

The Impact of Entrepreneurial Practice on Student Entrepreneurial Characteristics Building

Asmi Abbas
Economics Faculty, Andalas University, Indonesia
Abbas_asmi2009@yahoo.com

Abstract

This research aims to analyze the impact of entrepreneurial practice on student entrepreneurial characteristics building at Faculty of Economics Andalas University. The samples of respondents are students who take subject of entrepreneurship in 2013. From the results of the data processing with SPSS shows the mean that 3.714286 of entrepreneurship practice influence the entrepreneurial characteristics on students' personality. This indicates that the practice of entrepreneurship applied at Faculty of Economics is quite effective and can create the characteristics like responsibility, disciplined, self-confidence, ability to generate ideas, interests in business, ability to identify opportunities, understand the market demand, understand the importance of working with team, creative, understand the importance of a business plan, prioritize the buyers, and commitment to the business. This explanation is supported by the statement from respondents that 54 respondents (52.7%) agreed with the entrepreneurial practice and 26 (25.4%) of the respondents strongly agreed with the practice of entrepreneurship; 92 (89.3%) of respondents felt no objection to the practice of entrepreneurship. 97 (94.2%) of respondents said that the practice of entrepreneurship is necessary, 96 (93.2%) of respondents said not ashamed of practicing entrepreneurship, 101 (98.1%) of respondents had a positive lesson from this entrepreneurial practice. This means that the practice of entrepreneurship needs to be continued and added with other activities so that can increase the motivation and interest of students to become an entrepreneur.

Key words: the practice of entrepreneurship and entrepreneurial characteristics.

Introduction

1. Background of the research

Learning entrepreneurship can be done in many ways, one of them is with a business practice. The practice of entrepreneurship is an activity of running a business. This activity is a tool to study and practice of entrepreneurship, especially for students of the Faculty of Economics. Through the practice of entrepreneurship the students are fostered to pursue areas of business. Thus the business run by students is a real, planned, and organized business and carried out under the supervision of lecturer of entrepreneurship.

Universities and schools have to be able to develop a suitable and applicative pattern of education that can lead the change of mindset and character of students that can motivate them to become entrepreneurs and productive people by running a business. The students need to be motivated and directed to do a business and also teach them how to do a right business, running a real business not a speculative one (Renald Kasali, 2010).

There have been a lots of patterns or ways used to teach entrepreneurship for students, such as giving lesson of entrepreneurship in class as usual, inviting business experts or entrepreneurs to give lectures at campus, sending students to have internship at companies, holding seminars or conferences in entrepreneurship, undertaking a competition on entrepreneurship like business plan contest, ideas generating and product innovation competition.

However, the ways mentioned above are not yet enough to build the intention and willingness of the students to run a business. The lecturers who handle the class of entrepreneurship should facilitate their students with a real business atmosphere like directing them to do an entrepreneurial practice.

The students are suggested to run a business in group of four or five. They have to choose the business they like to do, producing products and sell them to their target market. This approach will be more effective to develop the mindset of students so they will no longer think as job seekers but now change to job creators. By this way, we can build their entrepreneurial spirit and characteristics. In addition, through this practice of entrepreneurship, students can experience on how to do a business.

Barringer (2010) says that there are four key characteristics that necessary for successful entrepreneurs i.e. passion for the business, product / customer focus, tenacity despite failure, execution and intelligence. Lambing (2000) mentions six characteristics of an entrepreneur like internal locus of control, tolerance for ambiguity, high energy levels, awareness of past time, need to achieve, and self confidence. These characteristics of entrepreneurship will not likely easily stick to students themselves by learning lesson of entrepreneurship from the class as usual only or attending the two times monthly general lectures on entrepreneurship held regularly by Andalas University.

Students will perceive and have entrepreneurial characteristics if they run a real business. No matter how small it is. So, in order to develop talent and entrepreneurial spirits and build entrepreneurial characteristics on students themselves, the students should run a business, identify opportunities, produce products, developing market, and manage the business.

To become an entrepreneur, someone should not been hindered by the myths that entrepreneurs are born not made, entrepreneurs are gamblers, entrepreneurs are motivated primarily love to spotlights. These statement are encountered by Frederick and Kurato in their book of Entrepreneurship “Successfully Launching a New Business Venture” (2006) mentioned that entrepreneurs are not genetically different from other people. They say that no one is born to be an entrepreneur and that everyone has the potential to become one. Entrepreneurs are not gamblers, they usually moderate risk takers. It is naive to say that entrepreneurs do not seek financial rewards. However, money is rarely the primary reason for entrepreneurs to start a new firm. It is not also correct to claim that entrepreneurs should be young and energetic. It has been approved by Colonel Harland David Sanders the founder of Kentucky Fried Chicken. He started his business in the age of 70 years old.

