

# An Entrepreneurial Mindset and Factors' Effect on Entrepreneur's Spirit in Indonesian

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**Abstract**—The most successful people will have a broad base of entrepreneurial spirit that can elevated for the community in Indonesia to be able increase the great value. For that business education early on to be the main thing that needs to be applied to the learning process in educational institutions. Quantitative research on multiple linear regression test was used with the factors as predictors effect of the successful entrepreneurial spirit, using SPSS tool for empirical study can answered the hypotheses. The sampling technique used exhaustive- simple random and used 59 sample in higher education in Jakarta. For the results hypotheses testing, there no effect, but the bigger contribution for building spirit of entrepreneurship in Indonesia are; age, knowledge and evaluated. The predictors has effect to the spirit of doing business have value of determination  $R^2 = .197$  and the predictors not effect simultaneous with P value = .331. The Pearson correlation test for dimension's variables indicated significant for the benefit of finished business job dimension of entrepreneurial mindset, with input and contribution for the government that Indonesian people must increase Entrepreneurial spirit with hard learning and working cause the successful entrepreneur's spirit can enhance the nation's competitiveness in the face of world free trade.

**Keywords**—Contribution; Entrepreneurial Mindset; Entrepreneur's Spirit; Good Handling; Level of Knowledge; Nation's Competitiveness.

## I. INTRODUCTION

INDONESIA is a country that is developing in different sectors of human life, the role of the business became very strong. The relevance of education to be very strong to be able to develop the level of empowerment of human resources, Indonesia in an effort to face the global challenges in the future. Paradigm change since Indonesia independence in 1945 until the end of the 20th century, the background of parents to send her more dominant in order to get a job in the Government sector. Therefore, although the parents have managed to send his son to graduate had not yet been judged successful when not working in the Government sector. The facts showed that there are still many parents who have to pay extra fees to his son to work in the Government sector. Although the normal income in government sectors were relatively low. As a key Factor in the Government sector is withdrawing job security.

When it is not able to work in the Government sector, the next alternative is to become employees of a private company. It is supported by independent business data, who's efforts, employees according to educational level which concluded that there is a tendency that the higher the

education level, the lower the percentage of independent business and the family business, the rising percentage of working as an employee. This indicates that the education curriculum in Indonesia more directing someone to get job in secure situation. Less motivated in the face of various challenges of life through the activities of the Entrepreneurship, expected changes will occur gradually paradigm of desire or hope to get job in secure situation had become secure or financial freedom. Actually since the era of autonomy or the reform era has found an event that someone who has a particular position proved to be too insecure.

Furthermore, according to Trahan Bill (1997) the principle that a company that continues to grow and be able to compete with the stronger by doing a plan, design and implement transformation efforts include: (1) understand the external environment in which the company operates, and the orientation of the customers or competitors. (2) Ask stakeholders to support the vision, mission and corporate strategy in earnest. (3) the charismatic leadership might take on the role, which actually make the changes. (4) to change the culture of the Organization, must first change human behavior. (5) Allow services to customers control the pattern of the structure of the company. For the role of the

entrepreneurial mindset and the entrepreneurial spirit is still very necessary for the people of Indonesia in an effort to improve the standard of life in the nation's economy.

To improved resources with best spirit's entrepreneurial on choice dimension of the benefit of finishing business job with doing well, need learned about as Christopher Lovelock et al., (2011) describe ; (1) Organizational culture, (2) An Aim and Organizational strategic, (3) Interpersonal and technical skill, (4) Knowledge about product or services.

Entrepreneurship need knowledge management for many fast information system for access to solved the problem. Spirit the knowledge of entrepreneur dimensions will impact to high-performing business. Development of knowledge management strategy with an electronic document system will make easy connecting people, so the fast information can used by businessman to take decision well [Richard L. Daft, 2004].

The most important thing in business running well, personal characteristics of entrepreneurship highlighting the need for ethical behavior [Bennet & Anthony, 2010] include: (1) Personal moral/ ethical integrity, (2) Ability to work with other, (3) Ability to listen, (4) Tolerance of individual differences, (5) Perseverance, (6) Ability to follow instruction, (7) Leadership, (8) Confidence, (9) Decisiveness, and (10) Ability to work alone.

