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DEVELOPING ENTREPRENEURSHIP THROUGH HUMAN CAPABILITY: A CASE OF UNIVERSITY STUDENTS IN WEST NUSA TENGGARA, INDONESIA

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ABSTRACT

University students in Indonesia who aspire to be entrepreneurs should understand the importance of human capability. Delivery of entrepreneurship teaching is usually conducted through the transfer of business knowledge and skills, which comes from outside of the students (outside-in) for their competency building. To build entrepreneurial spirit in the person, efforts to materialize students' human potential that reflects entrepreneurial aspiration and enthusiasm are required (inside-out) and should be integrated with all competencies acquired by the students. Thus, entrepreneurial development is an endeavour which synergizes these two aspects simultaneously to become human capability. The study conducted on university students in several universities in West Nusa Tenggara Province, Indonesia, showed that the spirit to become an entrepreneur may be built through students' human capability. Egalitarian and sufficient academic climate strengthens the role of human capability in developing the entrepreneurial spirit, whereby, it is enriched by creativity and production of new ideas that may be feasible as well as viable. It also leads to the best innovative creations for customers and related parties as well as addresses and anticipates challenging business risks. Materialization of many human capabilities does not mean that mastery of competencies and material resources become less important. All need to be developed synergically to improve entrepreneurship quality and effectiveness of Indonesian students.

KEY WORDS: Entrepreneurship Quality, Entrepreneurship Development, Human Potential, Human Capability, Creativity, Innovativeness



INTRODUCTION

University students in Indonesia need to have a high degree of entrepreneurship to face liberalization in ASEAN nowadays. Indonesian university graduates from various study programmes, therefore, have to be more prepared to be independent and more competitive compared to graduates from other universities in ASEAN countries. Among the challenges faced by university graduates in Indonesia is the expectation to be job seekers, instead of job creators. In Nigeria, Musa and Adewale (2015) found that for most graduates of tertiary institutions, the government is still the most attractive employer of labour.

Meanwhile, in Indonesia, the lack of job opportunities due to the weakening of the real sector as well as regional and international competition has caused a surplus in the number of educated job seekers. This is due to the fact that “many fresh graduates leave universities without the required skills such as attitudes, skills and understanding that is needed to succeed in the working field” (Rahim dan Lajin, 2015). This has certainly caused inconsistency between the skills university graduates have and the criteria required in the job market. This challenge requires special attention from various parties i.e. the government, universities and students. Mindset informs us how to live this life, which eventually determines whether or not we will be successful (Kasali, 2010).

It is expected that in the future, the education and teaching process in Indonesian universities should develop the entrepreneurial mindset in students as entrepreneurship is now considered a major contributor to global economic growth (Yusof, Siddiq and Mohd Nor, 2012). This is in line with experts’ opinion that a country will be prosperous if at least two percent of its population comprises of entrepreneurs (Xavier *et. al.*, 2014). Based on its population of approximately 250 million, Indonesia will need at least 5 million entrepreneurs. Having a dream of a successful future as well as innovation ability and courage to take calculated risks as entrepreneurial capital, an entrepreneur will be able to create and grow a business. An entrepreneur is nurtured through a long learning process in life, which includes his/her experience at school (Ciputra, 2011).

One of the most important functions of an entrepreneur is to bring together the resources required to start and grow a business. Another key function is to innovate and bring new or different products and services to the market (Fuller-Love and O’Gorman, 2011). Education and teaching put understanding of entrepreneurship theory as priority (to know) and at the highest degree; provide entrepreneurship training (to do). However, both elements do not guarantee the building of high innate sense of entrepreneurship that is able to encourage students to actualize their entrepreneurial careers.



Thus, the authors argue that to produce students with a high innate sense of entrepreneurship requires an initial step i.e. to grow the entrepreneurial spirit from inside of the students (inside-out). This study demonstrates that entrepreneurship education approach requires a synergy of the two patterns simultaneously, starting from the students themselves and continue with entrepreneurship materials. These patterns must be supported by academic circles and environment which stimulate the entrepreneurial mindset in students and morph them to become entrepreneurs.

LITERATURE REVIEW

According to Ciputra (2011), an entrepreneur-minded person has ideas to create opportunities, able to innovate and is courageous to take calculated risks. Thus, entrepreneur-minded university graduates may participate in many fields. Entrepreneurs may become business people (owners); entrepreneurial employees or managers (intrapreneurs or corporate entrepreneurs); pursue social goals (social entrepreneurs); commercialize knowledge, research or invention (entrepreneurial academics or academic entrepreneurs); or be innovative government employees or officers (public-sector entrepreneurs). Therefore, it is necessary to continuously conduct and evaluate the effects of entrepreneurship education on university graduates' willingness to own and start a business.