Similar to previous years, in academic year 2013/2014, in order to give more entrepreneurial atmosphere to the class I teach I required the students to run a business in group of four or five. They have to think an idea of business and started a business with their own capacity. They are free to choose any businesses they want. They have to design and produce products and then sell them to their target market. To evaluate the progress of their business they have to submit their business report a very week. By this practice, students will learn a lot about how to choose and produce product that meet the market and satisfy their consumers. Entrepreneurial practice will provide students with knowledge and experience on how to run a business. Along with this, the purposes of this entrepreneurial practice are to build entrepreneurial characteristics on the selve of students concerning of disciplinary, responsibility, creativity, risks calculation, understanding the market and the ability to communicate their product to their target market. From the explanation of the background above, the purposes of the research: 1) To find out what the impact of entrepreneurial practice on student entrepreneurial characteristics bulding at Faculty of Economics, Andalas University, 2) To see if entrepreneurial practice appropriate to serve as a model for entrepreneurship learning courses at the Faculty of Economics, Andalas University.

Literature Review

Related to the title of this study, in this section, author attempts to provide some definitions of entrepreneur, entrepreneurship, and other variety of things that have something to do with entrepreneurship.

1. Who is Entrepreneur?

The word *entrepreneur* derives from the French words *entre* and *prendre*. *Entre* means “between” and *prendre* means “to take”. The word was originally used to describe people who “take on the risk” between buyers and sellers or who “undertake” a task such as starting a new venture. (Barringer).

In the late 19th and early 20th centuries, entrepreneurs were frequently not distinguished from managers and were viewed mostly from an economic perspective. However, in the middle of the 20th century, the notion of entrepreneur as an innovator emerged. Entrepreneur is an individual developing something unique. (Robert D. Hisrich). On the other hand, Joseph A. Schumpeter had described an entrepreneur as a person who carries out new combinations, which may take the form of new products, processes, markets, organizational forms, or sources of supply. (Peggy A. Laming)

2. What is Entrepreneurship?

Entrepreneurship is a process by which individuals pursue opportunities without regard to resources they currently control. (H. H. Stevenson and J.C. Jarillo). Entrepreneurship is the art of turning an idea into a business. (Fred Wilson). According to Hisrich, entrepreneurship is the process of creating something new and assuming risk and reward.

Curran and Stanworth state that “Entrepreneurship, rigorously defined, refers to the creation of a new economic entity centred on a novel product or service or, at very least, one which differs significantly from products or services offered elsewhere in the market”

3. Why someone wants to become an entrepreneur?

There are three main reasons why people become entrepreneurs and start their businesses that would like to be the boss, pursuing his idea, and wants to realize its financial results. To become an entrepreneur, one must be friendly with uncertainty and doing entrepreneurship is a real business not a speculative one (Rhenald Kasali, et al)

4. Entrepreneurial Characteristics

To become a successful entrepreneur someone needs to have such characteristics possessed by other successful entrepreneurs. Laming (2003) mentions a number of characteristics of a successful entrepreneur are: high spirits, confident, risk management ability, able to see the change as an opportunity, tolerance for ambiguity, take initiative and achievement, oriented to detail and perfect, creative, see something big, have strong motivation, and others. In line with this, Barringer stated that there are four characteristics needed to become a successful entrepreneur namely: *Passion for the business*. It means that an entrepreneur believes that the business will positively influence people's lives. *Product/consumer focus*, This means that developing products can enhance people's lives. *Tenacity despite failure*, this means that as an entrepreneur should have a belief that a business is full of uncertainty and risk so that he/she has to commit his business, and *execution intelligence* means that the ability to effectively execute a business idea into a viable business.

In line with entrepreneurial characteristics, Izedomi and Okafor state that the individual characteristics of entrepreneurs have the ability to identify opportunities and mobilize resources to achieve their objectives. According to Koh (1996) as cited in Izedomi and Okafor (2007), entrepreneurial characteristics are identified as the main core of behavior and performance of an entrepreneur. David Deakins also mentions some key characteristics of entrepreneurs i.e. McClelland's need for achievement, calculated risk taker, high internal locus of control, creativity, innovative, need for autonomy, ambiguity tolerance, vision, and self-efficacy.

5. The Practice of Entrepreneurship

The question now is: Can scholars or students be entrepreneurs and how? Peter Drucker, in the book of entrepreneurship by Lambing said that entrepreneurship can be learned and taught (Lambing, 2003). It is also described by Frederick and Kurato (2006) that to become an entrepreneur it is not necessarily to have an innate entrepreneurial talent from birth because it can be learnt through self-discipline.

