

**LAPORAN KEGIATAN MONITORING  
DAN EVALUASI (MONEV)  
ONE LECTURE ONE SCOPUS (OLOS) 2018**



**PENJAMINAN MUTU  
FAKULTAS EKONOMI UNIVERSITAS NEGERI JAKARTA  
2018**

**HALAMAN PENGESAHAN**  
**KEGIATAN MONEV ONE LECTURE ONE SCOPUS (OLOS) 2018**

**Tim Pelaksana**

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Jakarta, 20 Desember 2018  
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**LAPORAN MONITORING DAN EVALUASI  
PROGRAM ONE LECTURE ONE SCOPUS (OLOS) TAHAP I  
FAKULTAS EKONOMI-UNJ 2018**

**A. PENDAHULUAN**

Salah satu kewajiban dosen dalam Tridarma Perguruan Tinggi adalah riset atau penelitian, yang muaranya diterbitkan pada jurnal dan prosiding bereputasi. Kewajiban publikasi tersebut secara eksplisit dinyatakan dalam buku pedoman penelitian fakultas serta kontrak kerja bagi dosen penerima dana penelitian fakultas.

Untuk membantu dosen dalam memenuhi kewajiban publikasi, Dekanat Fakultas Ekonomi Universitas Negeri Jakarta (FE-UNJ) menyelenggarakan “*one lecture one scopus (OLOS)*” yang bertujuan untuk:

1. Meningkatkan keterampilan dosen dalam menulis artikel jurnal internasional bereputasi;
2. Mempererat kerjasama antar dosen yang memiliki artikel sejenis atau sebidang, dan
3. Meningkatkan kualitas artikel dosen sehingga dapat lolos dipublikasikan pada jurnal internasional bereputasi.

Sasaran kegiatan ini adalah para dosen FE-UNJ yang sudah memiliki dan mengirimkan artikel pada panitia OLOS. Adapun mekanisme kegiatan OLOS berupa pengkondisian dalam rangka peningkatan kualitas artikel jurnal, yang *output*-nya publikasi artikel pada jurnal internasional bereputasi. Semua dosen yang sudah memiliki artikel dikumpulkan berdasarkan minat tema penelitian, yang akan dimentori pakar jurnal di bidangnya.

**B. REALISASI**

Setelah program OLOS dilaksanakan, Gugus Penjaminan Mutu (GPJM) FE-UNJ mendapat tugas untuk memonitor progresnya. Berdasarkan pelacakan

yang dilakukan oleh tim GPJM-FE UNJ, sampai dengan bulan September 2018 sudah sebanyak sebanyak 14 artikel dan 8 prosiding dipublikasikan oleh dosen-dosen Fakultas Ekonomi Universitas Negeri Jakarta (FE-UNJ). Semua artikel dan prosiding tersebut masuk dalam jurnal dan konferensi yang terindeks scopus. Adapun secara lengkap penyebaran artikel dan prosiding tersebut dapat dilihat pada tabel 1 dan 2 berikut:

**Tabel 1. Sebaran Publikasi Artikel  
Pada Jurnal Internasional Bereputasi**

No	Nama Penulis	Judul Artikel	Jurnal	Scimago
1.	Dedi Purwana, Usep Suhud, Tjutju Fatimah, Andia Armelita	Antecedents of Secondary Students' Entrepreneurial Motivation	Journal of Entrepreneurship Education, Articles in issue: 2   Volume: 21   Month: May   Year: 2018	Scopus Q3
2.	Agus Wibowo, Ari Saptano	Does Entrepreneurial Leadership Impact on Creativity and Innovation of Elementary Teachers?	Journal of Entrepreneurship Education, Articles in issue: 2   Volume: 21   Month: May   Year: 2018	Scopus Q3
3.	Haryo Kuncoro	The impact of government consumption on the private expenditures in developing country: the case of Indonesia	Business and Economic Horizons, Vol.14, Issue1, pp.1-16.	Scopus Q4
4.	Chou, T.-K., Buchdadi, A.D.	Executive's compensation, good corporate governance, ownership structure, and firm performance: A study of listed banks in Indonesia	Journal of Business and Retail Management Research	Scopus Q4
5.	Agung Wahyu Handaru	Pro-Poor Tourism: Findings from Bangka Island, Indonesia	Academy of Strategic Management Journal (In Press)	Scopus Q3
6.	Marsellisa Nindito	Financial Statement Fraud: Perspective of the	Academy of Accounting and	Scopus Q4

		Pentagon Fraud Model in Indonesia	Financial Studies Journal, Volume 22, Issue 3	
7.	Rida Prihatni	Comparative Value Relevance of Accounting Information in the IFRS Period Between Manufacturing Company and Financial Services Go Public In Indonesia Stock Exchange	Academy of Accounting and Financial Studies Journal, Volume 22, Issue 3	Scopus Q4
8.	Dedi Purwana & Usep Suhud	Investigating the effect of motivation on entrepreneurial intention: three different approaches	Problems and Perspectives in Management 16(2), 200-208.	Scopus Q3
9.	Yunika Murdayanti	The Usefulness of Financial Accounting Systems In Islamic Education Institutions: Lessons Learned	Academy of Accounting and Financial Studies Journal, Volume 22, Issue 3	Scopus Q4
10.	Usep Suhud	The image of India as a Travel Destination and the attitude of viewers towards Indian TV Dramas	African Journal of Hospitality, Tourism and Leisure, Volume 7 (3) - (2018	Scopus
11.	Agus Wibowo, Ari Saptano, Suparno	DOES TEACHERS' CREATIVITY IMPACT ON VOCATIONAL STUDENTS' ENTREPRENEURIAL INTENTION?	Journal of Entrepreneurship Education, Volume 21, Issue 3.	Scopus Q3
12.	Darma Rika Swaramarinda	The Usefulness of Information and Communication Technology in Entrepreneurship Subject	Journal of Entrepreneurship Education, Volume 21, Issue 3.	Scopus Q3
13.	Hendry Eryanto & Darma Rika Swaramarinda	Influence Ability, Perception of Change And Motivation To Intention of Entrepreneurship: Overview of Analysis In Student Of Faculty Of	Journal of Entrepreneurship Education, Volume 21, Issue 3.	Scopus Q3

		Economics Universitas Negeri Jakarta		
14.	Haryo Kuncoro	The Credibility of Fiscal Policy and Cost of Public Debit	Journal Scientific Papers of the University of Pardubice	Scopus Q2

**Tabel 2. Sebaran Publikasi Artikel Prosiding Terindeks Scopus**

No	Nama Penulis	Judul Artikel	Conferences
1.	Dedi Purwana, Usep Suhud, Dita Puruwita and Ridwan Sobari	Do Personality Traits, Attitude, Education, and Self-Efficacy Impact on Entrepreneurial Intention of Vocational Students?	31st IBIMA Conference: 25-26 April 2018, Milan, Italy
2.	Corry Yohana, Dedi Purwana and Ardinda Satria Daniswara	Determinants of Travel Intention to Yogyakarta: Tertiary Students' Perspective	31st IBIMA Conference: 25-26 April 2018, Milan, Italy
3.	Ambar Sri Hudoyo, Siti Nurjanah and Dedi Purwana	The Importance of Strengthening Employee Performance through Leadership and Engagement, With Work Motivation as an Intermediary	31st IBIMA Conference: 25-26 April 2018, Milan, Italy
4.	Saparuddin Mukhtar, Sri Indah Nikensari, Hanny Mariani and Rifelly Dewi Astuti	Marketing Strategy Analysis of Micro, Small and Medium Enterprises of Culinary Field in the East Bogor Region	31st IBIMA Conference: 25-26 April 2018, Milan, Italy
5.	Widya Parimita and Agung Dharmawan Buchdadi	Why People from Indonesia in Taiwan using Facebook for Their Social Networking Sites	31st IBIMA Conference: 25-26 April 2018, Milan, Italy
6.	Usep Suhud and Surianto	Corporate Reputation, Brand Image, and Brand Loyalty: Do They Influence Purchase Decision of an Artificial Sweetener Customers?	31st IBIMA Conference: 25-26 April 2018, Milan, Italy
7.	Usep Suhud, Afif Khairi, Setyo Ferry Wibowo and Greg Willson	Behavioural Intention of Taxi-Hailing Online App Users	31st IBIMA Conference: 25-26 April 2018, Milan, Italy

8.	Gusti Ketut Agung Ulupui and Etty Gurendrawati	The Role of Local Wisdom in the Construction of Good Governance: An Ethnography Study in Social Organization in Bali Indonesia	32nd IBIMA Conference: 15-16 November 2018, Seville, Spain
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### C. Publikasi Artikel Jurnal dan Prosiding *In Press* dan *Under Review*

Selain sudah diterbitkan di jurnal dan prosiding bereputasi, berdasarkan pelacakan yang dilakukan oleh tim GPJM-FE UNJ, sampai dengan Bulan September 2018 sebanyak 6 artikel dan 8 prosiding yang masih dalam tahap *In Press* (menunggu penerbitan untuk edisi selanjutnya) dan *under review* (sudah diterima tetapi masih dalam review perbaikan). Adapun secara lengkap distribusi artikel dan prosiding yang masih dalam proses *in press* dan *under review*, dapat dilihat pada tabel 3 dan 4 berikut:

**Tabel 3. Sebaran Publikasi Artikel *In Press* dan *Under Review***

No	Nama Penulis	Judul Artikel	Jurnal	Scimago
1.	I Ketut R Sudiarditha, Saparuddin Mukhtar	The Effect of Compensation, Motivation of Employee, And Work Satisfaction To Employee Performance PT Bank XYZ (Persero) TBK	Academy of Strategic Management Journal	Scopus Q3
2.	Mohamad Rizan, Usep Suhud, Vika Martiningtyas	Sharia Mobile Payment In the Muslim Word: The Impact of Endorser, Religiosity, and Gender on Consumer Behavior	International Journal of Economics and Management	Scopus Q3
3.	Nuramalia Hasanah	Accounting Standards: The Lesson From Small and Medium Enterprises	Academy of Accounting and Financial Studies Journal	Scopus Q4
4.	Ari Saptono, Agus Wibowo,	What Impact Vocational Student's Entrepreneurial Attitude? Learning Environment and Self- Efficacy	International Journal of Entrepreneurship (IJE)	Scopus Q4
5.	Suparno & Ari Saptono	Entrepreneurship Education And Its Influence on Financial	Journal of Entrepreneurship Education,	Scopus Q3

		Literacy And Entrepreneurship Skills In College	Volume 21, Issue 4.	
6.	Ari Saptono, Agus Wibowo, Setyo Ferry Wibowo & Saparuddin Mukhtar	Does Creativity Impact on University Students' Entrepreneurial Intention?	Journal Internasional of Instruction (IJI)	Scopus Q3
7.	Dewi Susita & Hania Aminah	Why the Entrepreneurial Spirit and Commitment Needed by the Government?	International Journal of Entrepreneurship (IJE)	Scopus Q4

**Tabel 4. Sebaran Publikasi Artikel Prosiding In Press dan Under Review**

No	Nama Penulis	Judul Artikel	Conferences
1.	Usep Suhud, Setyo Ferry Wibowo, Listya Namora	Loyalty of the \$1 Barbershop Customers: Investigating the Role of Service Quality, Satisfaction, and Trust	The 3rd Global Conference on Business, Management and Entrepreneurship (The 3rd GC-BME) Bandung, 8 Agustus 2018
2.	Usep Suhud	Marketing Communication and Its Impact on Purchase Un/Willingness: A Case of a Boycotted Bread Brand	The 3rd Global Conference on Business, Management and Entrepreneurship (The 3rd GC-BME) Bandung, 8 Agustus 2018
3.	Yunika Murdayanti & Dita Puruwita	How Do Islamic Education Institutions Make Strategic Planning Formulation Using SWOT Analysis Method?	2nd SMARTFAB AND 5th SMICBES 17-19 July 2018, The Anvaya Beach Resort-Bali, Indonesia
4.	Nuramalia Hasanah, Ratna Anggraini, Unggul Purwoheddi	Single Entry Method As The Way To Improve Small and Medium Enterprise Governance	2nd SMARTFAB AND 5th SMICBES 17-19 July 2018, The Anvaya Beach Resort-Bali, Indonesia
5.	Dita Puruwita, Yunika Murdayanti	Measuring Financial Management In Islamic	2nd SMARTFAB AND 5th SMICBES



		Educational Institution In Indonesia	17-19 July 2018, The Anvaya Beach Resort-Bali, Indonesia
6.	Dewi Nurmalasari, Darma Rika Swaramarinda	Can TEFA (Teaching Factory) Be Realized With a Creative Economy, Appropriate Learning Model and ITC In Indonesia	2nd SMARTFAB AND 5th SMICBES 17-19 July 2018, The Anvaya Beach Resort-Bali, Indonesia
7.	Siti Nurjanah, Herlitha, Dwiky Pranata	The Role of Jakarta Smart Card And Health Care Insurance To Improving Social Welfare	2nd SMARTFAB AND 5th SMICBES 17-19 July 2018, The Anvaya Beach Resort-Bali, Indonesia
8.	Darma Rika Swaramarinda	How To Develop Cultural Capital In Order To Improve Academic Achievement From A Gender Perspective	2nd SMARTFAB AND 5th SMICBES 17-19 July 2018, The Anvaya Beach Resort-Bali, Indonesia

#### D. EVALUASI DAN REKOMENDASI PROGRAM OLOS

Berdasarkan paparan data publikasi dan pengamatan selama kegiatan OLOS, maka terdapat beberapa evaluasi dari GPJM, di antaranya:

1. Pelaksanaan *Writing Camp*. Dalam kegiatan yang digelar tiga hari ini, diundang Prof. Badri Munir Sukoco, SE.,MBA.,Ph.D yang sudah banyak menerbitkan artikel-artikel pada jurnal internasional bereputasi. Evaluasi dari kegiatan ini: *Pertama*, respon positif peserta karena mampu menambah wawasan peserta melalui materi yang disampaikan serta meningkatkan motivasi (karena pembicara di usia muda sudah memiliki banyak publikasi dan bergelar profesor). *Kedua*, Fakultas memperoleh gambaran tentang upaya yang dilakukan oleh UNAIR dalam meningkatkan publikasi dosen.
2. Pendampingan oleh masing-masing mentor. Kegiatan ini dilaksanakan masih berkaitan dengan program *OLOS*. Setiap minggu, sesuai dengan jadwal yang disepakati, masing-masing dosen FE-UNJ dibimbing oleh seorang mentor. Mentor tersebut tidak hanya mereview artikel jurnal dosen-dosen yang dibimbingnya, tetapi juga memberikan masukan terkait dengan jurnal sasaran

yang dituju peserta sampai artikel diterbitkan oleh jurnal yang disasar. Secara umum, kegiatan pendampingan oleh mentor telah berjalan efektif. Beberapa kendala yang ditemui selama pelaksanaan pendampingan antara lain: *Pertama*, adanya kegiatan-kegiatan mentor dan peserta yang mengakibatkan pada jadwal yang disepakati, kadang mentor atau peserta tidak dapat hadir. *Kedua*, kualitas input artikel serta komitmen yang berbeda mengakibatkan proses kemajuan tiap peserta berbeda. Adapun rekomendasi pada poin ini: *Pertama*, komitmen waktu bersama mentor dan peserta untuk hadir dalam kegiatan pendampingan serta mencari hari pengganti jika terdapat halangan pada waktu yang disepakati. *Kedua*, pendampingan dilaksanakan mulai dari penyusunan laporan penelitian.

3. Berdasarkan sebaran dari artikel yang dipublikasikan, diharapkan ke depan publikasi tidak hanya menyasar satu jurnal dan satu konferensi tertentu, tetapi jurnal-jurnal bereputasi lainnya. Ini menjadi penting, di samping penyebaran merata juga agar jurnal yang disasar tersebut tidak diputus/cancel oleh Scopus di Scimagojr.com.