Entrepreneurship education in the university is getting popular and is taught in almost all study programmes in business and non-business faculties. Isaacs *et. al.* (2007) and Enombo, Hasa and Iwu (2015) stated that entrepreneurship education is an acknowledged component of high school curriculum. Enombo, Hasa and Iwu (2015) also revealed that learners and other stakeholders in the Gabonese education system believe in the importance of entrepreneurship education. It appeared that almost 70% of learners think that they cannot open up a business at this stage of their education simply because they do not have the basic skills in entrepreneurship. This finding is relevant because it showed that entrepreneurship was not taught in Gabonese schools.

Entrepreneurship has been pointed out as a key contributor to sustained economic growth and development as it not only creates employment, but increases spending in markets, knowledge transfers, employment and innovation (Meyer and de Jongh, 2018), hence, the importance of entrepreneurship education. Entrepreneurship teaching pattern is relatively the same i.e. transferring elements of competencies, such as knowledge, skills, experience or other abilities. All the competency elements are conveyed through transfer of business knowledge from the outside to inside of the students (outside-in).

The main challenge and gap faced by related parties in Indonesian universities both at present and in the future is to build an academic atmosphere that is able to promote the entrepreneurial spirit and to encourage explicit and implicit knowledge development to all students. It is how to bring out the



embedded human potential within students and to harness this potential through a more effective entrepreneurship education and learning process that is able to respond to the current global challenges.

There are many myths preventing the development of students' human potential in doing and managing business. These hindrances must be eliminated and replaced with assertions and contentions that are able to convince related parties to produce high innate sense of entrepreneurship in university students and graduates in Indonesia. Universities' management, lecturers, staff and students need to collaborate and co-create an integrated and favourable environment to facilitate the development and optimization of students' human potential in business.

ENTREPRENEURIAL CHARACTERISTICS

Basically, anybody can be an entrepreneur as long as their entrepreneurial characteristics are evident and can be materialized. According to experts, generally the characteristics cover ability to create, ability to innovate, and ability and courage to take risks. For instance, social entrepreneurship is a combination of three main elements namely innovation, proactiveness and risk taking in seeking fresh opportunities in order to craft positive social impact (Helm, 2007; Rahim and Lajin, 2015). Private or government employees, teachers, lecturers or social activists may be regarded as entrepreneurs when they exhibit these basic entrepreneurial characteristics.

Thus, university students may be regarded as entrepreneurs when they understand and perform the entrepreneurial characteristics consistently. These characteristics may be further stimulated by the availability of human potential and capability which anybody can harness as long as the individual is willing and determined to utilize them. On the contrary, a business owner may not automatically exhibit the aforementioned characteristics if those are not developed consistently. For instance, a person can be a business owner by inheriting the business from his parents.

Entrepreneurial characteristics tend to reflect an individual's spirit to create new or different ideas, and readiness and ability to innovate, to materialize the ideas in the form of works appreciated by people, to carry them out boldly, by managing the risks. Entrepreneurial characteristics indicate high intention to do activities that are useful, have additional value and in considerate manner. An individual with entrepreneurial mind has the intent to be a creative and innovative human being and is bold to take calculated risks (Lee Lim, Yusof and Mohd Nor, 2017; Xavier et. al., 2014; Sandhu, Jain and Yusof, 2010).

To become university graduates with high innate sense of entrepreneurship, they need to understand and bring out their business potentials (positive entrepreneurial characteristics) and at



the same time be able to build and optimize their competencies. Entrepreneurial characteristics may be developed through maximum actualization of the students' human potential in business, together with continuous development to their business competencies. By the support of favourable academic climate, it is expected to expedite and facilitate the development of the students' entrepreneurial characteristics. Entrepreneurship can be enabled through a process of innovation and new-venture creation via four major dimensions (individual, organizational, environmental and process) that is aided by collaborative networks in the government, education and institutions (Yusof, Siddiq and Mohd Nor, 2009; Siagian and Simatupang, 2011).

VIRTUAL CAPITAL

Challenges in global business world nowadays require high, creative and efficient adaptive ability to develop continuous excellence. Observation on the successes made by business people in overcoming their limitation of physical capital ownership proves that they have exceptional potential power. The potential is basically derived from good values set as examples by Prophet Mohammad (PBUH). The concept of *Virtual Capital* which is invisible, whose existence, however, is sensed by stakeholders, should be utilized. The virtual capital is built from a synergy of students' intellectual capital strengthened by social capital and supported by moral capital. The presence of virtual capital is determined by the presence of business people's human potentials which may be expressed in a strong zeal and aspiration (*azam*) along with good values. Utilization of human potentials may multiply the competencies of the students to build a robust virtual capital. Virtual capital may overcome limitations or strengthen the physical capital they already have. The utilization of virtual capital is very efficient so that it may build a more competitive and sustainable business ability. Business excellence in this turbulent era will strongly be determined by the existence of virtual capital that may be built and maintained by the ummah (Bagis, 2015).

