

Why College Students Have Big Motivation to Start Their Own Business, but Not Continuing The Business After Graduate?

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Abstract. College students are entrusted by the people to provide job openings after they graduated. There are many college students who have run businesses in while studying. It is necessary to know their Psychological Capital state because it can be used as a guideline to prepare after graduation. But, some of the students are not continuing their businesses due to lack of perseverance in running the business. This research aims to understand why college students have big motivation to start their own business but not continuing it after graduate. The subjects are 112 students who currently run business. The data is retrieved through questionnaire based on the psychological capital concept. It shows that students have a psychological capital to run their ambition for business. But there are differences between students who continuing their business and who stop. They who are still running it have a fairly high percentage of psychological capital compared to those who stop. Students who are currently running business potentially have sufficient positive psychology in terms of self-confidence, predict many good things with reasons to support it, have positive motivations, able to work out solutions towards problems, and still hold on through events in reaching a particular goal.

Keywords: Psychological Capital, Self-Efficacy, Hope, Optimism, Resiliency, Entrepreneur students

1 Introduction

Higher education is the highest education level that allows to bring youths to be able to change the country as expected by the nation. However, this is not in accordance with the reality, where one of the contributors to unemployment in Indonesia comes from college graduates. In Indonesia, the unemployment number has reached 7.56 million of the total population based on data from Central Bureau of Statistics in November 2017. Among 127.07 million people who have occupation, 7.64 percent of them are in the underemployed category and 23.83 percent are part-time workers. Data from Central Bureau of Statistics (BPS) states that the number of college graduates who have occupation is 12.24 percent. The number is equivalent to 14.57 million of 118.41 million workers throughout Indonesia, while the number of unemployed graduates has reached 11.19 percent. According to Ministry of

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Research, Technology and Higher Education, there are currently 3,221 universities throughout Indonesia and there are, on average, 750 thousand new higher education graduates from various levels each year. The high number of higher education indicates discrepancy between labor market demand and graduate competencies.

Based on data reported by *finance.detik.com*, among the 7.56 million unemployment, 6.4% of them are college graduates. This number continues to increase every year. This might be a concern for this country. One of the causes is the mindset of Indonesian people who keep telling themselves that they are job seekers. This understanding must be changed to no longer being a job seeker but providing useful employment and creativity (job creator).

Higher education is the highest education level that allows to bring youths to be able to change the country as expected by the nation. Higher education as a place for students to carry out education, and for the graduates to be able to provide labor market or entrepreneurship. In addition, the Directorate General of Higher Education (Dikti) has some expectations towards students as outlined in the strategic objectives, namely increasing the relevance, quantity, and quality of highly educated human resources, and the ability of science and technology and innovation for the excellence of national competitiveness. This indirectly leads to the desire of Directorate General of Higher Education to make college graduates become an entrepreneur, where the characteristics of an entrepreneur are innovative and creative.

Zimmerer & Scarborough states that one of the factors driving entrepreneurial growth in a country lies in the role of universities through the implementation of entrepreneurial education. The spirit of entrepreneurship grows and develops among students. They do it in groups with all kinds of different forms and types of business [2]. They are able to see opportunities to create something innovative and creative.

The spirit of entrepreneurship nowadays in the millennial generation is increasing. However, the enthusiasm for entrepreneurship does not last long. Many entrepreneurs do not continue their business after a while. They switch to other businesses, other jobs, or other hobbies. This is related to psychological capital owned by students.

Psychological capital is one of the concepts in psychology. Psychological Capital or commonly abbreviated as PsyCap focuses on what capital is in a person and what can be produced from that person [3]. The role of PsyCap is to help entrepreneurial students to develop their potential as much as possible to prepare themselves to face the future, especially after graduating from college. In addition, knowing psychological capital can help to prevent attitudes that might arise when students run their business. This research is important to conduct because it can provide answers to what problems are found in entrepreneurial management run by students so they can continue to run their business. Psychological Capital for entrepreneurial students is also important to be known as one form to avoid failure in entrepreneurship. Based on this explanation, it is necessary to have a more thorough knowledge of what PsyCap is like for entrepreneurial students and how it is different for students who continue to be an entrepreneur and who decide not to be an entrepreneur after graduate.