Berdasarkan paparan data publikasi dan evaluasi program OLOS I, maka GPJM-FE UNJ memberikan rekomendasi sebagai berikut:

1. Program OLOS perlu dilanjutkan sembari diperbaiki beberapa kekurangan yang ada, karena terbukti berkontribusi positif bagi peningkatan publikasi artikel dosen FE-UNJ pada jurnal maupun konferensi bereputasi. Sebagai gambaran, pada tahun 2017 hanya terdapat 14 artikel dosen FE-UNJ yang dipublikasi pada jurnal maupun konferensi bereputasi (Data LP2M, 2017).
2. Fakultas perlu mengadakan evaluasi terhadap peserta OLOS tahap I yang belum berhasil mempublikasikan artikelnya (meski baru under review) pada kurun waktu pelaksanaan OLOS I.
3. Fakultas perlu memberikan apresiasi terhadap mentor yang berhasil menjalankan tugasnya dengan efektif dan maksimal.

## Lampiran I

### DAFTAR PESERTA WRITING CAMP 2018 BERDASARKAN MENTOR

Mentor: Dr. Dedi Purwana, ES., M.Bus

No	Nama	Judul Artikel	Jurnal Sasaran	Konferensi Sasaran
1.	Dr Rd Tuty Sariwulan, M.Si	Pengaruh Stres Kerja Terhadap Komitmen Afektif, Kontinyu dan Normatif Pada Karyawan PT Bhumyamca Sekawan di Jakarta Selatan	Journal Internasional di Bidang SDM	-
2.	Dr. Corry Yohana MM	Pengaruh Locus of control, lingkungan kerja terhadap kinerja guru dengan kepuasan kerja sebagai variabel mediasi pada guru SMK swasta di propinsi DKI Jakarta	Belum ada	Belum ada
3.	Marsofiyati, S. Pd., M. Pd.	Stenographic Dilemma: Culture or Reality	Administration in Social Work	Maltesas
4.	Setyo Ferry Wibowo	The Determinants of Entrepreneurial Intention on Millennial Generation on Emerging Countries (Evidence from Indonesia)	Belum ada	Belum ada
5.	Sri Zulaihati, M Si/ Umi Widiastuti, M Si	Role of Return on Assets (ROA) Banking sector	Belum ada	Belum ada
6.	Dr Nuryetty Zain/Marsofiyati, M.Pd	Grip Work Journey As A Secretary's Tools	Belum ada	Belum ada
7.	Ari Saptono	What Impact Vocational Student's Entrepreneurial Attitude? Learning Environment and Entrepreneurial Self-Efficacy		

Mentor: Dr. Gatot Nazir Ahmad

No	Nama	Judul Artikel	Jurnal Sasaran	Konferensi Sasaran
1	Dr Agung Wahyu Handaru	Pro poor tourism: findings from Bangka island, Indonesia	Academy of strategic management	Belum ada
2	M. Edo S. Siregar, SE., MBA	Pengaruh Penanaman Modal Asing pada Kinerja Bank Syariah di Indonesia	International Journal of Islamic and Middle Eastern Finance and Management	2018 Asia-Pacific Conference on Economics & Finance (APEF 2018)
3	Umi Widyastuti, SE. ME	Sharia Concept Literacy, Religiosity and the impact on Saving Decision: an evidence from Indonesian public servants.	Belum ada	Belum ada
4	Dicky Iranto, M.Se	How Political Stability Affect Stok Market	Belum ada	Belum ada
5	Setyo Ferry Wibowo, SE., M.Si	Why Do People Choose Green Apartment? The Role of Green Innovation and Green Perceived Value	Belum ada	Belum ada

Mentor: Dr. Harya Kuncara

No	Nama	Judul Artikel	Jurnal Sasaran	Konferensi Sasaran
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1	Dr. Dianta Sebayang, M.E, S.IP	Kebijakan Publik	Belum	Belum
2	Herlita, M.Ec.Dev	Analisis kausalitas FDI dan DDI pada hotel dan restoran di Indonesia	Belum ada	belum ada
3	Saparuddin	Model Pendampingan UKM Binaan Perguruan Tinggi	International journal economic and management	Ibima

### Mentor: Dr. M. Rizan

No	Nama	Judul Artikel	Jurnal Sasaran	Konferensi Sasaran
1	Agung Kresnamurti RP, ST., MM	Market Power Online Transportation On Nasional Transportation Map	Q3	Q3
2	Mohamad Rizan/Ari Warokka/Ika Febrilla	Leadership Styles and Customer Loyalty: A Lesson From Emerging Southeast Asian's Airlines Industry	IJBS (Q3)	IJBS (Q3)

### Mentor: Dr. Siti Nurjanah

No	Nama	Judul Artikel	Jurnal Sasaran	Konferensi Sasaran
1	Darma Rika Swamarinda, S.Pd.,M.SE.	Measurement of teacher competence in vocational high school through ICT utilization perspective	Advanced Science Letter	Syssarm 2018
2	Dewi Nurmalasari, S.Pd, MM	Analysis of appropriate learning models for TEFA	Advance science letter	SYSSARM 2018
3	Dita puruwita SPd, MSi	Measurement of human resource performance in islamic boarding school environment based on financial perspectives	Advanced science letters	Syssarm 2018
4	Suparno, M.Pd	Membentuk karakter anak melalui pendidikan Islam Terpadu	Belum ada	Belum ada
5	Susan Febriantina,. M.Pd	Character-based active learning; How?	Belum ada	Belum ada

### Mentor: Dr. Suherman

No	Nama	Judul Artikel	Jurnal Sasaran	Konferensi Sasaran
2	Agung Dharmawan Buchdadi, ST, MM, Ph.D.	Board of Directors connection impact on firm performance. Case study in Indonesia	Q4 scimago jr	ISC-UNJ
3	Dr. Gatot Nazir Ahmad, M.Si	Equity Fund Performance	Intl Journal of Mgrl Finance	blm afa

### Mentor: Unggul Purwohedji, P.hD

No	Nama	Judul Artikel	Jurnal Sasaran	Konferensi Sasaran
1.	Dr. Sri Indah Nikensari, SE, MSE	Determinant Factors Affecting Global Stagnation of Economic in Emerging Market Countries	Belum ada	Belum ada
2.	Erika Takidah, SE Ak. M. Si	Micro-accountability islamic perspective	Belum	Belum
3.	Indra Pahala, SE., M.Si	Accountability in Stakeholders' Perspective: Views from Universitas	Advanced Science Letter	Scopus

		Negeri Jakarta with a phenomenological approach		
4.	Marsellisa Nindito, SE, MSc, Ak, CA	Financial Statement Fraud: Fraud Pentagon Theory in Indonesia Perspective	Belum ada	Belum ada
5.	Nuramalia Hasanah, M.Ak	Single entry method as the way to improve small and medium enterprise governance	Asian academy of management journal of accounting and finance	Scopus
		Accounting standards: the lessons from small and medium enterprises		
6.	Santi Susanti, M.Ak.	The influence of intellectual capital and good corporate governance on financial performance in banking companies	Belum ada	Belum ada
7.	Susi Indriani, M.S.Ak	Sustainability reporting in Indonesian palm oil industry	Advance Science Letters(ASL)	Syssyam ( maret )
8.	Yunika Murdayanti SE M.Si M. Ak	Strategic planning formulation in pesantren : a swot analysis approach	ASL	SYSSARM
		The usefulness of financial accounting system in islamic education institution : lesson learnt	ASL	SYSSARM
		Aspek-aspek akuntansi berperilaku terhadap kegunaan sistem akuntansi keuangan pesantren	ASL	BIMSS
9.	Ratna Anggraeni, M.Si	The effect of application of technology, size of company, and strategy of operational performance in smes in east jakarta	-	-
10.	Dr Henry Eryanto, MM	1. Evaluasi Program Mahasiswa Wirausaha di UNJ 2. Evaluasi Program Dana Desa Masyarakat Pesisir Kabupaten Bintan Propinsi Kepulauan Riau	-	-
11.	Achmad Fauzi, SPd, M.Ak	Effect of sukuk rating, company size and interest rate-of islamic bi certificate	international journal on economic and finance	sibr conference soul
		The influences of interest rate and inflation on shariah mutual fund performance		
12.	Rida Prihatni	Assessing the health level of commercial banks by using risk profile, good corporate governance, earnings and capital (rgec) methods in commercial banks listed in indonesia stock exchange		
		Effect of risk profile, good corporate governance, earnings, capital on growth income in banking services registered in indonesia stock exchange		
13.	Ulupui	Konstruksi peran kearifan lokal tri hita karena dalam corporate governance		
14.	Etty Grurendra			
15.	Choirul			
16.	Adam Zakaria			
17.	Mardi			

## Mentor: Usep Suhud, P.hD

No	Nama	Judul Artikel	Jurnal Sasaran	Konferensi Sasaran
1.	Dr. Siti Nurjanah, SE, M.Si	Policy in education	<del>Educational Management Journal</del>	<del>Conference</del>
2.	Osly Usman	Adopsi security penggunaan rekening pada penggunaan toko online kasus bukalapak dan tokopedia	Ibima	Q4
3.	Dr. Dewi Susita, M.Si	Employee's Job Satisfaction in High Risk Environment: A Case Study in Local Government	IJHRDM	EIESSBM 2018
4.	Hania Aminah, S.Pd., MM	Soft Skills Training and its Impact to Learning Achievement with McClelland's Need Satisfaction Theory as a Moderating Variable: Case Study in Jakarta	International Journal of Human Resources Development and Management (IJHRDM)	International Conference on Emerging Issues in Economics, Social Sciences and Business Management (EIESSBM-2018)
5.	Agus Wibowo, M.Pd	Does Entrepreneurial Leadership Impact on Creativity and inovation?	Belum ada	Belum ada
6.	Setyo Ferry Wibowo, SE., M.Si	Motivation and Intentions: Which One Does Come First?	Belum ada	Belum ada
7.	Widya Parimita, SE, MPA	Cross Cultural Leadership	Belum ada	Belum ada
8.	Dr. Dedi Purwana ES, M.Bus	Big-five personality of Tertiary Students and Entrepreneurial Intention	Advance Science Letter	Soshum conference
9.	Dr. Dedi Purwana ES, M.Bus	Investigating The Effect of Motivation on Entrepreneurial Intention: Three Different Approach	IJEP	Soshum conference
10.	Dr. I Ketut R. Sudiarditha	Knowledge Sharing Behavior: Studi Karakteristik Kepala Desa	Belum ada	Belum ada

**LAMPIRAN**  
**ARTIKEL OUTPUT KEGIATAN**  
**ONE LECTURE ONE SCOPUS (OLOS) 2018**

# THE USEFULNESS OF INFORMATION AND COMMUNICATION TECHNOLOGY IN ENTREPRENEURSHIP SUBJECT

**Darma Rika Swaramarinda, Universitas Negeri Jakarta**

## ABSTRACT

*The purpose of researcher is analyze responses of teachers perceptions of school and teacher readiness in utilization Information Communication Technology (ICT) systems in Entrepreneurship Subject at Vocational High School in East Java, Indonesia. This research used descriptive quantitative survey method to identify the conditions of schools and using observation with deep interviews to respondents who selected according to the criteria. They were 102 entrepreneurship teachers from Vocational High School in Indonesia. The result are*

1. *Schools already have readiness in the utilization of ICT.*
2. *The utilization of the ICT system is still lacking by the teachers even though the school is ready in the system.*
3. *Lack of teachers' willingness to learn.*
4. *Based on the criteria of the respondent the female teacher needs training in using ICT system and teachers with undergraduate background still lack the mastery of ICT system.*

## INTRODUCTION

Education quality improvement continuously conducted by the Government and the organizers education. This is necessary efforts to improve the quality of education, especially starting from the teacher, because the teacher as educators at the forefront of the task and its function is directly related to students, teachers have a major role in learning at school to create atmosphere learning is fun so it impacts positive in achievement of student achievement (Gita, 2007).

Learning needs to be made creative and interactive to make students interested and active in learning process and the output is to improve the quality of human resources of education. To create an interactive learning atmosphere should also be supported by good infrastructure and facilities that is utilization of Information Communication Technology (ICT) systems in school. According to Uhibbukafillah (2017), the utilization of ICT is needed in order to effectiveness and efficiency of learning. Similarly, according to Ahmadi (Sribina, 2016) that the rapid advancement of information and communication technologies that offer new conveniences in learning allows for a shift in learning orientation from outside-guided to self-guided and from knowledge-as-possession to knowledge-as-construction. That means, technology is needed for ease of learning in the world of education today.

Then, how many teachers have used ICT in their learning? The low ability of teachers in using ICT is seen from the very few teachers who can operate the computer, at least teachers who can use internet including those who have e-mail, facebook, blogs, and others. Whereas in this era of globalization now the use or utilization of technology is very important. In line with Nurhayati's research (2016) that the basic ability of teachers in ICT field is still low and the



school does not require teachers to use ICT in the learning process. So the teacher is less aroused to further develop themselves.

Teachers should be able to apply ICT which has the advantage of the availability of information widely, precisely, quickly, and the ease of learning process and technology support to facilitate the teaching and learning process, because the teacher has not applied the full use of ICT.

Entrepreneurship teachers need creative, innovative and productive learning processes so that their students are interested and can apply their ideas directly into the learning process. Uhibbukafillah (2017) said that teachers should think more creative, innovative, and broad-minded so that they can teach more qualified ICT-based.

In this Entrepreneurship subject, the student's idea of a product is then shown to be a business plan that will be presented using information technology to make it more convincing and interesting, followed by product creation up to the sales of their products through online access via internet or social media such as sms, whatsapp, e-mail, facebook, blog, twitter and Instagram.

But then that should be considered whether the school facilitates the facilities and infrastructure or facilities adequate to support the learning process of entrepreneurship subjects? Still according to Nurhayati (2016) that the availability of ICT facilities are still inadequate from the school. Do entrepreneurial teachers also use demonstration to students in the classroom using ICT? Elly (Sanjaya, 2006) states that the teaching aids is a learning medium that contains or carries the characteristics of the concepts studied. Because props are part of the learning media, then its function is also the same as the learning media. By using props, the teaching and learning process motivated both students and teachers, and especially students, interest will arise.

Based on the above problems, the researchers want to analyze responses of teachers perceptions of school and teacher readiness in utilization Information Communication Technology (ICT) systems in Entrepreneurship Subject: State Vocational High School in East Java, Indonesia to improve the quality of learning.

## **LITERATURE REVIEW**

### **The Concept of ICT (Information and Communication Technology)**

The word Information Technology when viewed from the composition then consists of words technology and information. Therefore information technology is the result of artificial or human engineering to the delivery of information from the sender to the recipient so that the information submitted will be faster, wider spread, and longer storage.

In the beginning, humans exchange information through the language used. Language allows a person to understand the information conveyed by others. But the language spoken by word of mouth lasts only briefly, i.e. only when the sender conveys the information through his speech only. Once the speech is finished, then the information in the hands of the recipient will quickly be forgotten and cannot be stored for long. In addition the voice range is also limited. For some distance, though still heard, the information conveyed through the language of the voice will be less than perfect or even completely lost.

Then the information delivery technology evolves from the Language into the image. With images, then the reach of information can be even further. This image can be carried and delivered to others. In addition, the existing information will last longer than the language.

Furthermore, the discovery of the alphabet and Arabic numbers facilitate human information to deliver more efficiently from the previous way. An image representing an event is made with a combination of alphabet, or by numerical writing, to electronic technology such as radio, television, computers affecting information faster spread over a wider and more secure area.

Information and Communication Technologies (ICT) is a large terminology covering all technical equipment for processing and conveying information and communications. ICT covers two aspects: information technology and communication technology. Information technology includes all things related to the process, use as a tool, manipulation, and management of an information. While communication technology is anything related to the use of tools to process and transfer data from one device to another. Therefore, information technology and communication technology are two concepts that cannot be separated from each other.

So Information and Communication Technology contains a broad understanding of all activities related to processing, manipulation, management, transfer of information between media (Prahani & Supeno 2012). The term of ICT emerged after a mix of computer technology (both hardware and software) with communications technology in the mid-20th century.