A business entrepreneur automatically becomes a business person; however, a business person may not necessarily be an entrepreneur. While a business person may be born instantly through asset ownership (shares), it requires certain characteristics to become an entrepreneur. A business person builds material capital while an entrepreneur relies on their characteristics. Through creativity, innovation and courage to take risks, business may be introduced to stakeholders, strengthened by mutual trust, and then managed efficiently and effectively. New innovations and ideas may be found through many things, one of which is networking with other entrepreneurs through sharing of problems, and mutual learning through sharing of experiences (Fuller-Love and O'Gorman, 2011). This is the essence of virtual capital that may be built by an entrepreneur in this turbulent era, so that the need of additional material capital is relatively easy and at the same time efficient.



PARADIGM OF HUMAN BEING WITH HUMAN POTENTIALS

Becoming an entrepreneur with consistent characteristics should be started with an individual's positive attitude. Entrepreneurial intentions are aimed at either creating a new venture or creating new values in existing ventures (Musa and Adewale, 2015). Therefore, it is necessary to have a mind set about elements of attitude in every human being. The attitude comprises a belief and zeal to struggle as well as high aspiration, as an internal motivation (inside-out) that may strengthen someone's ability (outside-in). Human being is viewed as creature with potentials, which is popularly termed as paradigm of human being with human potentials or resourced human being. This paradigm views humans not only from their competencies (ability) but also from their potentials (willingness), as a unity (human capability) which is inseparable. Thus, the paradigm of human with human ability views human in a more holistic way, and also in a more humanistic way.

To manage more humanistic human beings is not a simple matter. Making complicated matters easy can be accomplished if managers are willing to see their subordinates as human beings with great potentials who are ready to serve for the interests of institutional system and are willing to treat human beings with all rights and obligations attached to them. The implementation of *Humanly Potential Human Being Paradigm* should treat workers as humanely potential human beings who are a great support to develop business excellences both in the present day and in the future. To apply the paradigm, institutions are required to regard and treat their workers as:

1. A member of the institutions who has potentials for the institutions' interests.
2. An independent worker who is able to cooperate in smart ways.
3. Someone who is prepared, willing and able to adapt and develop the job.
4. Someone who is able to manage his/her own works in a responsible manner.
5. A trustworthy person.

A holistic *Humanly Potential Human Being Paradigm* may be indicated by interrelatedness between competencies (knowledge, skills, experience, and other abilities) with the spirit to grow and develop the competencies as a smart worker. *Humanly Potential Human Being* has similar meaning with *Human with Resources* (Hartanto, 2009). This is relevant with the efforts of empowering university students in Indonesia, due to the development and utilization of various human potentials that they already have as entrepreneurs and prospective business people. Real entrepreneurs are able to build and utilize their human potentials maximally in conducive working climate, to make it virtual capital which is strategic in this era (Bagis, 2014).



METHODOLOGY

The focus of this research is to develop a business entrepreneur model with university students as unit of analysis. The observation object comprises of students who have completed entrepreneurship subject in their programmes respectively. This research was conducted using causative method, by studying unexpected variables that are estimated to be able to develop business sense of entrepreneurship in university graduates. The research was focussed on a group of university students in state universities in West Nusa Tenggara. They include students from various study programmes who had attended the entrepreneurship course. The student respondents were assumed to be able to share their perceptions on entrepreneurship issues in universities. The students were also deemed to be able to express their perceptual attitude correctly and objectively. The research took place in state universities in West Nusa Tenggara. Academic population consisted of the registered students, and meanwhile the respondents were those who were registered and had taken the entrepreneurship course, taken randomly, and totalling two hundred students in each study programme.

Research measurement objects were attitude and behaviour tendency of students of Mataram University and Institut Agama Islam Negeri Mataram (State Islamic Institute of Mataram), and students' agreement on the academic climate as institutional support they experienced within their respective campus environment or during daily learning process. Attitude measurement was conducted based on verbal expressions of the students by selecting the statements that best fit their perceptions and feelings. The measurement technique used in this research was the application of Likert scale with interval measurement scale. The measurement was conducted by observing respondents' data characteristics that met the requirements of interval data processing. Next, construct validation was conducted using Factor Analysis and causative relation study using Multiple Regression.

