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Analysis of the Dominant Factors in the Character of Entrepreneurship in the Small IMMT Sector in Medan City

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Abstract

The formation of student entrepreneurial attitude and culture can be done by integrating the attribute of the entrepreneurial spirit in the lecturing process. To support these efforts, it is necessary to conduct relevant studies to extract the character of the entrepreneurial spirit into a dominant factor as the main attribute of the entrepreneurial spirit. Relevant efforts to dissect entrepreneurial competence in this case are carried out through a study of entrepreneurs in Medan. In connection with that, an analysis flow of forming the entrepreneurial spirit character in entrepreneurs is carried out in the following formulation of problem: (1) is there the most dominant entrepreneurial spirit character in entrepreneurs? (2) does the dominant factor of entrepreneurial spirit extraction affect the entrepreneurial competence? and (3) does entrepreneurial competence affect the ability of entrepreneurship business feasibility analysis? There are many entrepreneurs, one of them is classified into the small sector industry of Food, Drink and Tobacco (IMMT), and in line with research results in North Sumatera, it has been identified that the Small IMMT is an optimal alternative model of the economic development policy of the IMMT sector. This research aims to analyze the dominant character of entrepreneurial spirit in the entrepreneurship of the Small IMMT sector in Medan. In this case, an Analysis of Structural Equation Model (SEM) was carried out. Based on the analysis, the results obtained are as follows: (1) there are 7 factors resulting from the dominant character extraction of entrepreneurial spirit, and (2) there are two dominant factors were found in the small food, beverage and tobacco industry sectors, namely Cooperation and Good at Decision Making. Of the two factors, the most dominant is Cooperation.

Keywords: *entrepreneurial spirit, entrepreneurial competence, entrepreneurship business feasibility analysis, Small Sector IMMT, SEM*

Introduction

Education is the hope of a nation's progress. Through the education process, it is expected to be able to produce quality human resources and be able to answer the challenges of the times. The complexity of life and the development of the world today demands immediate relevance of existing courses and learning methods. This is only done so that the human resources produced by education in Indonesia can continue to produce labor that is in accordance with the needs of the labor market. However, based on BPS data (Waspada, 22 June 2009), in 2008 the total unemployed reached 10,011,142 people, and ironically the unemployed college graduates actually rose by 79.89%, (up from 348,107 people to 626,202 people). Various efforts have been made in responding to this, seen from the side of government policies that seek quality improvement through the education sector in producing graduates as human resources who have an entrepreneurial spirit, or are declared as entrepreneurs.

Based on an article from one of the articles (2010) shows that in the United States, the number of entrepreneurs reaches 11.5% of the total population and Singapore with a small population has an

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entrepreneur of 7.2% of the total population. When compared with Indonesia, it is very much different. Of the approximately 240 million population, Indonesia only has around 500,000 entrepreneurs or 0.18% of the total population. Though the natural wealth and potential of Indonesia is very large. This fact should be a whip for Indonesia to be motivated to catch up.

In that context, curriculum policies relating to entrepreneurship must be applied. This policy is expected to be able to change the paradigm of educated people who tend to be workers so they have the motivation to open new jobs or entrepreneurship. To get around this, the problem of entrepreneurship is one of the scales that has been prioritized by Medan State University (Unimed). This is evident from the determination of the university's mission on the third point of the five existing missions, namely developing an entrepreneurial culture. The mission is carried out to achieve Unimed's objectives which include producing superior and professional graduates, as well as producing and developing innovative and productive works which in this case are students or their graduates.

The formation of entrepreneurial attitudes and culture is not fast, there need to be stages of a long mechanism. One of the things that can be done is to integrate the attributes of the entrepreneurial spirit in each lecture meeting. To support these efforts, it is necessary to conduct relevant studies to extract the character of entrepreneurial spirit into a dominant factor as the main attribute of entrepreneurial spirit. Determination and application of the attributes of the entrepreneurial spirit that is integrated in every lecture activity is expected to be able to form students with an entrepreneurial spirit.

The development of the characteristics of student entrepreneurial spirit is expected to affect student entrepreneurial competence. According to Suryana (2003), entrepreneurial competence is someone who has the knowledge, skills and qualities of an individual that includes the attitudes, motivations, values and behavior needed for entrepreneurship. Furthermore it is said that the competencies that must be possessed by entrepreneurs are managerial ability, the ability to conceptualize something, human skills, ability to make decisions and the ability to manage time.

In addition to the characteristics of the entrepreneurial spirit and entrepreneurial competence, the ability to analyze entrepreneurship business feasibility is also developed in supporting independent entrepreneurs. Business feasibility analysis is a concrete provision in considering, analyzing, and projecting the development of business directions in a more mature and scientific manner. So people who want to be involved in the entrepreneurial world, should understand and master the feasibility analysis of entrepreneurial business completely and systematically such as the ability to analyze the business market, the ability to analyze production, the ability to analyze and manage management, and also the ability to analyze finances. The thinking and capability of this entrepreneurial business feasibility analysis should be owned, equipped and developed from the beginning of every student who wants to enter the world of entrepreneurship.