Havidz Aima et al., (2013) describe that development good personality will have high-performing business and sustainable, include; (1) With bravery to do trial and error in doing business, (2) Love for making money with hard working in business, (3) Well self motivation, (4) When you change your behavior, you change your performance and implication to your life. (5) Keep learning to survive in high business competition, and (6) Have well self- discipline.

The motivation of this research are increase less motivated in the face of various challenges of life through the activities of the Entrepreneurship and more hard working in business to love for making money. The decisions are made to accomplish objectives in marketing research [Naresh K. Malhotra, 2004] and the objectives of this research must be considered in order to conduct the factors as predictors effect of the successful entrepreneurial spirit in Indonesia. The personal objectives of this research are: a) to examine the factors as predictors effect of the successful entrepreneurial spirit in Indonesia. b) to investigate the importance of mindset influential an entrepreneurial spirit for doing business. The contributions of this manuscript are: a) Pay attention for the culture on the development of the spirit of entrepreneurship in Indonesia. b) May explore an evaluation on every stages for understanding to increase business related establish Building Entrepreneurial Mindset on handling dimensions of the main problems of doing business both in touch with investment, skill, knowledge, framework of thinking and spirit with regard to business opportunities. c) Building mindset and entrepreneurial spirit in Indonesia. d) An entrepreneurial mindset, sex and government policy have important implications for theoretical development.

## **II. THE IMPORTANCE OF THE MINDSET AND ENTREPRENEURIAL SPIRIT FOR BUSINESS GROWTH**

### ***2.1. Entrepreneurial Mindset and Spirit of a Competitive Business Growth Globally***

Build entrepreneurial mindsets by Robert Hisrich et al., (2008) consists of five dimensions that include: (1) Orientation on goals, (2) knowledge of Metacognition, (3) the experience of Metacognition, (4) selection of Metacognition and (5). Monitoring. Orientation on the main dimensions of the goal to be given a role in running the business entrepreneur is always define goals, understanding the job at hand, set a goal before the start of business, toughness in the finished of work and always evaluate the results of the business actions performed. Very strong strategic management role, where employers determine the vision, mission and objectives of the company in running its business is unique, so it can be win in business competition. In accordance with the thought of Frances M. Hill & Lee K. Collins (2000), in achieving progress towards the alignment of operational efforts and long term vision for the transformation of the work consists of four strategies: (1) build on core competencies, gradually improved. (2) The strategy of 'planning' program changes that led to the formal creation of the core competencies. (3) The change in leadership and power. (4) the transformation of the experimental. The relative dominance of the fourth strategy will vary according to the contextual changes in a company.

For it takes a tough businessman and has the Entrepreneurial Mindset and a strong Entrepreneurial Spirit in developing its business. The empirical studies of self-employment businessmen can review and compare against: (a) the opinion of Fred R. David (2008) the significance of organizational changes in the needs of strategic management, the company pays attention to these aspects; (1) the Business will run forward, (2) The level of precision of the field run organizations, (3) reforming business, facing competition, (4) the company strategy should be executed, (5) Consumers are constantly changing and, (6) The latest technology to find and (b) Organizational targets which can be transformed [Winardi, 2005] include: (1) The aims and objectives of the organization. (2) organizational culture, (3) Strategy-corporate strategy, (4) Tasks and work group autonomy, (5) Technology to improve the flow of the work, (6) Human resources, and (7) The structure of the organization.

A competitive business growth globally, Jim Cockrum (2011) argued that become a world's foremost expert- fast, the world is looking online for experts, and how entrepreneurs confidently built a large global. Providing value to customer, in order to be successful entrepreneurs must understand customer values has four aspects, include: (1) Form is what the customer needs or wants. (2) Place, (3) Time and (4) Ownership [Bennett & Anthony, 2010].