According to the State Ministry of Research and Technology (Asmani, 2011), Information and Communication Technology (ICT) or in the English language is known as information and communication technology, dissemination and presentation of information. Information and Communication Technology are various aspects involving technology, engineering and management techniques used in the control and processing of information and their use, computer and machine (computer) and human relationships, and matters relating to social, economic and cultural (British Advisory Council for applied Research and Development: Report on Information Technology, 1980).

Information, Communication and Technology is a part of science and technology (IPTEK) in general are all parts of which are related to the collection, collection (acquisition), processing, storage, dissemination, and presentation of an information (State Ministry of Research and Technology, 2006).

According to Anatta Sannai (Asmani, 2011) information and communication technology is a medium or tool in obtaining knowl edge between someone to others. The wave of technology and information developed through several stages as follows:

1. The first wave, ICT utilization is focused on increasing productivity and minimizing costs.
2. The second wave, ICT focused on increasing the effectiveness of computer use through the construction of computer networks.
3. The third wave, ICT is focused to generate profits through the development of information systems programs.
4. The fourth wave, ICT focused on helping the process of decision-making from qualitative data.
5. Fifth wave, ICT focused on reaching customers (consumers) through the development of the Internet network.
6. The sixth wave, ICT is developing a wireless network system (wireless).

Information and communication technology (ICT) has become an important part of most organizations and businesses. Computers began to be placed in schools in the early 1980s, and some researchers point out that ICT is an important part of education for the next generation. Modern technology (ICT) offers many in the world of education, namely: Improve teaching and learning in the classroom, The view that new technologies are potential to support education

across the curriculum, and Provide opportunities for effective communication between teachers and students in a way that has not been possible before.

In addition, the utilization of Information and Communication Technology (ICT) in learning also supports the theory of socio constructivism, i.e. students gain experience learning together with other students or through interaction with teachers with ICT-based communication media. Recent development is the integrated use of Information and Communication Technology (ICT) in the learning process in the classroom combines the various skills and functions of ICT in the learning process. The use of Information and Communication Technology (ICT) as a medium of learning in the classroom can be in the form of Power Point slide files, images, animations, video, audio, CAI (computer asissted instruction) programs, simulation programs, etc. These files can also be uploaded by teachers on their blog or deployed by e-mail class.

Based on research of Aktaruzzaman et al. (2011), the teacher combines the application of ICT in learning such as internet, video, audio, graphics, text and picture for student learning process. Utilization of ICT according to Wena (2009) is to overcome the weaknesses that occur in learning in the classroom which leads to classical learning by using lecture method. The weakness in question is the impact of the use of the explanation method that tends to make participants bored quickly and do not pay attention to the material. He further explained that learning resources related to IT is currently the concern of the world of education, namely computer-based learning and web-based learning. Added by research of Bachtiar & Abdul (2013) that it's good if the teacher provides the material as well as practice it to students, so that students can understand the true nature of entrepreneurship.

In this paper, the researchers want to show that the use of Information and Communication Technology (ICT) can also be applied to entrepreneurship subjects by teachers so that the learning process can run more interesting, interactive, effective and efficient because the teacher directly asks students to apply from making product design using computer until the sale of the product through online which means using ICT from the initial stage up to the final stage of learning for 1 semester.

By using Information and Communication Technology (ICT), the student is expected to be able to nurture creativity. Students with high creativity will be able to resolve the problem quickly and respond to emerging issues. Thus, the goal of Information and Communication Technology (ICT) will be in line with the purpose of education itself when used in learning. The use of ICT is not a barrier to learning, but will give more benefits in learning.

## METHODS

This research used descriptive quantitative survey method. Data analysis uses content analysis. For the purpose this research uses primary data through observation with deep interviews to respondents. The respondents in this study were 102 entrepreneurship teachers from Vocational High School in Bekasi City West Java, Indonesia. The respondents was selected according to the criteria. The criteria are sex, age, level of education and length of work.

This research approach is a survey method to identify the conditions state vocational high schools in Bekasi City West Java, Indonesia. The instrument used to interview respondents is the utilization of Information and Communication Technology (ICT) systems in learning process.

The characteristics of respondents will be described and grouped by sex, age, education level and length of work. The profile of respondents is listed in the Table 1.

<b>Table 1</b>			
<b>CHARACTERISTIC OF RESPONDENTS</b>			
<b>No</b>	<b>Characteristics</b>	<b>Criteria</b>	<b>%</b>
1	Sex	Male	22.6
		Female	77.4
2	Age	≤ 30 Years	28.4
		>30 Years	71.6
3	Level of Education	Postgraduate	25.5
		Undergraduate	74.5
4	Length of Work	≤ 15 Years	41.2
		>15 Years	58.8

## Sex

In the above table it is explained that the female teacher is 77.4%. The basic personality differences between women and men are generally aggressive, impatient, individualistic, more confident, more assertive, and more in control of the job while female tend to be less relational and have a responsibility to take care of larger families than men. But this condition is not absolute in every place. About ICT, female teachers are less able to use ICT in learning activities.

## Age

Based on our research of utilization of ICT in entrepreneurship subject, there is 71.6 % of teachers who are over 30 years of age. That is, they must develop their ability to use modern technology. As Teddy (2008) says that the age variable is also a very real control variable that affects the relationship between independent variables (performance expectations, social expectations and social influence) on the intention to use information technology. Morris in Ahadiat (2008) also found the same result, that younger individuals would be more positive in the utilization of ICT in learning.

## Level of Education

74.5% of entrepreneurship teachers in Bekasi City, West Java, Indonesia have an undergraduate education background and their education background relates to their less computer abilities, because the Indonesian Government Regulation concerns teachers that they must have a bachelor's degree in education. With the regulation, government wants to develop the world of education with good teacher ability. As Robbins (2010) says education is vital to improving its capabilities, higher education teachers are able to work with higher levels of difficulty and responsiveness.

## Length of Work

The working period affects teacher's detailed control, longer teaching time will give more experience in teaching, from the table we know that more senior teachers whose teaching period is over 15 years is 58.8%. It means they have gained much experience in teaching. This is related

to the results of the Ahadiat's study (2008) that found that fewer respondents had higher scores than respondents who taught more. Morris in Ahadiat (2008) also found the same result, that younger individuals would be more positive in ICT utilization in learning. The argument that can be conveyed is that, the long-time teaching response may be in a "safe" condition that does not change his teaching style. They may be reluctant to change it especially with ICT users.

## RESULT AND DISCUSSION

By the results of interviews and data analysis conducted, then produce the results are:

### **Teachers Stated that Schools Already Have Readiness in the Utilization of Information and Communication Technology (ICT) Systems**

Physically, the readiness of schools in the utilization of Information and Communication Technology (ICT) can be in the form of providing adequate facilities and infrastructure in schools. If there is no adequate facilities and infrastructure, both in terms of quantity and quality of the equipment, schools are still using the multimedia devices used in their institutions. This former multimedia device is certainly still using the specifications that have been left behind his era. So its use must be able to compete with the rapid rate of Information and Communication Technology (ICT) development. Schools should continue to develop ICT-related infrastructure to improve learning quality. In this research, most of respondents stated that their school already for that.

A budget or sufficient fund must be available to establish, develop and maintain the infrastructure of the Information and Communication Technology. In this research, most respondents agree that need a budget or sufficient fund for that problems.

The unequal distribution of infrastructure or infrastructure supporting the application of Information and Communication Technology (ICT) in education is one of the problems that must be solved by the stakeholders, because without the infrastructure or infrastructure facilities that support the application of ICT in the field of education will only be a dream. Facilities infrastructure is a very important component that serves as the initial and main capital in the application of ICT in the field of education. At present, there is a tendency that only certain regions in Indonesia will gain access to Information and Communication Technology (ICT). This is because there are still many remote areas that even to have telephone access just does not exist, especially for access to the Internet. Whereas the real potential human resources can emerge and be in any area. If this continues and there is no follow-up from the government then the potential of human resources owned area will be dormant and cannot be utilized for the progress of the Indonesian people in general.

### **The Teacher Stated that the Utilization of the Information and Communication Technology (ICT) System is Still Lacking by the Teachers Even Though the School is Ready in the System**

Teachers should have the knowledge and skills in using digital tools and resources to help learners to achieve academic standards. In this research, less of respondents are agree that teachers should have the knowledge and skills in digital or Information and Communication Technology (ICT) utilization. This means there are still many teachers who consider the use of

Information and Communication Technology (ICT) in the learning process is still not fully needed.

According to this research, teachers who have not agreed about the use of Information and Communication Technology (ICT) must be a conventional teacher and aged. The other thing that affects their perception is the suitability of the subjects they teach. Any subject now requires minimal Information and Communication Technology (ICT) use of the power point slide in explaining the material to the students so that the students are more interested in paying attention to the material being taught.

This is supported by the opinion of Totok who said that unfortunately not all teachers can take advantage of computers and internet with the maximum. As a result, in some places many students who cannot use technology because the teacher also cannot use it (www.cnnindonesia.com access on June 13, 2018). This is in accordance with the characteristics of respondents in this study that many respondents who are old, it means relate to Morris in Ahadiat (2008) also found the same result, that younger individuals would be more positive in the utilization of ICT in learning. The utilization of ICT system is still lacking by old teachers.

### **Lack of Teachers' Willingness to Learn**

The findings show that teachers have a strong desire to integrate Information and Communication Technology (ICT) into education, but that, they encounter many obstacles, such as

1. Lack of confidence.
2. Lack of competence.
3. Teacher attitudes and inherent resistance to change.

Teacher confidence is lacking in using Information and Communication Technology (ICT) in implementing learning process. Teachers are afraid of failing to teach through the use of Information and Communication Technology (ICT) that is currently highly recommended. Although the use of ICT in the learning process is highly recommended by experts.

Teachers who lack confidence use Information and Communication Technology (ICT) in their learning activities, on average, are older teachers, it means teachers who have longer of work time. They lack confidence because they did not learn much beforehand about computers. They can only apply a little bit for example in the making of slide material, even some are not able to use to make slide material using power point. This is related to the results of the Ahadiat's study (2008) that found that fewer respondents had higher scores than respondents who taught more. Morris in Ahadiat (2008) also found the same result, that younger individuals would be more positive in ICT utilization in learning. The argument that can be conveyed is that, the long-time teaching response may be in a "save" condition that does not change his teaching style. They may be reluctant to change it especially with ICT users.

The use of computer and language laboratories in established schools is also less than optimal. The reason teachers are reluctant to use the laboratory is: teachers lack confidence and have been comfortable with learning verbal learning methods and yet comfortable with learning using Information and Communication Technology (ICT) devices. In terms of means of infrastructure, the computer that is damaged is not directly repaired so that the number of computers that can be used is less than the number of students who will use (Sari, 2017).

## **Lack of Teacher Competence**

What is meant here is the lack of teacher competence in integrating Information and Communication Technology (ICT) into pedagogical practice, ie lacking the knowledge and skills in computer use and not enthusiastic about changes and integration with learning using computers in their classroom.

This is in line with Tagor's opinion that said to increase the competence of teachers in the utilization of Information and Communication Technology (ICT) is through the role of government in terms of providing training. The government also gave an appeal to them. Supposedly if teachers want to get professional allowance, they should be able to increase their capacity including trying to technology literate. Furthermore, Totok provides two recommendations for the government if it is to seriously increase the use of computer and internet technology in schools. First, the government must make sure teachers can use it and second, the government must take care of the technology ([www.cnnindonesia.com](http://www.cnnindonesia.com)).

Another factor contributing to the increase in teacher competence in using Information and Communication Technology (ICT) for learning is the support of school facilities and infrastructure, such as wifi, projectors, and computer laboratories. The data window of the Ministry of Education and Culture of Indonesia shows that the number of primary schools in Indonesia that already have laboratories is still around 4% and has a library of about 55% (Dapodikbud Team Education and Culture Window, 2017).

## **Teacher Attitudes and Inherent Resistance to Change**

Teacher attitudes and resistance to change about the use of new strategies is the integration of Information and Communication Technology (ICT) in learning process. This is meant by the teacher's attitude that the use of Information and Communication Technology (ICT) in learning process has no clear benefits or advantages.

Teachers who resist change are usually conservative teachers and judge that their learning process has been the best for students and the results obtained are maximal. They see that change is something that makes them difficult. They have to change all the learning administration to adjust to the latest developments. Teachers who are comfortable with their daily patterns are usually lazy to develop. Unless there is coercion from the government to develop themselves. With the threat that they cannot rise, they begin to try to change.

According to Syukur (2014), teachers who are less than 30 years old, most many claimed to be able to set the animation on the slide presentation. Teachers who are 30 years old until 45-year-old, most admitted could manage animation on presentation slides. Teachers are aged more than 45 years, most admitted not can arrange animation on slide presentation. This is due to the age factor, i.e. the teacher young people still have a passion for continue to learn and develop themselves, whereas older teachers are less have a passion for learning and resistance to change because of feeling already cannot and soon already enters retirement.

## **Based on the Criteria of the Respondent the Female Teacher Needs Training in Using ICT System and Teachers with Undergraduate Background Still Lack the Mastery of ICT System.**

Several studies have also reported that students can be helped to learn when taught by teachers of the same gender. Dee in Cruickshank et al. (2014), although many teachers who

refuse to believe the difference between the sexes and equality is sex, but in practice they may not be together in the learning process. Female teachers tend to pay more attention to boys than girls, teachers are more tolerant of boys' mistakes, and vice versa. High appreciation is given by the teacher to students of opposite sex. But this condition is not absolute in every place. About ICT, female teachers are less able to use ICT in learning activities.

In line with Syukur (2014), male teachers are more capable install a new app. More female teachers many cannot install new applications. Male teacher are also more able to teach others to install new apps when compared with female teachers. However, female teachers pleaded more with help for installing new apps instead of male teachers. This happens because male teachers tend to be more likes things that are new and challenging, especially in the field of ICT, so they are better able to install new applications.

Most of teachers in Bekasi City, West Java, Indonesia have an undergraduate education background and their education background relates to their less computer abilities, because the Indonesian Government Regulation concerns teachers that they must have a bachelor's degree in education. With the regulation, government wants to develop the world of education with good teacher ability. As Robbins (2010) says that education is vital to improving its capabilities, higher education teachers are able to work with higher levels of difficulty and responsiveness.

## **CONCLUSIONS, IMPLICATIONS AND SUGGESTIONS**

### **Conclusions**

1. Teachers assessed that schools already have readiness in the utilization of ICT.
2. Lack of teachers' willingness to learn.
3. Teachers assessed that there are still ends in utilizing ICT such as infrastructure provided in schools, internet and electricity, there are still teachers who are less able to use ICT such as teachers who are old.
4. Based on the criteria of the respondent the female teacher needs training in using ICT system and teachers with undergraduate background still lack the mastery of ICT system.

### **Implications**

1. Theoretical implications, the use of ICT in entrepreneurial learning is very useful to improve the quality of learning and this study sees that entrepreneurship subjects can optimize the use of ICT in the learning process because school already for the utilization of Information and Communication Technology (ICT) systems.
2. Practical implications (policy), The results of this study are used as input for schools based on the analysis obtained that according to the criteria of respondents, the female teacher with undergraduate background needs training in using Information and Communication Technology (ICT) systems.

### **Suggestions**

From the conclusion above, the researcher want to give suggestions for improvement Information and Communication Technology (ICT) utilization systems in State Vocational High School, that are:

1. Schools should be able to facilitate teachers to follow Information and Communication Technology (ICT) training as required to use ICT and in order development of human resources The use of ICT must be implemented in the learning process by both teachers and students.



2. Based on the respondents criterion, then Information and Communication Technology (ICT) training is aimed for female teacher of undergraduate background with working period above 15 years.
3. Teachers supported by schools to always innovate in teaching and learning activities.
4. Schools enhance Information and Communication Technology (ICT) infrastructure and facilities for the benefit of improving the quality of learning and also the quality of teachers.

