

Problem Identification on the Implementation of Student Entrepreneurial Program

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Abstract

This study aims to identify the problems which arise in relation between Student entrepreneurial program (SEP) with interested parties, such as students, managers, and practitioners Small and Medium Enterprises (SMEs). This research is very important. When the problem is identified, find the solution, then it is expected the program can bring up many entrepreneurs who can support the economy of a country. The identification process is done using the violation theory framework by comparing the expectations of interested parties with the practices that occurred in the implementation of SEP so far. Differences between expectation to practice are identified as a constraint or problem. Data were collected by interviews with informants and document tracking implementation of SEP (tracer study). The results of data analysis indicate there are a number of mismatch expectations with the practice of SEP during the implementation of the program, or there is a problem. The implication is SEP need to perform a number of actions to address the problem in order to be success.

Keywords: Student, entrepreneurial, Problem

JEL Classification: M21

1. Research Background

Student entrepreneurial program aims to provide knowledge, skills and spirit of entrepreneurship in order to change the mindset (*mindset*) of job seekers become creators of jobs (*job creators*) as well as being candidate a tough and successful entrepreneur facing global competition (guidelines SEP, 2015). The program is also aimed at encouraging institutional or entrepreneurial units in college in order to support the development of entrepreneurial program. As a final result, it is expected a decrease in the numbers unemployed graduates of higher education.

But in reality, the SEP has not been able to reduce the unemployment rate of university graduates in Indonesia. Data from the Central Bureau of Statistics states that the level open unemployment in Indonesia in February 2014-February 2015 increased 300 thousand people from the previous year with the number of unemployed college graduates as much as 819,714 people (an increase of 226,158 people from the previous year). Based on these data, a solution is needed to increase the role of SEP in reducing the number of unemployed college graduates in Indonesia.

One of the State Universities who have been conducting SEP since 2009 is University of Jenderal Soedirman (UNSOED). UNSOED facilitates students with entrepreneurial interests and talents to start entrepreneurship with the science and technology base under study. Facilitation through SEP includes entrepreneurship education and training, internships, business plan preparation, capital support, and business assistance. Based on interviews with the chief executor of SEP 2015, Ir. Endro Yuwono, MS., a necessary review of the SEP is needed to know the implementation for the program. Is there any problem that could hamper future SEP's effectiveness and what SEP managers should do to advance the program.

This study try to identify factors that become difficulties in managing SEP in UNSOED. The identification of these factors is done by knowing the expectations of all stakeholders in student entrepreneurship program. By knowing the expectations of stakeholders such as students SEP, managers and owner of small and medium-sized enterprises (SMEs) that are partners SEP and the practice of SEP.

2. Theoretical Review

2.1 Expectancy Violation Theory (EVT)

EVT is a communication theory that analyzes how individual responses to violations of social norms or something that is expected, that has not been anticipated. This theory was popularized by Judee K. Burgoon in the late 1970s. According to this theory, expectation is formed from the individual's needs, the norms he believes or his desires. Violations of expectation will force individuals to repair / modify her expectations. This theoretical prediction is a positive violation on expectation will increase the interest and contrary to the violation that is negative. A positive violation means that the individual gets a response more than expected while the negative violation means the individual is getting less than expected response. More response than expected will make the individual happy or satisfied. While the responses were less indicate a problem or dissatisfaction. Both types of these responses will make individuals modify their expectations.

Guerrero and Burgoon (1996) states that in the event of a breach of an expectation that is positive (got

something more than expected), then the individual will demonstrate a positive attitude for such violations. For example, if the individual succeeds in making a presentation and gets a lot of applause from all the visitors then the individual will be compelled to smile because it gets more appreciation than expected. Another example is when a subordinate does not respect his superiors in working appropriately, then the boss tends to give bad score for them. The boss expectation is to earn the respect appropriately so that when he does not get the respect according to his expectations, then the resulting discontent that affect the judgment to the subordinates.

