

Analysis of the Role of the Universities in the Entrepreneurship Character Establishment on the University Student in Batam with the Family Roles as the Intervening Variables

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Abstract

This study aims to identify the character of the university students as the actors of entrepreneurship in Batam, to determine the role of universities in the development of the entrepreneurial character by involving the family as an intervening variable and to develop the entrepreneur characters learning model for the university students to face Asean Economic Community (AEC) in the end of 2015.

This research uses the descriptive analysis method with the case study approach in Universitas Internasional Batam. Using the scoring analysis and regression technic, involving 113 respondents using the purposive sampling method are used to draw a conclusion that the average characteristics of the university students as the actors of entrepreneurship in Batam have not meet the expectation since they are still in the moderate category, so the universities need to be more creative in fulfilling their role especially in the development of syllabus and curriculum for the learning process.

Keywords: Scoring Analysis, Regression, Entrepreneur Characters

INTRODUCTION

Batam City as one of the outermost islands in Indonesia which deals directly to other countries has given it a great geographical advantage, where the products and services traffic is very crowded and keeps increasing year to year. This condition is predicted to mount up after the implementation of ASEAN Economic Community (AEC) in 2015. AEC is expected as a good momentum for Batam, considering that all the countries in Southeast Asia will be one market and production base area without any barriers of production factors flow from one country to another. In the other side, it will cause a risk for a very fierce competition where import products will entry Batam and are worried to threaten the local products.

As the economic development locomotive, the entrepreneurship aspect from UKM has a strategic role in the economic development. Entrepreneurship becomes the key factor in driving all production factors through its role as a mediator in running the production factors. That's why it is important to have an enough number of entrepreneurship which is significant in both quality and quantity as the main pillar of the economic development.

One of the ways to support the entrepreneurship aspect quality development is by enhancing the quality of entrepreneurship character education to the university student entrepreneurship actors. University student entrepreneurship actors are usually in the productive age category with the support from their body condition to the creativity, innovation and the courage to face the risks.

By analyzing the potencies and threats of AEC for university student entrepreneurship actors and the importance of entrepreneurship character enforcement so that the entrepreneurs will be able to compete when AEC is enforced, this research aims to:

- a. Identify how big the entrepreneurship character power of the university student entrepreneurship actors at Batam City.
- b. Know how far the role of the universities in enhancing the entrepreneurship character of the university student entrepreneurship actors at Batam City and the influence of family roles as the mediating variable.
- c. Entrepreneurship character learning model development.

REVIEW OF THE LITERATURE

University student entrepreneurship actors have a certain uniqueness compared to entrepreneurship actors who are not university students or are not studying, where the university student entrepreneurship actors have to focus in splitting their time between their study and business to be more innovative. This is according to Hisrich, *et al.* (2008) that the entrepreneurship is the process of creating something different by utilizing time and activities, followed by the capital and risks, and also getting the compensation, satisfaction, and personal freedom. Besides, university students who do business have stronger characteristics which differentiate them with the students who do not do business in term of innovation, risks bearing, motivation to achieve, self-confidence, and self-control (Zaman, 2013).

Entrepreneurship has a tight relationship with leadership factor. A company should be controlled by someone with good leadership. One example of the leadership is servant leadership. Spear (2010) says there are ten characters of servant leadership which are the ability to listen, having empathy, ability to heal, building awareness, persuasion, conceptualization, vision, service, commitment on people growth, and community building.

In entrepreneurship character building, universities have a strategic role, especially in giving the education and technology directly to the university students and the community for the transformation advancement from the traditional system to modern system, so that there will be a lot of changes available to do entrepreneurship (Kilidbari, *et al.*, 2013).

The success of an entrepreneur is determined by various factors. Based on Aguilar (2013), those factors are: trust on themselves, having a strong will to be success, working oriented, courage to take risks, diligence, and leadership in running the business. At the same time, the process of entrepreneurship development needs another things besides those factors, which are logical dream, trust and respect, honesty, opportunity sensitivity, and able to open up through networking and promotion based on reliable management ability in organization (Supriyatna, 2012).

University student entrepreneurship actors' character development is highly influenced by the subjective norms. Ariff (2010) states that the subjective norms, (consisting of family, close friends, university, and lecturers), have a significant relationship to entrepreneurship behavior. Experience and family influence are also very important to be possessed by the individuals who want to be entrepreneurs (Sarwoko, *et al.*, 2013), whereas Sukmana (2008) concludes that entrepreneurship education has a positive relationship on the entrepreneurship motivation, even more on the university students with entrepreneur family background.

