



Educated Youth Entrepreneurs: Possibly the Answer to Our Economic Problems?

Ika Suhartanti Darmo

Management Department, Bina Nusantara University, Jakarta

Email: ika.suhartanti@binus.ac.id

Abstract

Thirty percent of Bina Nusantara University's alums are young business owners, according to the university's monitoring findings. The methodology employed is a survey study, with data collected from a representative sample of 214 graduates (n=69) via online surveys and evaluated using descriptive statistics in the outset of 2022. Educated young entrepreneurs' averaged performance was pretty good, showing a 3.11 on a 4.0 scale. The business owner's passion, mental preparedness to handle competition, and communication skills in developing relationships with business partners are all fairly strong, judging from the indicator's average score above. The company's history and the government's assistance are to blame for its below-average worth. This demonstrates that the company is still in its early stages of development and that performance is still poor, both of which are linked to the absence of governmental backing. A lack of business capital, a decline in people's economic conditions that weakens consumer purchasing power, a lack of business skills on the part of young entrepreneurs, high levels of intense business competition, and fluctuations in product/service quality marketed to the public were all cited as factors limiting the performance of educated young entrepreneurs.

Keywords: *Educated Young Entrepreneurs, Business Performance.*

INTRODUCTION

Many variables impact entrepreneurial intents across nations, as stated by Indarti & Rostiani (2008). This ensures that people with entrepreneurial intentions will always achieve their goals. Experience in the workforce is a strong predictor of future entrepreneurial success, as are the aspirations, training, and experience of those already in the workforce. Norwegian pupils are not like Indonesian students in this regard. Gender inequality is an issue in Indonesia, but not in Norway. There are four main reasons why women start businesses: earning an income, relieving boredom, helping the family financially, and making a difference in the world. The need to make something new and different is a motivating motivation as well. Women who create an agro-fishing sector, for example, are only one example of how the entrepreneurial spirit may be cultivated out of a variety of pre-existing conditions (Nurhayati, 2011).

In order to boost entrepreneurial success, the combination technique is quite beneficial. For the simple reason that adopting this approach leads to more organized and well-thought-out plans for entrepreneurial initiatives, which in turn makes for smoother, more productive program execution (Wahyudi, 2014). Rakib further said that there are numerous combinations that may be employed for entrepreneurship such as communication, learning and experience as well as attitudes in implementing entrepreneurship (Rakib, 2016).

According to Mopangga (2017) the role of parents in encouraging entrepreneurship of family members considerably influences the success of entrepreneurs to manage their firms. The work of parents is the source of the poor entrepreneurial spirit and is also connected to the state of the community that believes entrepreneurship to be a side job, not the main employment. In addition to offering resources for education, the campus also fosters an innovative and entrepreneurial mindset. This is what causes folks who aspire to be entrepreneurs become more interested in beginning new firms.

In connection with the phenomena of an educated workforce and also connected to the problem of young entrepreneurs as a challenge and at the same time an opportunity in order to generate superior performance, it is vital to pay attention to the concept of the job itself. The idea of work or performance that contributes to a company's competitive advantage is an important area of research in human resource management and entrepreneurship. When private colleges and universities utilize the promise of producing trustworthy young businesspeople as a selling point to lure students and their families, it's easy to see why there are flaws in this system.

The results of the tracer research of the management study program at Bina Nusantara University suggest that 30% of the graduates of the management study program are young entrepreneurs. In accordance with the excellence of the management study program namely entrepreneurship and also the learning outcome is to develop first-line managers and young entrepreneurs. So, it is vital to look in greater depth at the talents of these young entrepreneurs in the context of assessing learning programs in the management study program and also for creating the theory of competitiveness in human resource management.

This research is also a follow-up study from prior research which showed that the competitiveness of young entrepreneurs and the incentive of parents to choose to send their sons and daughters to management study programs was 38.2% desiring graduates to become dependable entrepreneurs. So, this has to gain attention and review from the institution. The development of entrepreneurship graduates in the management study program has varied that the incidence of graduate fluctuations and between 2020 to 2022 tends to decline. Then also from data acquired at the Faculty of Economics, Bina Nusantara University that 30% of graduates are young entrepreneurs, then another 55% work as corporate workers and government employees, while the remaining 15% work not in line with the subject of science being studied.

When considering the issue of recent graduates in the workforce, it becomes clear that more targeted study on the success rates of young entrepreneurs who have completed Bina Nusantara University's Management Study Program is warranted. Since these circumstances have piqued the author's attention, writer plans to go more into a study topic.

To create new products and new jobs, entrepreneurship is the single most important factor. Many studies have been undertaken in Africa with the goal of fostering entrepreneurship. These studies have focused on both the government's involvement in promoting entrepreneurship and the growth of entrepreneurs themselves. Extreme rivalry, a scarcity of qualified workers, and a dearth of suitable premises have all hampered their start-up efforts. To the aid provided by African nations (Ven Sriram, 2010).