Understanding the significance of the three components in the implementation directly in the field, it is necessary to conduct an in-depth analysis. The question is, what is the character of entrepreneurial spirit that is most dominant in entrepreneurs? What is the dominant factor in the extraction of an entrepreneurial spirit that influences entrepreneurial competence? Does entrepreneurial competence affect the ability of entrepreneurial business feasibility analysis? Of the many entrepreneurs one of them is grouped into the Food, Beverage and Tobacco Industry (IMMT) sector.

Methods

This research emphasizes efforts to provide empirical evidence and describe or provide a clear picture of the characteristics of the entrepreneurial spirit, entrepreneurial competence and the ability to analyze entrepreneurial business feasibility. The sample population in this study were all small IMMT sector business actors in the city of Medan. The sample used in this study was 165 respondents of Small IMMT actors in Medan taken by random sampling.

The data source in this study uses primary data in the form of a third variable questionnaire namely the variables of entrepreneurial spirit, entrepreneurial competence and the ability to analyze entrepreneurship

business feasibility using a Likert scale with five answer choices namely, Strongly Agree (SS), Agree (S), Less Agree (KS), Disagree (TS), and Strongly Disagree (STS). To answer the problem in this research, namely extracting the dominant factors of entrepreneurial spirit, the method of analysis used in this study is factor analysis. Factor analysis is principally used to reduce data, which is the process of summarizing a number of variables to be smaller and calling them factor analysis. The assumption test used in this study is the correlation between variables > 0.05 (Singgih, 2010: 58) Factor analysis method in this study using SPSS version 24.

Results and Discussion

Assumption Analysis Factor Test

Before testing the factor analysis first tested two assumptions related to factor analysis, namely the assumption of the normality of univariate variables (each variable) and the assumption of multicollinearity with the KMO and Barlett Test tests, and Anti Image Matrices Test.

Assumption of univariate normality

Normality testing was carried out with non-parametric Smnrov Smirnov samples. Based on the results of the analysis it is known that overall the Sig. > 0.05 , which means that all data are normally distributed.

a) Multicollinearity

Test KMO and Barlett's Test

The results of the multicollinearity test of KMO and Bartlett's Test show that: (1) the Adequacy KMO value is $0.715 > 0.5$, which means that this factor analysis variable can be further processed, and (2) Bartlett's test value of 150.667 with a significance of $0.000 < 0.05$, which means that there is a significant correlation between the overall factor analysis variables. Thus the overall variable analysis of this factor analysis can be tested by factor analysis. But to find out more about any variable in this factor analysis it is necessary to test the anti image matrices.

Anti Image Matrices-Measure of Sampling Adequacy (MSA) Test

The anti image matrices correlation test results show the coefficient of the MSA value > 0.5 , which means that both the variables and the variables in this factor analysis meet the requirements and are worthy of further analysis.

Interpretation of Factor Analysis Results

a) Communalities

Analysis of communalities is basically the amount of variance in the form of a percentage of each initial variable that can be explained by existing factors. The results of the Communalities calculation show that the overall variance value of the variable is > 0.5 , which means that the level of closeness is strong with the factors formed, so that factor analysis can be done without removing the variables in this study.

b) Total Variance Explained

This analysis is intended to determine how many factors might be formed. Components or factors to be chosen are factors with eigenvalue values greater than 1 (factors that are able to explain variables well). The results of the calculation of total variance explained show that Of the 29 components only 7 factors were formed due to eigenvalue > 1 . While 21 other factors were not included in the factor analysis because they were unable to explain the variables properly. In the extraction column sums of squared loadings, there is a % of variance column that shows the percentage of variance that can be explained by factors, while cumulative % is the percentage of variance explained by each factor. Of the 7 factors formed will be able to explain the total variance of 59.157% of the variable. If only 1 factor (the first factor) can only explain the total variable variance of 27.584%.

c) Component Matrix and Rotated Component Matrix

After removing a factor that has an eigenvalue <1 there will only be 7 new factors formed in the factor analysis. The values contained in the column indicate factor loading, where the factor loading shows the correlation between one variable and the selected factor. A large factor loading value indicates that the variable is included in the formed factor component. The results of this study showed that of 29 variables extracted into newly formed factors. Following are the groups of variables in these factors:

- Factor 1: Willingness to Study, Initiative, Like Challenges, Cooperation, Clever Decision Making and Communication Ability
- Factor 2: Being able to organize, be money-oriented, dare to take risks, be creative and innovative, have a vision, have a sustainable goal
- Factor 3: Active and Energetic, Having a Positive Self Concept.
- Factor 4: Encouragement of Achievement, Attention to quality, Responsibility, Oriented to the Best Work
- Factor 5: Optimistic, Future-Oriented
- Factor 6: Independent
- Factor 7: Looking Good

d) Hypothesis testing

Hypothesis testing is done by sorting the score scores from the largest to the smallest. The way to find out the factor score is:

$$Skor\ Faktor = \frac{Rotated\ Component\ Matrix \times Variance\ Factor}{Total\ Variance}$$

The results of calculating factor scores are shown in Table 1.