**2.2. A Framework Studies of Entrepreneurial Mindset, Confounding Factors and Spirit**

Based on analysis the importance of the entrepreneurial mindset, factor of confounding and spirit for competitive, business growth then the framework of a model research that it has been reviewed as follows in figure 1:

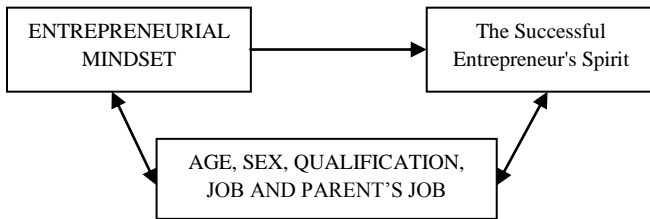


Figure 1: An Effect Model for the Successful Entrepreneur's Spirit in Indonesian

**III. METHOD**

This study applies a quantitative research methods to obtain a strong study results. Quantitative research on multiple linear regression test with a confounding factor using SPSS tool for empirical study can answer the hypotheses, using an instrument of research. While the design of that research is

the research test the influence a prospective study was conducted, in which the influence of variable entrepreneurial mindset and confounding factors contributing towards the spirit of developing entrepreneurial role in efforts to improve the nation's competitiveness globally. Instrument of research testing by Pearson correlations, that the reliability statistics value of Cronbach's Alpha= .816 for 46 items. The sampling technique using exhaustive, simple random and used 59 sample. Furthermore doing testing correlations items of all variable to determining implication managerial by Pearson correlation testing.

**IV. RESULTS AND DISCUSSION**

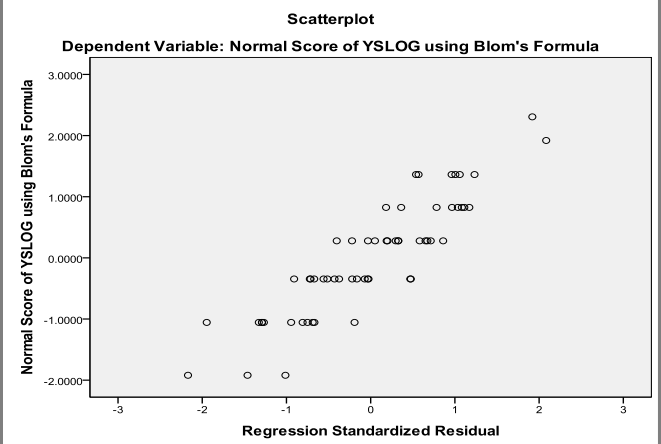
The outer covering of the results of an analysis of empirical data includes:

**4.1. The Results of the Classics Assumption Test**

Results classics assumption test covering normality test, linearity test, homoscedasticity test, multicollinearity test, and test of autocorrelations has very good to covering the classics assumption [Joseph F. Hair et al., 1998; Imam Ghozali, 2006] can be seen at table 1 below:

Table 1: The Results of the Classics Assumption Test

No.	Classics Assumption Test	Output	Discussion
1	Normality Test of dependent variable		Data have approached the normal distribution.

2	Linearity Test	$X_1=.036, X_2=.070, X_3=.869, X_4=.108, X_5=.720, X_6=.180, X_7=.527, X_8=.285, X_9=.584, X_{10}=.077.$	Specification of linear model of research is correct, the value of Deviation from Linearity the Sig > 0.05, except the data from age variable, because the distribution only near to normality of distribution data.
3	Homoscedasticity Test		Relative point spread, having variant of residual observation fixed.
4	Collinearity Test	<p>Coefficients Collinearity Statistics of VIF:  <math>X_1= 1.690, X_2= 1.351, X_3=1.282, X_4=1.239, X_5=1.563, X_6= 1.484, X_7= 3.041, X_8= 2.456, X_9= 3.255, X_{10}= 1.957.</math>                      All Coefficients Collinearity Statistics of VIF &lt; 10</p>	Value of VIF (Variance inflation of Factor < 10, between variables independent not correlate (orthogonal )
5	Autocorrelations Test	<p>Durbin- Watson ( DW) value in Model Summary column = 2.168                      N= 59                      K=10                      Sig.=95%                      dU=1.817                      The value of dU &lt; 2.168&lt;4-dU.                      1.817&lt;2.168&lt;2.183</p>	Linear regression Model is not the correlation between the error of a residual. Durbin-Watson test, with the level of sig. 95%. The value of dU < 2.168<4-dU.