To develop talent and entrepreneurial spirit and build entrepreneurial characteristics on the self of students can be addressed from running an entrepreneurial practice such as making the products, market them, and manage the business with commitment. As entrepreneurship lecturers should always try to build entrepreneurial spirits of students and their entrepreneurial characteristics as well.

An example of entrepreneurial practice conducted by the students at Faculty of Economics, Muhammadiyah University having an appreciation from lecturer of entrepreneurship. The practice of entrepreneurship courses is guidance for students towards achieving entrepreneurial spirit. The implementation of entrepreneurial practice can be personal or in group. The types of practice of entrepreneurship at Muhammadiyah is making ashtrays and flower arranging. Knowledge gained in this practice will equip students to follow the community service program.

The similar activity I also gave to my students the class of entrepreneurship course in 2013 and then I took as the object for my research.

Research Methodology

This study uses a quantitative descriptive model exploring the impact of entrepreneurial practice on student entrepreneurial characteristic building.

Population of this study are students of the Faculty of Economics the students who take the subject of entrepreneurship in 2013 that working a practice of entrepreneurship under my supervision.

The sample for this study was students who take subject of entrepreneurship with author. Here I used random sampling technique because all elements of the population in this research has an equal chance for being selected into the sample, so the sample selection is based on certain considerations.

Data collection technique this research uses random sampling model with purposive sampling where the sample selection is based on certain characteristics that have been defined by researcher. Sample determination to this research use some specific considerations (Ferdinand, AT, 2000), with appropriate sample size is between 100-200. In this study, the authors took a sample of 103 questionnaire distributed by the author.

This study uses two variables, namely the independent variable (independent) and the dependent variable (dependent). The independent variable is the practice of entrepreneurship and the dependent variable entrepreneurial characteristics that consisting of entrepreneurial spirit, tenacity, creativity, discipline, responsibility, understanding of market/consumer, self-confidence, and others measurement as described in the questionnaire.

The measurement for variables using Likert scale models with provisions of 5 scale consists of value of 1 for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree, and 5 for strongly agree. The data analyzed using analytical methods SPSS. This model require a lot of number of samples but more efficient.

Results and Discussion

Following is the explanation of the result and discussion of the research. This section begins with the explanation of the characteristics of respondents and then continued with the discussion about the impact of entrepreneurial practice on student entrepreneurial characteristics building at Faculty of Economics Andalas University.

1. Profile of Respondents

The research was carried out by the fulfilment of the questionnaire by respondents. The questionnaire was distributed to students at Faculty of Economics Andalas University especially to students who took subject of entrepreneurship with researcher with total number is 103 students. From the results of the questionnaire distributed, it was obtained the characteristics of demographic data of respondents as follow

Below are tables of respondents demographic based on the year joining lecture at Faculty of Economics of Andalas University, department of study, program of study, gender, business experince, parents' occupation, the like/dislike to entrepreneurial practice, making products, marketing the products, managing the business, business book keeping, gaining positive lesson, objection to business, the necessity of entrepreneurial practice, feeling of doing business

1.1. Respondents based on the Year Joining Lecture at Faculty of Economics Andalas University

Year	Frequency	Percentage
2008	2	1.9
2010	2	1.9
2011	79	76.7
2012	20	19.4
Total	103	100.0

Source: Results of the Processed Questionnaire

1.2. Respondents based on the Department of Study

Department	Frequency	Percentage
Accounting	58	56.3
Management	34	33.0
Economics	11	10.7
Total	103	100.0

Source: Results of the Processed Questionnaire

1.3. Respondents based on Program of Study

Program of Study	Frequency	Percentage
Regular	55	53.4
Extension	14	13.6
International	34	33.0
Total	103	100.0

Source: Results of the Processed Questionnaire

1.4. Respondents based on Gender

Gender	Frequency	Percentage
Male	29	28.2
Female	74	71.8
Total	103	100.0

Source: Results of the Processed Questionnaire

1.5. Respondents based on Business Experience

Business Experience	Frequency	Percentage
Ever	78	75.7
Never	25	24.3
Total	103	100.0

Source: Results of the Processed Questionnaire

1.6. Respondents based on Parents' Occupation

Parents' Occupation	Frequency	Percentage
Civil Servant	59	57.3
Private Employee	11	10.7
Businessman	19	18.4
Farmers	3	2.9
Unemployment	11	10.7
Total	103	100.0