Expectations are formed on each individual in relation to other individuals and the individual relationship with the organization. Expectation in the relationship between individuals occur when there is a connection or communication between individuals, while expectations between organizations and individuals formed as a member of an organization or to follow a program. Participation of individuals in an organization or program will bring expectation. For example, when individuals follow a diet club, then his expectation is loss of weight several kilograms in accordance with the targets set. If within a certain time, the target was not achieved (negative violation on his expectations) individuals will display a negative attitude, for example in the form of withdrawal from membership in the club.

Prediction expectancy violation theory is used as a reference framework for identifying the existing problems in the relations between Student entrepreneurial program with interest parties as shown in figure 1.

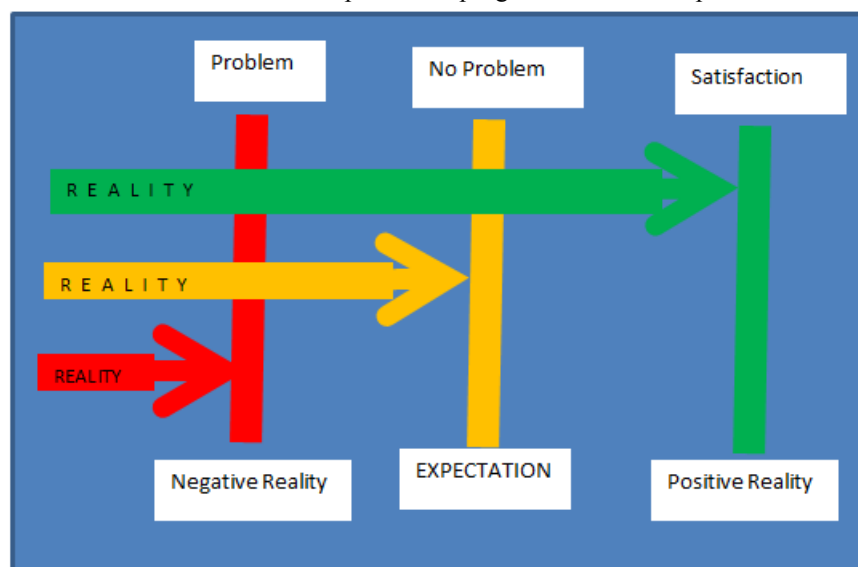


Figure 1. Framework to identify problem in the implementation of SEP

2.2 Entrepreneurship

Entrepreneurship according to Hisrich (2008) is the process of creating something new, valuable, taking advantage of effort and time required, taking into account social, physical, and financial risks, and receiving rewards in the form of money and personal satisfaction and independence. The definition according Hisrich (2008) emphasize four basic aspects for an entrepreneur, including: (1) Entrepreneurship involves the process of creating something new; (2) Entrepreneurship requires time and cost; (3) Entrepreneurship has certain risks; (4) entrepreneurship involves rewards as an entrepreneur (Wijanto, 2009).

Entrepreneurship has been recognized as central to economic growth, which *entrepreneurial* innovation has driven economic growth in some countries like Israel, Ireland, Turkey, India, and China (Koster & Rai, 2008). Barringer and Ireland (2006) points out three reasons why *entrepreneurial* behavior has a positive effect on the strength and stability of the economy, namely the provision of jobs, innovation, and globalization. An entrepreneur according to Kasmir (2011) has several characteristics of entrepreneurs who are said to succeed are: 1) have a clear vision and purpose; 2) achievement oriented; 3) dare to take risks; 4) hard work, 5) be responsible for all activities he or she runs, both now and in the future; 6) commitment to the various parties is a trait that must be upheld and must be kept; and 7) develop and maintain good relationships with various parties, whether directly related to undertakings or not.

Creation of successful entrepreneurs can not go through an instant process. Research conducted by Raposo (2011) shows that entrepreneurship education and entrepreneurial activity has a positive relationship. The education system should be oriented towards entrepreneurship value. Supporting these findings, the research results Marques (2012) shows that the entrepreneurial learning coaches and teachers should act not only as a promoter of cultural thinking, holistic and critical, but also as a facilitator to develop a supportive environment for learning. In the order of contributions to promote entrepreneurship education, there must be other programs

or training initiatives open to everyone.