RESEARCH METHODOLOGY

This research is a descriptive analysis with case study approach which is designed to make a factual and actual description or a picture about the characteristics of the university students who do an entrepreneurship in the intensive scope of the study at Batam city especially in the case study at Universitas Internasional Batam. Universitas Internasional Batam is chosen because this is the only famous university in Riau Islands province which includes Leadership & Entrepreneur Development education element into the university competency program based on

Rector Decree No. 027A/R/KEP-UIB/IV/2005 which applied to the LED (Leadership & Entrepreneur Development) subject, so the research variables related to the role of the universities can be discussed completely by the researcher.

This research is also a correlational-descriptive research which analyses the impact of one variable to other variables. Based Gay (1976) theory, a correlational-descriptive research needs at least 30 samples. The data used is primary data from the questionnaires given to 113 university students as the respondents using the purposive sampling technic, with the criteria: the students are still active at the university, are running a business and involved in the entrepreneurship center activities at the campus. The secondary data from literature study was used to support the answers of the research problems.

The data analysis used in this research is scoring analysis and regression data analysis technic with the help of SPSS version 17.0, with validation and reliability analysis of the questionnaires results in the beginning.

The variable scaling measurement in this research is using the Likert Scale where each of the question is given a score:

1. *Strongly Agree* answer is given the score 5.
2. *Agree* answer is given the score 4.
3. *Neither agree nor disagree* answer is given the score 3.
4. *Disagree* answer is given the score 2.
5. *Strongly Disagree* answer is given the score 1.

RESULTS AND DISCUSSION

1. Respondents Description

Respondents based on their gender are shown at table 1 below. 62 respondents out of 113 (54.9%) are males and the other 51 respondents (45.1%) are females. From these numbers it is concluded that there are more male university students who do entrepreneur than the females.

Table 1. Respondents Data Based on Gender

Description	Frequency	Percentage
Male	62	54.87%
Female	51	45.13%
Total	113	100.00%

Source: Developed primary data (2014).

Respondents data based on age are shown at table 2 below. 70% from 113 respondents are 18-21 years old.

Table 2. Respondents Data Based on Age

Description	Frequency	Percentage
18 - < 21 years	80	70.80%
21 - < 25 years	32	28.32%
> 25 years	1	0.88%
Total	113	100.00%

Source: Developed primary data (2014).

Respondents based on their study program are shown at table 3 below. 35 out of 113 respondents (30.97%) are from exact sciences whereas 78 respondents (69.03%) are from non-

exact sciences. From the numbers, it is concluded that there are more non-exact students who do entrepreneur than the students who study exact sciences.

Table 3. Respondents Data Based on Study Program

Description	Frequency	Percentage
Exact	35	30.97%
Non-exact	78	69.03%
Total	113	100.00%

Source: Developed primary data (2014).

Respondents based on their GPA (Grade Point Average) are shown at table 4 below. There are 48 out of 113 respondents (42.5%) who have the GPA of 3-3.49 (scale 4), 34 respondents (30.1%) have the GPA above 3.5, and the rest of the respondents have the GPA below 3.0. From the result, it is concluded that the entrepreneurship by the university students is mostly done by them who get high GPA.

Table 4. Respondents Data Based on GPA

Description	Frequency	Percentage
> 3.5	34	30.09%
3 - < 3.5	48	42.48%
2.5- < 3.0	26	23.01%
< 2.5	5	4.42%
Total	113	100.00%

Source: Developed primary data (2014).

Respondents based on their business sectors are shown at table 5 below. There are 69 out of 113 respondents (61.1%) who do production businesses, 41 respondents (36.3%) do service businesses, and the rest do the combination of products and services. From the result it is concluded that there are more product oriented entrepreneurship than the service.

Table 5. Respondents Data Based on Business Sectors

Description	Frequency	Percentage
Services	41	36.28%
Goods and services	3	2.65%
Goods	69	61.06%
Total	113	100.00%

Source: Developed primary data (2014).

Respondents based on their companies' age are shown at table 6 below. There are 80 out of 113 respondents (70.8%) whose companies are more than 2 years, 24 respondents (21.2%) are less than 1 year, and the rest 9 respondents have been running the companies for 1-2 years. From the numbers it is concluded that the entrepreneurship activities have been relatively run for more than 2 years.

Table 6. Respondents Data Based on Their Companies' Age

Description	Frequency	Percentage
< 1 year	24	21.24%
1 - < 2 years	9	7.96%
> 2 years	80	70.80%
Total	113	100.00%

Source: Developed primary data (2014).