Table 1. Factor Score

Variance Factor	Rorated Component Matrix							Var. Total	SCORE
	7.72	2.28	1.65	1.46	1.22	1.19	1.04		
The drive for achievement	0.02	-0.01	0.11	0.69	-0.10	0.16	0.01	1.44	0.09
Pay attention to quality	0.12	0.05	0.47	0.61	0.05	-0.32	-0.01	2.34	0.14
To be responsible	0.06	0.19	0.03	0.59	0.41	-0.03	0.24	2.52	0.15
Oriented rewards	0.36	0.33	-0.08	0.48	0.18	0.14	-0.16	4.31	0.26
Optimistic	0.07	0.05	0.10	0.21	0.70	-0.03	0.00	1.95	0.12
Oriented the best work	-0.04	0.41	-0.07	0.44	0.42	0.15	0.03	1.87	0.11
Able to organize	0.19	0.62	-0.12	0.36	0.10	-0.05	0.07	3.33	0.20
Money oriented	0.14	0.66	0.21	-0.12	0.26	0.09	0.02	3.20	0.19
Dare to take risks	0.24	0.59	0.17	0.05	0.02	0.02	-0.05	3.58	0.22
Creative and Innovative	0.35	0.67	0.16	0.03	-0.04	0.05	-0.10	4.45	0.27
Have a vision	-0.16	0.70	0.08	0.14	0.04	0.14	0.24	1.13	0.07
Have a continuing goal	0.14	0.59	0.37	0.09	0.13	0.04	-0.01	3.35	0.20
Confidence	-0.02	0.33	0.49	0.19	0.24	0.42	-0.04	2.42	0.15
Mandiri	0.07	0.05	0.08	0.07	-0.02	0.79	0.08	1.85	0.11
Active and Energetic	0.10	0.23	0.70	0.14	0.12	0.18	0.11	3.16	0.19
Appreciate time	0.18	-0.19	0.27	0.38	0.06	0.43	0.08	3.49	0.21
Have a positive self concept	0.26	0.15	0.78	0.03	0.03	0.08	0.08	3.93	0.24
Positive thinking	0.26	0.07	0.37	-0.01	0.19	0.37	-0.37	3.03	0.18
Willingness to Study	0.51	0.30	0.17	-0.03	0.32	0.07	-0.14	5.18	0.31
Feedback Stimulation	0.33	0.22	0.41	0.02	0.50	-0.12	0.02	4.23	0.26
Leadership	0.44	0.05	0.09	-0.16	0.48	0.29	0.03	4.39	0.27
Future oriented	0.44	0.14	0.10	-0.13	0.52	0.14	0.16	4.67	0.28
Initiative	0.58	0.28	0.12	-0.11	0.10	0.30	0.11	5.77	0.35
Like challenges	0.73	0.10	0.09	0.13	-0.05	0.13	-0.05	6.25	0.38

Variance Factor	Rorated Component Matrix							Var. Total	SCORE
	7.72	2.28	1.65	1.46	1.22	1.19	1.04	16.56	
Cooperation	0.70	0.16	0.17	0.09	0.08	0.08	0.35	6.74	0.41
Attractive	0.34	0.06	0.17	0.08	0.14	0.16	0.79	4.30	0.26
Good at Decision Making	0.75	0.08	0.13	0.09	0.09	-0.07	0.19	6.57	0.40
Communication Skills	0.70	0.04	0.05	0.17	0.21	-0.08	-0.05	5.93	0.36

Source: *The Processed Primary Data (2019)*

Furthermore, the results obtained from the calculation of the factor score and to determine the most dominant factor can be done by knowing the largest factor score. From Table 1, it can be seen that based on the largest factor score there are two dominant factors in the Small IMMT sector business in Medan, namely: Cooperation and Good at Decision Making.

This shows that managerial skills are a provision that must be possessed by the Small IMMT entrepreneur. In this case the entrepreneur must be able to carry out the functions of planning, organizing, mobilizing and controlling so that the business he runs can achieve the desired goals. In other words, technically he must have the ability to analyze and develop markets, the ability to manage human, material, money, facilities and all resources (Suryana, 2003).

The results of the study are in line with the studies of Yuliana and Pujiastuti (2018), especially related to the components of market development as one of the managerial aspects of skills. According to him Market orientation (market development) is a measure of behavior and activity that reflects the implementation of the marketing concept. Market orientation as the most effective organizational culture in creating important behavior for the creation of superior value for buyers and performance in business. So that an increase in market orientation will improve business performance.

Conclusions

Based on the results of SEM, two dominant factors were found in the small food, beverage and tobacco industry sectors, namely Cooperation and Good at Decision Making. Of the two factors, the most dominant is Cooperation. Based on the findings of this study indicate that the small IMMT sector shows a large role in the city. Thus the sector is one of the leading sectors. This implies that in spurring economic growth accompanied by equal distribution of income in the city of Medan in the future it should be prioritized for the small IMMT sector.

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