2.3 Student entrepreneurial program(SEP)

Encouraging institutional strengthening policies and programs the increase of entrepreneurship activity and the acceleration of growth of new entrepreneurs with IPTEKS base is needed. On the basis of that thought the Directorate Jenderal of Higher Education developed the Program Student Entrepreneur (SEP). In fiscal year 2009, the program has implemented in 83 (eighty-three) state universities and 179 (one hundred and nine) private universities under coordination of Kopertis.

Student entrepreneurial program (SEP) is one of the programs in the education system in college that aims to 1) Build *soft skills* or entrepreneurial character; 2) Develop new entrepreneurs and have employers mind-set, 3) Encourage growth, development or institutional formation (unit / center) managing entrepreneurship programs in universities; 4) Encourage the formation of educational or learning model entrepreneurship in college.

Thus, in its implementation, SEP should be integrated and synergized with existing programs, among others, Co-op Program, Business Lecture and other entrepreneurship programs. Based on the description it can be seen that the implementation of Student entrepreneurial program is an appropriate effort to enhance the entrepreneurial spirit of students and the college as a concerted effort to reduce the unemployment rate from the well-educated college graduates by creating new entrepreneurs.

The Directorate Jenderal of Higher Education set the Model of Student entrepreneurial program in 2009 as follows:

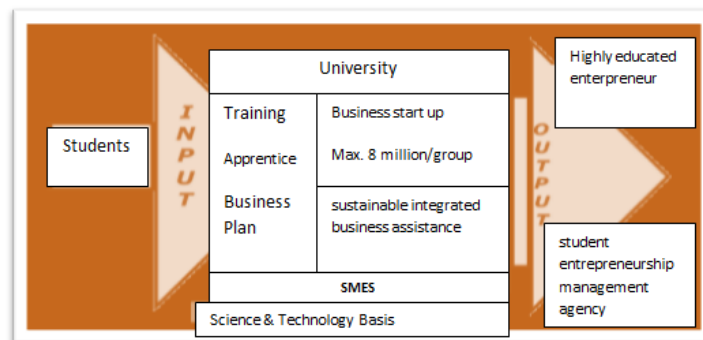


Figure 2. Model of Student entrepreneurial program

3. Research methods

3.1 Research Approach

This study uses a qualitative approach, a patterned research investigations where the data and statements obtained from the direct interaction between researchers, the object under study and those that exist in the study.

3.2 Types and Nature of Research

This research is a case study study on Student entrepreneurial program at University of Jenderal Soedirman. This research is the result of applied research needs to be presented to the *stakeholders* in UNSOED SEP. This research is also an explanation research that is seeking explanation about the best management of SEP that can be applied in research location.

3.3 Informan and Research Setting

Informan in this research are student at the University of Jenderal Sudirman, manager of Student entrepreneurial program (SEP), and practitioners of Small and Medium Enterprises (SMEs). The object under study is Student entrepreneurial program. The study was conducted for eight months.

3.4 Technique Data collection

Data required in this study include primary data and secondary data. Secondary data collection techniques include documentation and literature. While primary data was collected by using in-depth interview technique, Focus Group Discussion (FGD), observation and survey on SEP stakeholders such as SEP participant students and SEP managers.

3.5 Technique and Data Processing Phase

Data processing techniques are based on comparative analysis (Moleong, 2001). Data processing is collected using data reduction methods, data display, and data categories.

Data processing stage to answer the purpose of research is as follows: first, conducting interviews, second,

doing observation and third, matching the results of interviews with observation. Interviews were conducted to gather information on the expectations of the stakeholders SEP, whereas observations conducted to determine the real condition in the implementation of SEP. Furthermore, matching of expectation (from interview) and reality (from observation result). If the results of observations are not in line with expectations will be considered a violation of expectation and are identified as factors constraining the success of SEP. In this case the focus of the research is on the violations that are negative.

3.6 Data Quality Test

Data quality test is done by using triangulation of source and triangulation of data. Triangulation of sources is a form of data quality testing conducted by comparing and check the degree of confidence of an information obtained through time and different tools in qualitative methods. While triangulation method is check the degree of confidence of the findings of research results with several sources of data with the same method.