Based on the initial concept and entrepreneurship experts' support, a hypothetic model was built, depicting two main variables (*independent variables*), covering human potentials actualization and students' business competencies, which was integrated into human capability, which was predicted to be able to build business entrepreneur. Further, this was strengthened with other moderating variables, i.e. academic climate and institutional support from the State Universities. The basic model of the Business Entrepreneur is described in a diagrammatic model, as follows:

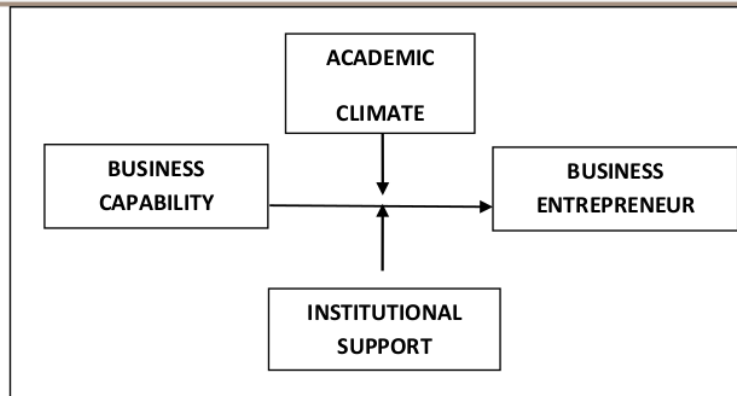


Figure 1: Research Basic Model

Business entrepreneurship is an expression of someone's attitude that reflects strong intention to become a real entrepreneur. An intention to behave as a business entrepreneur may be built by first evoking maximum volition to do business, supported by all understanding and ability of business that someone has (personality). Volition as the basis of building intention to become an entrepreneur may be strengthened by supporting factors, both physically (means and infrastructure) or non-physically (psyco-social). Students' attitude was conceptualized, as by business human potential concept ability is formulated by students' competency level.

Both form the concept of Human Capability, which may build business entrepreneur characteristics reflecting an intention to have certain behaviour. Study on academic environment variables, both physical in the forms of institutional support and non-physical or conducive environment, may be integrated due to similarity in meaning according to students' perception in teaching and learning process in the university environment. The objectives of this research include:

to simultaneously develop a sense of business entrepreneurship of the students based on business human potentials (positive characteristics) and business competencies (knowledge and skills) in the university, which begins with volition to materialize students' entrepreneurship goal and spirit (inside-out), and then followed by the ability to compete (outside-in) in the form of up-to-date and contextual business knowledge; to motivate more effective and ethical educational development and entrepreneurship training for students in universities in Indonesia; and

to develop open cooperation climate and culture for related parties (university graduates, business people, regional government and community), based on mutual trust and to create young entrepreneurs from universities in order to meet the nation's expectation to continue developing excellent competitive human capital.



It also aims in a short term to create understanding (*to know*) of up-to-date and contextual entrepreneurship; in a mid-term, to create ability to execute (*to do*) ethical business and later ability to create those who (*to be*) are inspired as competitive entrepreneurs; to compile applicative text book and to make an effort to obtain copyright; and to produce scientific publication and social engineering/public policy paradigmatically in order to develop young entrepreneurs in Indonesia.

FINDINGS AND DISCUSSION

Business entrepreneurship in students indicates the level of basic character ownership, especially those who have taken the entrepreneurship course in their study programmes respectively. Business Entrepreneur characteristics reflect intention to become business entrepreneur, which consist of the main variables, as follows: (1) Students Creative Ability; (2) Students Ability to Innovate; and (3) Courage to take measured risks.

Results of factor analysis for Business Entrepreneur characteristics with the three main characteristics may be grouped into two solution factors, which may be compared, and the selected component is meaningful to represent the three characteristics attached to each component. In this case it is represented by component (1) which meets all three characteristics of Business Entrepreneur. Thus, no new label is required. Reduction of manifest variable occurred in the three Business Entrepreneur characteristics; however, it still reflects the main character of a real business entrepreneur.