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# ACCOUNTING STANDARDS: THE LESSONS FROM SMALL AND MEDIUM ENTERPRISES

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## ABSTRACT

*Financial accounting standards non-public accountability (SAK ETAP) is a standard created to improve the quality of SMEs financial statements in generating accounting information. Accounting information can help SMEs in making important decisions, identify business development, and manage finances so as to achieve more success. However, many SMEs have not been able to make a proper financial report in accordance with applicable standards. This study aims to determine the implementation of SAK ETAP in the SMEs sector.*

*This study used primary data from questionnaires which distributed to owners of SMEs in the Ciomas, Bogor. The research sample consists of 113 owners. The research is quantitative research using simple descriptive analysis which to know the perception of business owners in SMEs sector about: accounting recording, financial reporting routine, constraint in accounting recording and how to increase accounting knowledge for SMEs by descriptive method. This study analyzed the data obtained to find out more about the implementation of SAK ETAP in SMEs.*

*This study found that SMEs business people agree that the implementation of SAK ETAP will be easy and beneficial for their business. Training will be able to skillfully record these transactions and be adjust to their needs.*

**Keywords:** SMEs, SAK ETAP, Financial Reporting.

## INTRODUCTION

SMEs (small and medium enterprises) constitute a vital sector in terms of economic growth and development. The important role of SMEs in Indonesia is proven by the fact that, in the last five years, the contribution of SMEs to Gross Domestic Product has always been above 50% and the employment rate is always above 90% (Business Review, 2016). However, the current business development has resulted in an increasing number of capital needs for most SMEs, so that they can no longer expect capital from their own savings to expand their business, but have to rely on loans from third parties. In order to obtain capital from credit channeling banks, there is a requirement for SME owners to make accounting information available in the form of financial statements outlining their business activities. In addition, accounting information can assist owners of SMEs in making important decisions, identifying business development, and managing their finances to achieve more success.

The main problem for SMEs with regard to the development of capital is that proper financial management requires good accounting skills. However, many SMEs have not been able to produce the financial reports required by the banks, so they experience difficulties in obtaining additional capital for their business. Yenni (2014) reports that only 22.5% of SMEs have financial statements and 87.8% prepare financial reports inappropriately. The neglect of

financial management has an impact that is not clearly visible, but will indirectly reduce the chances of success of SMEs in the future.

Most SMEs focus solely on making profit without giving thought to whether the success of their business is sustainable. For that reason, SMEs require accounting reports that can be used to manage various transactions (Irwan, 2011). According Rudiantoro and Siregar (2011), SMEs do not implement or use proper accounting information in their business. Moreover, the business scale of an SME can also affect its ability to produce financial reports. The smaller the business scale of an SME, the less likely its owners are to be concerned about the financial statement. Such owners assume that financial statements are not required for small businesses because so few accounts arise from their business activities. SMEs lack understanding and need to be taught about the importance of the financial statements of a business. SME bookkeeping systems are generally very simple and tend to ignore the rules of financial administration standards (default). However, accurate and standard financial statements will assist SMEs greatly in their business development, both in quantitative and qualitative ways.

Based on these circumstances, this study aims to answer the following research questions: What is the perception of the owners of SMEs with regard to the existing accounting standards? The set of accounting standards under investigation is SAK ETAP (Entity without Public Accountability Standards), which is intended to be used by business entities that do not have public accountability, such as SMEs. Specifically, this study has the objective of exploring in more detail the financial reporting of SMEs and the perception of business actors in the SME sector with regard to SAK ETAP. Thus, this study is expected to contribute to the existing literature by providing an initial description of the implementation of accounting standards, in particular SAK ETAP, in the SME sector.

## **LITERATURE REVIEW**

### **Micro, Small and Medium Enterprises and Their Financial Reporting Issues**

Republic of Indonesia Act No. 20 of 2008 on SMEs Articles 1 (1)-(3) provides definitions of the terms micro, small, and medium enterprises. A micro business is a productive enterprise owned by an individual and/or an individual business entity fulfilling the criteria of micro business as stipulated in this law. According to this act, a small-scale business is a stand-alone productive economic enterprise undertaken by an individual or entrepreneur who is not a subsidiary, is not owned or controlled by a company branch, and is not a direct or indirect part of a medium business or a large enterprise.

Warren et al. (2009) defined a financial statement as a report prepared for accounting users after transactions are recorded and summarized. Meanwhile, according to Kieso et al. (2012), a financial statement is one of the main means by which companies communicate financial information to people outside the company. This report details the profits and losses made by the company. The financial statement provided by a company is an indicator its success, and serves as an important reference for users, assisting them in making decisions. A financial statement provides information on profitability, risk, and cash flow time, all of which will affect the expectations of the interested parties. These periodic reports are prepared in accordance with generally accepted accounting principles relating to the financial status of individuals, associations or business organizations, and comprise a statement of financial position, income statements, retained earning statements, cash flow statements and notes to the financial statements.

According to SAK ETAP (2009), the standard is intended for the use of entities that:

1. Have no significant public accountability.
2. Publish general purpose financial statements for external users (those who are not directly involved in business management, such as creditors, and credit rating agencies).

Most SMEs only record the amount of money received and expended, the amount of goods bought and sold, and the amount receivable/debt. Research conducted by Putra and Kurniawati (2012) shows that SMEs are restricted in preparing financial statements due to a lack of capable human resources in the field of accounting and the lack of time allocated for preparation. Realistically, it is not feasible for many SMEs to employ someone specifically to do the bookkeeping and to prepare financial statements because this would necessitate an increase in spending in order to pay the salaries of the accounting personnel.

Narsa et al. (2012) found that SMEs which produce good financial reports in accordance with SAK ETAP develop faster than SMEs which do not produce financial reports, even if the latter were established at the same time or, in some cases, earlier than the former. Rudiantoro and Siregar (2012) shows that the implementation of SAK ETAP in order to improve the quality of financial statements still faces obstacles because SME entrepreneurs do not fully understand this standard. Nedsal et al. (2014), who conducted research in Depok and the surrounding areas, stated that SMEs in various regions of Indonesia experience several similar problems and so proposed that solutions and approaches to improve the accountability of SMEs be provided in the form of an accounting process manual based on SAK ETAP that is "*User Friendly*" and may be used systematically by SMEs managers.

Tarmizi (2013) measured the implementation of SAK ETAP using three indicators, accountability, objectives, and completeness of information. Supadmi (2015) analyzed the implementation of SAK ETAP using six indicators adopted from SAK ETAP. These were:

1. Assets and liabilities are in accordance with SAK ETAP.
2. Assets and liabilities not authorized by SAK ETAP.
3. Items previously used under Indonesian GAAP are re classified into SAK ETAP.
4. The amount of recognized assets and liabilities are in accordance with SAK ETAP.
5. The assistance of SAK ETAP in controls the company's entry and exit.
6. The convenience provided by SAK ETAP in presenting the company's financial statements.

## **Aims**

This study has the objective to explore the practise and perception of MSMEs with regard to SAK ETAP.

## **Methods**

The research employs a quantitative approach with simple descriptive analysis in order to explore the perception of business owners in the SME sector regarding: accounting recording, financial reporting routines, constraints in accounting recording, and how to increase accounting knowledge in SMEs. The data are collected through surveys distributed to owners of SMEs in the Bogor city area. SMEs in the city of Bogor have been centralized so as to facilitate the search

data. In addition, SMEs in Bogor City are constrained when applying for capital from banks, leading to problems in financial reporting. The research was conducted in Bogor District, encompassing the Ciomas, Ciapus, Ciherang and Dermaga areas. The population studied is SMEs in Bogor City and there are 113 samples.

Primary data is collected by distributing questionnaires to be filled by respondents. Any incomplete questionnaires will not be included in the analysis stage. In order to gather data on the financial reporting of SMEs, researchers will visit the SMEs and collect the questionnaires. Respondents are chosen using a non-probability convenience sampling technique.

## **RESULTS**

A quantitative research with simple descriptive analysis is employed in analysing the data. This involves conducting a survey to describe the financial reporting of SMEs and analyzing the frequency distribution of respondents with regard to age, age of business, and instruments studied. The 113 respondents were divided into three business categories, namely, micro entity: 55 respondents (49%), small entity: 50 respondents (44%), and medium entity: 8 respondents (7%). The respondents in this study are dominated by men (92.93%); only 7.07% are women. Education is categorized into elementary, junior high, high school, diploma, and undergraduate levels. The results of this study concerning the education level of respondents are quite diverse. Ownership of small and medium enterprises in the city of Bogor is dominated by high school graduates (41.41%). This study categorizes the educational backgrounds of SMEs owners into accounting/economics, engineering, law, and other (encompassing various backgrounds). The most common educational background is the varied category; it is possible that SMEs do not implement SAK ETAP because only 20.41% of owners come from an accounting/economics educational background.

### **DESCRIPTION OF RESEARCH RESULTS**

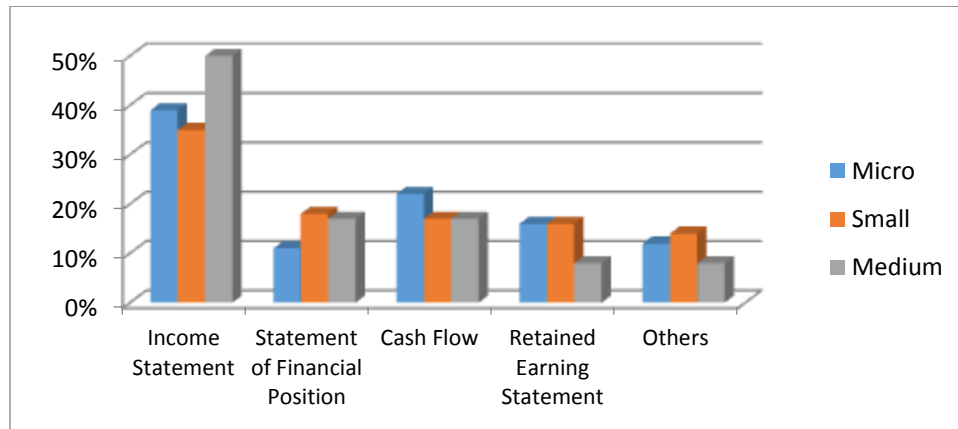
#### **What are SME Owners' Perceptions of the Accounting Standards?**

Based on the results of the questionnaire, events and conditions pertaining to SMEs are classified according to their subject. The data is explained using the descriptive approach. In order to answer the proposed research question, this study surveyed the respondents on various topics.

#### **Components of a financial statement**

Responses given by owners of SMEs to questions about the importance of the components of financial statements made by the company can be seen in Figure 1. The data shows that, among the five components of the financial statements of respondents, owners of SMEs assume that the income statement is the most important report to be made, perhaps because it informs them of the progress of their business in terms of profits and losses. The results show that 39% of micro enterprise owners, 35% of small business owners and 50% medium businesses consider income statements to be important. After that, the order of importance of financial statement components differs for each size of business. According to micro business owners, the order of importance is: income statement, statement of cash flows, retained earning statement, and statement of financial position. Meanwhile small and medium

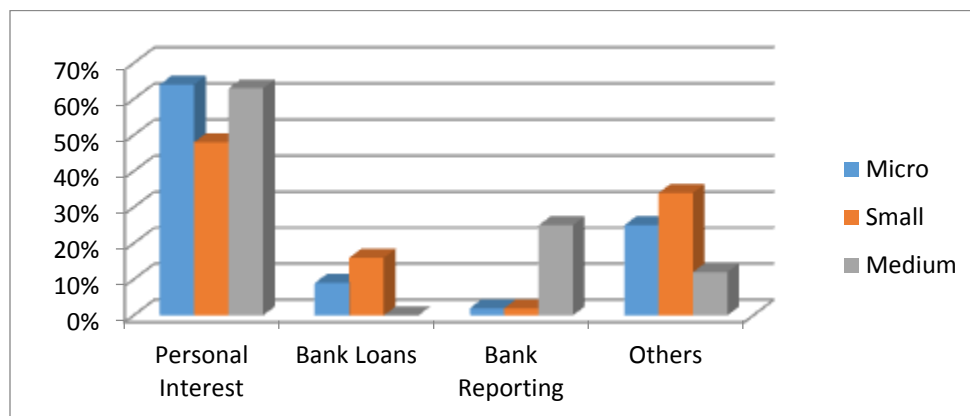
enterprises rank the importance of financial statements components as follows: income statement, statement of financial position, cash flow statement, and retained earning statement. This means that small and medium enterprises have the same perception of the components of financial statements and may adjust these to the applicable accounting standards in similar ways.



**FIGURE 1**  
**COMPONENTS OF A FINANCIAL STATEMENT**

### Purpose of a financial statement

Figure 2 shows the responses of SME owners to questions about the purpose of financial statements.



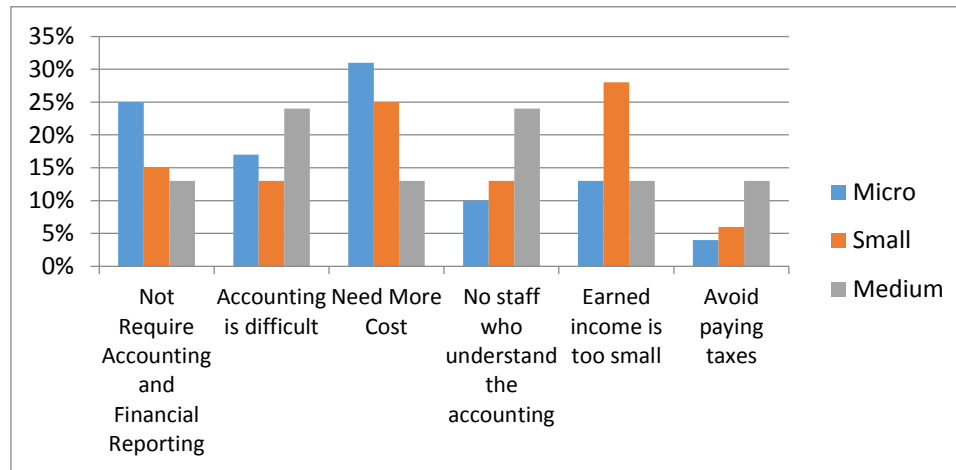
**FIGURE 2**  
**PURPOSE OF A FINANCIAL STATEMENT**

As shown in Figure 2, the most common purpose of financial statements cited by SME owners is personal interest; this response is given by 64% of micro enterprises, 48% of small enterprises, and medium enterprises 63%. The second most significant purpose cited by SME owners are responses falling into the “other” category. These results show that SME owners cannot separate their personal interests and business interests, so it is reasonable that the financial records of MSMEs remain simple in appearance. Third parties who provide loans to

SMEs, especially banks, usually demand that standardized financial statements be created in accordance with the applicable procedures.

### Reasons for not keeping accounting records

The next question concerns the reasons why SME owners do not keep accounting records. The respondents' answers can be seen in Figure 3.



**FIGURE 3**  
**REASONS FOR NOT KEEPING ACCOUNTING RECORDS**

The owners of SMEs cite various reasons for not keeping accounting records. The three most common responses from owners of micro, small and medium enterprises are as follows:

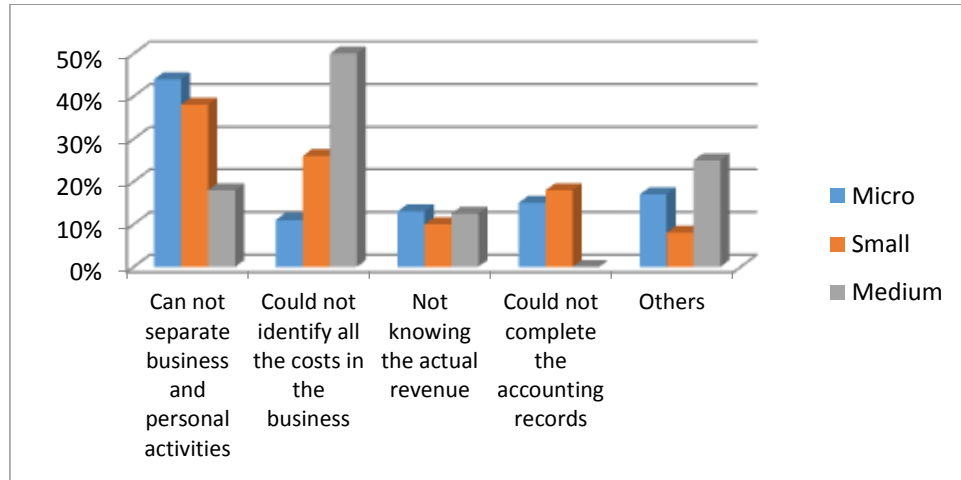
- Micro enterprises: it costs more (31%); accounting and financial reporting are not required (25%); accounting is difficult/complicated (17%).
- Small enterprises: income earned is too small (28%); it costs more (25%); accounting and financial reporting are not required (15%).
- Medium enterprises: accounting is difficult/complicated (24%); no staffs understand accounting (24%); accounting and financial reporting are not required (13%).