4. Results and Discussion

4.1 SEP Unsoed Profile

At the University of Jenderal Soedirman (UNSOED) Student entrepreneurial program (SEP) began in 2009. This program aims to facilitate students who have entrepreneurial interests and talents to start entrepreneurship with the base of science and technology being studied. Facilitation through SEP includes entrepreneurship education and training, internships, business plan preparation, capital support, and business assistance. Implementation of SEP activities in synergy with Student Affairs Section Unsoed. Therefore, many places and facilities use facilities owned by Unsoed Student Affairs Department. Furthermore, student affairs section manager and his team carry out the implementation process SEP ranging from socialization to the stage of submission of the final report.

4.2 The Expectation of SEP stakeholders

SEP stakeholders include students, SEP and SMEs managers who are partners of the SEP. Each stakeholder has different expectations. Result of interviews reduction regarding to the expectations of every stakeholder is as follows:

4.2.1 College student

- 1) Regulations related to the implementation of the SEP made more detailed, taken example, on the format of the reports required for SEP program accountability report.
- 2) Coordination between supervisors and students is further improved so that no miscommunication occurs.
- 3) Need a more continuous assistance to SEP Recipients so that problems faced by SEP participants in running their business can be resolved and business run not stagnate / stop
- 4) Improving the quality of monitoring process because there are some cases due to monitoring process to the business location cause by the busy professor who monitors.
- 5) Schedule are less structured and uneven information specially related to final report.
- 6) Allocation of the funds provided can be improved and better targeted.
- 7) Need organized training in the management team to improve the teamwork and the business continuity.

4.2.2 SEP Manager

1. Expanding the socialization process and undertaking a strategy to foster a culture of business entrepreneur interest and the success of the SEP program among students. This can be done in the following way:
 - a) Socialization and Strategy through the Department or Study Program
 - Integrating SEP activities that are followed by students with data base in the department / program study so that besides being responsible to SEP managers at the center, the students receiving SEP also responsible for the department. This can be done by requiring the student to submit the SEP report as one of the requirements to follow the awareness.
 - In the SEP report is also included students curriculum vitae to trace the existance of the business program conducted by the students after they graduate from the university. So there should be information about address, home phone number, and email address.
 - Networking with other business units
 - b) Socialization and Strategy on Student Activities / Student Activity Unit
 - Insert the SEP program in the annual work program of each appropriate Student Activity Unit
 - Socialization of SEP program to the Student Activity Unit organizer and members and their coaches
 - Hold a workshop on SEP proposal writing for the Student Activity Unit organizer
 - Establish a special SME SEP at faculty level parallel to others program for which there is no similar Student Activity Unit
 - Recruitment Mechanism of Student Activity.

c) Socialization and Strategy in the course

- Entrepreneurship courses are required to give structured task of preparing proposal with SEP format.
- Introductory Business Course must give structured task of preparing proposal with SEP format.
- Award a student by giving A for entrepreneurship courses to students who won the competition at the national level SEP

d) Socialization and Strategy to New Students

- Socialization SEP to freshmen through seniors who have been funded or national level following the SEP Expo
- Involving SMEs to assist new students make a proposal SEP from start to upload
- Asking for help faculty Academic Advisors guidance to motivate students to make SEP
- Holding SEP competition among faculties

e) Socialization and strategies to enhance student motivation

- Student awards that receive SEP program at Faculty level are posted on bulletin boards and certified
- Opened stalls selling the products of the faculty within the SEP program to help market their products and press releases in newspapers
- Increase motivation and awareness of the benefits of the SEP activities.

2. Business plan training is conducted on each faculty in depth and on target with deep socialization and in-depth training of trainees. The selection of participants can be done by requiring the candidates to submit pre-proposals first then selected which has an interesting business description.