Respondents based on their business family background are shown at table 7 below. There are 73 out of 113 respondents (64.6%) who have a business family background and the other 40 respondents (35.4%) do not have business family background.

Table 7. Respondents Data Based on Their Business Family Background

Description	Frequency	Percentage
Family business	73	64.60%
Non family business	40	35.40%
Total	113	100.00%

Source: Developed primary data (2014).

Respondents based on their capital source can be seen at table 8 below. There are 84 out of 113 respondents (74.3%) run their business with their own source of capital, while the other 29 (25.6%) run their business with the by joining the capital with others'. From the numbers it is concluded that there are more university students who trust their own capital to run a business.

Table 8. Respondents Data based on their Source of Capital

Description	Frequency	Percentage
Joint venture	29	25.66%
Own capital	84	74.34%
Total	113	100.00%

Source: Developed primary data (2014).

2. Validity and Reliability Test

Validity and reliability test are done with SPSS version 17.0 by doing the correlation test between the scores of the questions/instruments with the total construct/variable score. The result from SPSS analysis shows that all the questions are valid as seen at table 9, whereas the reliability test by Cronbach's Alpha has the core of 0.904 which shows the reliability of the questionnaire used in this research.

3. Data Analysis Result

a. The identification of entrepreneurship character of the university student entrepreneurship actors at Batam City

This analysis was done by scoring analysis technic by giving a proportion for each respondent's answers (based on Likert Scale) and make a category of the strength levels of the entrepreneurship characters which are: 1) Score 5 to identify a very strong entrepreneurship character, 2) Score 4 to identify a strong entrepreneurship character, 3) Score 3 to identify a relatively strong entrepreneurship character, 4) Score 2 to identify a weak entrepreneurship

character, and 5) score 1 to identify a very weak entrepreneurship character. Table 10 below shows the tabulation result of the respondents' answers.

Table 9. Validity Test

No	Variable Research	Character Variable	Instrument (Kode)	R test	Description
1	Entrepreneurship Character	Leadership	KEP1	.505**	Valid
2			KEP2	.605**	Valid
3			KEP3	.636**	Valid
4			KEP4	.629**	Valid
5			KEP5	.605**	Valid
6			KEP6	.555**	Valid
7			KEP7	.399**	Valid
8			KEP8	.469**	Valid
9		Unyielding	PAN1	.649**	Valid
10			PAN2	.659**	Valid
11			PAN3	.572**	Valid
12			PAN4	.633**	Valid
13		Confidence	PD1	.515**	Valid
14			PD2	.588**	Valid
15			PD3	.481**	Valid
16			PD4	.610**	Valid
17			PD5	.479**	Valid
18		Logical dreams	MIM1	.625**	Valid
19			MIM2	.760**	Valid
20			MIM3	.718**	Valid
21			MIM4	.667**	Valid
22			MIM5	.640**	Valid
23		Commitments	KOM1	.456**	Valid
24			KOM2	.769**	Valid
25			KOM3	.765**	Valid
26			KOM4	.784**	Valid
27			KOM5	.756**	Valid
28		Hard work	KER1	.250**	Valid
29			KER2	.419**	Valid
30			KER3	.433**	Valid
31			KER4	.403**	Valid
32			KER5	.881**	Valid
33		Mutual trust	SAL1	.729**	Valid
34			SAL2	.722**	Valid
35			SAL3	.773**	Valid
36			SAL4	.734**	Valid
37		Honest and respectful	JUJ1	.767**	Valid
38			JUJ2	.780**	Valid
39			JUJ3	.759**	Valid
40			JUJ4	.743**	Valid
41		Risk	RES1	.613**	Valid
42			RES2	.583**	Valid
43			RES3	.768**	Valid
44			RES4	.731**	Valid
45			RES5	.647**	Valid
46		Sensitive to the opportunities	PEKA1	.637**	Valid
47			PEKA2	.730**	Valid
48			PEKA3	.600**	Valid
49			PEKA4	.690**	Valid
50			PEKA5	.449**	Valid
51		skill and ability	SKIL1	.666**	Valid
52			SKIL2	.787**	Valid
53			SKIL3	.686**	Valid
54			SKIL4	.740**	Valid
55		Originality	ORI1	.843**	Valid
56			ORI2	.810**	Valid
57			ORI3	.835**	Valid
58			ORI4	.703**	Valid
59		Vision mission forward	VISI1	.743**	Valid
60			VISI2	.810**	Valid
61			VISI3	.769**	Valid
62			VISI4	.797**	Valid
63	The role of family		KEL1	.613**	Valid
64			KEL2	.777**	Valid
65			KEL3	.827**	Valid
66			KEL4	.750**	Valid
67			KEL5	.665**	Valid
68	The role of universities		PT1	.808**	Valid
69			PT2	.790**	Valid
70			PT3	.763**	Valid
71			PT4	.756**	Valid

Source: Developed primary data (2014).