Every dimension of Psychological Capital will contribute to the attitudes and behavior of entrepreneurial students in the future, especially after graduating from college. Thus the thinking framework of this research can be described as follows:

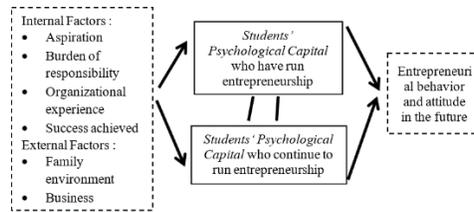


Fig. 1. Research Framework

2 Research Method

This research was conducted based on non-experimental research design in comparative study. Non-experimental research is a systematic empirical study in which the researcher cannot directly control the independent variables because manifestations have emerged or because they are essentially possible manipulations [4]. Comparative study is a type of descriptive research that aims to find fundamental answers about cause and effect by analyzing the causes of the occurrence and emergence of a particular phenomenon by comparing two groups or more [5].

"Psychological Capital is defined as "an individual's positive psychological state of development and is characterized by: (1) having self-efficacy to take on and putting in a necessary effort to succeed at challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in the future; (3) persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and (4) when beset by problems and adversity, sustaining and bounding back and even beyond (resiliency) to attain success [6].

These four dimensions were illustrated through a score obtained from a modified questionnaire based on the Psychological Capital Questionnaire (PCQ) from Youssef & Luthans which measures an individual's assessment of items from each dimension in Psychological Capital [7].

The number of samples used when the number of respondents has not exactly been identified is a minimum of 50 people and in comparative research it takes a sample of at least 50 people per group to determine the differences [8]. Therefore, the total respondents in this study were at least 100 students.

Sampling used was non-probability sampling where each member of the population does not get the same opportunity to be chosen as a member of the sample. The sampling technique used was snowball sampling where the determination of the sample is initially small in number, then the amount increases [9]. The basis for using this technique was because there is no description of the exact number of population. In this study, researchers did not have an idea of the number of students in Padjadjaran University who had been and were in entrepreneurship. Researchers contacted a group of entrepreneurial students and asked for help to be distributed to other students who were included in the characteristics of the study, thus there were 112 samples consisting of two groups, namely 51 students who had been in entrepreneurship and 61 students who continued to run the entrepreneurship.

The instrument used in this study was a questionnaire that had been adapted and modified based on the theory related to these variables, namely Psychological Capital Questionnaire developed by Fred Luthans which reveals four dimensions of self-efficacy, hope, optimism, and resiliency that are subsequently modified by researchers in accordance with the situation and condition of the research population, which is related to the problems that occur in entrepreneurship [10]. The reliability test was carried out for the accuracy of the instrument. The reliability of the instrument was obtained by using the cronbach alpha coefficient calculation. Based on the measurement, the Alpha coefficient was 0.966.

3 Result & Discussion

This study aims to obtain an overview of the things that caused 51 people from 112 people or 45.5% of respondents did not continue their business after graduating from college. The psychological capital they have based on the theory of Psychological Capital was measured. The results were obtained as follows:

Table 1. Mann-Whitney Psychological Capital Test Results

Variable	Asymp sign	Description $\alpha = 0,05$	Status
<i>Psychological Capital</i>	0,000	$\alpha_{sign} < \alpha$, H0 is rejected	H0 is rejected

Based on the results of measurements using Mann-Whitney test, it can be seen that H0 is rejected. This means that there are differences in Psychological Capital between college graduates who continue their business and who stop their entrepreneurial activities. In Psychological Capital, there are four dimensions which consist of self-efficacy, hope, optimism, and resilience. In order to see further about the differences in each dimension among graduates who remain entrepreneurial and who stop entrepreneurship, the researchers conducted Mann-Whitney test for each dimension as follows:

Table 2. Mann-Whitney Test Results on Psychological Capital Dimensions

Variable	Asymp sign	Description	Status
<i>Self-Efficacy</i>	0,000	$\alpha_{sign} < \alpha$, H0 is rejected	H0 is rejected
<i>Hope</i>	0,000	$\alpha_{sign} < \alpha$, H0 is rejected	H0 is rejected
<i>Optimism</i>	0,001	$\alpha_{sign} < \alpha$, H0 is rejected	H0 is rejected
<i>Resiliency</i>	0,001	$\alpha_{sign} < \alpha$ H0 is rejected	H0 is rejected

Based on the Mann-Whitney test results, it can be seen that in every dimension of Psychological Capital, H0 is rejected. This means that there are differences in every dimension of Psychological Capital between graduates who remain entrepreneurial and who stop entrepreneurship. Graduates' Psychological Capital who remain entrepreneurial is higher than graduates who stop entrepreneurship. This can be seen in the image as follows:

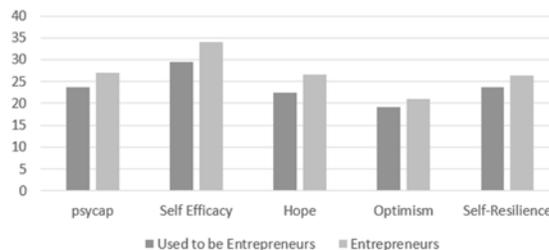


Fig. 2. Comparative Study

Graduates who remain entrepreneurial have more adequate psychological potential in terms of self-confidence in their abilities, predictions of good things accompanied by good reasons underlying them, the ability to rise from something negative or positive, and have the motivation and ability to develop various ways when experiencing difficulties to achieve the goals to be achieved in entrepreneurship.

Graduates who remain entrepreneurial are more adequate in Self Efficacy, namely in terms of self-confidence to mobilize motivation, contribute to cognitive power, and actions needed to succeed in entrepreneurship. In terms of the hope dimension, it was found that

almost half of the respondents from each group had adequate psychological potential in terms of determining positive goals for their entrepreneurship based on their ability and planning to achieve these goals. However, graduates who remain entrepreneurial are more dominant in the ability to determine goals for their entrepreneurship. They are also more optimistic, which is characterized by being better able to predict the good things that might happen to entrepreneurship based on clear reasons. Their Self-Resilience level is also higher which indicates they are more adequate in dealing with positive activity problems that occur in their entrepreneurship.

The thing that makes graduates decide not to continue their business is because of the following:

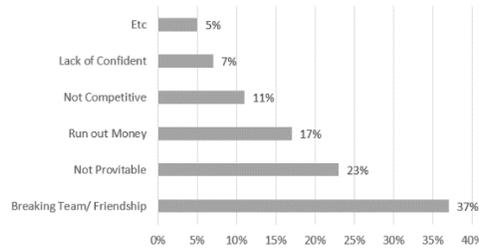


Fig. 3. The Reason Why They Stop Continuing Their Business

The graduates' age ranging from 21 to 24 years which is in the age of Exploring according to the development of a career age from Super [11]. In this age range, many individuals make an assessment or search for a career that is suitable for them. This stage consists of 3 sub-stages, namely:

- Temporary Sub-Stage, aged 15-17 years, the developmental task at this stage is to crystallize work choices. Career development is more internal. Individuals can begin to use their self-preference and begin to see the field and level of work that suits them.
- Transition Sub-Stage, aged 18-21 years. Developments at this time specialize in job choices.
- Try out Sub-Stage, aged 22-24 years. The developmental task at this time is to implement job choices.

This shows that college graduates are faced with the transition and trial stages. Trying to carry out work occurs here in order to explore what they want to do as a career in their work. If this is also assessed from the psychological capital angle they have, it is clearly seen that graduates who remain entrepreneurial tend to look more confident with their abilities, be able to predict various good things along with the underlying reasons, have positive motivation and can develop various ways when experiencing a deadlock, and be able to rise again from negative or positive events in order to achieve the goals.

Psychological capital level of graduates who do not continue entrepreneurship is good enough. However, sometimes the beliefs they possess are not too solid so it's easy to give up quickly. In addition, their motivation sometimes is not banned with a strong commitment. And if faced with difficult problem, they are not able to solve the problem positively. This is what will ultimately make them decide to stop running their business. According to Sasmito [12], entrepreneurs must be able to wake up from adversity and try the same business, until finally achieving success with the results of hard work after going through various difficulties, obstacles, and challenges.

Based on the data obtained, the difficulties faced by graduates who stop continuing their business tend to be in themselves, for example the difficulty of time management in running entrepreneurship. While the difficulties of graduates who remain entrepreneurial tend to be from outside themselves, such as capital, craftsmen, production of goods, and others. In addition, the difference is how they respond to the problem.

Graduates who are no longer entrepreneurial do not always feel able to face the difficulties, unlike those who remain entrepreneurial. Some respondents believe that they can solve the difficulties faced by themselves. This difficulty is caused by the burden of responsibility for entrepreneurial graduates, where in addition to having to focus on their lives, they also have to be serious in running their business so they can continue to run. According to Zimmerer & Scarborough [13], one of the factors causing failure in entrepreneurship is an attitude that is less serious in trying. A half-hearted attitude towards the business will result in the business being unstable and failing. With a half-hearted attitude, the possibility of failure becomes greater [14].

