

Proceedings of  
THE 7TH  
INDONESIA  
INTERNATIONAL  
CONFERENCE ON  
INNOVATION,  
ENTREPRENEURSHIP, &  
SMALL BUSINESS  
IICIES 2015

August 4-6, 2015  
H Clarity, Bandung, Indonesia

7th Edition

Venture Creation and Development in the Borderless World

Editors

Dwi Larso, Donald Crestofel Lantu, Wawan Dhewanto,  
Amilia Wulansari, Adita Pritasari

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**SBMTB**  
School of Business & Management  
Institut Teknologi Bandung



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Proceeding of the 7<sup>th</sup> Indonesia International Conference on Innovation, Entrepreneurship, and Small Business “Venture Creation and Development in the Borderless World”

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## **PREFACE**

Today's competitive landscape has expanded to the global horizon. Open market among countries and collaborations among companies in different countries are becoming common. To deal with the new landscape, innovation in many areas such as product, process, technology, business model, and management is a must. Innovation was typically created through a collaborative action among employees inside a company. Nowadays the collaborative action or partnership expands externally to reach other companies, customers, or even, competitors, locally or globally.

In this dynamic economic environment where knowledge is vastly distributed, companies can no longer rely on their own research and are pushed to utilize outside sources to sustain growth. This understanding inspires the theme of IICIES 2015, Venture Creation and Development in the Borderless World. Creating a business environment where all stakeholders can share knowledge, collaborate, operate and spread on a global canvas is a vision we would like to share. With a purpose to generate and share knowledge in supporting innovation, entrepreneurship, and small businesses, the Indonesia International Conference on Innovation, Entrepreneurship, and Small Business (IICIES) was initiated in 2009 by the Center for Innovation, Entrepreneurship, and Leadership (CIEL), School of Business and Management (SBM), Institut Teknologi Bandung (ITB). Throughout the years, we constantly challenge ourselves to learn, study, and create local knowledge with a global mindset and to promote the development of new entrepreneurs and small businesses. This conference provides the platform for Indonesian and international scholars to present their research on this vital subject network as well as to collaborate.

Held in flower city of Bandung, on 4-6 August 2015, the 7th IICIES has attracted more than 250 abstract submissions; all of which were reviewed and 97 accepted papers will be presented. Topics are ranging from entrepreneurship, creativity, innovation, management of technology, managing small business and start-up, leadership, entrepreneurial marketing and entrepreneurial finance. At least 200 researchers and participants from esteemed universities in Indonesia and more than fifteen other countries were attending the conference. Selected papers are published in 3 SCOPUS indexed journals: International Journal of Business (IJB), Journal of Business Innovation Research (JBIR), and International Journal of Business and Society (IJBS). Furthermore, we also have a special collaboration with Asian Journal of Technology Management (AJTM). Continuing previous conference publication, we are also proud to present you the IICIES 2015 Proceeding by CIEL SBM ITB.

In this occasion, we are honored to thank all contributors to the conference including all authors, reviewers, speakers and program facilitators, participants, and sponsors. This proceeding is expected to be the dissemination tools of our fruitful meeting, thus, we would highly encourage you also to take part in spreading the words.

Dwi Larso, Ph.D  
Conference Chair

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**The Analyze of Students Motivation toward Entrepreneurship  
(Case Study on the Last Semester of Business Administration Students  
at Politeknik Negeri Sriwijaya)**

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**Abstract**

The general objective of this study was to analysis of students' motivation toward entrepreneurship and to identification the obstacle to entrepreneurship and also to undertake a study to develop a curriculum related to student motivation for entrepreneurship. The analyze of motivation in this research using the approaches of achievement motivation, affiliation motivation and motivation to power. The total sample used for the study was 180 respondents consisting. Data was analyzed using the descriptive statistics. Based on the analysis, it was shown that 61 students or 34 percent have the motivation to become entrepreneurs, while 119 students or 66 percent not motivated. Of the 61 students who have entrepreneurial motivation, majority of them (57.4 percent) motivated by the desire to achieve, about 13.1 percent motivated by the desire to affiliate and 29.5 percent motivated by the desire to power. The major problem faced by the students to entrepreneurship is capital. Of the 119 students who are not motivated, majority of them (44.5%) have capital constraints, about 27.7 percent because fear of failure and 27.7 percent do not know what running a business. A significant implication of the study is that to improve the understanding of entrepreneurship to students through the development of entrepreneurship curriculum that lead to increase student motivation for entrepreneurship. Other subjects also need to be developed or become extra curriculum such as micro-finance and business plan or other relevant subjects.