Source: Results of the Processed Questionnaire

1.7. Respondents based on the like/dislike to entrepreneurial practice

Like/dislike	Frequency	Percentage
Like	97	94.2
Dislike	6	5.8
Total	103	100.0

Source: Results of the Processed Questionnaire

1.8. Respondents based on making products

Making products	Frequency	Percentage
Yes	93	90.3
No	10	9.7
Total	103	100.0

Source: Results of the Processed Questionnaire

1.9. Respondents based on marketing products

Marketing products	Frequency	Percentage
Yes	98	95.1
No	5	4.9
Total	103	100.0

Source: Results of the Processed Questionnaire

1.10. Respondents based on managing the business

Making products	Frequency	Percentage
Yes	103	100,0
No	0	0,0
Total	103	100.0

Source: Results of the Processed Questionnaire

1.11. Respondents based on keeping book of the business

Keeping Book	Frequency	Percentage
Yes	75	72.8
No	28	27.2
Total	103	100.0

Source: Results of the Processed Questionnaire

1.12. Respondents based on gaining positive lesson

gaining positive lesson	Frequency	Percentage
Yes	101	98.1
No	2	1.9
Total	103	100.0

Source: Results of the Processed Questionnaire

1.13. Respondents based on objection to business

Objection to Entrepreneurial Practice	Frequency	Percentage
Yes	11	10.7
No	92	89.3
Total	103	100.0

Source: Results of the Processed Questionnaire

1.14. Respondents based on the necessity of entrepreneurial practice

Necessary/not necessary	Frequency	Percentage
Yes	97	94.2
No	6	5.8
Total	103	100.0

Source: Results of the Processed Questionnaire

1.15. Respondents based on feeling shy or no of doing business

Shy or no	Frequency	Percentage
Yes	7	6.8
No	96	93.2
Total	103	100.0

Source: Results of the Processed Questionnaire

2. Entrepreneurial Characteristic Building

Bellow is the table that showing the mean of entrepreneurial characteristics building on students after performing the practice of entrepreneurship.

Statement	N	Mean	
	Statistic	Statistic	Std. Error
I become more understand about the meaning of a responsibility	103	4.21	.070
I feel my life is more disciplined and orderly	103	3.71	.067
I feel my self confidence is getting better and more trained	103	3.89	.065
My ability to generate great ideas is getting better and more effective	103	4.05	.074
My passion and willingness on business is growing higher and higher	103	3.95	.077
I succeeded forming the tenacity and persistent on my self	103	3.90	.065
I become more understand the need of market and try to meet it	103	3.87	.069

I become more understand about how to identify a business opportunity	103	3.89	.066
My creativity grows better and better	103	3.92	.074
The quality of leadership of mine grows better and better	103	3.92	.080
I become more professional working with a team	103	4.23	.069
I become more understand how importantd a is a planning	103	4.26	.065
I become more understand how importantd is the customer	103	4.20	.067
I become more understand how importantd is a commitment	103	4.40	.064
X	103	3,714286	0,064857
Valid N (listwise)	103		

Source : Result from SPSS data processing

Conclusion

The practice of entrepreneurship is a form of entrepreneurial learning that the authors give to students who take subject of entrepreneurship with researcher. In this entrepreneurial practice, the students are assigned to run a business in accordance with group based on their own business idea. In line with the title of this study “The Impact of Entrepreneurial Practice on Entrepreneurial Characteristics toward the selve of students,” I want to see how this entrepreneurial practices influence the building of entrepreneurial characteristics on the selve of students.

From the evidence of analysis, it shows that the practice of entrepreneurship is significantly can build the entrepreneurial characteristics toward the selve of students in form of responsibility, discipline, self-confidence, the ability to generate great ideas, passion and willing to do business, the ability to identify opportunities, understand the market demand, understanding the importance of working with a team, creative, understanding the importance of business planning, prioritizing buyers, and demonstrated commitment to the business. Almost 52.7% of respondents agreed and 25.4% strongly agreed that the practice of entrepreneurship able to build the entrepreneurial characteristics to the selve of students.

The expalnation above describes that entrepreneurship practice is appropriate model for learning entrepreneurship courses at Faculty of Economics, Andalas University. In addition, based on the questionnaire distributed to respondents, they commented that the practice of entrepreneurship should be continued and carried out because it is quite effective to build the entrepreneurial characteristics on the selve of students.

Based on the observation and research as the author, I feel honor if I can recommend the lecturers who teach entrepreneurship at Faculty of Economics will also take this model to their learning program. Besides interesting, this learning approach could is also effective to build the entrepreneurial characteristics and mindset of students.

Furthermore, in order to make the learning process more interesting, it is also requested a more serious attention from University and Faculty officers to fascilitate students with more motivated entrepreneurial activities like entrepreneurial internship, a location for business, training and consultancy on business, bridging students with investors to get loans or grants, and others.

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