Electronic resources including e-business, email, websites, e-commerce, and organizational change are presently essential for the success of entrepreneurs. The goal here is to boost productivity in the workplace, which is crucial (Taylor et al. 2004). Then, in the case of entrepreneurship, it is necessary and important to cultivate the self-support element that is owned as a kind of competitiveness. As Mokter Hossain elucidates, open innovation boosts the innovative capacity of

small and medium-sized enterprises (SMEs) (Mokter Hossain, 2016). Then, entrepreneurial conduct becomes a crucial benchmark for a nation's overall entrepreneurial development (Pasanen, 2006).

The ability to adapt and improve is a sort of competency or competitiveness, and it necessitates the mindset and drive of entrepreneurs (Lee & Tai, 2011). Entrepreneurs' education, experience, training, personal abilities, skills, attitudes, stability, health, and fulfilment are only some of the aspects of their human capital that have been the subject of study in Pakistan. To become successful business owners, each of them plays a crucial role in the expansion of human capital (Mubarik et al., 2016).

Lewrick argues that the context is a set of concepts and methods utilized in the business world, and that entrepreneurship and innovation education derive from an established university curriculum. The task of developing a start-up firm into a profitable business involves varied abilities. We're talking about more than just brainstorming and business plan drafting (Lewrick et al., 2011). Migrant business owners who set up shop in Nigeria are the focus of a study done in Singapore. The basic traits of Lebanese and Nigerian entrepreneurs are compared and contrasted in light of the adaptable capacity of the Lebanese in the face of adversities. Host nations are expected to offer an enabling environment for domestic and global businesses (Mambula, 2010).

According to Fatkhurahman (2018), in business, it is vital to have a uniqueness that is developed from the ingenuity of entrepreneurs. This will enhance the competitive edge of businesses and be different from other entrepreneurs. This distinctiveness would bring extra value for entrepreneurs in doing business. In addition, this competitive edge will make the firm survive and it is feasible to grow and develop as planned by the entrepreneur. Building a firm with superior items demands a battle to dare to attempt and try continually until you succeed in achieving uniqueness. The performance of educated young entrepreneurs is measured according to Moehariono (2014) by employing measures of financial, customer and internal business perspectives. From a financial perspective, see the ability to earn profits and effective corporate intervention; then the customer perspective looks at the ability to dominate the market, customer growth, customer satisfaction and customer loyalty; and an internal business perspective using the concept of work process systems, research and product quality.

Based on the description of entrepreneurs who exist in many regions of the globe and have their unique characteristics in order to create successful entrepreneurs have better performance in handling the numerous obstacles they face.

METHOD

The methodology employed is descriptive survey research, which aims to provide a full account of the phenomenon under study. The following categories of information will be gathered for this study: The findings of an online questionnaire administered to graduates provided the study's core data, which focused on the financial, customer, and internal company success of young entrepreneurs. Literature, scholarly journals and articles, data, and reports are all examples of secondary data used in this study and are analysed and discussed in light of the questions posed. The participants in this study were former students of business management degree programs who graduated between 2012 and 2016. The sheer number of populations necessitated employing a statistical sampling technique known as "probability sampling." Here is an example of a calculation made with the Slovin formula:

$$n = N / N \times e^2 + 1$$

Description:

n = Number of samples

N = Total population

e2 = % Error rate in sampling or error tolerance limit (10%).

Sample calculation:

$$n = 214 / 214 \times (10\%)^2 + 1$$

$$n = 214 / 3,14$$

$$n = 69$$

In this study, we employed a strategy to collect data. Data collection through direct observation in the context of the topic at hand. In a questionnaire study, information is gathered by sending out a set of questions to participants in order to gauge their level of interest in and knowledge of the study's topic. Information gathering by researching and evaluating research-related paperwork. This study combines a quantitative methodology with a more descriptive methodology. Using a descriptive method, it is able to paint a whole picture of the situation of young entrepreneurs, including the many challenges they confront and the potential answers to those challenges.

RESULT AND DISCUSSION

Following is an explanation of the results of an online survey administered to educated young business owners, with a focus on those who have graduated from a program in management. The survey asked questions about the respondents' backgrounds and experiences as young business owners, as well as their business's success and the factors that may have hindered their success. From what we can tell about the responses, it seems that most of them are recent business owners. Some of them had already formed a firm before they went to college, giving them a head start, and the majority of them moved into the trade industry, with only a few operating in the service sector or the processing sector.