In addition to the above reasons, there are other factors that prevent SMEs keeping accounting records, these are:

- There is a presumption that the recording of transactions is not necessary and so, when implemented, it is a waste of time and energy.
- There is a presumption that recording transactions is not very useful in supporting daily operational activities.
- Business managers are more focused on the production activities of daily routine business management (eg goods shopping, taking care of the workforce, etc.) and take care of their trading transactions so that there is no time for recording.
- SMEs owners have limited knowledge of how to keep financial records.
- It is assumed that the complete recording of transactions will result in an increase in the amount of taxation to be paid.

## Constraints on keeping accounting records

The next question concerns the constraints on keeping accounting records. The answers of the respondents can be seen in Figure 4.



**FIGURE 4**  
**CONSTRAINTS ON KEEPING ACCOUNTING RECORDS**

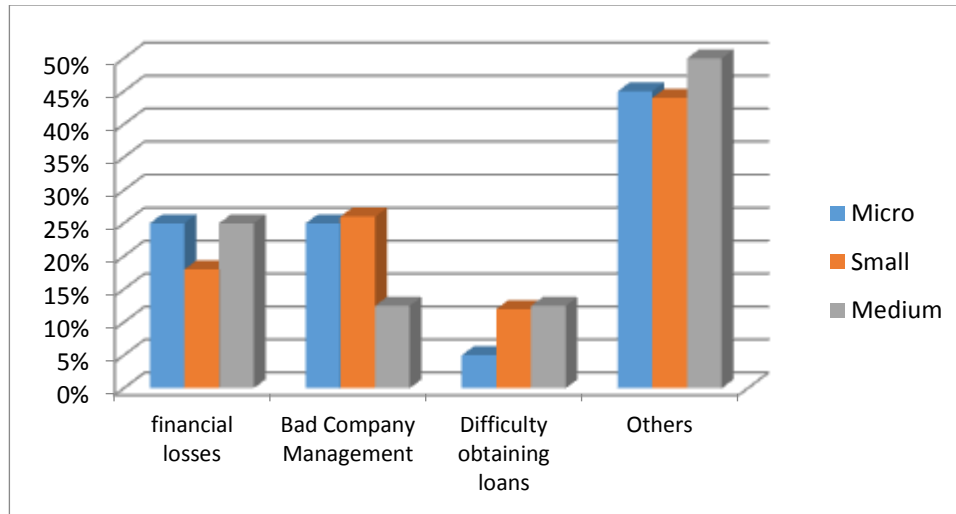
The SME owners give varied responses relating to the constraints on keeping accounting records. The three most common answers given by the owners of micro, small and medium enterprises are as follows:

- Micro enterprises: cannot separate personal and business activities (44%); could not complete the accounting records (15%); do not know their real income (13%).
- Small enterprises: cannot separate personal and business activities (44%); could not identify all the costs in the business (26%); could not complete the accounting records (18%).
- Medium enterprises: could not identify all the costs in the business (50%); cannot separate personal and business activities (12.5%); do not know their real income (12.5%).

## Impact of the weakness of accounting records

The next question put to the respondents concerns the form of the impact of weakness in keeping accounting records. The responses of the SME owners can be seen in the Figure 5. Respondents agreed that the weakness of accounting records has various impacts, with the responses of 45% of micro business owners, 44% of small business owners, and 50% of medium business owners falling into the “other” category. This shows that the owners of SMEs have not been able to identify the impacts of weakness in accounting records. As such, other factors need to be explored in order to understand the impact of weaknesses of accounting records for SMEs. Furthermore, the respondents’ answers indicate that the main impact of the weakness of accounting records is business losses, in the case of micro and medium enterprises, and bad company management, in the case of small enterprises.



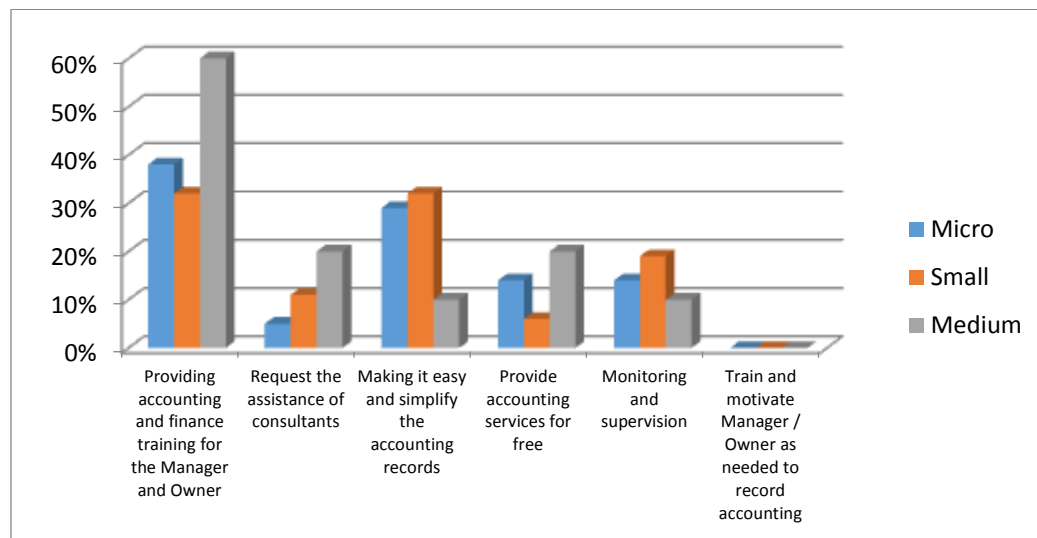


**FIGURE 5**  
**IMPACT OF THE WEAKNESS OF ACCOUNTING RECORDS**

The behavior of business management and financial administration of SMEs each show the same tendency: efforts are made to implement financial management in the form of financial transaction recording, but some transactions are still not recorded. Besides, not all SMEs are able to separate their business finances from their personal/family interests. However, most SMEs have been conducting the inventorization of financial evidence.

### **How to increase knowledge of accounting**

Respondents' answers relating to how to increase accounting knowledge among MSME owners can be seen in Figure 6.



**FIGURE 6**  
**HOW TO INCREASE KNOWLEDGE OF ACCOUNTING AMONG SMES**

The results show that SME owners agree that the best way in which to improve accounting knowledge is by providing accounting and financial training to managers and owners. This method was endorsed by 38% of micro business owners, 32% of small business owners, and 60% of medium business owners. The three most common methods suggested by owners of micro, small and medium enterprises are as follows:

- a. Micro enterprises: providing accounting and financial training for business managers and owners (38%); making easy and simplified accounting records (29%); providing free accounting services (14%).
- b. Small enterprises: providing accounting and financial training for managers and owners (32%); making easy and simplified accounting records (32%); monitoring and supervision (19%).
- c. Medium enterprises: providing accounting and financial training for managers and owners (60%); can not separate business and personal activities (12.5%), not knowing actual income (12.5%).

There is an indication that SME entrepreneurs do wish to carry out transaction recording, and it is expected that, through training, SMEs will be able to record these transactions skillfully and adjust financial statements to suit their needs.

## Conclusion and Future Recommendation

The results of this research demonstrate that SME ownership is dominated by men, the most common education level of respondents is high school graduate, and the majority own small-scale businesses. The behavior of business management and financial administration of SMEs each show the same tendency: efforts are made to implement financial management in the form of financial transaction recording, but some transactions are still not recorded. Besides, not all SMEs are able to separate their business finances from their personal/family interests. Nevertheless, some SMEs have performed the inventorization of financial evidence. There is an indication or desire of the SME entity entrepreneurs to carry out transaction recording, and it is expected that the training will be able to skillfully record these transactions and be adjust to their needs.

This research only uses the criteria of making simple or complex financial statements to determine the sample. The researchers suggest that additional criteria be employed in sampling respondents for future research; these may include gender, age, and SMEs who receive credit from banks, among other factors. It is also recommended that different independent variable be added or used in place of the independent variable used in this study. Variables that may affect the implementation of SAK ETAP in SMEs include accounting training, corporate culture, and business sectors.

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# ANTECEDENTS OF SECONDARY STUDENTS' ENTREPRENEURIAL MOTIVATION

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## ABSTRACT

*Entrepreneurship plays a major role in developing the economy, especially in reducing unemployment and poverty. Understanding the factors that can impact entrepreneurial motivation is a primary and critical step in predicting and developing entrepreneurial activities. Due to economic development, entrepreneurial motivation is very important for the low and middle-income countries including Indonesia. The objective of this study is to investigate the impact of social norms, the locus of control and entrepreneurship education on students' entrepreneurial motivation. This survey involved 210 participants from the number of secondary schools in Jakarta, Indonesia. Data were analysed using Structural Equation Modelling. This research found that social norms had a positive and significant impact on secondary students' entrepreneurial motivation. Meanwhile, the locus of control and entrepreneurship education had not an effect on entrepreneurial motivation. Recommendations for further studies were discussed.*

**Keywords:** Social Norms, Locus of Control, Entrepreneurship Education, Entrepreneurial Motivation, Structural Equation Modelling.

## INTRODUCTION

The common problems facing the low and middle-income countries are the high rate of unemployment and poverty. In these countries, the high population growth rate drives the availability of jobs decrease. Unemployment triggers poverty rate. Governments in the developing countries believe entrepreneurship is a solution to overcome unemployment and poverty. The governments then impose their education policy to equip students with entrepreneurship education. Entrepreneurship courses are taught to students with the aim of providing the skills and knowledge to start a business. Thus, students are expected to choose entrepreneur as their career choice in the future.

Based on the Global Entrepreneurship Monitor (2016), the ranking position of Indonesian entrepreneurial intention was 25<sup>th</sup> (23.2%) of total 65 Asian and Oceania countries. The number of entrepreneurial intention describes the percentage of population aged 18-64 years who are interested to open a business within the next 3 years. This organisation also reported that the public perception of entrepreneurship as a good career choice was ranked 20<sup>th</sup> (69%) of the 65 Asian & Oceania countries surveyed.

Entrepreneurial intention drives one's action to create a venture. Entrepreneurial activity is largely determined by the individual's intention (Krueger, Reilly & Carsrud, 2000). People will not become entrepreneurs suddenly without any particular trigger. Various studies had been

conducted to determine what factors affected entrepreneurial intention, especially in developing countries such as Indonesia, Nigeria, Pakistan, Ethiopia and other countries. Based on previous studies, the author identified eight factors determined entrepreneurial intention. These factors were locus of control (Alemu & Ashagre, 2016; Musdalifah, 2015; Uddin & Bose, 2012; Veysi et al., 2015), entrepreneurship education (Hussain, 2015; Otuya, Kibas, Gichira & Martin, 2013; Uddin & Bose, 2012), attitude toward entrepreneurship (Hussain, 2015; Yaghmaei & Ghasemi, 2015), social norms (Khalili, Zali & Kaboli, 2015; Shiri, Mohammadi & Hosseini, 2012; Weerakoon & Gunatissa, 2014), need for achievement (Uddin & Bose, 2012), social capital and innovation (Veysi et al., 2015) and motivation (Farouk, Ikram & Sami, 2014; Purwana, Suhud & Arafat, 2015).

This study aims to measure the impact of social norm, locus of control, entrepreneurship education on secondary students' entrepreneurial motivation. This empirical study is expected to fruitful and enrich the repertoire of researches in the field of entrepreneurship.

## LITERATURE REVIEW

According to Shiri et al. (2012), entrepreneurial motivation indicates individual's aims and tendencies for the establishment of a business. Entrepreneurial motivation has been gleaned by prior researchers with different approaches, for example, push-pull motivation (Neneh, 2014; Ranmuthumalie, 2010), employed and self-employed (Berthold & Neumann, 2008; Beynon, Jones, Packham & Pickernell, 2014), achievement motivation (Seemaprakalpa & Arora, 2016; Ullah, 2011), general-task-specific motivation (Shane, Locke & Collins, 2003) and extrinsic–intrinsic motivation (Şeşen & Pruett, 2014; Vardhan & Biju, 2012; Worch, 2007).

The social norms depend on the perception of normative beliefs of important people, such as family, friends and significant others, valued by the motivation of person (Khalili et al., 2015). Social norms have been empirically researched in the entrepreneurship literature. Some of the researchers in social differences in entrepreneurship (McGrath & MacMillan, 1992) showed that entrepreneurs with different countries are more similar than those non-entrepreneurs from the same country. Linan, Rodríguez-Cohard & Rueda-Cantuche (2005) in their study also found the effect of social norms on entrepreneurial motivation.

The concept of locus of control refers to a generalized belief that a person can or cannot control his/her own destiny (Barani et al., 2010). Yan (2010) summarized the previous studies conducted by Venkatapathy (1984) and Shapero (1975) with a conclusion that locus of control had been of great interest in entrepreneurship research and internality has long been identified as one of the most dominant entrepreneurial characteristics. Kusmintarti, Thoyib, Ashar & Maskie (2014) also found that locus of control had a positive effect on entrepreneurial motivation.

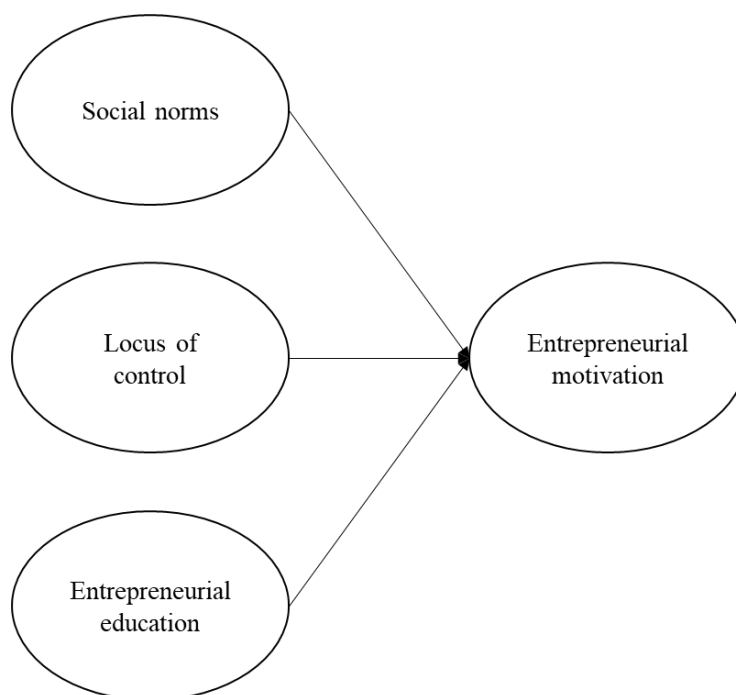
The general education (and experience) of an entrepreneur can provide knowledge, skills and problem-solving abilities that are transferable to many different situations. Hisrich, Peters & Shepherd (2010) mentioned that education is important in the upbringing of the entrepreneur. Indeed, it has been shown by the previous researchers (Van der Sluis, Van Praag & Vijverberg, 2008) that the effect of education as measured in years of schooling on entrepreneur performance was positive (Bilić, Prka & Vidović, 2011).