Table 10. Tabulation Data with Scoring
Analysis

No	Character Variable	Instrument (Code)	Frequency					Mean of Instrument	Mean of Variable
			1	2	3	4	5		
1	Leadership	KEP1	3	17	29	59	5	3,41	3,80
2		KEP2	1	8	26	70	8	3,67	
3		KEP3	0	6	13	69	25	4,00	
4		KEP4	1	5	43	55	9	3,58	
5		KEP5	0	3	40	52	18	3,75	
6		KEP6	0	2	11	73	27	4,11	
7		KEP7	0	2	13	66	32	4,13	
8		KEP8	0	2	34	64	13	3,78	
9	Unyielding	PAN1	0	1	31	67	14	3,83	4,00
10		PAN2	0	10	24	54	25	3,83	
11		PAN3	1	0	6	52	54	4,40	
12		PAN4	1	4	14	76	18	3,94	
13	Confidence	PD1	0	13	25	56	19	3,72	3,97
14		PD2	0	4	11	59	39	4,18	
15		PD3	0	0	29	65	19	3,91	
16		PD4	0	3	26	63	21	3,90	
17		PD5	1	6	8	61	37	4,12	
18	Logical dreams	MIM1	0	2	10	48	53	4,35	4,08
19		MIM2	1	2	10	65	35	4,16	
20		MIM3	1	1	18	68	25	4,02	
21		MIM4	1	2	27	61	22	3,89	
22		MIM5	1	0	22	65	25	4,00	
23	Commitments	KOM1	3	6	27	60	17	3,73	4,11
24		KOM2	1	1	22	69	20	3,94	
25		KOM3	1	1	9	57	45	4,27	
26		KOM4	1	1	8	66	37	4,21	
27		KOM5	1	0	3	56	53	4,42	
28	Hard work	KER1	1	5	31	54	22	3,81	3,91
29		KER2	1	3	12	74	23	4,02	
30		KER3	1	2	17	74	19	3,96	
31		KER4	1	3	17	67	25	3,99	
32		KER5	0	6	23	68	15	3,79	
33	Mutual trust	SAL1	0	1	18	70	24	4,04	4,06
34		SAL2	0	0	16	73	24	4,07	
35		SAL3	0	1	15	72	25	4,07	
36		SAL4	0	3	13	73	24	4,04	
37	Honest and respectful	JUJ1	0	2	13	64	34	4,15	4,15
38		JUJ2	0	1	16	71	25	4,06	
39		JUJ3	0	0	12	65	36	4,21	
40		JUJ4	0	1	12	68	32	4,16	
41	Risk	RES1	0	1	18	79	15	3,96	3,99
42		RES2	0	1	16	54	42	4,21	
43		RES3	0	3	30	57	23	3,88	
44		RES4	0	2	28	62	21	3,90	
45		RES5	0	3	18	69	23	3,99	
46	Sensitive to the opportunities	PEKA1	0	1	24	57	31	4,04	3,91
47		PEKA2	0	3	29	61	20	3,87	
48		PEKA3	0	3	40	57	13	3,71	
49		PEKA4	0	1	28	52	32	4,02	
50		PEKA5	3	5	20	57	28	3,90	
51	skill and ability	SKIL1	1	3	37	65	7	3,65	3,67
52		SKIL2	4	11	36	53	9	3,46	
53		SKIL3	0	5	25	70	13	3,81	
54		SKIL4	0	4	31	67	11	3,75	
55	Originality	ORI1	0	6	41	54	12	3,64	3,67
56		ORI2	1	9	40	47	16	3,60	
57		ORI3	1	11	29	58	14	3,65	
58		ORI4	0	4	26	70	13	3,81	
59	Vision mission forward	VISI1	0	2	12	70	29	4,12	4,08
60		VISI2	0	3	12	74	24	4,05	
61		VISI3	0	1	22	67	23	3,99	
62		VISI4	0	3	10	64	36	4,18	

Source: Developed primary data (2014).

