

A CORRELATIONAL STUDY BETWEEN ENTREPRENEURS MOTIVATION AND SELF-PERCEIVED COMPETENCE

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Abstract. Entrepreneurship is a revolutionary topic. Entrepreneur is significantly giving positive impact to Indonesia (Lembaga Pengembangan Perbankan Indonesia; Bank Indonesia, 2016). Government of Indonesia already gave support, in such form of policies, environment and infrastructure that support entrepreneurship (2008) (Mirzanti, Simatupang, & Larso, 2015). SBM ITB is supporting the growth of entrepreneurs in Indonesia through education by establishing bachelor of entrepreneurship program in 2013 (Ashrawi, 2013). Preliminary study conducted by researcher has shown that in SBM ITB, there are 92.9% supported entrepreneurs from entrepreneurship program batch 2019 face business failures. in Kendari (Yulianti & Muthalib, A. A.) in 2015, stated: there is a strong correlation between entrepreneur motivation on business performance in culinary industry in Kendari. Robichaud, McGraw & Alain (2001) conducted a research to establish a relationship between entrepreneurial performance and entrepreneurs' motivation; the study discovered that, there is a correlation between the entrepreneur motivational factors and the business performance variables. Entrepreneurs who found the most successful firms gave themselves high ratings on self-assessing their competencies (Chandler & Jansen, 1992. What correlation could be drawn from each motivation, based on hierarchy of needs, with entrepreneurship students of SBM ITB entrepreneurs' competence? Which motivation show the strongest correlation?

Keywords: entrepreneurship; hierarchy of needs; competence; correlation.

INTRODUCTION

Small and Medium Enterprises (SMEs) or called Usaha Mikro, Kecil dan Menengah (UMKM) in Indonesia is 99.99% of all businesses in Indonesia with 56.54 million business (Lembaga Pengembangan Perbankan Indonesia; Bank Indonesia, 2016). There is a Model introduced by Gries-Naudé in 2010 explained: The transformation from a low-income, traditional economy to a modern economy involves significant changes to production methods, a process of change where entrepreneurs provide essential roles. Entrepreneurs give benefits absolutely with drawbacks, but balanced approach in developing entrepreneurs will give positive impacts on economy and society (Dhaliwal, 2016). Preliminary study conducted by researcher has shown that in SBM ITB, there are 92.9% supported entrepreneurs from entrepreneurship program batch 2019 face business failures. In this research, the writer gathered data using questionnaire bachelor of entrepreneurship program student batch 2019 in SBM ITB. The research further can be used for many institutions that will cooperate with or support bachelor entrepreneurship student of SBM ITB including SBM ITB itself. This research hopefully could give insight whether there is any influence of needs fulfilment stage on business performance of bachelor of entrepreneurship program student in SBM ITB as an entrepreneur.

Entrepreneurs as human is having needs that should be fulfilled. Motivation factors are affected strongly with human needs fulfilment factors variables which explained in Maslow's Human Motivation Theory (Virginia Barba-Sánchez, 2012). This theory will help us to better understand on how human motivation on doing their activities, such as running a business. Humans always try to fulfil those needs ascendingly from the bottom to top. Similar research has been applied in Kendari by Yulianti and Abd Azis in 2015, resulting there is a strong correlation between entrepreneur motivation on business performance in culinary industry in Kendari. Robichaud, McGraw & Alain

(2001) conducted a research to establish a relationship between entrepreneurial performance and entrepreneurs' motivation; the study discovered that, there is a correlation between the entrepreneur motivational factors and the business performance variables. Entrepreneurs who found the most successful firms gave themselves high ratings on self-assessing their competencies (Chandler & Jansen, 1992). What correlation could be drawn from each motivation, based on hierarchy of needs, with entrepreneurship students of SBM ITB entrepreneurs' competence? Which motivation show the strongest correlation?

In this research, researcher use Pearson Correlational analysis. Data gathered in Likert scale. Data collections using online questionnaire. The results are becoming inputs in Statistical Package for the Social Sciences (SPSS) software. The research questionnaire was adapted from a research that has capture the same data.

LITERATURE REVIEW

Motivation is hard to be measured. Maslow has found a way to define motivation based on hierarchy of needs (1943). The hierarchy of needs are separated into 5 stage from the bottom to top respectively: physiological needs, safety needs, love and belonging needs, esteem needs, and self-actualization needs (Maslow, 1943). physiological needs are biological needs which consist of the need for oxygen, food, water, and a relatively constant body temperature. When all physiological needs are met and are no longer controlling thoughts and behaviours, the needs for security can become active. After satisfying the needs for safety and for physiological well-being, the next class of needs for love, affection and belongingness can emerge. Needs for esteem involve needs for both self-esteem and for the esteem a person gets from others. Lastly, people reach the stage of needing for self-actualization. Maslow describes self-actualization as a person's need to be and do that which the person was "born to do."

According to Lee and Tsang (2001) that the success of the business is dependent role of the entrepreneur or entrepreneurial itself, and in entrepreneurial human factor plays an important role in addition to other factors critical. Theoretically Collings (2003) in Darmadji (2012) leadership position as a central factor that dominates, moving, directing and coordinating various other factors within the organization. Similarly, to what was stated by Suryana (2003) in Abd.Azis (2014) that the success or failure of self-employment is highly dependent on the ability of private entrepreneurs. This means that the success or failure of a business is highly dependent on the entrepreneurial ability possessed by the managers of the business.