Source: An Original Data from Field Research

**4.2. The Results of Multiple Linear Regression Test**

An empirical-scientific research data test results can be seen on table 2 about results of multiple linear regression test:

Table 2: The Results of Multiple Linear Regression Test

No.	Multiple Linear Regression Test	Description
1	Determination coefficient test ( $R^2$ )= 19.7% And the fitting Model regressions in Adjusted Value $R^2$ = .029	Level of determination of the whole side variables independent against variable Y relative small. Still many other variables that needs to join the further research. The Model summary Value adjusted $R^2$ =.029 relatively small that model linear regression of multiple required to be added variable-other variables in building spirit of entrepreneurship in Indonesia.
2	An output of ANOVA table for testing of the level significant of simultaneous F value= 1.174 and with Sig.= .331	Simultaneously independent variables no effect on entrepreneurship spirit in Indonesia.
3	The coefficients Model Test of Partial Significant level. Sig. Value: Constanta= .928, $X_1=.285, X_2=.276, X_3=.151, X_4=1.00, X_5=.337, X_6=.655, X_7=.253, X_8=.511, X_9=.485, X_{10}=.160.$ The coefficients Model Test of Partial Significant level of t Value: Constanta= .090, $X_1=-1.081, X_2= 1.102, X_3=-1.458, X_4=.000, X_5=-.969, X_6=-.450, X_7= 1.157, X_8=-.662, X_9=-.703, X_{10}= 1.427.$	For the results hypotheses testing, there no effect all independent variable in building spirit of entrepreneurship in Indonesia. The bigger contribution for building spirit of entrepreneurship in Indonesia are; $X_2, X_7,$ and $X_{10}.$
4	Math Model of formulation an effect of The Entrepreneur Spirit, show the B value how big contribute for Y (Spirit of entrepreneurship variable ). The coefficients model of standardized coefficients Beta for the different scale in each variables [Imam Ghozali, 2006]	$Y= .011- .182 X_1+ .166 X_2- .214 X_3- .000 X_4- .157 X_5- .071 X_6+ .261 X_7 - .134 X_8 - .164 X_9+ .258 X_{10}$ $X_1=$ Age, $X_2=$ Sex, $X_3=$ Qualification, $X_4=$ Job of respondent, $X_5=$ Job of parents, $X_6=$ Orientation, $X_7=$ Knowledge, $X_8=$ Experience $X_9=$ Option, $X_{10}=$ Evaluated and $Y=$ The level for Spirit of entrepreneurship. The good predictors that have contribution for building spirit of entrepreneurship in Indonesia, coefficients standardized coefficients Beta are $X_2, X_7,$ and $X_{10}.$

Source: An Original Data from Field Research

The results hypotheses testing, there are no effect all independent variable in building spirit of entrepreneurship in Indonesia, but the bigger contribution for building spirit of entrepreneurship in Indonesia included; sex, knowledge and contribution for government policy. The good predictors that have contribution for building spirit of entrepreneurship in Indonesia, coefficients standardized coefficients Beta are  $X_2$ ,  $X_7$ , and  $X_{10}$ .

Talia Esnard-Flavius (2010) found that women owned business is increasingly important on entrepreneurial process and inverse effect on relationships between gender and entrepreneurial attitude orientations. Furthermore Ang & Hong (2000) in their research for entrepreneurial spirit among East Asian Chinese, showed that entrepreneurial spirit is predicted by personality characteristic such as risk-taking and motivational factor like internal locus of control and love for money.

Study of Entrepreneurial dispositions and goal orientations by Stewart & Carland (2003) linking 3 classic hallmarks include; achievement motivation, risk-taking propensity and preference for innovations to the goal orientation. The results suggest that culture, entrepreneurial behavior, education and government policy have important implications for theoretical development.

