

## THE DEVELOPMENT OF ENTREPRENEURSHIP STUDENT PROGRAM MODEL AS AN EFFORT OF CREATING NEW ENTREPRENEURSHIP

Joko Sutrisno<sup>1</sup>, Eddy Triharyanto<sup>2</sup>

Sebelas Maret University,  
INDONESIA.

<sup>1</sup>jokotris\_uns@yahoo.com, <sup>2</sup>eddytriharyanto@yahoo.co.id

### ABSTRACT

*Indonesia has a great population unsupported by the enhancement of prosperity. This is caused by the great number of unemployment. It is needed to create new entrepreneurship to decrease the number of unemployment. Directorate General of Higher Education (DGHE) establishes Entrepreneurship Student Program done in Limited Liability Companies in Indonesia including Sebelas Maret University (UNS) and arranges the implementation model. In UNS, the Entrepreneurship Student Program (PMW) implementation model arranged by DGHE has been developed so that it can be more applicative. The methods used are documentation / literature review, observation and FGD with 430 students joining Entrepreneurship Student Program in UNS in 2009 up to 2014 as the research subjects. The stages producing new entrepreneurial are explained in more detail covering socialization and publication activities, selection (administration, psychological tests, business plan review), training, apprentice, business plan revision, establishing and developing business, mentoring, monitoring, and evaluating.*

**Keywords:** Student, Entrepreneur, Program, Education

### INTRODUCTION

Indonesia is one of countries having great population. According to United States Ministry of Trade, Indonesia is in the fourth place in the world having 253.60 million populations after China, India, and United States. Yet, this great number of population is not supported by the people prosperity. Based on Legatum prosperity index data, from 142 countries in the world, Indonesia is in the 71st place in 2014 which has been lower than the 69th place in 2013. Prosperity index is measured by using 89 variables classified into eight indicators namely economy, education, opportunity and entrepreneurship, government, health, privacy, security, and comfort (<http://www.prosperity.com/#!/ranking>).

One of factors causing the gap between the population and the prosperity level is the great number of unemployment. This is due to the number of job seekers to existing vacancies in Indonesia is not well-balanced. Based on Statistics Indonesia data, in 2013, the number of unemployment is 7.39 million or 6.25% from the amount of labor force. Seen from the trend, the number of unemployment of high school and university graduates has increased. From 2004 to 2013, unemployment from the high school graduates rose from 24% in 2004 up to 26% in 2013, while unemployment from university graduates increased from 3% in 2004 up to 6% in 2013. In 2010, unemployment of university graduates had a fairly drastic increase in the amount of 9% or 710.128 people.

The great number of unemployment of educated university graduates is due to graduates 'mindset leads to be job seekers, not job creators. The higher the education got, the lower self-reliance and entrepreneurship. It can be seen from Napitupulu (2009) which states that there are 82.2% of college graduates working as an employee. The low entrepreneurship of

college graduates in Indonesia is due to the system of teaching and learning in universities which focuses more on passing accuracy, speeding in getting job and marginalizing employment readiness to create jobs (Siswoyo, 2009). In addition to the learning system which does not lead to job creators, there is a negative psychological factor in Indonesian society regarding entrepreneurship having unstable revenue, aggressive, expansive, competitive, selfish, dishonest, stingy, less respectable, low employment and so on. These grounding causes the parents do not want their children to be an entrepreneur and divert it into the government services (Siswoyo, 2009). With the mastery of science and technology, it should be able to make college graduates have a greater chance to be successful in the business world.

The role of the entrepreneurs in a developing country cannot be ignored, especially in carrying out the development. A nation will develop faster if it has entrepreneurs who can be creative and innovative optimally to actualize new ideas into practical actions in every business. In order to be prosperous, a country needs 2% of entrepreneur in minimum from the total population (McClelland, 1995). In 2013, the number of entrepreneurs in Indonesia reached 1.56%. If it is compared with other countries in Southeast Asia region such as Singapore, Malaysia and Thailand, Indonesia has the fewest entrepreneurs. Singapore has 7% of entrepreneurs, Malaysia has 5% and Thailand has 4.10% (Nurhayat, 2015). One of factors driving the growth of entrepreneurship in a country is the role of universities in giving entrepreneurship education (Zimmerer, 2002). The university should be responsible in educating and providing entrepreneurial skills to the graduates and motivate the students to dare to choose entrepreneurship as their career. The university needs to implement concrete entrepreneurial learning patterns based on empirical inputs to equip students with significant knowledge in order to encourage students to entrepreneurship (Yohnson 2003, Wu & Wu, 2008).