The authors posit the following hypotheses and develop the research model (Figure 1);

*H1: There is a significant effect of social norms on entrepreneurial motivation.*

*H2: There is a significant effect of locus of control on entrepreneurial motivation.*

*H3: There is a significant effect of education on entrepreneurial motivation.*



Source: Own Elaboration

**FIGURE 1**  
**THE THEORETICAL FRAMEWORK**

## **METHODS**

This research used survey method. Data were collected using questionnaire. The questionnaire used a 6-point Likert's scale consisting of 1 for strongly disagree to 6 for strongly agree. Although scholars (Jacoby & Matell, 1971; Johns, 2010; Tsang, 2012) suggested an odd point for Likert's scale, however in this study, the authors chose a six-point. According to Bertram (2007, p. 1), "a 4-point (or other even-numbered) scale is used to produce an impassive (forced choice) measure where no indifferent option is available". The instrument was distributed during the class sessions with consent and cooperation of teachers. Up to 210 secondary students (83 males and 127 females) involved.

The research instruments consisted of a number of indicators adapted from previous studies in entrepreneurship. Forty indicators were adapted from Purwana, Suhud & Arafat (2015) to measure entrepreneurial motivation. The authors used eight indicators from Khalili et al. (2015) to measure the variable of social norms. The locus of control was measured by four indicators adapted from Alemu & Ashagre (2016) and Musdalifah (2015). The entrepreneurship education was measured by adapting indicators from Denanyoh, Adjei and Nyemekye (2015) and two indicators from Opoku-Antwi, Amofah, Nyamaah-Koffuor & Yakubu (2012).

Data were analysed in two stages. The first phase used exploratory factor analysis (EFA). The EFA aims to determine which dimensions and indicators can be used to measure the variables, followed by reliability test for each dimension or variable. According to Hair Jr., Black, Babin, Anderson & Tatham (2006), a factor or variable is reliable if it has a Cronbach's alpha score of 0.7 or more. The second phase of analysis was confirmatory factor analyses (CFA). In order to get a fit model, the authors determine four criteria; probability ( $>0.05$ ),

CMIN/ DF ( $\leq 0.2$ ), CFI ( $\leq 1$ ) and RMSEA ( $\leq 0.05$ ). The path is significant if it has a C.R. value or t-value of 1.98 or more (Holmes-Smith, 2010).

## RESULTS AND DISCUSSION

### Exploratory Factor Analysis

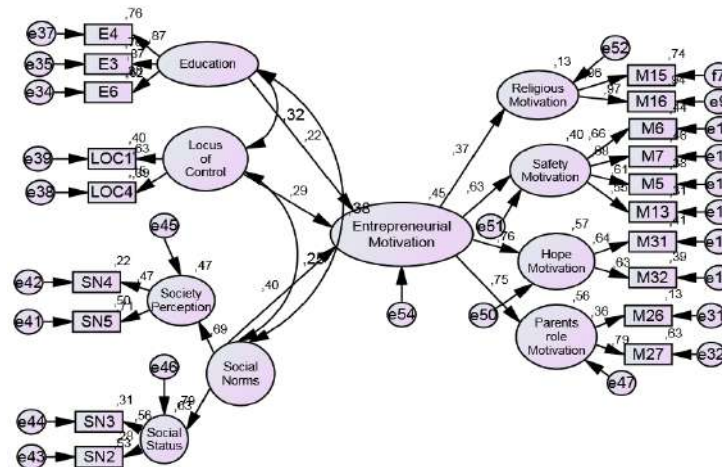
EFA of entrepreneurial motivation resulted in seven dimensions with Cronbach's alpha score respectively; family ( $\alpha=0.826$ ), religious ( $\alpha=0.941$ ), nationalism ( $\alpha=0.683$ ), independent ( $\alpha=0.809$ ), public service ( $\alpha=0.774$ ), creative ( $\alpha=0.438$ ) and safety ( $\alpha=0.710$ ). EFA of social norms resulted in Cronbach's alpha score 0.496 (career choice) and 0.420 (respect). Meanwhile, Cronbach's alpha score for the locus of control is 0.613 and entrepreneurship education is 0.857 (Table 1).

<b>Table 1</b> <b>SUMMARY OF CRONBACH'S ALPHA SCORE</b>		
<b>Variables</b>	<b>Dimension</b>	<b>Score (<math>\alpha</math>)</b>
Entrepreneurial Motivation	Family	0.826
	Religious	0.941
	Nationalism	0.683
	Independent	0.809
	Public service	0.774
	Creative	0.438
	Safety	0.710
Social Norms	Social Status	0.496
	Respect	0.420
Locus of Control		0.613
Entrepreneurship Education		0.857

Source: The Authors' Computation.

### Hypotheses Testing

Figure 2 demonstrates a fitted model of the theoretical framework produced by confirmatory factor analysis (structural equation modelling). This model has probability, CMIN/DF, RMSEA, TLI and CFI scores of 0.183, 1.107, 0.023, 0.980 and 0.984 respectively. These scores are significant with the scores required for obtaining a fitted model.



Source: The Authors' Computation

**FIGURE 2**  
**THE RESULT OF STRUCTURAL EQUATION MODEL**

Continuing the confirmatory factor analysis, the authors tested three hypotheses developed by verifying the C.R. values. Table 2 figures a summary of hypothesis testing from the model. The result showed that social norms significantly and positively influenced entrepreneurial motivation (C.R.=2.046). Meanwhile, the locus of control and entrepreneurship education had an insignificant impact on entrepreneurial motivation. C.R. value of locus of control and entrepreneurship education are 1.836 and 1.798 respectively. These C.R. values are less than 1.980. It means that the regression weight for the locus of control and entrepreneurial education in the prediction of entrepreneurial motivation is insignificantly influenced.

Table 2 RESULTS OF THE HYPOTHESES TESTING							
	Independent Variable		Dependent Variable	CR (t-value)	P-value	Result	Standardized Total Effect
H <sub>1</sub>	Social Norms	→	Entrepreneurial Motivation	2.046	0.041	Accepted	0.396
H <sub>2</sub>	Locus of Control	→	Entrepreneurial Motivation	1.836	0.072	Unaccepted	0.285
H <sub>3</sub>	Education	→	Entrepreneurial Motivation	1.798	0.066	Unaccepted	0.222

Source: The Authors' Computation.

Table 2 also indicated that H1 was accepted with P-value of  $0.041 < 0.05$ . Meanwhile, H2 and H3 was unaccepted with P-value of  $0.07 > 0.05$  and  $0.06 > 0.05$ . The hypothesis decisions supported McGrath and MacMillan (1992)'s study and proved that social norms had positively and significantly impact on the entrepreneurial motivation. The standardized total effect showed that the social norms have strong effect on entrepreneurial motivation (0.396). Meanwhile, the finding of study related to locus of control was against the previous studies (Kusmintarti et al., 2014; Shapero, 1975; Venkatapathy, 1984). Similarly, in terms of entrepreneurship education,



the result of study contradicted with the previous studies (Bilić et al., 2011; Van der Sluis et al., 2008).

## CONCLUSION

The results of this study showed that social norms have a significant and positive impact on the entrepreneurial motivation. Meanwhile, locus of control and education did not affect to the entrepreneurial motivation of secondary students in Jakarta, Indonesia.

The research findings implied the need for policymakers to create the entrepreneurship-oriented curriculum that would increase students' motivation to start a business. It was also suggested that the entrepreneurship teachers should be more innovative in using the learning method and be a role model in entrepreneurial activity.

The authors recommend further studies to examine determinants of entrepreneurial motivation by including other variables such as self-efficacy, subjective norms, environmental supports and school entrepreneurial leadership. A comparative study should also be considered for the next research to differentiate entrepreneurial motivation between secondary and tertiary students based on gender differences and their parent's background.

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# COMPARATIVE VALUE RELEVANCE OF ACCOUNTING INFORMATION IN THE IFRS PERIOD BETWEEN MANUFACTURING COMPANY AND FINANCIAL SERVICES GO PUBLIC IN INDONESIA STOCK EXCHANGE

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## ABSTRACT

*The purpose of this study is to examines the value relevance of accounting information between the manufacturing industry and the Financial Services on IFRS period of 2008 through 2014 and compares the results for both groups of sectors. The reason the researchers compare the two groups of sectors is to have different characteristics, the presentation of different financial statements, have different rules and some companies within the sector have first implemented IFRS and also includes both sectors are contributors of gross domestic product is quite large. This study uses the value of accounting profit, book value, and cash flow as a proxy for the value relevance of accounting information. This study uses a quantitative approach. The population of this research is a public company manufacturing and the financial services on the Indonesia Stock Exchange. The dependent variable of this research is the study uses the stock price and independent variable used in this study are earnings per share, book value per share, and total cash flow per share. Analysis of research data using linear regression. The results showed that accounting information such as earnings, book value and cash flow have value relevance fluctuates on the phase of adoption and implementation of IFRS however the value relevance has been increasing of earnings, book value, and cash flow in the implementation phase of IFRS compared early adoption phase of IFRS and then earnings have value relevance higher than book value of equity, and cash flow both two groups of manufacturing and financial services industries.*

**Keywords:** Value Relevance, Accounting Information, Earnings, Book Value, Cash Flow, IFRS.

## INTRODUCTION

An information is available in the capital market can be considered meaningful or valuable if the existence of such information causes investors to transactions reflected in the stock price changes (Rahmawati, 2005). Accounting information has value relevance of the accounting information can be used as a basis for predicting the company's market value (Barth, 2001; Scott, 2009: 196). Thus, how much usefulness of information known by studying the effect of the stock price at the time the information is received by investors? The change in the stock price will lead to a return that will be accepted by investors.

The study, initiated studies on earnings relationship with stock returns made by Ball & Brown (1968). Earnings variable has relevant value because it has an influence on the share price reflects the value of the company Ball & Brown (1968). Value relevance of earnings and book value information is not decreased over the last 40 years but shows a slight upward movement, as well as a shift in the value relevance of earnings information to the value of the book (Collins, 1997). Cross-sectional relationship model of return, ie the reporting relationship of accounting profit and operating cash flow with stock returns has decreased over the 20-year observation period. On the use of pricing models, namely the relationship between accounting earnings and book value with the share price also declined over the 20-year observation period. This is due to the limitations of financial statements that do not adequately describe the changes of the company's operations due to technological innovations and competition (Brief & Zarowin, 1995).

In its development, IFRS many adopting fair value using realizable value and present value. Fair value is the measurement basis is considered more independent and impartial. Trends in the use of fair value as the measurement and assessment base is expected to increase from year to year (Purba, 2010). Impact of IFRS implementation for companies varies widely depending on the type of industry, type of transaction, the elements of financial statements that are owned, and also accounting policy choice. Such changes can be related to accounting procedures. Banking company, including the impact of the changes that have quite a lot. The changes are not only done at the corporate level, but there should also be changes in the regulations of Bank Indonesia, for example, about the provision for loans disbursed (Martani, 2011). Adoption of IFRS impact on aspects of measurement of financial reporting items, such as net income and equity (Jermakowicz, 2004), as well as adoption of IFRS improve the quality of financial statements (Daske and Gunther, 2006). Implementation of IFRS standards on the financial statements of this item may reduce the level of earnings management and adoption of IFRS has positive influence toward the shareholder equity, net income, and liquidity (Tsalavautas & Evans, 2010).

This study aims to examine the value relevance of accounting information between groups the manufacturing industry and the Financial Services in period from 2008 through 2014. In order to achieve the objectives of this research will comparative analyze value relevance of the company's manufacturing and financial services in the period IFRS convergence (Hendriksen & Van Breda, 1992).

## **LITERATURE REVIEW AND DEVELOPMENT OF HYPOTHESIS**

### **Definition Relevance Value**

A number of accounting is defined as the value relevance if the figure is associated with equity market values (Ohlson, 1995; Barth, 2001; Holthausen & Watts, 2001). Accounting information is said to have value relevance if the accounting information can be used to predict the company's market value (market stock price or stock returns) (Barth, 2001). Easton (1999) and Beaver (2002) states that the value relevance research aims to examine the association between the dependent variable based on the price of securities by a number of fundamental accounting variables. A number of accounting called "value relevant" if the numbers associated with the dependent variable (price/return securities). Value relevance research plays an important role to provide empirical evidence on accounting numbers associated with the predicted value of the securities market.

## **Valuation Model Theory Clean Surplus**

This theory states that the value of the company is reflected in the accounting data contained in the financial statements (Ohlson, 1995, and Feltham & Ohlson 1995). Based on the theory of clean surplus, Ohlson indicates that the market value of the company can be shown in the profit / loss statements and balance sheets. This theory provides a consistent framework with a measurement perspective. This condition is then stated that the accounting data has relevance value. The net surplus theory developed by Ohlson and then refined again by Feltham & Ohlson.

## **Signal Theory**

Information published as an announcement will give a signal to investors in making investment decisions. If the announcement contains a positive value, it is expected that the market will react to the timing of the announcement is received by the market (Hartono, 2003: 392). At the time the information was announced and all market participants have received such information, market participants prior to interpret and analyze information such as signal (good news) or the signal is bad (bad news). If the announcement of such information as a good signal for investors, then there is a change in the volume of stock trading.

## **Theory of Regulation**

The theorists claim that almost without exception that regulation occurs as a reaction to a crisis that cannot be identified. And the establishment of the regulation is associated with some interest. The interest related to the consequences that will be received by the user, on the establishment of a regulation. The new accounting standards, the IFRS is also intended to create a regulation that can meet all the needs of every user. General arguments raised against the new accounting policies (IFRS) is that many facts stating any changes in the standard will affect the meaning of financial ratios and financial figures of any financial activity. According to Lev (1979) states that the change in the applicable standards have a noticeable effect on financial operations.

## **Convergence of International Financial Reporting Standard (IFRS)**

The IFRS international accounting standards issued by the International Accounting Standards Board (IASB). International Accounting Standards are prepared by four major world organizations, namely the International Accounting Standards Board (IASB), Commission of the European Communities (EC), the International Organization Capital Markets (IOSCO), and the International Accounting Federation (IFAC). International Accounting Standards Board (IASB), which was formerly the International Accounting Standards Committee (IASC) is an independent agency to develop accounting standards. This organization has a goal to develop and encourage the use of global accounting standards are of high quality, understandable, and comparable (Choi, 1999).

Based on the convergence of IFRS, PSAK will be principle-based and require professional judgment. Increased competence must also be accompanied by an increase in integrity, the general benefits of IFRS convergence are:

1. Facilitate the understanding of the financial statements with the use of Financial Accounting Standards internationally known (Enhance comparability),

2. Increasing global investment flows through transparency,
3. lowering the cost of capital to fund raising opportunities through the capital market,
4. Creating efficiencies financial statements
5. Improve the quality of financial statements, among others, by reducing the opportunity to perform earnings management.

Based on the convergence of proposals that have been issued by IAI adoption process is divided into 3 stages, i.e adoption phase in 2008-2010, namely the entire IFRS adoption last into the PSAK, the preparatory phase in 2011, namely, the preparation of the entire support infrastructure for the implementation of the already adopted PSAK entire IFRS, and the implementation phase in 2012, namely, the application of which has adopted PSAK entire IFRS for companies that have public accountability.

### **Previous research**

Research value relevance of earnings based on IAS on members of 35 country of the IASC performed by Jaggi and Li (2002) which showed that the IAS-based earnings are more relevant than domestic GAAP-based earnings for companies of Germany, Italy and Switzerland. However, domestic GAAP-based earnings are comparatively more value relevance for French companies. Comparative evaluation of the relevance of value-based IAS earnings between countries shows that the value relevance of earnings differ between countries. These results indicate that the value relevance of earnings-based IAS differ between countries, and even between the two countries based law code.

Research conducted by Barzegari (2011) identifies the value relevance of accounting information with the impact of IFRS adoption in the two countries, namely Bahrain and the United Arab Emirates. The results showed that an increase in the value relevance of accounting information after a change in accounting standards in Bahrain stock market, while for the results on the stock market the United Arab Emirates (UAE) decreased value relevance of accounting after the change in accounting standards. These results can be interpreted that after IFRS in the UAE is not an increase in the value relevance of accounting information (Covrig, DeFond, & Hung, 2007; Hung & Subramanyam, 2007).

### **Value Relevance of Earnings, Book Values, and Cash Flow on Group Industry**

Application of accounting standards with good quality will produce quality financial statements also so that information about the company will be better and will be delivered to the investor or prospective investor as consideration for taking investment decisions. Investors had expected that with the implementation of IFRS will provide guidelines to produce quality financial reporting information that is better for the company.

