the standard error of the indirect effect coefficient (Sp2p3)

$$Sp2p3 = \sqrt{(1.002)^2 \times (31.113)^2 + (19.88.333)^2 \times (0.002)^2 + (31.113)^2 \times (0.002)^2}$$

$$= 987.712$$

Based on the Sp2p3 calculation results, and then there can calculate the t value of the mediating effect statistic with the following formula:

$$t = \frac{p2 p3}{Sp2p3} = \frac{1992.310}{987.712} = 2.017$$

Because the t value = 2.017 is greater than the t table with a significant level of 0.05 which is 1.96, it can be concluded that the mediation coefficient is 1992.310 significant which means there is a mediating effect

Conclusion

The conclusions that can be formulated from the results of research and discussion are as follows:

1. The aim of entrepreneurship is to excel in order to continue to be motivated in running the business so that it has greater power. Furthermore, their goal in entrepreneurship is to affiliate with others by helping people around them, have broad friendships and survive.
2. The results of the sober test state that the success variable is a significant effect to the variable to become entrepreneur.
3. The failure variable has also been found that the variable has an influence on the variable to become entrepreneur, this means that failure if it still has a persitent spirit then finally it can also succeed to become an entrepreneur

Acknowledgement

We as the authors said thank a lot of the Reistekdikti of R. I, who provided funding in 2019, for conducting PPUPT research funded by the Directorate and Community Service, Directorate General of Research Strengthening, and Development of the Ministry of Research, Technology and Higher Education.

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