Keywords: Motivation, Entrepreneurship, Student

**1. Introduction**

The number of unemployed educated in Indonesia increase every year. Based on data from the Central Bureau of Statistics or BPS (2014), there were approximately 1.116 million people unemployed educated in Indonesia, which consists of unemployed graduates diploma I / II / III reached 486,400 (43.6%) and university graduates as many as 630,000 (56.4 %). The situation will be sustainable if it continues to social problems and require special attention from the government. Increasing number of graduate and undergraduate diploma and also a minimum of jobs available is the main reason for the increasing number of educated unemployment. This condition is even worse

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because some companies many of which reduce the number of employees due to financial problems or bankrupt. Based on the phenomenon, eventually many of the students either public or organizing seminars, workshops and training and development of entrepreneurship motivation, especially among students. The goal is to encourage students to create jobs instead of looking for a job and to reduce the number of educated unemployed in this country.

Being an entrepreneur is also a fairly strong motivating factor in delivering innovation, change and progress of a country. Entrepreneurship is not new and has long been a concern in industrial countries (Peterson & Lee, 2000). The concepts of entrepreneurship develop among the educated already started before the millennium century. This fact shows that it is very important to create young entrepreneurs among the educated because they are expected to combine the development of the scientific field of entrepreneurship and the fact that they face in becoming entrepreneurs. The role of higher education institutions or universities in motivating candidates educated graduates become entrepreneurs is desirable so as to reduce unemployment in Indonesia. Based on data from the Ministry of Cooperatives and Small and Medium Enterprises shows that the number of Indonesian entrepreneurs only 1.9 percent of the 250 million population (Pratama, 2013). The condition indicate that Indonesia's has not reached the minimum to be a developed country. If compared with Singapore the amount of 1.9 percent was classified a number of very small because the number of entrepreneurs of this country reached 7 percent of the population.

Based on the description above, it is necessary to develop studies in the increasing number of entrepreneurs in Indonesia, such as by a review of student motivation for entrepreneurship. This study aims to analyze the motivation of students to entrepreneurship and also identify the obstacles to entrepreneurship. This study also aims to undertake a study to develop a curriculum related to student motivation for entrepreneurship.

## 2. Theoretical Framework

Motivation is the willingness to do something, while the motive is the need, desire, impulse. The motivation of a person depends on the strength of the motive. Motive with a very large force determines a person's behaviour. The popular theory of motivation is hierarchy theory conducted by Abraham Maslow. In hierarchy theory human needs found can be used to describe and predict motivation. There are five categories of human needs, namely: physiological needs, safety (security), social (affiliation), esteem (recognition) and self actualization. If the level needs are met, it will display a higher level of need. But this does not mean that the lower level needs must be fulfilled everything satisfactorily. Maybe lower needs have not been able to satisfy a person at all, but it appears that the higher levels of needs. There are 7 motives people to become entrepreneurs (Steinhoff & F. Burgess, 1993):

1. The desire for higher income
2. The desire for a more satisfying career
3. The desire to be self-directed
4. The desire for prestige that comes to being a business owner
5. The desire to run with a new idea or concept
6. The desire to build long-term wealth
7. The desire to make a contribution to humanity or to a specific cause.

Some opportunities that can be used as motivation drawn from entrepreneurship (Zimmerer, 1996):

1. Opportunity to gain control over the ability of self.
2. Opportunities to exploit its potential fully.
3. Opportunity to benefit financially.
4. Opportunities to contribute to society and separately appreciate someone's efforts.

