



SUCCESS FACTORS OF STUDENT ENTREPRENEURSHIP

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Abstract

The objective of this study is to identify factors that encourage students to be entrepreneurs, to investigate the constraints that faced the students to be entrepreneurs and the factors that contribute to the success of students' entrepreneurs in Aceh, Indonesia. This research is a qualitative study using a grounded theory approach in order to determine the factors that influence the success of entrepreneurs among students. In this study, the samples are the students who have been in business minimum of 3 years. Students who are selected are those who study in Syiah Kuala University and University of Malikussaleh in Aceh. Amount 15 students have successfully met and interviewed to answer the issues raised in this study. The results of this study indicate that almost all respondents doing business differently at the moment with the type of business done at the first time once they start the business. The internal factors motivated the students being an entrepreneurs were to help their parents, family's financial situation does not allow for the students to go to college to be a trigger factor for them to raise funds that can be used in order to go to college. The internal aspect of the

students who did not want to work as an employee is also a major factor that motivates them to be entrepreneurs. While the external factors motivated the student being an entrepreneur because of their friends who are already successful in business.

Keywords: Student entrepreneurs, business success, entrepreneurial intention, external environment factors, internal environment factors

INTRODUCTION

At the time of economic downturn, concerns over employment or unemployment became a hot topic for discussion, especially in Indonesia, one of the countries that have the largest population in the world. Unemployment not only occur in an environment of low education, unemployment and even educated also become a major problem in Indonesia. Average universities in Indonesia, both domestic and private universities provide more than 100 thousand graduates per year. However, among these graduates, unemployment that occurred increased from 183.629 in 2006 to 409.890 in 2007. This is a big problem up to now.

Entrepreneurship is a breakthrough to overcome the educated unemployed. In the beginning of 2009, the supports of student activities provide entrepreneurship education to students who have the motivation to be entrepreneurship. The entrepreneurship education program in the list of contents of budgetary respective colleges, approximately 70% of the funds received by each college used to support students in conducting business (Kompas, 2011). Group of entrepreneurs who are economically significant is young university graduates who are able to access education around the world (Kovereid & Isaksen, 2006; Prophet, Holden & Walmsley, 2006). These young graduates not only face a wide selection of career-related decisions in government or private, but they also need to raise awareness of entrepreneurship and self-employment as an alternative to a career (Morris, 2006; OECD, 2002; Wennekers, Sets & Thurik, 2005).

University graduates are qualified and if they are employed, they can turn their talents to have better results. University graduate/undergraduate in more developed countries consider to be an independent entrepreneur than work in public or private companies (Matlay, 2005; Prophet et al., 2006). In Indonesia, educated unemployment rate is quite high. Central Bureau of Statistics (BPS) said the number of scholars (undergraduate) in February 2007 amount 409,900 people. In February 2008, the number of educated unemployed increased 216,300 people or approximately 626,200 people. Whereas in 2008 there were high school graduates accounted for the greatest number approximately 3,369,959 million as unemployment followed

2,179 elementary school. 792 million people, Senior high school 2,166,619 million, diploma / college life as much as 519 867. Similarly, the data in February 2009 there was an increase in unemployment, there were 9,258,964 million of the total workforce around 113,744,408 million, of the total 9,39 million people unemployed, there villages are mostly background when viewed from the bottom as much as elementary education 2,508,253 million, 2,094,378 million people as many junior high, high school as much as 2,341,592 million people, while the diploma to graduate as many as 891 638 people. In 2007 to 2010, there are more than 1 million unemployed educated, (Media Indonesia, March 22, 2010).

Student Entrepreneurs is become interesting for investigation in the research. The literature suggests that better access to education has created unemployment graduates every year, It has been create economic pressures to provide adequate employment (Matlay, 2005; Prophet et al., 2006). In a global market that fluctuates primarily due to the downsizing and restructuring of multinational corporations and strategy, causing many organizations or companies reduce employment. The result is high unemployment among university graduates (Matlay, 2005; Morris, 2006; Prophet et al., 2006; Wennekers et al, 2005). In Malaysia, for example, nearly 99.2 percent, or 546 218 companies either small or medium that employs more than half (56.4%) of the workforce (SMIDEC, 2006). While public policy seen in the sector of small and medium enterprises (SMEs) as a viable source to provide new job opportunities for graduates of higher education (Nkongolo-Bakenda, Anderson & Ito, 2004), constraints often faced is that the majority of SMEs are micro enterprises may not be able to accommodate university graduates to work so it does not become an attractive career option for graduates (Morris, 2006; Prophet et al., 2006).