The characteristics of Creative Capability are manifested by: item 1.3 of the statement, that the students are determined to create a breakthrough preferred by the market or consumer; item 1.4, the students are determined to face any obstacles they encounter; as well as item 1.5, the students are highly motivated to create potential demand. The characteristics of Innovative Capability are shown in item 2.1 the students are capable of creating or modifying the work into more quality work, item 2.2, the students are willing to create jobs valuable to the market, item 2.4, the students are willing to optimally create value added, and also item 2.5, the students are determined to build synergy to anybody for the sake of customer. Meanwhile, the courage to take measured risks is manifested in item 3.3; the students have quality capability in planning correct, rational and intuitive decisions, item 3.4, the students are highly encouraged to take risks on uncertain challenges, and item 3.5, the students are determined to adapt with uncertain, unplanned and unmeasured matters. All the manifested variables represent the characteristics of a true entrepreneur and satisfy the validation and reliability level of the Creative, Innovative and Courage to take calculated risk, owned by the students with sense of entrepreneurship.



Human capability as the combination of business human potential and the students' business competency consists of 7 main variables as follows: (1) Innovative Learning Spirit, (2) Self-efficacy Spirit, (3) Hard Work Spirit, (4) Open Collaboration Spirit, (5) Aspirational Insight, (6) Ethical Insight and (7) Competency representing Knowledge, Skill, Experience and other capabilities. The results of analysis test on Human Capability factor with seven solution factors show reduced manifested variable that satisfy minimum load factor and form group in certain components as well. Based on Rotated Component Matrix, each human capability element can be maintained into 7 components, with changes to contents of each component that they need new label. Component (1) reflects the spirit to be willing to work hard with aspirational and ethical insight in facing highly volatile business challenges.

Thereby, its label appropriately changes to the students' "Collaborative Spirit". Component (2) can still reflect the Modernization Spirit to go with the changes. Component (3) remains to reflect the students' Self-efficacy spirit. Component (4) contains the element of hard work and knowledge that it can have new label of "Smart Work Spirit". Component (5) represents limited capability that relies only on knowledge obtained from business entrepreneurship class. Component (6) reflects limited Ethical Insight. Component (7) represents limited Aspirational Insight. The study result shows different interpretation of questionnaire perceived by students in West Nusa Tenggara.

Academic Atmosphere, representing human relationship between the students and the lecturers and staff, as well as various forms of institutional support experienced in the course of being academicians, consists of main variables namely: (1) Inter-student relationship, (2) Student-lecturer relationship, (3) Student-staff relationship of which the three relationships reflect academic atmosphere stimulated by psycho-social factor among the students, (4) Institutional support to facilities, and (5) Infrastructure support for the students. Variables 4 and 5 reflect academic atmosphere stimulated by institutional support in the form of teaching and learning facilities provision. The results of analysis test on Academic Atmosphere Conduciveness with two solution factors show reduced manifested variable that satisfies minimum load factor and form group in certain components as well.

Based on Rotated Component Matrix, each element of Academic Atmosphere can be maintained into 2 components without undergoing the change on the content of each component, that they can keep using the old label, i.e. Academic Atmosphere that reflects physical satisfaction and Academic Atmosphere that reflects non-physical satisfaction. Component (1) reflects more on non-physical academic situation, or Academic Atmosphere, positively perceived by the students due to physical support from the Institution. Meanwhile, Component (2) reflects more on psycho-socially academic



atmosphere perceived by the students as the result of harmonious relationship among the students in campus.

Harmonious relationship occurs between the students and the lecturers, between the students and the staff, and inter-students' relationship in campus. The distribution of the component elements also shows similarity in meaning comprehended by the students on the academic atmosphere they perceived. However, both components may show slight differences felt and perceived by the students. Academic atmosphere felt as psycho-social condition and academic atmosphere perceived serve more as technical and management support in their study program. Based on the result of the study on various valid and reliable manifest variables, this serves as the basis for multiple regressions that include independent, dependent and moderate variables. With backward elimination method, the regression in final model shows the following:

Table 1: Multiple Regression Model

Independent Variable	β	Beta	T	Significance
(Constant)	.789		3.927	.000***
Self-efficacy Spirit	.317	.426	4.907	.000***
Smart Work Spirit	.436	.524	9.952	.000***
Collaborative Spirit	.073	.111	2.754	.006***
Business Competency	-.133	-.208	-2.784	.006***
Modernization Spirit and Institutional Support	.067	.405	6.018	.000***
Self-efficacy Spirit and Academic Atmosphere	-.074	-.458	-4.354	.000***
Business Competency and Academic Atmosphere	.029	.191	2.441	.016**

Significance level: * significance with $p < 0.10$

** significance with $p < 0.05$

*** significance with $p < 0.01$

Innovative Learning Spirit showing the spirit to follow the change can only be expressed by the students upon supportive academic atmosphere and is proven to encourage the establishment of strong business entrepreneur characteristics. Innovative learning spirit or modernization spirit of the students can be developed in positive psycho-social atmosphere perceived by the students in campus. Harmonious relationship between the students and the lectures, the students and the staff,



and among the students themselves has proven to strengthen the impact of modernization spirit on the intention or tendency of the students to behave as business entrepreneur.