The phenomenon of convergence of IFRS allows there is movement of the increase in the value relevance of accounting information in Indonesia from year to year or vary from year to year in the period IFRS Convergence. Barth et al. (2008) argue that a principles-based IFRS standards could further enhance the value relevance of accounting information. This is due to the fair value measurement is to describe the position and economic performance of the company.

Impact of IFRS implementation for companies varies widely depending on the type of industry, type of transaction, the elements of financial statements that are owned, and the choice of accounting policies. Therefore, researchers need to divide the sample into two groups, namely,

manufacturing and Financial Services industries. On the grounds that for these two industry groups have different characteristics, different presentation of financial statements and also financial services company has special regulations that strictly regulated banks and securities dealers regulated by laws and other regulations.

## METHODS

The study population is the entire manufacturing and financial services that go public who reported financial statements for seven consecutive years on the Indonesia Stock Exchange starting from 2008 up to 2014. The sample in this study was obtained by purposive sampling method. The dependent variable of this research is the study uses the stock price. The stock market price measured by the price per share of firm  $i$  at the date of submission of financial statements. This is to reflect the price of the stock market after the audit was published (Karunarathne and Rajapakse 2010). Testing the relevance of the value of using the pricing model developed by Ohlson (1995) is also consistent with studies prior period IFRS as Barth, et.al, (2008), Karampinis & Hevas (2011), and Alali & Foote (2012). Independent variable used in this study are earnings per share, the book value per share, and total cash flow per Share. Earnings is net income before extraordinary items and discounted operations. The book value per share showed net assets held by the shareholders by having a share. Total cash flow is the total cash flows which are net income added back with depreciation and amortization.

Test equipment used for the analysis is a simple linear regression test. To view accounting information that proxy variable earnings, book value, and cash flow have relevance to cause change stock price, that is by using  $R^2$  as a measure of value relevance. This is due to  $R^2$  is a measure of the explanatory power of the independent variable in a linear regression (Gu, 2002). Thus,  $R^2$  looks a good measure of the relevance value.

## RESULT AND DISCUSSION

### Samples Manufacturing Company

Based on the regression results show that earnings, book value, and cash flow has a positive and significant effect on the stock price for each IFRS period (2008-2014). Accounting information such as earnings, book value and cash flow have value relevance fluctuates on the phase of adoption and implementation of IFRS. The value relevance has been increasing of earnings in the implementation phase of IFRS compared early adoption phase of IFRS. The value relevance has been increasing of book value in the implementation phase of IFRS compared early adoption phase of IFRS, Similarly, The value relevance has been increasing of cash flow in the implementation phase of IFRS compared early adoption phase of IFRS

Tabel 1							
RESULT REGRESSION MANUFACTURING COMPANY							
Model : $Y = \beta_0 + \beta_1 X_1 + \varepsilon$ (EPS)							
	2008	2009	2010	2011	2012	2013	2014
$\beta_1$	0,697	0,999	1,037	0,874	0,956	0,839	0,732
	(6,340)***	(10,763)***	(11,372)***	(12,806)***	(12,646)***	(10,572)***	(9,690)***
Model : $Y = \beta_0 + \beta_2 X_2 + \varepsilon$ (BVPS)							
	2008	2009	2010	2011	2012	2013	2014
$\beta_2$	0,644	1,018	1,424	1,149	1,054	0,988	0,521
	(3,539)***	(7,566)***	(9,274)***	(9,279)***	(6,675)***	(8,478)***	(7,165)***

<b>Tabel 1</b> <b>RESULT REGRESSION MANUFACTURING COMPANY</b>							
<b>Model : <math>Y = \beta_0 + \beta_3 X_3 + \varepsilon</math> (CFPS)</b>							
	2008	2009	2010	2011	2012	2013	2014
$\beta_3$	0,623	0,801	0,900	0,700	0,875	0,643	0,634
	(6,073)***	(8,043)***	(7,425)***	(7,326)***	(7,869)***	(7,180)***	(6,995)***

### Samples Financial Services

Based on the regression results show that earnings, book value, and cash flow has a positive and significant effect on the stock price for each IFRS period (2008-2014). Accounting information such as earnings, book value and cash flow have value relevance fluctuates on the phase of adoption and implementation of IFRS. The value relevance has been increasing of earnings in the implementation phase of IFRS compared early adoption phase of IFRS. The value relevance has been increasing of book value in the implementation phase of IFRS compared early adoption phase of IFRS, Similarly, The value relevance has been increasing of cash flow in the implementation phase of IFRS compared early adoption phase of IFRS.

<b>Tabel 2</b> <b>RESULT REGRESSION FINANCIAL SERVICES</b>							
<b>Model : <math>Y = \beta_0 + \beta_1 X_1 + \varepsilon</math> (EPS)</b>							
	2008	2009	2010	2011	2012	2013	2014
$\beta_1$	0,424	0,557	0,565	0,774	0,958	0,777	0,637
	(4,111)***	(5,784)***	(5,593)***	(9,081)***	(11,383)***	(7,841)***	(7,324)***
<b>Model : <math>Y = \beta_0 + \beta_2 X_2 + \varepsilon</math> (BVPS)</b>							
	2008	2009	2010	2011	2012	2013	2014
$\beta_2$	0,609	0,685	0,803	0,819	1,004	0,806	1,165
	(3,727)***	(5,355)***	(6,463)***	(6,502)***	(9,721)***	(5,411)***	(10,513)***
<b>Model : <math>Y = \beta_0 + \beta_3 X_3 + \varepsilon</math> (CFPS)</b>							
	2008	2009	2010	2011	2012	2013	2014
$\beta_3$	0,401	0,439	0,275	0,295	0,286	0,395	0,431
	(3,551)***	(\$,657)***	(2,736)***	(2,943)***	(2,565)***	(3,870)***	(5,040)***

\*\*\*significant at the 0.01 level

Overall the results of the r-square with two industrial samples in the previous section can be summarized as in Table 3.

<b>Table 3</b> <b>Summary of Results of R square for two samples Industry</b>						
Period	<b>R<sup>2</sup> Manufacturing Sample</b>			<b>R<sup>2</sup> Financial Services Sample</b>		
	Earnings	Book Value	Cash Flow	Earnings	Book Value	Cash Flow
2008	0.391	0.157	0.367	0.284	0.253	0.225
2009	0.653	0.492	0.507	0.442	0.409	0.347
2010	0.681	0.599	0.478	0.425	0.505	0.146
2011	0.721	0.595	0.480	0.660	0.496	0.164
2012	0.716	0.421	0.496	0.754	0.690	0.125
2013	0.627	0.522	0.434	0.584	0.408	0.264
2014	0.608	0.444	0.424	0.574	0.737	0.342



The test of value relevance of accounting information between company samples of manufacturer and financial service that earnings, book value, and cash value affect the stock price during the convergent period of IFRS (2008-2014) obtained that Accounting information such as earnings, book value and cash flow have value relevance fluctuates on the phase of adoption and implementation of IFRS however the value relevance has been increasing of earnings, book value and cash flow in the implementation phase of IFRS (2012-2014) compared early adoption phase of IFRS (2008). This result showed earnings higher relevance than book value, and cash flow for the two sample groups of financial and non-financial industries. Similarly, research conducted Bartov, Goldberg & Kim (2005), found evidence that the earnings-based accounting standards on America and IFRS has a higher value relevance than German accounting standards-based, and research Alali & Foote (2012) that earnings have value relevance higher than the book value of equity. Similarly, in Portugal and Spain have earnings per share information more value relevance by using IFRS (Aubert & Grudnitski, 2008). Thus, high-quality earnings figures will have a strong association with the variables of the market (ie stock prices or stock returns). In other words, high-quality earnings will have higher value relevance.

The results of this study related to the signalling theory and the theory of regulation. Signal theory suggests about how a company should provide signals to the users of financial statements. The use of such rules of IFRS that improve the quality of reporting is one of the signal companies to attract investors or other users.

A Company when going to IFRS will certainly consider its cost and benefits. The Company will apply IFRS if it obtains incremental benefits for the implementation of IFRS. But for multinational companies must apply IFRS in the financial statements because the company is partnered with other companies globally and will require financial reports of international standard. Benefits for the Indonesian state to adopt IFRS is to provide opportunities for international cooperation so as to support economic growth that can increase national income through the entry of investors from abroad and open up opportunities for employment.

To see the economic development of one important indicator is the gross domestic product (GDP). GDP is basically the amount of value added generated by all business units in a particular country within a certain period. The manufacturing industry has the greatest role in the formation of gross domestic product annually but continues to decline where in 2008 it was 23.01 while in 2014 it was 21.08. As for the financial services industry continues to increase since 2011 to 2014. Table 4 shows the distribution of percentage of GDP at current prices according to the field of business on the sample of manufacturing industry and financial services in the year 2008-2014. In view of the total net inflows of foreign direct investment (Table 5) using data from the Investment Coordinating Board, Manufacturing is still a major sector for foreign investment inflows compared to other sectors, and foreign investment in the manufacturing sector has increased from 2008 to 2013 but declining in 2014.

## CONCLUSION

The results show for the manufacturing and financial services has value relevance of information of earnings, book value, and cash flows for the period 2008-2014 IFRS period. The higher earnings, book value, and cash flow, the higher the firm stock price. Value relevance of accounting information shows that increasing the value of the IFRS implementation period in 2012 compared to the initial period of IFRS adoption in 2008

except for cash flows for financial services. IFRS financial standards-based principles considered more concise and is effective globally. It can improve the transparency of the company and improve financial statement information companies in Indonesia. These results are consistent with research Ashbaugh and Pincus (2001); Glaum, Baetge, Grothe and Oberdoerster (2010); and Beuselinck, Joos, Khurana, and Meulen (2009) found evidence that IFRS implementation increased significantly predicted Meulen et al. (2009).

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# DEVELOPMENT OF AN ASSESSMENT INSTRUMENT OF AFFECTIVE DOMAIN FOR ENTREPRENEURSHIP IN SENIOR HIGH SCHOOL

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## ABSTRACT

*This study aims to produce valid and reliable assessment instruments to measure the affective domain of entrepreneurial learning in high school students. Measurement of entrepreneurial education tends to be in the cognitive and psychomotor domains, whereas entrepreneurial attitudes and mentality are fundamental and can be measured on affective domains. With the population of 630 11<sup>th</sup> grade students in Jakarta entrepreneurial workshop program, with a sample of 210 respondents with a random sampling technique. Limited testing is done, 30 students in the first trial by testing the validity and reliability of Alpha Cronbach and standardizing the instrument to 160 people for the second test to get the value of the validity and reliability of the entrepreneurial assessment instrument, and the third stage test for instrument standardization by measuring consistency, that met the Goodness of Fit criteria. The resulting instrument can be used to assess the affective domain of entrepreneurship learning in high school students, Dimensions entrepreneurial attitude indicators:*

- 1. Business Opportunities: Reading business opportunity, Capturing business opportunities and Leveraging business opportunities.*
- 2. Risks of business: Entrepreneurship failure, Ability to manage time.*
- 3. Innovation: The ability to innovate, Ability to develop business.*

### *Dimensions value of entrepreneurship indicator:*

- 1. Look confident: Be independent, know your abilities.*
- 2. Leadership: Be disciplined, Respect the opinions of others, Ability to find ideas.*
- 3. Future orientation: Motivation for the future, Future planning.*
- 4. Orientation on assignments and results: Accuracy in gathering assignments, working on tasks with your abilities.*

**Keywords:** Affective Domain, Entrepreneurship, Instrument Development, Learning Assessment.

## INTRODUCTION

Indonesia is the country with the fourth largest population after China, India and the United States as many as 251,543,400 inhabitants. The richness of nature and the diversity of tribes and cultures became a vital asset owned by Indonesia.

Natural wealth owned by Indonesia has not been able to free Indonesia from economic problems. For example, the issue of poverty that reached 10.7%. In addition to poverty, Indonesia is also faced with unfinished unemployment problems. The growing number of people while the number of available employment is limited makes the unemployment rate in Indonesia is still high.

The government continues to push the unemployment rate. One way is to instill and float the soul and entrepreneurship interest in the community. The high percentage of entrepreneurs in a country can be a reference for economic development. Developed countries have a far greater number of entrepreneurs than developing countries and emerging countries (Vivarelli, 2012; Hendro, 2011). Entrepreneurs in Indonesia are currently only 1.5% of the total population. Indonesia still needs 1.7 million entrepreneurs to reach two percent. While in ASEAN countries recorded Singapore has 7% entrepreneurship, Malaysia as much as 5%, Thailand 4.5% and Vietnam has 3.3% of entrepreneurs of the total population.

The underdevelopment of entrepreneurs in Indonesia is caused by certain attitudes, mindsets, or judgments in society (Astamoen, 2008). Unlike what happened in developed countries like America. They have a great desire to open their business opportunities. The desire to succeed and accumulate wealth from the company he founded. In another aspect, the courage to entrepreneurship is also encouraged by school teachers and schools that provide entrepreneurial subjects. The learning materials are packed as attractive as possible to cultivate the interest of entrepreneurship students. This happened to MIT alumni, Harvard University and other colleges (Alma, 2011).

The growth of interest in entrepreneurship also needs to be instilled early in the child. One of the most effective places to foster entrepreneurship interest is through education. According to researcher, entrepreneurship education will be able to generate a large national impact if this entrepreneurship education can generate four million new entrepreneurs over the next 25 years (Of & Japanese, 2012).

Schools as educational institutions are expected to be able to form independent young entrepreneurs. According to Bandura in the social learning theory provides an understanding of predictions, and changes in human behavior through interactions between humans, behavior, and the environment (Bandura, 1971; Bandura & R.H. Walters, 1963). The school environment is important to be designed by presenting real problems and future challenges that students will face. Entrepreneurial learning can be carried out contextually with the problem-based learning, discovery, or project-based learning method so that students can form knowledge, understanding, and alternative entrepreneurial practices.

The affective domain in entrepreneurship learning is fundamental to be developed and evaluated with dimensions including attitudes and values in a person. In Theory Reasoned Action, a person's intention towards behavior is formed by two main factors, namely certain behavioral attitudes and subjective norms. Attitude is an evaluation or evaluation of a positive or negative person against some beliefs about a particular object (Fishbein and Ajzen, 1975). Theory of Planned Behavior, an extension of the theory, reasoned action adds perceived behavioral control which is the perception of ease or difficulty in fulfilling behavioral interests (Ajzen, 1991). The importance of attitudes and measurements is developed by Azwar that attitude is a phenomenon that arises in addition to being determined by the state of the object being faced also determined by experience.

Learning Value in students, as well as the provision of entrepreneurship, is critical. Entrepreneurial values with self-knowledge, imagination, practical knowledge, search skills, foresight, computational skills, communication skills are the analysis of curriculum development and evaluation needs. According to Robert D. Hisrich, Entrepreneur is the process of creating something new with value by devoting the Necessary time and effort, assuming, the Accompanying financial, psychic, and social risk, and receiving the resulting rewards of monetary and personal satisfaction and independence.

The 2013 curriculum in Indonesia contains the subjects of Workshops and Entrepreneurship contained in lessons at equivalent high school level (Pendidikan et al., 2013). This is realized as an effort to foster the entrepreneurship spirit in high school students as stated in one of the learning objectives of the workshop and entrepreneurship. Students are not only prepared to master science alone but also need to be prepared to see and take advantage of opportunities that exist around. In other words, students have been taught to open opportunities and opportunities for themselves and others.

Learning has three important aspects that are done by the teacher that is the preparation stage, teaching, and evaluation. This study focused on the evaluation of learning by educators to learners. Assessment by the teacher is a form of assessment that refers to the evaluation of the domain of knowledge, attitudes, and skills in a balanced manner. But in reality on the ground shows that many teachers who have difficulty understanding the way of assessment in the curriculum 2013. Likewise, what happened in the lesson of the workshop and entrepreneurship? The assessment is more focused on cognitive and psychomotor assessments. Attitude theory to map to entrepreneurial behaviors components. Attitude characteristics supplement skill-based assessments, and attitude approaches may allow for a more complete exploration of entrepreneurship (Fernandez et al., 2015).