Based on expert, it can stated that entrepreneurial motivation has characteristics:

1. Entrepreneurial oriented progress to obtain any materials, characteristics of risk takers, open to technology, and prioritize the material.
2. Entrepreneurial oriented progress but not to pursue the matter. This Entrepreneurial just want to create a sense of responsibility, service, positive attitude, and creativity.
3. Entrepreneurial oriented material, sticking to the existing habits, for example in the calculation of business with roughly, often facing a certain direction to succeed.

4. Entrepreneurial oriented non-material, with a work based on the habits, the entrepreneurial model usually depends on experience, counting by using mystical, ethnocentric understand, and obey the ordinances ancestors.

American David Clarence McClelland (1917-98) achieved his doctorate in psychology at Yale in 1941 and became professor at Wesleyan University. He then taught and lectured, including a spell at Harvard from 1956, where with colleagues for twenty years he studied particularly motivation and the achievement need. He began his McBer consultancy in 1963, helping industry assess and train staff, and later taught at Boston University, from 1987 until his death. McClelland is chiefly known for his work on achievement motivation, but his research interests extended to personality and consciousness. David McClelland pioneered workplace motivational thinking, developing achievement-based motivational theory and models, and promoted improvements in employee assessment methods, advocating competency-based assessments and tests, arguing them to be better than traditional IQ and personality-based tests. His ideas have since been widely adopted in many organizations. McClelland's (1961) is a pioneered workplace motivational thinking, developing achievement-based motivational theory and models, and promoted improvements in employee assessment methods, advocating competency-based assessments and tests, arguing them to be better than traditional IQ and personality-based tests. His ideas have since been widely adopted in many organizations. McClelland (1961) is most noted for describing three types of motivational need:

- achievement motivation
  - authority/power motivation
  - affiliation motivation
- a. Achievement Motivation  
Achievement is an individual desire for significant achievement, have the skills, control or have high standards. In McClelland theory he call it the need for power (n-Ach). The term of n-Ach is related to the difficulty a person to choose the executable tasks. Individuals with low n-Ach motivation will probably choose an easy task to minimize the risk of failure, or tasks with higher difficulty so that when it fails will not be embarrassing. Individuals who have a higher n-Ach motivation was characterized by a tendency to look for a challenge and a high level of independence. Individuals who have high n-Ach motivation tried beyond what is already acquired and avoid situations with low risk because it considers easily achieve success is not a genuine achievement. Achievers require continuous feedback to monitor the progress of achievement. They prefer to work alone or with other people with the type of high achievers. Many employers may fail in the group but not on the job.
  - b. Authority / Power Motivation  
The need for power is a form of expression of the individual to control and influence others. According to Maslow's, this lies between the need for esteem and self-actualization needs. McClelland stated that the need for power is closely connected with the need to achieve a leadership position. Individuals who have a need for power motive (called n-pow) have the motivation to affect the environment, has a strong character to lead and have ideas to win. There is a portion of an individual with n-pow motif is also seeking to improve the status and personal prestige.
  - c. Affiliation Motivation  
The need for affiliation is the desire to have a friendly inter-personal and familiar. An individual reflects the desire to have a close relationship, cooperative attitude and full of friendship with other parties. Individuals who have a high affiliation motive generally successful in jobs requiring high social interaction. Individuals with a pattern of need for affiliation (n-Aff) tend to require human relationships with others and the need to feel accepted from others. They tend to reinforce the norms in their work group.

### 3. Research Methodology

The location of the research is in Politeknik Negeri Sriwijaya, South Sumatra Province. The sampling unit is the last semester of Business Administration Students at Politeknik Negeri Sriwijaya. The data collection consists of primary and secondary data. Collecting primary data is done through direct observation and questionnaires. The total sample used for the study was 180 respondents consisting. Data was analyzed using the descriptive statistics. The analyze of motivation in this research using the approaches of achievement motivation, affiliation motivation and motivation to power. The

achievement motivations analyzed are independence, awards, achievement, competition and risk. Motivation affiliation analyzed with the desire to have an impact on the environment, a strong character to lead, desires increase personal status and prestige. While the power of motivation analyzed with the ability to communicate with others, ability and full of attitude cooperative friendship with other parties.