Government, the Directorate General of Higher Education (DGHE), gives full support to the entrepreneurship development program in universities. Various types of programs are organized to foster new entrepreneurship among the educated, including through co – programs, PKM - K and PMW. PMW (Entrepreneurship Student Program) is a program that aims to provide a stock of knowledge, entrepreneurship skills and attitudes based on science and technology to the students so that they can change the mindset of jobseekers into job creators as well as being a formidable and successful entrepreneur to face global competition. Participants will be equipped with the knowledge, skills and business mentoring by the experts. In fiscal year 2009, this program has been implemented in 83 state universities and 179 private universities under the coordination of Private High Education Coordination (Kopertis) in Indonesia.

PMW is held to facilitate the students who have an interest and entrepreneurial talent in entrepreneurship to start a business on the basis of science, technology and art. The facilities include entrepreneurship education and training, apprenticeship, business plan preparation, financial support and business assistance. The implementation of the activities is depicted in PMW implementation model created by DGHE which needs to be developed by implementing the model first in the cooperated colleges. This model development is done in order to obtain an implementation model which is more applicable and can be easily used in area. The simplicity of this model application is expected to help accelerating the desired objectives, namely increasing the number of entrepreneurs and formatting entrepreneurship education development institution in college.

## METHODS

The research done is participatory action research with 430 students joining PMW at Sebelas Maret University from 2009 up to 2014 as the research subjects. The techniques of collecting data are documentation / literature review, observation and FGD.

### Documentation / Literature

This method is done by studying the written sources such as reports of PMW activities and some resources such as newspapers, research papers and academic journals.

### Observation

Observations done in this study is observation without using an observation guide. The researcher develops the power of observation in observing the research object. Through this method, the researcher will obtain a holistic view of the existing problem.

### Focus Group Discussions (FGD)

FGD is conducted among academics, practitioners and students as participants of the program.

## RESULTS AND DISCUSSION

### PMW Implementation Model

These activities are done through several stages, and constantly repeated since 2009 until 2014. Every year, every stage of the activities is evaluated to measure the success. The implementation is done by referring to the PMW implementation models made by DGHE. PMW implementation model can be seen in the following figure:

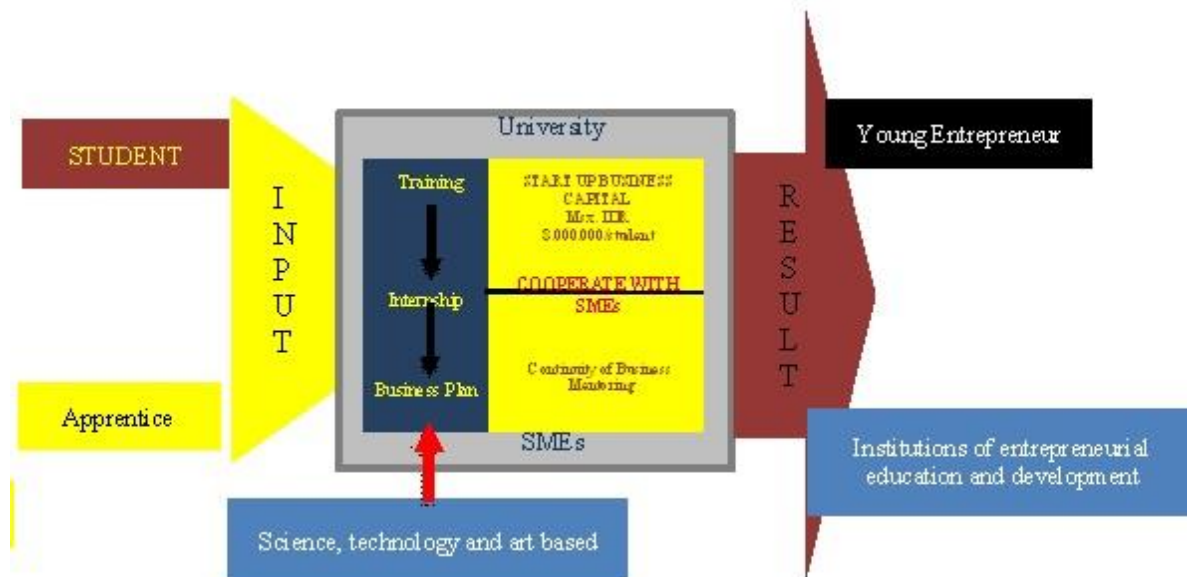


Figure 1. PMW Implementation Model

PMW implementation model is designed for one year with young entrepreneurs and entrepreneurial educational development institutions as output produced. Implementation stages are divided into three stages of activities:

#### *Preparation stage*

Preparation stage is done for 1-2 months. The activities are socialization, identification and selection of students participating in the program as well as other technical preparations.

#### *Debriefing stage*

Debriefing stage lasts for 2-3 months. Debriefing stage conducts educating and training for entrepreneurship, business plan preparation, selection and business plan apprentice to Small Medium Enterprises (SMEs).

#### *Implementation program stage*

This stage is carried out for 6-9 months during which the students start up business based on its business plan and accompanied by colleges and SMEs. In the end of the program, monitoring and evaluating are carried out to see the success of the program.

### **Implementation of Program Preparation Stages**

There is no description about program preparation stage in PMW implementation model. Program preparation stages conducted in UNS include socialization and selection stages based on the explanation of PMW implementation model.

#### *Socialization stage*

Socialization stage aims to explain about PMW so that the participants get an understanding and the perception of PMW. Besides, this stage is done to obtain suggestion and support from various parties for PMW implementation success. Socialization is followed by opening registration for participants who are interested in PMW. By the time of enrollment, the students are required to bring the requirements for data collection.

#### *Selection stage*

The selection stage is done to get students who are committed to join PMW activities and have a strong desire to be entrepreneur. Based on PMW implementation model in the DGHE guide, the types of selection done are not explained in detail. Selection conducted by professional team includes interest, entrepreneurship motivation and other soft skills. Students' interest in entrepreneurship is affected by boss desire-to-be, leadership, finance and environment variables (Praswati, 2014).

In UNS, the selection is done in three stages:

##### *a) Administrative Selection*

Administrative selection is done by analyzing PMW candidates' application file. This stage is the first step to identify whether the participants meet the administrative requirements as participants in the administration of the Student Entrepreneurial Program or not. These requirements are related to administrative documents and suitability with the requirements specified.

##### *b) Psychological Selection*

Psychological selection is conducted to uncover candidates' potency in the entrepreneurial personality, creativity, motivation, interest in work and group work. Instrument used in this psychological test is Test Standard. Psychological tests used in this selection include the type of power test meaning that the participant is required to complete the test items in the flexible working time

##### *c) Interview*

Business plan selection is done by each PMW candidate's presentation of the business plan being run. That business plan is then selected by each reviewer to assess the feasibility of the business.

From 2009 to 2014, the implementation of the administrative selection and psychological test do not change. At psychological test, evaluation data are considered to be able to describe independence, achievement motivation, leadership, creativity, perseverance, honesty and other mental attitude needed to be entrepreneurs. Selection changes are made on the interview for participants. In 2009 to 2012, the interviews were conducted to deepen the basic potency, motivation and personality as well as entrepreneurial potency and insights. In 2013 to 2014, the interview was later changed to focus on business activities that being or has been run by candidates. In the selection of business plans, the candidates are assessed on the aspects regarding the existence of the business, prospects, human resources, finance and commitment as well as candidates' personality.

The change in the method of this selection is seen from the real business established by participants (Start-up business). Through the interview and business plans presentation, business plans to do by the participants are selected in a more mature way by the reviewer, whether the business is viable and has the prospect to be run or not. Reviewers then provide graduation recommendations to the participants from the business plan presentation.

Through a business plan made by participants, it can be seen whether the business being run is possible to be established and has the eligibility to run as well as how much time it takes to make it happen. An entrepreneur who does not make a business plan is actually planning for failure (Bangs, 1995).