Studies conducted by Kuratko, Hornsby and Naffziger (1997) and Robichaud, McGraw and Alain (2001) which surveyed entrepreneurs from North America to determine what motivation categories lead to business success, found that; the motivation of entrepreneurs' falls into four distinct categories which includes, the extrinsic rewards, independence/autonomy, intrinsic rewards and the family security. This study led to categories result that is similar with Maslow's Hierarchy of needs, such as family security which is safety needs in Maslow's but not all the needs mentioned and using all Maslow's terms.

Chandler and Jansen (1992) stated: Entrepreneurs who found the most successful firms gave themselves high ratings on self-assessing their competencies. They believed they were experts in their fields also can make use of the specialized tools and procedures to innovate, resulting in high-quality goods and services.

METHODOLOGY

Research analysis use correlational Pearson analysis on SPSS software. Data source is from answers of bachelor of entrepreneurship students in SBM ITB. Data capturing instrument is online questionnaire due to its' ease for access and tracking. Respondents are from bachelor of entrepreneurship students in SBM ITB batch 2019. In this case, author use a specific population to limit macro-environmental factors difference. Researcher choose to use random

sampling method which the most possible method while still enough to gather the data. The amount of respondent population is 65 and with 95% confidence level the margin error is 0.05. The number of samples author should take as respondents is 56.

Entrepreneur needs satisfaction is the predictor variable which will be the predictor for the presence of the other variable: Entrepreneur Competence. Researcher prepared hypothesis to be proven. The hypotheses specified as below:

HO1: There is no correlation between the self-actualization motivation of entrepreneurship student in SBM ITB and their entrepreneur competence

H1: There is a statistically significant correlation between the self-actualization motivation of entrepreneurship student in SBM ITB and their entrepreneur competence

HO2: There is no correlation between the esteem motivation of entrepreneurship student in SBM ITB and their entrepreneur competence

H2: There is a statistically significant correlation between the esteem motivation of entrepreneurship student in SBM ITB and their entrepreneur competence

HO3: There is no correlation between the love and belonging motivation of entrepreneurship student in SBM ITB and their entrepreneur competence

H3: There is a statistically significant correlation between the love and belonging motivation of entrepreneurship student in SBM ITB and their entrepreneur competence

HO4: There is no correlation between the safety needs motivation of entrepreneurship student in SBM ITB and their entrepreneur competence

H4: There is a statistically significant correlation between the safety needs motivation of entrepreneurship student in SBM ITB and their entrepreneur competence

HO5: There is no correlation between the physiological need motivation of entrepreneurship student in SBM ITB and their entrepreneur competence

H5: There is a statistically significant correlation between the physiological need motivation of entrepreneurship student in SBM ITB and their entrepreneur competence

Capturing motivation hierarchy of needs of entrepreneur, researcher adopt a questionnaire from previous study that captures motivation hierarchy based on Maslow's Theory. Based on Robert J. Taormina of University of Macau and Jennifer H. Gao from Macao Polytechnic Institute in 2013. In order to gather the data Entrepreneur Competence, author use self-perceived competence assessment (Chandler & Jansen, 1992).

FINDINGS AND ARGUMENT

Correlational analysis was conducted using SPSS with Pearson Correlation method. The results show that all independent variables have positive correlation to dependent variable. Pearson Correlation of 0.00-0.20, meaning almost no correlation, 0.21-0.40, meaning a low correlation, 0.41-0.60 meaning that the correlation is moderate, 0.61-0.80 meaning that there is a high correlation, 0.81-1.00 meaning that there is a perfect correlation between variables. After the data processed, it is safe to conclude that all the correlation is significant or greater than 0.05. The correlation of physiological needs satisfaction variable with entrepreneur competence scored 0.353. Correlation of safety needs satisfaction and entrepreneur competence scored 0.403. Correlation of love-belongingness satisfaction and entrepreneur competence scored 0.453. Correlation of esteem satisfaction and entrepreneur competence scored 0.477. The last one, self-actualization satisfaction and entrepreneur competence scored 0.356.

CONCLUSIONS

Correlation of each needs satisfaction variables with entrepreneur competence is moderate. The correlation of physiological needs satisfaction variable with entrepreneur competence scored 0.353, which means moderate

correlation. Correlation of safety needs satisfaction and entrepreneur competence scored 0.403, which means moderate correlation. Correlation of love-belongingness satisfaction and entrepreneur competence scored 0.453, which means moderate correlation. Correlation of esteem satisfaction and entrepreneur competence scored 0.477, which means moderate correlation. The last one, self-actualization satisfaction and entrepreneur competence scored 0.356, which means moderate correlation. There is no negative correlation between independent variables and dependent variable, so this part will only discuss strongest positive correlation for further. The strongest positive correlation is shown between Esteem variable with Entrepreneur Competence. The variable achieved the strongest correlation with difference of 0.024 with love-belongingness satisfaction which have the second strongest correlation.

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