Therefore, the first objective of the study is to identify factors that will make the students become entrepreneurs. Second objective is to investigate the constraints that faced the students to be entrepreneurs. The third objective of this study is to identify the factors that contribute to the success of students' entrepreneurs in Aceh, Indonesia.

LITERATURE REVIEW

Entrepreneurship

Entrepreneurship is a strong emphasis in purposeful activity (Tarmudji, 1996). According to Zimmerer and Scarborough (2002) entrepreneurship is a person who creates a new business with risk and uncertainty for achieve profit and growth by identifying opportunities further and gather existing resources. According Suryana (2000) entrepreneurship is essentially the nature, characteristics and nature of a person who has the will to realize innovative ideas into real world creatively. On the other hand, and subsides Hisrich (2002) entrepreneurship is defined as a

process of creating something new with value offerings effort and time as well as the need to make a profit and be able to face the risk. While Meredith et al (2002) entrepreneurs are the ones who have the ability to see and assess business opportunities, gather the resources needed to take advantage thereof and take appropriate action to ensure success.

Characteristics of Entrepreneurship

Scarborough and Zimmerer (1993) found eight entrepreneurial characteristics, which include: desire for responsibility, namely to have a sense of responsibility over those businesses to do. Someone who has a sense of responsibility will always introspective. Preference for moderate risk, which prefers a moderate risk, meaning he always avoids the risk, either low or high. Confidence in their ability to success, that is confident in him to be success. Most of the entrepreneur desire for immediate result, which always requires immediate feedback, they have high level of energy, that passion and hard work to fulfill his desire for the sake of a better future. Entrepreneurs have future orientation, which is oriented to the future, perspective, and far-sighted, skill at organizing, which have skills in organizing resources to create value added, value of achievement of money, which is more respectful of the money feat. Explicitly, Stainhoff and Burgess (1993) suggested some of the characteristics necessary to be a successful entrepreneur , namely : Having a vision and a clear business purpose, willing to take a risk all the time and money, plan, organize, hard work in accordance with their importance, develop relationships with customers, suppliers, employees, and others, responsible for success and failure .

Motivation to be Entrepreneurs

All human actions arise because of the encouragement of the (internal factors, push factors) and external stimuli (external factors, pull factors), but nothing happens if not interested. In general, interest is a tendency toward something (Noeng Muhadjir, 1992). Interest based on the opinion of some of the above is the feeling of pleasure or inclination to be someone who directs the individual to a particular choice to participate on activities that became the favorite object. Interests influence the process and outcomes of learning someone because if people learn something with interest, it can be expected the better results. In addition interest is "feeling interested or related to a case or activity without telling" (Tarmudji, 1991). Interest a person can be expressed by a statement showing an interest in an object over another. It can also be manifested through participation in an activity someone is interested in something specific objects tend to pay greater attention. Intention entrepreneurship (entrepreneurial intention) can be seen as an interest to create a new organization or as a risk taking behavior to start a new

business (Katz & Gartner, 1988). Intention (intention) can be seen as the cause of an action and the higher is the implementing measures, the higher is the possibility of involving the action / actions (Chandrashekar, et al., 2000). Based on the description above, it is understood that the awareness of a person who is interested and happy in an effort to appear in activities to learn, understand, and dabbling in the business. Activity or activity that is based on interests are likely to be success, because it is doing by joyful and without coercion. Such activities performed to achieve a certain goal which is to meet their needs. Someone who is interested in entrepreneurship will feel happy or likes to do a variety of actions related to entrepreneurship. Interest is personal, so individual interests among different from one another. Even an interest in a person can be different every time, because interest is its soul willingness to accept something from outside the individual, interest in to fulfill basic rules, including the interest of students to be entrepreneurship.