Self-efficacy Spirit shows the students' belief to be prepared to become Entrepreneur. This spirit seems to develop as the students' personal attitude that it is sufficient to drive their intention to become entrepreneur. The students' self-efficacy weakens due to academic atmosphere that they perceived to suppress self-efficacy. The students' self-efficacy spirit is expected to boost the knowledge and entrepreneurship theory learned in class at their respective study program. The analysis shows that self-efficacy spirit in campus correlates negatively to the students' entrepreneurship development.

This can be proven that their confidence in academic environment fails to express positive belief to be prepared for business. It can be expected that what happens in academic environment in fact encourages inferiority to the students. Most of the students in their program study have lack of confidence in becoming business entrepreneur in the future. Thus, the verification result shows that the students in both universities have lack of confidence leading to counter-productive effect on developing their determination to become business entrepreneurs. The inferiority feeling developed all this time may dominate the spirit of students in Mataram University and Mataram Islamic Institute. This condition is worsened by the students' lack of interest since the beginning of their study and even after they took entrepreneurship class in their respective study program.

The business ethos spirit reflects more on the students' awareness to be prepared to work hard in facing various challenges to become a business entrepreneur. They realized from the beginning that to become a true business entrepreneur requires preparedness to work hard. The willing to work hard develops not only for material motivation but rather due to positive awareness of the students. To face limited working world challenges is considered the basis of the awareness on the importance of developing early hard work spirit. The preparedness and the spirit to work hard proved that the students are able to develop determination to become a business entrepreneur.

Collaborative Spirit reflects the students' awareness on the importance of synergy collaboration in facing business and work challenges today. The open collaborative spirit is proven to be able to influence the determination of the students to become a business entrepreneur. It should be considered that the students have realized that to become a human who is creative, innovative and dare to take the risks and to become a successful business entrepreneur require collaboration with all parties. The collaborative spirit under the students' awareness expresses the willingness to collaborate with relevant parties. This spirit becomes the students' choice when they have not developed their capability to become business entrepreneur.



Aspirational and Ethical Insights that should show strong expectation and goal to run business ethically show no contribution to the development of entrepreneurship despite of this study is based with the assumptions that the students basically have potential aspirational and ethical insights, yet they are not shown by the students in West Nusa Tenggara. These findings lead the interpretation that since the beginning, the students do not understand the meaning of goal or expectation as the main element to develop determination to become business entrepreneur. This situation supports the initial condition of students who still are not interested in becoming businessman or entrepreneur. Thus, this proves their choice to be not interested in or not ready to become business entrepreneur since the start of their study. This turns out to be the major challenge to respond by all parties on what strategy should be taken for early development of interest in business for the students. This includes introducing the meaning and benefits of strong and ethical business goal may become proper encouragement in attempt to build students' determination as true business entrepreneur.

Business capability that includes knowledge (theory of business), skill of business and other capabilities may be obtained in class and entrepreneurship practice (transfer of knowledge or skill) coming from outside of the students (outside-in). Such capabilities are proven to have failed in influencing the development of entrepreneur determination on some students; on the contrary, they bring negative influence. This condition again proves that mastering the theory and practice does not guarantee the students to be determined in becoming business entrepreneurs. On the other hand, the study result finds an interesting issue that upon obtaining the knowledge of entrepreneurship, the students are getting demotivated to become a business entrepreneur. The basis of the theory employed in this study shows that business capability will not bring significant benefits without the willingness to run the business. The students should be encouraged to express strong spirit and zeal to become a business entrepreneur. Thus, this finding supports the theory that explains the importance of entrepreneurship model development based on the human capabilities of the students all over Indonesia.

The students' business capability will be able to bring actual benefit to the development of their determination to become business entrepreneurs after getting sufficient support for the university. This means that the process of developing the capability to the students requires academic atmosphere support in the form of proper teaching and learning facilities. Technical and managerial support from the university allows the students' ability to influence the development of their determination in business entrepreneur is necessary. Sufficient academic atmosphere may be perceived as stimulus to develop the students' capability. Sufficient academic atmosphere integrates



students' capability and business spirit that it becomes positive business capability as well as developing the determination to become a business entrepreneur.