With an average score of 3.11, the performance of educated young entrepreneurs falls into the reasonably excellent category. This is in reference to the performance of young entrepreneurs, graduates who are created and become alumni of S1 management. We arrived at this conclusion by utilizing a Likert scale with a terrible category of 1-1.8 and a poor category of 1.8-2.6. As an addition, a score between 2.6 and 3.4 is considered adequate, between 3.4 and 4.2 is acceptable, and between 4.2 and 5 is considered excellent. The capacity to communicate in developing connections with business partners, as well as a positive attitude about operating the firm and being mentally prepared to confront competition, are all indicators of a person's persistence in the face of adversity.

The government's little involvement in company growth thus far accounts for the below-average valuation. This indicates that the company is still in its early stages of development, and that performance is poor due in part to a lack of government funding. In addition, in light of the respondents' responses to these circumstances and the reasons restricting the performance of educated young entrepreneurs:

- a. Capital. Lack of working capital and difficulty in accessing capital due to the lack of guarantees to borrow capital from banks are one of the fundamental problems in businesses run by young entrepreneurs. When viewed because of the limited ability to provide collateral for young entrepreneurs and this is because business conditions are still not running smoothly and cause the required business capital to receive less support from banks. The government has basically provided and provided a policy for KUR funds (people's business credit) but for businesses

that are just running, they have not yet received this facility. This is because there are many requirements that must be met and must be completed by the young entrepreneur.

- b. Economic Conditions. The economic condition in this case is related to the purchasing power of the people which is felt to be still low, causing the business that is run to get less respondents from customers and this also has an impact on the development of the business. The ability to provide goods at prices below the market will make the ability to survive to be low.
- c. Skills. The need for skills in running a business, such as skills in selling and skills in communicating effectively with customers, suppliers and with competitors causes businesses to always lose competition and this is a big obstacle in doing business.
- d. Competition. Start-up businesses are always faced with stiff competition from market players who have been trying for a long time. Those who have been in business for a long time, of course, have a lot of experience and have also mastered the market, so they have achieved effectiveness and efficiency in doing business and this makes young businesses less competitive.
- e. Product quality. Service products are indeed felt to be still low and also receive less attention and attraction from the market. The ability to provide quality products makes young entrepreneurs more need to learn and find out to respond to complex market needs.
- f. Marketing. Marketing of products with limited existing capabilities and making the products marketed sluggish and this has an impact on low sales and also of course the problem of survival followed by the large costs that must be borne to stay afloat.
- g. Place of business. The place of business is still a determinant of the success of entrepreneurs in marketing their products and this is also an obstacle, because a strategic location always requires expensive fees or rent and new products will have difficulty responding to it.

The study's findings show that the average performance of college-educated young business owners is 3.11, placing them in the good range of ratings. The capacity to communicate in developing connections with business partners, as well as a positive attitude about operating the firm and being mentally prepared to confront competition, are all indicators of a person's persistence in the face of adversity. The government's little involvement in company growth thus far accounts for the below-average valuation. This indicates that the company is still in its early stages of development, and that performance is poor due in part to a lack of government funding. In keeping with what was communicated by Srihadiastuti, Rida, and Hidayatullah (2018), capital constraints are the primary factor causing the failure of new businesses for graduates. Capital constraints cause constraints on other factors, and capital factors are also the most important obstacle. It's not easy for graduates who have never experienced business failure to get over the fear of failure.

Increasing its human capital potential via education and practice is equally crucial (Rahman, 2017). The creation of an entrepreneurial spirit on campus, according to Suroto and Pailis (2017), will foster the development of success in recognizing possibilities. Pailis, E. A., and Suroto, B. (2017) claimed that college training is a solid foundation for launching a business since it fosters a sense of accomplishment. Fatkhurahman (2016) The same conclusion can also be drawn from the results of the study pertaining to the inhibiting factors for the performance of educated young entrepreneurs based on the respondents' responses related to these conditions, including: lack of business capital, then the less supportive economic condition of the community so that people's purchasing power

decreases, as well as difficulties with business skills possessed by young entrepreneurs, and also the level of entrepreneurship education.

CONCLUSION

On the basis of field-specific study findings, the following conclusions can be drawn: With an average score of 3.11, the performance of educated young entrepreneurs falls into the category of quite excellent. If the value of the Persistence indicator in facing business challenges thus far is greater than the average, then the entrepreneur has demonstrated a high level of zeal in running the business, mental readiness to face business competition, and communication skills in establishing relationships with business partners. The below-average value is due to the business's development thus far and the government's support thus far. This demonstrates that the business being managed is not yet fully matured, and it also indicates that performance remains poor and is tied to the absence of government backing.

According to the responses of the respondents, the impediments to the performance of educated young entrepreneurs include a lack of business capital, less-supportive economic conditions in the community that reduce people's purchasing power, the problem of business skills possessed by young entrepreneurs, and the level of intense and competitive competition. In addition to the quality of the service items generated by the business, the difficulty of marketing, and the location of the business.