3. There should be a briefing to the assistants at the beginning of the SEP period to integrate perceptions and understanding of the provisions of the SEP Program

4. There needs to be a provision in the proposal on the percentage of distribution of activities SEP budget

5. In the manual there is an apprenticeship activity, but the activity is not implemented. If the apprenticeship activity is less effective, it can be replaced by requirement for students to study in one of the SMEs and make the report of SMEs activity both in terms of its products and its business management. The report is a prerequisite for the disbursement of funds on the last stage (20%). The report should mention the full address of SMEs, owners and phone numbers to be proven by the companion.

4.2.3 Practitioners of SMEs

- 1) The existence of clear rules concerning the internship activities especially related to the implementation guidance, technical guidance, as well as the rights and obligations of apprentices and SMEs so that apprentices can be more focused
- 2) The time of apprenticeship must be clearly arranged and coordinated with SMEs several months before the apprenticeship takes place so that SMEs can condition as much as possible so that SEP participants can gain knowledge in the place of internship maximally.

4.3 Real Practice on the implementation of SEP in UNSOED

The results of observations on the implementation of the SEP in 2015 and 2016 show the following information:

1. Students who follow outreach programs different to students who attend SEP.
2. The apprenticeship program that should be participated by SEP students is not done.
3. No SMEs are involved in the implementation of SEP
4. Student of SEP participant does not fulfill its obligation pursuant to the stipulation of SEP. Some participants did not submit a final report on their SEP-funded efforts.
4. The socialization process is less effective and less widespread
5. Business training plan carried out at the university level is lacking in because only delivered systematic writing and submission success stories of entrepreneurs who have succeeded.
6. Faculty sometimes only send unintentional students to follow the training. They do not consider whether the student has an entrepreneurial interest or not.
7. Training time is very limited. It is only conducted in one day.
8. In each faculty there is only one companion and socialization activities or SEP activities are not integrated with department or major.
9. There is provision for groups or individuals who have earned the previous year and the successful SEP will be funded again on the following year, but in the reality, they do not have priority.
10. There is no understanding among the companions of the jury
11. There has never been *brainstorming* for the companion to unify the vision, mission, and understanding of the SEP program included in the assessment of the proposal.
12. Assessment to the proposal was different because there was no unified perception of the judges / assistant
13. The funds are often late
14. There are indications that some students are just trying to get funds and then run and do not responsible to finished the program.

15. There has been no effort from the university to track students receiving SEP program in terms of business continuity
16. The responsibility of the student only upon execution of the program.

4.4 Identify constraints in the management of SEP

By using the approach of expectancy violation theory, that match the expectations of stakeholders and the fact that occur in the implementation of the identified violations SEP negative, potentially a barrier for SEP history of success. The results of identification are as follows:

1. Students lack of discipline in complying with the rules laid down in SEP.
2. No maximal socialization
3. Lack of number of supervisors
4. Frequency of guidance from low monitoring lecturers
5. Less stringent supervision
6. There is no SMEs involvement
7. There are no binding agreements on students and clear sanctions for breach of agreement.
8. Unclear indicator of valuation for grants so that students are not motivated to make a good business plan

5. Conclusions and Recommendations Research

5.1 Conclusion

1. Eight problems arising from the management SEP implemented include the removal of apprentice that lead to failure to achieve some of the goals written in the manual.
2. The identification results show the discrepancy between the expectations of stakeholders with practical implementation of the SEP. This discrepancy raises disappointed that can hinder the success of the SEP

5.2 Suggestion

1. To reach the objectives and benefits that have been written in the book of guidelines, then the internship activity should be raised again among the students, though in different ways.
2. The provisions on the conduct of the manual should be revised again to establish a clear indicator of success.
3. SEP activities are very important to be integrated with department in the faculty.
4. It is necessary to make complete data about SEP recipient students so that the SEP receiver alumni can be traced to find out the benefits of the SEP program after they graduate.
5. Consideration should be given on the amount of capital provided by considering the purpose of the grant, not only for equalization among the participant if SEP really want to establish a reliable entrepreneurs.
6. Further research needs to be done to identify appropriate ways to overcome problems in the implementation of entrepreneurial student programs. The next research can do the preparation of the concept to model the program of entrepreneurial students better and test the concept.

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