**4.3. Result of Dimension Correlations Testing of Research Independents Variables that Effect to the Spirit of Entrepreneurship by Pearson Correlations Test**

The results of the test research variables' dimension can be seen in table 3 at below:

Table 3: Output Dimension Correlations Test of Variables with Pearson Correlation Value

Dimension of Variables	S <sub>2</sub>	S <sub>7</sub>	S <sub>9</sub>	S <sub>10</sub>
AGE	-.270*			
O <sub>1</sub>	-.314*			.
P <sub>15</sub>		-.262*		
PIM <sub>29</sub>				.338*
PE <sub>34</sub>		-.266*	.330*	

Based on table 3 can indicated that positive value mean have the same direction and the negative value mean the inverse direction of dimensions research variable. Dimension of more age for entrepreneurship people will decrease spirit of the knowledge of entrepreneurship doing business (S<sub>2</sub>), so people must requisite that the young stage of age must be starting doing business for getting successful. Dimension entrepreneurial mindset of good orientation dimension for aim of doing business (O<sub>1</sub>) have significant correlation and inverse direction with spirit of the knowledge of entrepreneurship doing business (S<sub>2</sub>).

The entrepreneurship mindset variable of benefit of finishing business job dimension (PIM<sub>29</sub>) have correlation with spirit of priority dimension (S<sub>7</sub>) but inverse direction, and then with the spirit variable on contribution for government dimension (S<sub>10</sub>) have significant relationships and got the same direction. Evaluation dimension (PE<sub>34</sub>) of

mindset variable have relationship and positive – same direction with spirit variable on target and orientation dimension (S<sub>9</sub>).

**4.4. Managerial Implication on Building Entrepreneurial Mindset and Spirit in Indonesian**

From the results of an empirical data on table 3 above can be found among others; (1) Related to the age factor in building a spirit of entrepreneurship through dimensions of level of knowledge entrepreneurship, (2) The aim of doing business related to building a spirit of entrepreneurship through the dimensions of knowledge level of entrepreneurship, (3) Good handling for work problem related to the entrepreneurship with strong reason and work safety, (4) The benefit of finished the good job related Building Entrepreneurial Mindset on a dimension with strong reason and work safely, (5) The benefit of finished the good job related build mindset on the Entrepreneurial dimension for recommended to the Indonesia government for improved learning entrepreneur since young people, (6) Evaluation on every stages for understanding to increase business related establish Building Entrepreneurial Mindset on handling dimensions of the main problems of doing business both in touch with investment, skill, knowledge, framework of thinking and spirit with regard to business opportunities.

**V. CONCLUSION AND FUTURE WORK**

The bigger contribution for building spirit of entrepreneurship in Indonesia are; sex (X<sub>2</sub>), knowledge (X<sub>7</sub>) and Evaluated (X<sub>10</sub>). Gender is very influential because of culture on the development of the spirit of entrepreneurship in Indonesia. Evaluation on every stages for understanding to increase business related establish Building Entrepreneurial Mindset on handling dimensions of the main problems of doing business both in touch with investment, skill, knowledge, framework of thinking and spirit with regard to business opportunities.

Mindset and entrepreneurial spirit in Indonesia have started to wake up pay attention to influential value as the predictors that have contribution for building spirit of entrepreneurship in Indonesia, coefficients standardized coefficients Beta are X<sub>2</sub>, X<sub>7</sub> and X<sub>10</sub>. Continued development and learning are always on the increase until it reaches the level of competitiveness of a superior and sustainable for doing business.

The results suggest that sex, knowledge and government policy, dimensions; orientation of business goals, solved the problem, benefit of finishing business job well, evaluation dimension, spirit of knowledge management, spirit of priority, target and orientation have important implications for theoretical development.

Future work for field research more depth contribution for government aspect and young people age so the result will more effectively. The population more many province in Indonesian and 33 place in the big city.

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State of the new material included: New theoretical approach from; Aima, Susilo and Wiratih (2013), Bennet (2010), Lovelock et al., (2011), Daft (2007), Cockrum (2010), Malhotra (2004) Journal: entrepreneurial research, result and discussion on many aspects for dimension variable research, and further research.