On the basis of the aforementioned conclusions, the following recommendations can be made: In order to boost business development, young entrepreneurs can enhance their capacity to think creatively by developing novel goods. Because enterprises with a high level of competitiveness are certain to fail in large numbers. It is hoped that the government would strengthen its support for young entrepreneurs by offering unsecured financial facilities and business management assistance, among other things.

REFERENCES

- Indarti, N., & Rostiani, R. (2008). Intensi Kewirausahaan Mahasiswa: Studi Perbandingan Antara Indonesia, Jepang Dan Norwegia. *Jurnal Ekonomika Dan Bisnis Indonesia*, 23(4), 1-27.
- Fatkhurrahman, F. (2018). Pengaruh Jiwa Kewirausahaan dan Kemitraan Terhadap Kebijakan Bisnis dan Kinerja Pengelola Serta Dampaknya Pada Keunggulan Bersaing Industri Kecil Makanan di Propinsi Riau. (Doctoral Dissertation, Pasundan University).
- Fatkhurrahman, F. (2016). Kepuasan Berwirusaha Melalui Kemauan Untuk Berkarya Usaha Industri Kecil. *Jurnal Ekonomi dan Bisnis Islam UIN Imam Bonjol*, 1(2), 143-153.
- Lee, & Tai. (2011). Motivators And Inhibitors of Entrepreneurship and Small Business Development in Kazakhstan. *World Journal of Entrepreneurship, Management and Sustainable Development*, 6 (1/2), 61-75.
- Lewrick, M. et al. (2011). Education For Entrepreneurship and Innovation: "Management Capabilities for Sustainable Growth and Success."
- Mambula, C. (2010). *World Journal of Entrepreneurship, Management and Sustainable Development* Article information: *World Journal of Entrepreneurship, Management and Sustainable Development Characteristics*, 6(3), pp.193–212.

- Mokter Hossain, I.K. (2016). Open innovation in SMEs: A Systematic Literature Review. *Journal of Strategy and Management*, 9(1), pp.58–73.
- Mubarik, M.S., Govindaraju, C. & Devadason, E.S. (2016). Human Capital Development for SMEs in Pakistan: Is The “One-Size-Fits-All” Policy Adequate?
- Mopangga, H. (2017). Faktor Determinan Minat Wirausaha Mahasiswa Fakultas Ekonomi dan Bisnis Universitas Negeri Gorontalo. *Trikonomika*, 13 (1), 78-90.
- Nurhayati, P. (2011). Karakteristik dan Kinerja Wirausaha Wanita pada UKM Agroindustri Perikanan di Kabupaten Sukabumi.
- Pailis, E. A., & Suroto, B. (2017). Entrepreneurship of Local Student: Online Shopping Behavior Perspective. *American Journal of Economics*, 7(4), 171-176.
- Pasanen, M. (2003). Multiple Entrepreneurship Among Successful SMEs In Peripheral Locations. *Journal of Small Business and Enterprise Development*, 10(4), 418-425.
- Rahman, F. (2017). Peran Modal Manusia Dan Modal Investasi Terhadap Nilai Produksi Industri Kecil Di Kota Pekanbaru. *Jurnal Benefita*, 2(1), 1-9.
- Siregar, E. I. (2017). Role Of Dirigen of Resource Orchestration and Dynamic Capability on Competitive Strategy and Their Implications Toward Competitive Advantage of Soes Construction Service. *IMC 2016 Proceedings*, 1(1).
- Suroto, B., & Pailis, E. A. (2017). Entrepreneurial Spirit Developments of Local Students. *Microeconomics and Macroeconomics*, 5(1), 22-25.
- Taylor, M. et al. (2004). SMEs and E-Business. *Journal of Small Business and Enterprise Development*, 11(3), pp.280–289.
- Rakib, M. (2016). Model Komunikasi Wirausaha, Pembelajaran Wirausaha, Sikap Kewirausahaan, dan Kinerja Usaha Kecil. *Jurnal Ilmu Pendidikan*, 17(2).
- Srihadiastuti, Rida, and Deden Syarif Hidayatullah. (2018). "Analisis Penyebab Kegagalan Mendirikan Usaha Baru Pada Para Lulusan Program Wirausaha Baru Jawa Barat Kelas Ide Bisnis." *Jurnal Ekonomi Pendidikan dan Kewirausahaan* 6.1 2018: 31-44.
- Ven Sriram, T.M., (2010). World Journal of Entrepreneurship, Management and Sustainable Development Article information: *Journal of Entrepreneurship, Management and Sustainable Development*, 6(4), pp.257–272.
- Wahyudi, A. (2014). Analisis Strategi Peningkatan Kinerja Wirausaha Santri di Pondok Pesantren Al-Madinah Kecamatan Gayamsari Kota Semarang (Doctoral Dissertation, IAIN Walisongo).