#### 4. Data Analysis

The more number of unemployment forced the alumni of the college to be more creative in order to compete, especially with regard to how to earn income. One step to avoid unemployment or job dismissal is with entrepreneurship. The problem is not easy to motivate students toward entrepreneurship.

The results of a study the last semester of Business Administration Students at Politeknik Negeri Sriwijaya toward entrepreneurship show that the motivation of students to become entrepreneurs is very low. Of the 180 respondents showed that only 61 students (34%) who have motivation to become entrepreneurs, while 119 students (66%) stated unmotivated. Of the 61 students who have the motivation to become entrepreneurs, 57.4 percent were motivated by the desire to achieve, at 13.1 percent were motivated by the desire for affiliation, and 29.5 percent were motivated by the power motivation (see Table 1).

Table 1. Student Motivation on the Last Semester of Business Administration Students At Politeknik Negeri Sriwijaya

Type of Motivation	Motivated Students	Unmotivated Students
<b>Achievement Motivation</b>		
a. Self-Reliance	5 (14.3%)	4 (3.3%)
b. Awards	7 (20%)	3 (2.5%)
c. Achievements	11 (31.4%)	9 (7.5%)
d. Competition	7 (20%)	15 (12.5%)
e. Risk Challenge	5 (14.3%)	20 (16.7%)
Total	35 (57.4%)	51 (42.6%)
<b>Affiliation Motivation</b>		
a. Affect the Environment	2 (3.3%)	10 (8.4%)
b. Lead Character	4 (6.6%)	10 (8.4%)
c. Status and Prestige	2 (3.3%)	14 (11.8%)
Total	8 (13.3%)	34 (28.7%)
<b>Power Motivation</b>		
a. Relationship	4 (7.2%)	15 (12.7%)
b. Cooperative Attitude	4 (7.2%)	11 (9.3%)
c. Friendship	10 (15.1%)	8 (6.8%)
Total	18 (29.5%)	8 (6.8%)
<b>Grand Total</b>	<b>61 (34%)</b>	<b>119 (66%)</b>

The data in Table 1 shows that the types of achievement motivation, the majority of students are motivated by the desire to achievement. The majority of students who are not motivated on the type of achievement motivation because for not being prepared to face the risks and are not ready to compete. On the type of affiliation motivation, the majority of students are motivated because there is the desire to be leaders of character, whereas students who are not motivated on the type of affiliation motivation, the majority do not want to enhance the status and prestige. For this type of power motivation, the majority of students are motivated because of the desire of friendship with

others. While students motivated on the type of motivation majority rule because not want or lack the ability to communicate with others.

Data results of this study also showed that the majority (44.5%) students are not motivated to entrepreneurship because of fear of failure, 27.7 percent because of the capital and 27.7 percent said they do not know to run a business in what (Table 2).

Table 2. The Constraint Faced by Students toward Entrepreneurship

Constraint	Respondents	%
Fear of Failure	53	44.5
Capital	24	27.7
Business Plan	24	27.7

Based on these results it can be said that there has been a tendency entrepreneurship courses-less download systematize the preparation of undergraduate candidates who have the motivation and creativity into entrepreneurship. Motivation to become entrepreneurs is a general description of characters that need to be installed permanently in the system of education.

## 5. Conclusion and Recommendation

The results of this study indicate that the majority of students for entrepreneurship motivation is low. The main obstacle face by students toward entrepreneurship is the fear of failure, capital and do not know what to do. A significant implication of the study is that to improve the understanding of entrepreneurship to students through the development of entrepreneurship curriculum that lead to increase student motivation for entrepreneurship. Other subjects also need to be developed or become extra curriculum such as micro-finance and business plan or other relevant subjects.

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*"Venture Creation and Development in the Borderless World"*

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# CERTIFICATE

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This is to certify that

**M. Yusuf**

has participated as

**Presenter in IICIES 2015**

Bandung, August 4 - 6, 2015

Conference Chair,



  
Dwi Larso, Ph.D.





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