### **Implementation of Program Debriefing Stage**

Implementation of program debriefing is done by involving two institutions, universities and SMEs partners. There are three kinds of activities done in debriefing program stage; business plans, apprentice and training which are based on science and technology. Here are the detailed explanations of debriefing conducted for PMW participants held in UNS:

#### ***Training***

Training activities is done to improve the ability of PMW participants, especially on their soft skills in conducting the real business activities. Based on the study conducted at Harvard University, a person's success is determined by only about 20 % of the hard Skills and the remaining 80 % is determined by soft skills (Utomo, 2010). In UNS, besides increasing the soft skills, the hard skill materials are also given to PMW participants such as entrepreneurship motivation, creative thinking, business opportunities, entrepreneurial insight, capital, marketing, business ethics, communications, financial management, and business plan preparation. In this training stage, training materials are given by speakers who are experts in their fields and classified as academics from universities, SMEs and banks.

The characteristics of entrepreneurship are confidence, task-and-results-oriented, risk-taking, leadership, originality and future-oriented (Suryana, 2006). Alma (2005) mentions eight ways to be successful entrepreneur namely a willing to work hard, good cooperation with others, good appearance, confidence, good at making decisions, a willing to enrich knowledge, the ambition to move forward and good at communicating. Meanwhile, what required to be an entrepreneur are passion, independent, market sensitivity, creative and innovative, calculated risk taking, persistent and high ethical standards (Ciputra, 2008). Those aspects are developed during PMW training.

In this stage, business plan drawn up at the selection stage are discussed further based on what the participants got during the training. The business plan is then used as the basis of the enterprises establishment and development that will be carried out by the next participant. A mature business plan can be used to show that the business which is run is viable and profitable (Bygrave, 1994). In addition, the business plan can also be used to obtain bank financing, investment and business cooperation. The business plan is also useful to motivate and focus the entrepreneurs in running their business.

### ***Apprentice***

Apprentice activities are done for one month after the entrepreneurship training is completed. Before participants are deployed to do apprentice, they will be briefed on the policy of apprentice implementation (daily journal, discipline, etc.). At the beginning of the program implementation in 2009-2010, apprentice activities were carried out in the SME partners. Apprentices are placed based on the business plan which will be pioneered. Some SMEs which become the apprentice are SMEs cultivation, convection, printing and other SMEs. During this apprentice activity, participants get the hard skill ability which is suitable with the business plan.

From the evaluation results of the two-year-apprentice implementation, it is known that the business initiated by the participants experienced difficulties in marketing. The low ability in promoting the products caused many pioneer businesses did not develop and eventually stopped. Therefore, in 2011, apprentice activities in SMEs were replaced by marketing apprenticeship. Marketing apprenticeship is an activity held in which participants promote SME products or their own business products. Before doing marketing apprenticeship, what to do first is setting sales target in every week. Sales results are then evaluated every week during one month. If the target is not reached, then the efforts that can help sales are needed.

The problem frequently experienced by SMEs is financial, human resources and marketing (Aziz, 2007). SMEs have limitations in terms of marketing due to the pressures of competition; both in the domestic market of similar products made in entrepreneurs and imports, and in the export market. Through marketing apprenticeships, participant's are expected to be able to anticipate problems in the marketing field that will be encountered when running a business. Participants are also taught how to identify the market, methods and practical marketing strategies and also trained to set sales target. The marketing strategy is based on five concepts namely market segmentation strategy, market positioning, targeting, marketing mix strategy (product, place, promotion and price -4P) and timing strategy (Radiosunu, 2001).

### ***Establishment and Students' Business Mentoring***

After the debriefing, the students' business is established and developed. In this early stage, the funds are given to the participants (8 million IDR each person) for starting up business based on the business plan arranged. For those who have not had enterprise, this fund is used to start up a business, while for those who have had a business; this fund can be used to expand their business. These participants' business is then mentored by academics and SME partners.

### ***Establishment and Students' Business Mentoring***

Monitoring and evaluating are done to ensure that the program runs as planned in order to achieve the expected results. This activity is done gradually and sustainably so that the next programs will run better. In general, the aspects to be monitored and evaluated consists of four parts; the selection, training in a classroom, apprentice and established businesses. From monitoring and evaluating activities of the implementation model, data showed:

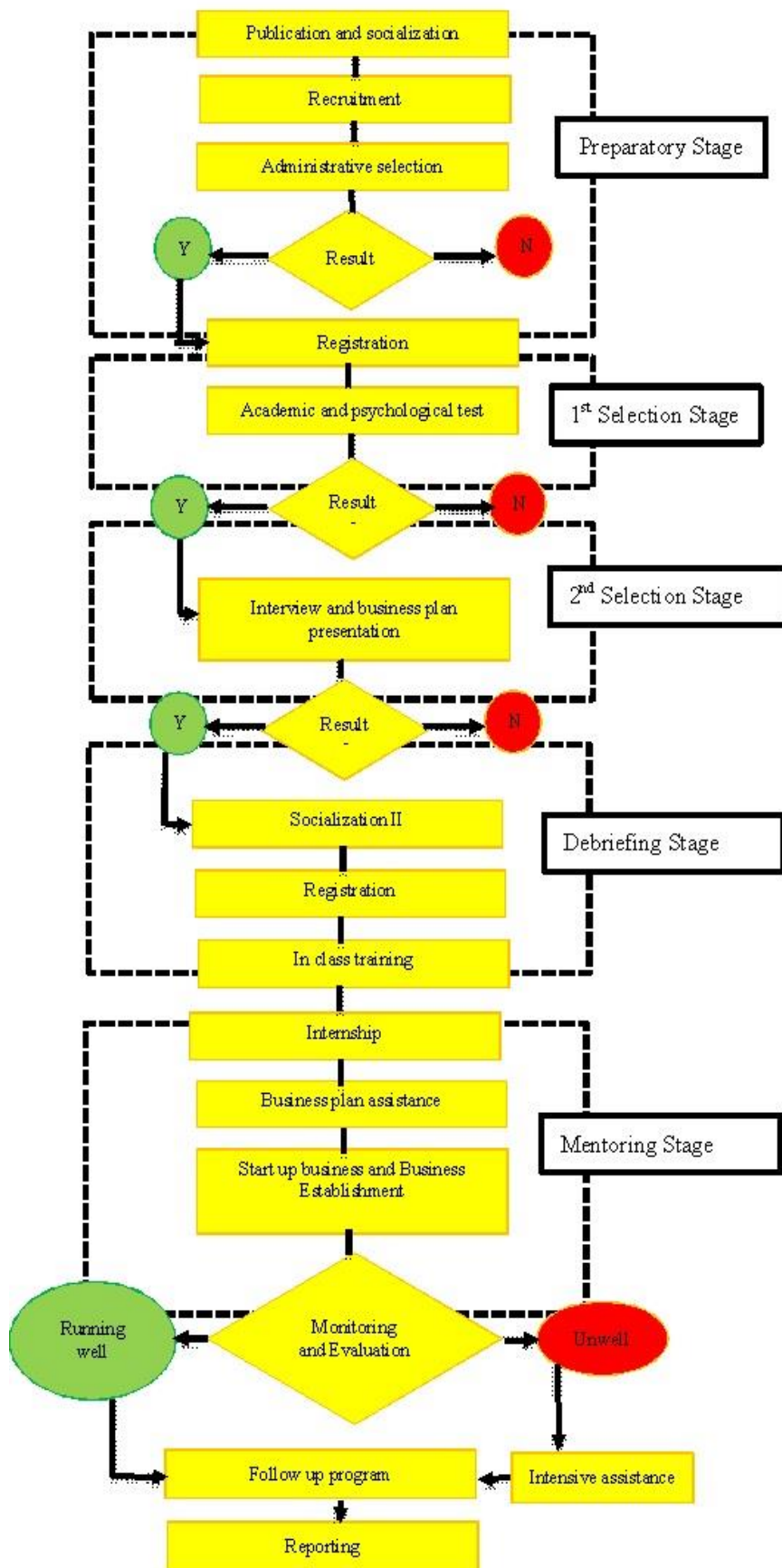


Figure 2. PMW Implementation Model in UNS

### *Selection Stage*

PMW implementation model does not explain the selection process and the types selection used in the PMW implementation. In UNS, selection method is done in three phases, namely administrative selection, academic tests and psychological test and also business plan test that will be done through presentations and interviews.

### *Debriefing Stage*

Debriefing stage on PMW implementation model is conducted through three phases, namely training, apprentice and business plans. In PMW implementation model, institutions involved are only universities and SMEs.

In the implementation, banks also need to be involved considering entrepreneurial activity cannot be separated from the banks support as a funds source and providers. PMW apprentice activities done in UNS focuses more on marketing apprenticeship activities aiming to help improve PMW participants' ability in selling the products of pioneer business.