Factors Affecting to be Entrepreneurs

The experts suggested that a person has an interest in entrepreneurship because of certain motifs, ie motifs achievement (achievement motive). According Suhanda (in Suryana, 2003) achievement motive is a social value that emphasizes the desire to achieve the best in order to achieve personal satisfaction. Wirasmita (1994) suggests several reasons why someone entrepreneurship, namely: 1). Financial reasons, namely to make a living, to be rich, to get for additional revenue, as a guarantee of financial stability. 2). Social reasons, namely to gain prestige / status, to be recognized and honored, to be an example for older people in the village, in order to meet with many people. 3). The reason of this service and to give employment to the people, to upgrade the community, to help the economy, for the sake of the future of children and families, to obtain loyalty husband / wife, to his parents happy. 4). Reasons for self-fulfillment, namely to become boss / self, to achieve something desirable, to avoid dependency on others, to become more productive, and to use the abilities themselves. Begley and David (1980) identified five dimensions into psychological factors that affect entrepreneurship, namely: 1). The need for achievement: Here entrepreneurs have a need for achievement (need for achievement) is very high; 2). Location of control: which individuals control their own lives, not luck or fate; 3). Tolerance for risk: entrepreneurs who are willing to take the risk of obtaining greater results than those who do not want to take the risk; 4). Tolerance to doubt. Here there is no doubt in taking a stand; 5). Type a behavior: an ambitious, energetic. Meanwhile, Ramayah and Aaron (2005) suggests the factors that influence interest in entrepreneurship are: 1). Demographics and individual background factors (individual and demographic background); 2). Factor Personality Traits (personality traits) that consists of: a).

Need for achievement (need for achievement); b). Locus of control (control points); c). Self-efficacy (self-confidence); 3). Factors contextual elements (including elements / dependent) consisting of: a). Instrumental readiness (preparedness); b). Subjective norms (the norms of relations).

RESEARCH METHODS

The approach used for this study, both to answer the research questions, data collection, analysis and interpretation of the results is by using qualitative methods. Morse and Richards (2002) identified three main methods of qualitative research; phenomenology, ethnography and grounded theory. This study uses grounded theory as suggested by Merriam and Simpson (2000) stated that grounded theory is suitable to examine the phenomenon in which information about the little-known phenomenon. In addition, as shown by Strauss and Corbin (1994), grounded theory is also capable of generating new ideas and interesting of a subject that is investigated in depth.

The focus of data collection in this study was students enrolled in public universities in the provinces of Aceh, Indonesia and has been run their businesses at least 3 years. In qualitative research, researchers carefully select a sample of participants whose number between 5 and 25 (Creswell, 1998; Creswell, 2003; Leedy & Ormrod, 2005) to be interviewed. Rudestam and Newton (2001) stated that " a phenomenological study will involve a relatively small number of participants, 10 may be appropriate for a relatively long time, at least 2 hours ".

In this study, 15 students enrolled in public universities in Aceh who have run their businesses selected as sample of the study. In the qualitative research, there are little bit used of random sampling. Instead, the emphasis of research purpose, or theoretical sampling, in which researchers look for informants who can provide the important data and the most complete on the subject in question (Patton, 2002; Siedman, 1991). Because the focus is on gathering detailed information on the depth, the number of respondents will be taken in small quantities. The main criteria for assessing the size of data is saturation of information. When researchers began to hear the same answer given by respondents repeatedly, it is clear that the category is saturated (Glaser and Strauss, 1967), and thus the data collection is complete.

RESULTS AND DISCUSSION

Characteristics of Respondents

In this study, a sample of the study was the students who are still enrolled in public universities in Aceh province, both from Syiah Kuala University, Banda Aceh as well as students from the University of Malikussaleh, Lhokseumawe, which the criteria have been doing business with at

least 3 three years. A total of 15 students successfully met and interviewed, with the name and the type of business carried on is as follows:

Table 1. Characteristics of respondents

No.	Name	Type of Business	Universities
1.	Nazaruddin (M)	"Nazar Cell/Cling"	University of Syiah Kuala
2.	Rico Syahputra (M)	"Distro Campus"	University of Syiah Kuala
3.	Ridha Sahputra (M)	"Glory Tour"	University of Syiah Kuala
4.	Ilham Maulana (M)	"Juztrue"	University of Syiah Kuala
5.	Arie Budi Setiawan (M)	"Katring Campus"	University of Syiah Kuala
6.	Chandra Triadi (M)	"Banda Hammi"	University of Syiah Kuala
7.	Dewi Pratiwi (F)	"Book Store"	University of Syiah Kuala
8.	Sahabat Berampus (M)	"Bakso Sahabat"	University of Syiah Kuala
9.	Dedi Iskandar (M)	"Fotocopy"	University of Syiah Kuala
10.	Hera Elisa (F)	"World Craft"	University of Syiah Kuala
11.	Lely (F)	"Useung"	University of Syiah Kuala
12.	Rizky Ananda (M)	"Bursa Motor"	University of Syiah Kuala
13.	Maya (F)	"Ternak Ayam"	University of Syiah Kuala
14.	Maskur (M)	"Kentang Goreng"	University of Malikussaleh
15.	Fajar (M)	"Lucky Pizza"	University of Malikussaleh

From the results of the data collected can be drawn that the average respondent is a student who was studying in Syiah Kuala University, as many as 13 people and 2 others are from the University Malikussaleh. On average, respondents also a male and lectures at the faculty of Economics Unsyiah. For a period of time to start a business, the average respondent had started the business three years ago (in 2009). As said by Rico Syahputra; "I have started business since 2008 with different types of businesses with what I run now ". Almost all respondents doing business differently at the moment with the type of business at the first time once they start to become an entrepreneur.