Besides, the important thing to have in entrepreneurship is the goal. Entrepreneurs who have goals for their business will be able to monitor the progress of their business and remind themselves to continue to try to reach the target or goal of the business. When viewed from the objectives to be achieved, these two groups are quite different. Graduates who are no longer entrepreneurial tend to mention short-term goals. Some said they did not have a specific purpose, the rest said they were fad, channeled hobbies, sought additional money, and so on. Whereas for graduates who continue running the entrepreneurship tend to mention long-term goals, such as wanting a business run today continues to grow, become a market leader, be able to empower human resources, and finance life using their own money.

Aspiration is one of the factors that can influence PsyCap graduates who continue to be entrepreneurs. Based on the results previously described, graduates who continue to run their entrepreneurship aspire to become entrepreneurs. However, the aspiration must still be accompanied by efforts to achieve this. Based on data processing, it was found that both graduates who had and were entrepreneurial had a better PsyCap score with entrepreneurial aspiration compared to the aspiration of non-entrepreneurs. However, graduates who remain entrepreneurial have higher levels of PsyCap. Graduates who eventually stop entrepreneurship lack the aspiration of being entrepreneurs as high as those who survive. This is due to the lack of enthusiasm possessed by graduates to achieve their targets in entrepreneurship which can be seen from open questions that the average of those who stop entrepreneurship says their lack of confidence in the stated goals due to the constraints faced. Starting from capital, time, lack of confidence in the products sold, just fad, and others.

In addition, organizational experience is one of the important things in running a business. This is considered important because it can affect the ability of graduate students to run entrepreneurship. According to Stoltz [15], students who have organizational experience will have experience in dealing with difficulties, so when they face difficulties in entrepreneurship they will have already known what they have to do to overcome the difficulties and will not give up easily. Based on the data obtained, all respondents have organizational experience, but some of them are not actively running the organization.

Success in entrepreneurship can also be seen from the types of business collaboration itself. There are two types of business collaboration that are carried out, namely independent business and cooperative effort. Based on the data obtained through data processing using Mann-Whitney test, it is known that there are differences in Psychological Capital in both graduate students who stop and those who remain entrepreneurial can be seen from business collaboration. And in this difference, it can be seen that students with independent businesses have a positive psychological potential that is better than a cooperative effort. When compared based on business collaboration, it is found that entrepreneurs with independent business have more self confidence in their abilities, are able to predict various good things with the underlying reasons, have positive motivation and can develop various ways when experiencing deadlock, and are able to rise again from negative or positive events in order to achieve the objectives. Independent business collaboration is considered more profitable than business collaboration with more group members [16]. The biggest advantage of independent business collaboration is that it is owned by himself and run by the same person, unlike the

group business collaboration where the task will be shared together. In addition, independent business collaboration can respond to changes quickly, while group business collaboration tends to be discussed first with other group friends. This advantage allows independent business collaboration to respond quickly to threats and opportunities that arise in his business. This can be explained from the respondent's answer, when asked about the constraints, respondents with group business collaboration stated that one of the difficulties faced during entrepreneurship was to equate thoughts with group friends and the difficulty of equating time with other group members.

4 Conclusion

Based on the results, it was found that the experience of running entrepreneurship when in higher education was based on a high level of Psychological Capital. Therefore, it was necessary to systematically develop it in college in order that the next generation can independently create jobs through entrepreneurial activities. However, this enthusiasm is not in accordance with the commitment to run the entrepreneurship. A total of 45.5% of respondents finally stopped the entrepreneurial activities that had been pioneered in college. Comparison of the two samples shows that there are differences in the level of psychological capital and its forming dimensions.

The difference is the difficulties faced, the goals in entrepreneurship, the type of business collaboration, and the aspiration that are owned. Differences also exist in the level of confidence in conveying information to others, formulating strategies for achieving goals, and analyzing complicated problems in entrepreneurship. There are also differences in expectations that can be seen from the target to be achieved and the determination of the solution to the problem at hand. It can also be seen from the level of optimism, namely the feeling of being able to achieve the best in entrepreneurship, feeling optimistic about becoming an entrepreneur, and feeling confident there is always a solution to every problem. Likewise in self-resilience, where there are differences in beliefs in solving problems, the ability to go through difficult times, the ability to rise from problems, and the ability to deal with problems calmly in running the entrepreneurship.

Efforts to develop entrepreneurial skills can be started from strengthening the HR factor by enhancing the students' psychological capital to be better able to deal with the problems they will encounter in accordance with the development of their career in the future.

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