As such, academic atmosphere plays actual role in developing the capability and the willingness that it grows to business capability and build students' determination to become entrepreneurs. Developing Indonesian students' competency or capability to become an entrepreneur is not enough by only providing the business science and knowledge. Even skills, experience and physical ability are not sufficient to the students. Producing scholars that are determined to become a business entrepreneur is not enough only by relying on their intellectual ability. The academicians should take part by providing maximum support for the development of the students' human business potential. The institution should facilitate the students that the intellectual ability the students obtained is integrated with their business intention. Parties at the universities should institutionally support the students to develop their intellectual, emotional and spiritual abilities in the form of Business Human Capability. Therefore, the students who take entrepreneurship training and education need to choose their business interest by materializing their goals and spirit to develop their determination to become business entrepreneur.

Upon various statistical tests, Business Entrepreneur development has slightly changed to the condition and challenges faced by university students in West Nusa Tenggara. Business Entrepreneur is proven to be significantly developed by Business Human Capability as the synergy of Business Human Potential (Willingness) and Business Competency (Capability). The universities' internal condition that shows favourable academic atmosphere is proven to be able to strengthen the influence of the students' business human capability in developing the determination to become a business entrepreneur. The fact shows that the elements in Business Human Potential that reflect the willingness level to develop determination as entrepreneur have yet to be maximally actualized by the students in West Nusa Tenggara. Aspirational and Ethical Insight potential that reflect strong ethical goal is still embedded within the students themselves. They do not thoroughly realize the importance of strong and ethical goal in developing a business entrepreneur determination. This also indicates that the students in West Nusa Tenggara have yet to get used to express their business interest both verbally and non-verbally. Factual and contextual business entrepreneur development model for the students is shown below:

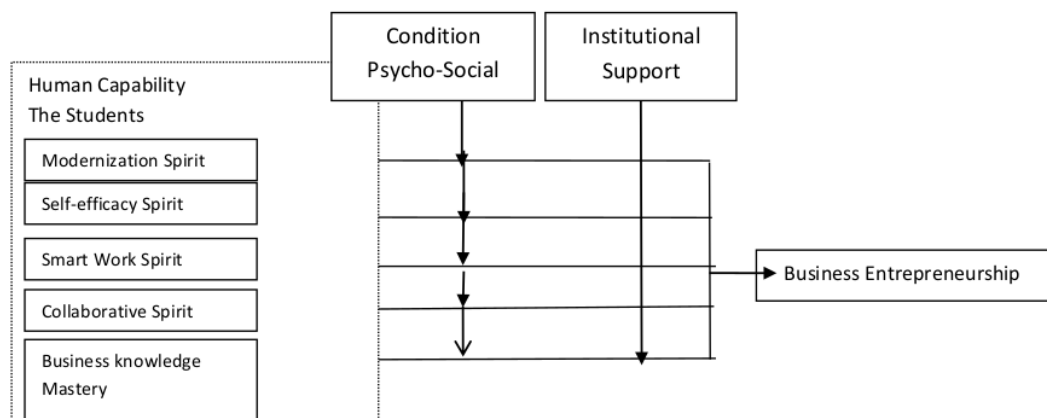


Figure 2: Business Entrepreneur Development Model

The business entrepreneur development model is proven to be able to present the entrepreneur phenomenon in university world. The model shows the R-square level of 70% meaning it is able to explain different causes and effects that significantly influence the determination to become business entrepreneur.

CONCLUSION

The result of this study shows the contribution of the students in developing business entrepreneurship shown by their capability to improve their excellence continuously relying on their various business human and competency potentials. This study leads to the following conclusion:

- (a) The study on student groups in state universities in West Nusa Tenggara shows that business entrepreneurship built through human capabilities i.e. the integration of business human potential and the students' competency is visible from the students' determination to comprehend the direction of business development as well as utilize the business world information.
- (b) Students' capability will be shown in creativity that results in new ideas and concepts that can be sustainably improved.
- (c) Students' determination can provide the best service and innovative work to the customers and relevant parties. The determination to create innovative work reflects the business ethos that can increase customers and community appreciation. Students' determination can be in the form of courage to face business risk challenges in a calculated way. It is a risk taking that can be well estimated and anticipated.
- (d) All these business entrepreneurship characteristics are developed through the students'



innovative learning spirit showing their modernization spirit. Competency that shows the students' self-efficacy to face business challenges. Business ethos show hard and smart work spirit from their belief to create profitable business.

Business entrepreneurship can improve with the students' self-efficacy. This explains the increase in their self-efficacy intensity to be able to overcome any challenges in the working world. The students' knowledge, experience and physical ability form a competency that can improve their confidence to face actual business challenges. Their confidence may be disturbed in academic atmosphere and inadequate institutional support as experienced by students in West Nusa Tenggara.