### *Program Implementation Stage*

In the program implementation model, the main activity is establishing new business and mentoring to gain young entrepreneurs based on science and technology. In the initial implementation of this program, participants received fund 8 million IDR each person for the establishment of new businesses. In the implementation in UNS, funds given is not always used for the establishment of new businesses, but also for developing pioneer business that has already been run before. Mentoring was also carried out by academic steam and SMEs for business partners.

## **Development of PMW Implementation Model in Universities**

From the existing model, development of PMW implementation model is then done in UNS. The model is developed to be more applicable based on the conditions in the area. PMW implementation model in UNS can be seen in the above figure 2.

PMW implementation model in UNS is divided into 6 stages; the preparatory stage, the selection stage I, the selection stage II, debriefing stage, mentoring stage and final stage. In the preparatory stage, the activities done are the publication and socialization, enrollment and administrative selection. Academic and psychological test and business plan presentation are activities done in stage I and II. In the debriefing stage, the activities done are the re-registration of participants, in class-training and marketing apprenticeship. The next stage is mentoring began with the business plans revision, establishment and development of business. Before implementation activities come into the final stage, monitoring and evaluating to the business that has been run by PMW participants is conducted. If the business carried out experience problems, then it should be mentored privately by the academics and the SME partners.

## **CONCLUSIONS**

Indonesian government gives full support to the entrepreneurship development program in universities through student entrepreneurship program. The implementation is done by referring to the PMW implementation models. In Sebelas Maret University, this model is developed to be more applicable based on the conditions in the area. PMW implementation model in UNS is divided into 6 stages; the preparatory stage, the selection stage I, the selection stage II, debriefing stage, mentoring stage and final stage.



## REFERENCES

- [1] Bambang, B. S. (2009). Developing the Spirit of Entrepreneurship Among Lecturers and Students. *Jurnal Ekonomi Bisnis*, 14 (2), 114- 123.
- [2] Bangs, D. H. (1995). Guidelines for the initial step of doing business, small business series second edition. Jakarta: Erlangga.
- [3] Buchari, A. (2005). *Entrepreneurship for students and general public*. Bandung: PT Alfabeta.
- [4] Bygrave, W. D. (1994). *The portable MBA in entrepreneurship*. New York: John Wiley & Sons, Inc.
- [5] Ciputra. (2008). *Quantum leap: How entrepreneurship can change your future and the future of the nation, the first printing*. Jakarta: PT Elex Media Komputindo.
- [6] Clelland, M. (1995). *Introduction of Entrepreneurship*. Jakarta: Intermedia.
- [7] Ester Lince Napitupulu. (2009). Seriously entrepreneurial in universities need to be reinforced. Retrieved <http://lipsus.kompas.com/dulmatin/read/2009/09/14/09400861/Serius...Kewirausahaan>.
- [8] Hakim, M. A. (2007). Dominate the market dredge profit. Jakarta: Renaisans IKAPI.
- [9] Nurhayat, W. (2015). Percentage of Employers in RI Lost to Malaysia and Thailand. <http://finance.detik.com/read/2015/03/10/102625/2854139/4/di-asean-persentasejumlah-pengusaha-di-ri-kalah-dari-malaysia-dan-thailand>.
- [10] Praswati. (2014). Analysis of the factors that affect the interests of self-employment among college students case studies. Indonesia: Fakultas Ekonomi Dan Bisnis Universitas.
- [11] Radiosunu. (2001) *Marketing management: An approach to the analysis, the second edition*. Yogyakarta: Universitas Gajah Mada.
- [12] Suryana. (2006). *Entrepreneurship, practical guidelines, tips and the process toward success revised edition*. Jakarta: SALEMBA EMPAT.
- [13] Utomo, H. (2010). Contributions Soft Skill in Cultivating the Spirit of Entrepreneurship. *Jurnal Ilmiah among Makarti*, 3 (5), 95-104.
- [14] Wu, S., & Wu, L. (2008). The impact of higher education on entrepreneurial intentions of university students in China. *Journal of Small Business and Enterprise Development*, 15 (4), 752–774.
- [15] Yohnson. (2003). The role of the University in the Bachelor Being Motivating Young Entrepreneurs. *Jurnal Manajemen dan Kewirausahaan*, 5 (2), 97-111.
- [16] Zimmerer, W., Thomas., & Norman, M. S. (2002). *Introduction to entrepreneurship and small business management*. Jakarta: Rineka Cipta.