Table 10 above shows the character categories which are summarized at table 10 below:

Table 10. Students Characters Categories

No	Instruments of Character	Score	Description
1	Leadership	3.804	Moderate
2	Unyielding	4.000	Strong
3	Confidence	3.966	Moderate
4	Logical dreams	4.083	Strong
5	Commitments	4.113	Strong
6	Hard work	3.912	Moderate
7	Mutual trust	4.055	Strong
8	Honest and respectful	4.146	Strong
9	Risk	3.989	Moderate
10	Sensitive to the opportunities	3.908	Moderate
11	skill and ability	3.668	Moderate
12	Originality	3.675	Moderate
13	Vision mission forward	4.084	Strong
Average		3.954	Moderate

Source: Developed primary data (2014).

From table 10 above it is concluded that the characteristics of university student entrepreneurship actors at Batam City in average are still in the average level. Three characters in the strong category are the high commitment, honesty, respect, and vision and mission, whereas three characters in the low category are skills and abilities, originality, and leadership.

b. The role of the universities in entrepreneurship character enhancement for university student entrepreneurship actors and the influence of family roles as the intervening variables.

The family role as the intervening variable in this research is to test whether the entrepreneurship character development of the university students as the actors of entrepreneurship is affected directly by the universities or indirectly with the role of the family. The role of the universities in entrepreneurship character enhancement for university student entrepreneurship actors are analyzed using the regression analysis in SPSS version 17.0, which the classic assumption tests before for the statistic principle requirement.

T test is used for the test of the direct role of the universities in characters formation, as shown at the table below.

Table 1.1 t Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.304	.165		20.011	.000
PERAN_PT	.170	.043	.355	4.003	.000

a. Dependent Variable: KARAKTER_MHS

Source: Developed primary data (2014).

From the table above it is concluded that the universities have a significant role on the entrepreneurship character formation which is shown by the significance level score 0.000. It means that every 1 unit increase of the universities role will increase the entrepreneurship character for 0.17 units.

The family roles have several instruments: 1) the family condition in communicating and interacting, 2) the freedom in choosing the profession wanted, 3) the families give some roles and tasks in the family activities at home, 4) the family support in morale and material form, and 5) the family finance management inspires the students to become entrepreneurs.

If the family roles are put as the intervening variable, the indirect influence of the universities role on the character enhancement is $(0.17 \times 0.195) = 0.033$. Nevertheless, it is concluded from the analysis above that the direct influence of the universities is more significant than the indirect influence involving the family roles in entrepreneurship character formation. The test result can be seen at table 12 below.

Table 12. Intervening Model Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.513	.266		9.463	.000
PERAN_PT	.163	.040	.340	4.039	.000
PERAN_KE	.195	.053	.310	3.687	.000

a. Dependent Variable: KARAKTER_MHS

Source: Developed primary data (2014).

It is concluded from the data analysis that the family role as the mediating variable in the character development is not proven because the universities role has a greater direct impact. This occurs because the universities nowadays are oriented to yield entrepreneurs rather than employees. Nevertheless, the family role cannot be ignored considering the partial data analysis result which shows that the family role also significantly gives a direct influence in developing the entrepreneurship character at the university students as entrepreneurship actors.

c. The model development of learning from universities

By looking at the low average score of the entrepreneurship character and the significant direct influence from the universities to the character formation, there sure be a lot of things to fix especially related to the function and roles of the universities which are education, training, research, and dedication to the community, where this research is focus on the education and training for the learning model development.

In education and learning field, by looking at the LED (Leadership & Entrepreneur Development) syllabus and the result from FGD (Focus Group Discussion) with the LED lecturers and the course coordinator, the entrepreneur character introduction has not been fully implemented at the syllabus, so the students have not fully known and understood about the various entrepreneur characters that can implemented in supporting their business activities. It is needed to add the entrepreneurship character and the application of the syllabus in the learning model so that the students will go further from learning the cognitive subjects only which are knowing, understanding, implementing, and analyzing the entrepreneurship character, but also implement to the affective subjects which include the ability of accepting, arousing awareness, value development, and characters formation which affect the personality pattern and behaviors, then influencing the psychomotor subjects in which the students are able to do the actions from the character naturally in the business.

CONCLUSION AND RECCOMENDATION

In order to anticipate the AEC enforcement especially at Batam City who gets the first impact, the university student entrepreneurship actors character is very important to be in very strong category to be able to compete in the global area especially in Southeast Asia. However, the result shows that it is not that way now, so the role of the universities is required to be more creative especially in the syllabus and curriculum development in the learning process. Besides, in the field of research and dedication to the community, the universities are expected to be able to enforce or involve the students in the researches or the dedication in entrepreneurship subject.

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