Discussion

Motives to be an Entrepreneurs

The results showed that the factors that motivate students to start to be an entrepreneurs is the encouragement within them self to get funding from the work itself to cover their college expenses. Fajar said: "I like to do the business because I want to increase revenue for the college needs". Ari: "I started a business and going to school because I wanted to help the

family finances, so I can handle the cost of the course itself, it was the main driven for me to have own business " .

Rizki, Lecturing student who is majoring in English also revealed the same thing: "I want to help my parents, I don't want to make them worry of my cost at school, I also want to help my brothers in their school funding". For students of the Faculty of Economics Rico, the motivation to start business was; "I do not like being told, I am happy to do the work in accordance with the existing interest". Then he continued: "I had no desire to become a civil servant, therefore start from the first semester I had started the business by selling top up for the cellular phone " . The same thing also expressed by Maya who are students of Technical Chemistry University of Syiah Kuala; "I do not want to depend on someone else, I would like to have my own money to pay for college"I get the scholarship that I use as capital to try the chicken start the business, and although I'm a women, I'm not feel shy to become entrepreneurs in farm", said Maya.

From the description given by the students can be concluded that their dominant motivation to become an entrepreneur is because of the encouragement to try (push factor) than the interest to try (full factor). Students strive to be able to get fund for their studies from the results of his labors without having to depend on funding from parents. The students are not coming from poor families, some of participant's parents is work civil servants. As statement of Maya; "My father was a civil servant, my mother is a housewife, my father actually able fatherly my fund education, but I was determined not to charge them since I was in first semester " . Dedi who has a printing business also reveals the same thing, "my parents were both civil servants , but I do not want to stay silent, I have tried myself to earn own income and become self-sufficient " . As said by Nazar; "I aspire to college, for that I have to have own income and that will I get from being an entrepreneurs". Nazar added: "The results of my efforts now, I've been able to cover the costs of my education". The results of this study support the theory by Wirasamita (1994), one of reason of become entrepreneurs is for financial reasons, such as fulfill the needs, to look for additional revenue, as well as a guarantee of financial stability.

Determinants of Success

According to Rico; " to be success we have to work hard, do not give up easily" it is also expressed similar by Fajar; " we were able to success because of hard work, trying to find a new recipe for the pizza , and always be friendly to the customers " . Nazar also said similar things; "do not give up if you want to succeed in business, the obstacles faced not serve as a barrier, if we stop then we will not get what we want."

Good marketing strategy is also important for students to be successful, as said by Arie; "I offer food to friends and lecturers on campus by way of wooing them to take food from me if

there was an event and workshop in my campus". Marketing aspect is also seen as an opportunity by the student in running his business. This was disclosed by Fajar; "I see that now Pizza popular among the people, but the price of a pizza is sold can be categorized expensive, so it is an avenue for us to offer pizza and affordable by the general public with a taste that varies too " ... "and we feel that our pizzas have been much-loved by the people" Status as a student also felt his advantage by student entrepreneurs. According to Lely; "I used bookstore provides books that are widely used by students , since so many of students know which books are the requirements enumerated by the students " . Hera also felt the same thing; "because I am a student and have a lot of acquaintances, so I made souvenirs can directly promote it to my friends" "I know so many goods that were favored by the students, and it benefits us in designing souvenir we sell " .

From the results it can be concluded that the factor of hard work , never give up and know the market conditions become the main factor for students to be successful in running their business. They hope much from their business; it can be concluded that with high motivation so that businesses can be run continually. Most of the respondents also as students who have not received funding from their university for student entrepreneurs scheme because they failed the test, but according to them, they run a business that is very worthy to be helped .So, they expend their own capital to drive business at first time. The students also start business because they want to pay for tuition fee, want to assist parents in terms of the financial, do not want to be a civil servant, the narrowness of jobs that are available today, and they want to live independently. From the results of this study also suggested that entrepreneurship education can be given to students in all faculties at all higher education institutions, both public and private. Since the introduction of entrepreneurship will be able to foster interest among students.

WAY FORWARD

This study has limitations which result from this study cannot be generalized because it has not been tested statistically. Therefore, it is advisable for subsequent research conducted from a quantitative approach, so that the results can be generalized.

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