Business ethos show high motivation to run the business and not to be easily discouraged contributes to the improved determination to become business entrepreneur. The ethos is also characterized by their strong motivation and endurance. This condition may result from the students' awareness that the business cannot be run only in a business usual way. This condition is also considered as the reflection of the students' psychological maturity in facing more competitive business world challenges. Collaborative spirit is shown by the students' willingness to have synergy collaboration. Such willingness may come from the awareness on their limited experience in running a business. The willingness to collaborate also shows their awareness on the benefit of the synergy in business collaboration that may exceed the result they make individually.

The capability, obtained by the students in entrepreneurship covers the theory and substantial knowledge on entrepreneurship. Some of study programs provide extra practice class to develop skills in running a business activity. Capability with knowledge and skills only is proven to be insufficient to develop students' determination to become a business entrepreneur. What happens to students in West Nusa Tenggara is that with capability only they obtained it may lead to counter-productive relation towards the development of entrepreneur determination. Relying only on their capability will isolate their determination to become an entrepreneur. Such capability may bring impact when adequate and conducive institutional support is provided.

Innovative learning spirit illustrates the modernization spirit as important intellectual potential these days where business environment is highly volatile and difficult to pattern. Those with strong business entrepreneurship character should ideally require the materialization of modernization spirit to show their motivation in creating innovative improvement and modernization. Their modernization spirit grows when they experience egalitarian treatment within the university. The intensity of students' interaction with stakeholders is considered an effective organizational learning media for the students. Thus, the materialization of the modernization spirit in supportive academic



atmosphere convincingly gives positive contribution to developing their determination to become business entrepreneurs particularly in improving sustainable advantageous knowledge.

It is realized that the students have aspirational and ethical insights for the future, yet often it is not demonstrated in various daily attitudes and behaviour or when they engage in activities outside the campus. It is assumed that the students face more problems that need quick solutions. In such a situation, business entrepreneurship is usually associated with the ability to solve short-term problems. The absence of aspirational and ethical insights is assumed to be influenced by instant culture of urban society that demands material acquisition more quickly.

The determination to become business entrepreneurs is not supported by promising and noble valued future. It is assumed that students with aspirational and ethical insights, with long-term orientation are not considered to directly contribute to the development of business entrepreneurship. It is said that smart students are those who can give solution to the problem they encounter nowadays. The materialization of various human potentials should not mean that competency and physical resources mastery are less important in developing business entrepreneurship. Both of them should be developed simultaneously to improve the students' business entrepreneurship quality and effectiveness.

The study on the influence of human potential and competency or students' human capability on business entrepreneurship is still necessary that it also covers the influence of the students' business human potential completely. This is important since human capability serves as the main basis in business entrepreneurship development of students in Indonesia. People now realize the importance of materializing strong goal and ethics with high motivation as the main power of virtual capital. Such capital is invisible, yet its presence can be felt, and its benefit is recognized. Holders of virtual capital are believed to be more capable of facing the more volatile business world challenges nowadays, and can also improve physical capital effectiveness that is now getting expensive and limited.

It is realized that the students' business entrepreneurship excellence in West Nusa Tenggara is established by their determination particularly their tendency to have certain business behaviours. High business entrepreneurship does not automatically result in high performance or profits, but it provides bigger chances to the students to improve their excellence continuously instead. Therefore, further study needs to be conducted on the relation between factors determining business entrepreneurship with economic performance of a business activity. Discussion on supportive academic atmosphere cannot be separated from the leadership practice in universities.



We need to find out the type of leadership necessary to develop supportive academic atmosphere to raise the students' human potential maximally. To be able to improve well by relying on business capability, the universities should create transformational atmosphere based on trust and honest respect to each other within the program study. Honesty and openness become academic norms respected by all relevant parties. In such an academic atmosphere, the students feel treated as human resources with dignity and respect. Thus, the actualization of the student's human potential can grow maximally through more conducive academic atmosphere.

With the turbulent business world, the students' role to engage in flexible way is necessary. They should be provided with chance to have more roles in the process of decision-making. All of these can be carried out if the universities in Indonesia can develop more consistent transformational leadership. Bearing in mind that developing a determination to become business entrepreneurship is significantly influenced by actualization of the students' potential and competency, it is suggested that those who have the intention to improve business activity think about the way they behave in developing the business.

Stakeholders' support should be aimed at facilitating the development of innovative learning spirit, competency, work ethos and ethical insight of the students of small and medium business. This study is necessary because we often hear that the development and empowerment of students in the university is not effective. Thus, this evinces the importance of business entrepreneurship concept outreach for the stakeholders. Stakeholders should support the development of Indonesia university students, universities management, lecturers, staff, alumni, local government and relevant agencies.

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