## REVIEW OF REFERENCES

The term assessment in English is known as evaluation or evaluation. Measurements are made of the attributes or dimensions of several physical objects, using standard instruments that develop based on the development and validation of tools from experts (Adams & Wieman, 2011). According to researcher, assessment is a systematic process of collecting, analyzing and interpreting information to determine the extent to which students achieve goals (Jihad and Abdul, 2010). While the assessment according to Government Regulation No. 19 of 2005 on National Education Standards, article 1 (17) stated that the assessment is the process of collecting and processing information to measure the achievement of learning outcomes of learners.

Bloom defines evaluation as a systematic collection of facts to determine whether there is a change in students and determines the extent of the rate of change in the student's personal (Daryanto, 2008). While researchers define evaluation as the process of planning, obtaining, and providing the information necessary to make decision alternatives.

Assessment done in learning includes three domains of cognitive, affective, and psychomotor domains. In this research and development, researchers focused on the affective domain. According Sudijono affective domain is a domain that is related to attitudes and values. Meanwhile, there are four types of critical affective characteristics proposed by Mardapi, namely attitudes, interests, values, and self-concepts (Mardapi, 2012). But in this study, researchers will use the opinion of Kunandar who argued that the assessment of effective areas includes attitudes and values (Kunandar, 2014).

### Attitude

Attitude is a predisposition learned to respond positively or negatively to an object, concept, and person (Ajzen, 2005). Popham stated previously that this affective domain is crucial to the success of one's learning. Therefore, each teacher has a very important role to make a lesson plan that can direct the attitude of learners to be more positive. According to Azwar, the

attitude is divided into three components that mutually support them are as follows (Azwar, 2013):

1. Cognition is a situation where a person has a belief about what is applicable and what is right according to him.
2. Affection, an issue that concerns an emotional or a person's feelings towards an object.
3. Konasi, a certain tendency to behave following what he believed.

Research on attitudes and predictions about the future of students in entrepreneurship is done in several countries (Noor & Shariff, 2009; Fitzsimmons, 2005) but the assessment and measurement of the affective domain of the entrepreneurial learning process is important to be developed as feedback for the teacher in evaluation to increase student knowledge and learning gives teachers useful information about how to improve their teaching methods (Jabbarifar, 2009).

## Values

Meanwhile, the value is defined by Rokeach as a belief in deeds, actions, or behavior that is considered good or bad (Lovrich, 1998). Feather states that Value has been described as a belief about how to behave and what goals are important to be achieved (Halis et al., 2007). Farkas describes the relationship between values as external aims balance and behavior, correlates diverse behaviors with the environment (Farkas, 2015), so that entrepreneurial learning that is designed with good values and environment will have a behavioral impact on students. Entrepreneurial ability oriented in entrepreneurial values are self knowledge, magination, practical knowledge, search skills, foresight, computation skills, communication skills (Suryana, 2006).

According to Alma (2011) the value that must be owned by an entrepreneur is as follows:

1. Self-confidence.
2. Leaders.
3. Oriented on tasks and outcomes.
4. Future-oriented.

## METHOD

The research on the development of an instrument for assessing entrepreneurial affective domains is needed because entrepreneurship is valued in the cognitive and psychomotor domains. Attitudes and values in students after entrepreneurship learning are essential to be evaluated because they will inspire new understanding for students to become entrepreneurs in the future. Provide input in the development of entrepreneurial learning in high schools in the affective domain. Student entrepreneurship competencies can be developed by adopting the development of an affective domain assessment instrument in this study so that it becomes a reference for the development of materials to be taught and measured in entrepreneurial formation.

This study was conducted in 11<sup>th</sup> grade students high school in Jakarta, with a population of 630 students who had studied entrepreneurship with an affordable population of 210 high school students in East Jakarta. The number of samples in this study was taken by proportional random sampling technique using the formula Isaac, and Michael with the significance level of 5% is as many as 160 respondents from 11th-grade students in East Jakarta, who attended the workshop and entrepreneur program in high school. The selection of East Jakarta region is based on the following objectives:

1. Knowing the development of affective assessment instruments in workshop subjects and entrepreneurship.
2. Knowing the steps to develop affective assessment instruments on entrepreneurial subjects in high school.
3. Knowing the validity and reliability of affective assessment developed.
4. Developing school entrepreneurship programs.

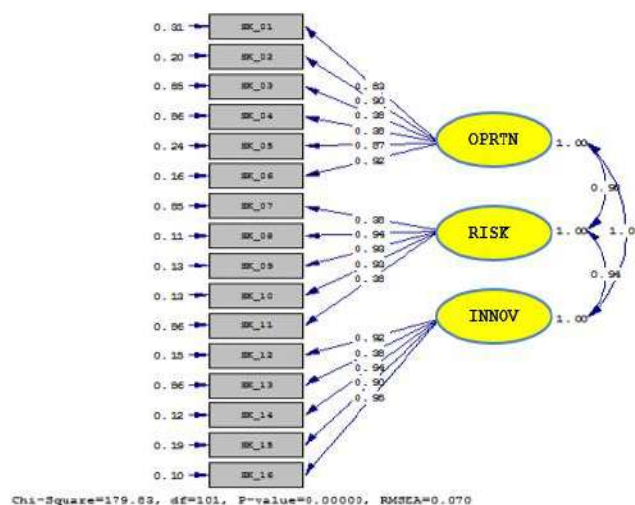
Before conducting experimental experiments, affective assessment instruments were validated by experts who produced feedback in the form of the redefinition of assessment instruments and alternative answers. After that, there was a panelist validation involving six teachers consisting of workshop teachers and entrepreneurship, economics teachers, and counseling teachers. In the panelists, validation obtained by four statements states drop or invalid. The first trial was conducted involving 30 respondents. The formula used for the validity test is the Product Moment correlation of Pearson and reliability test with Alpha Cronbach.

In this study standardization of affective domain, instruments were carried out on two dimensions of entrepreneurial attitudes and value of entrepreneurship within the student using confirmatory factor analysis. Good items have a valid loading factor coefficient on a significant measurement model at the 0.05 or 0.01 level with a standard loading factor  $\geq 0.5$  or a minimum of instrument items that have a loading factor  $> 0.3$ . Next is validating items with the help of the lisrel program.

## RESULTS AND DISCUSSION

The developed affective evaluation instrument includes two assessments of entrepreneurial attitudes and entrepreneurial values, the first test with a limited scale is carried out to 30 students high school, validity test with Product Moment correlation of Pearson show each item is arithmetic  $> 0.361$ . Means that each item is valid (able to measure what should be measured), and statistic reliability test Cronbach's Alpha showing the value of  $\geq 0.7$  so that the measuring instrument used is valid and reliable.

Following the results of the loading factor test instrument entrepreneurship attitude (Figure 1).



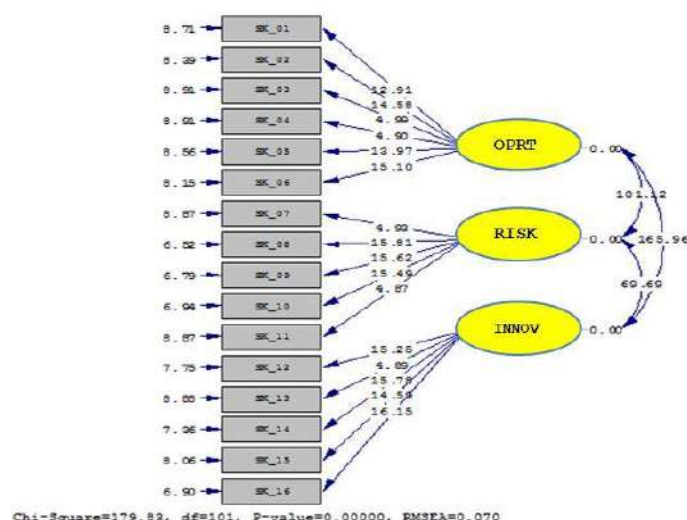
**FIGURE 1**  
**TEST OF THE 2<sup>ND</sup> STAGE, LOADING FACTOR OF ENTREPRENEURSHIP**  
**ATTITUDE MEASUREMENT MODEL**



Entrepreneurship attitude consists of 3 indicators: business opportunities, risks, and innovation. Test results loading factor measurements Instrument of 16 questions counted 15 of them fulfill the validity requirement that has a value above 0.3. Meanwhile, one of them has a loading factor below 0.3 that is at number 7, so do the recount. Entrepreneurial attitude dimensions with indicators:

1. Business Opportunities: Reading business opportunity, Capturing business opportunities, Leveraging business opportunities.
2. Risks of business: Entrepreneurship failure, Ability to manage time.
3. Innovation: The ability to innovate, Ability to develop business. In the above figure, the calculation uses t-value, indicating that all manifest variables have value  $t > 1.96$  at  $\alpha = 0.05$  which can be interpreted that manifest variable with factor or indicator has significant value.

Then tested again for the third time to see the consistency of indicator items and loading factor loading 0.5. Here's the table loading factor measurement model (Figure 2 and Table 1).



**FIGURE 2**  
**RESULTS OF LOADING FACTORS IN THE 3<sup>RD</sup> STAGE TEST: STANDARDIZATION OF ENTREPRENEURSHIP ATTITUDE MEASUREMENT INSTRUMENTS MODEL**

The predicted CR and VE values above show the reliability value of the attitude.

#### Calculation of Contract Reliability (CR)

$$CR = \frac{(\sum \text{Loading Factor})^2}{(\sum \text{Feed Factor})^2 + \sum \text{Measurement Error}} = \frac{105.88}{105.88 + 5.54} = 0.950$$

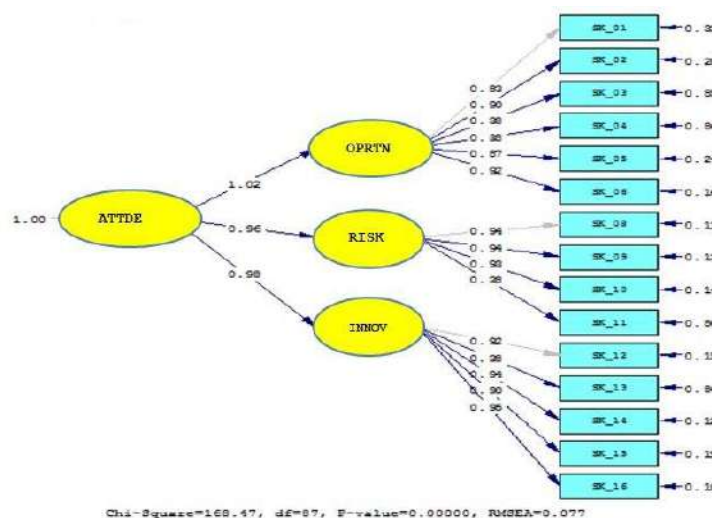
#### Calculation of Variance Extracted (VE)

$$VE = \frac{\sum \text{Loading Factor}^2}{\sum \text{Feed Factor}^2 + \sum \text{Measurement Error}^2} = \frac{7.80}{7.80 + 5.54} = 5.585$$

Table 1 SUMMARY OF HIGH SCHOOL ENTREPRENEURSHIP INSTRUMENTS						
No	Factor/Indicator	Manifest	Loading Factor		Error	Conclusion
			SLF	t-value		
1	Opportunity	X <sub>1</sub>	0.65	12.92	0.19	Valid
		X <sub>2</sub>	0.72	14.58	0.13	
		X <sub>3</sub>	0.37	4.99	0.78	
		X <sub>4</sub>	0.35	4.91	0.66	
		X <sub>5</sub>	0.82	13.98	0.21	
		X <sub>6</sub>	0.81	15.1	0.13	
2	Risk	X <sub>8</sub>	0.89	15.82	0.1	Valid
		X <sub>9</sub>	0.9	15.63	0.12	
		X <sub>10</sub>	0.9	15.46	0.13	
		X <sub>11</sub>	0.33	4.89	0.67	
3	Innovations	X <sub>12</sub>	0.83	15.25	0.12	Valid
		X <sub>13</sub>	0.3	4.89	0.54	
		X <sub>14</sub>	0.74	15.78	0.74	
		X <sub>15</sub>	0.77	14.59	0.14	
		X <sub>16</sub>	0.91	16.15	0.88	

Assessment Instrument that has Met the Requirements. Meanwhile, on the measurement model Second Order Confirmatory Factor analysis without indicating indicator can be shown in the following figure (Figure 3).

The Figure 3 shows that there is no difference with the previous order that only 1 item has the value less than 0.3, i.e., number 7 and 15 other questions declared valid. To determine the Goodness of Fit (GOF) in a model. Here are the results of a model matching test.

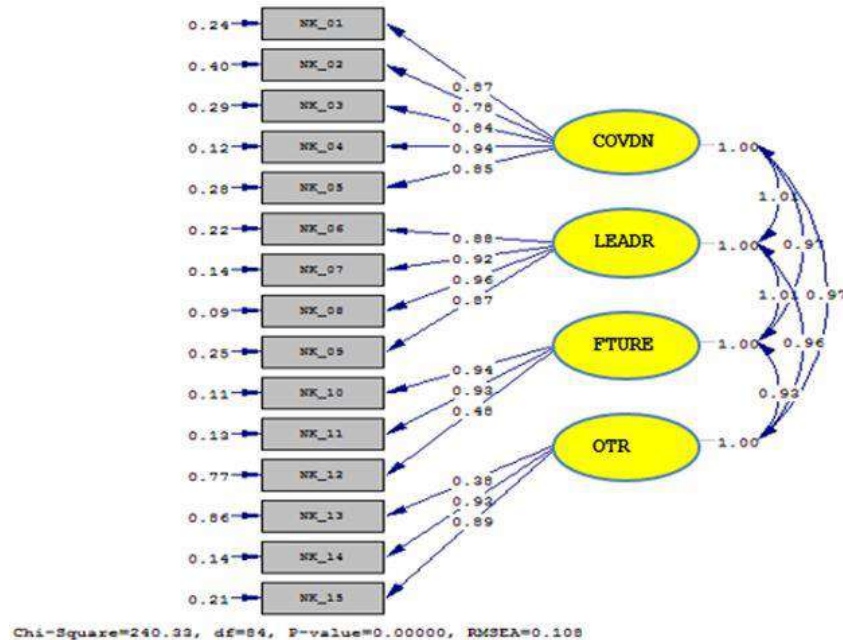


**FIGURE 3**  
**SECOND ORDER CONFIRMATORY FACTOR ANALYSIS MODEL STANDARDIZED SOLUTION INSTRUMENT ENTREPRENEURSHIP ATTITUDE**

<b>Table 2</b>				
<b>THE ENTREPRENEURSHIP ATTITUDE MEASUREMENT MODEL FIT TEST</b>				
<b>No</b>	<b>Size Goodness of Fit</b>	<b>Criterion Fit</b>	<b>Result</b>	<b>Rate/Match</b>
<b>A</b>	<b>Absolute Fit Indices</b>			
1	Chi-square	$p > 0.05$	0	Not Fit
2	Godness of Fit Index (GFI)	$> 0.9$	0.576389	Marginal
3	Root Mean Square Error of Approximation (RMSEA)	$< 0.08$	0.011	Fit
4	Standardized Root Mean square Residual (SRMR)	$< 0.05$	0.028	Fit
<b>B</b>	<b>Incremental Fit Indices</b>			
1	Adjusted Goodness of Fit Index (AGFI)	$> 0.9$	0.0527778	Not Fit
2	Normed Fit Index (NFI)	$> 0.9$	0.0673611	Fit
3	Comparative Fit Index (CFI)	$> 0.9$	0.0680556	Fit
4	Incremental Fit Index (IFI)	$> 0.9$	0.0680556	Fit
5	Relative Fit Index (RFI)	$> 0.9$	0.0666667	Fit
<b>C</b>	<b>Parsimonious Fit Indices</b>			
1	Akaike's Information Criterion (AIC) and consistent Akaike Information Criterion (CAIC)	AIC and CAIC default model $<$ AIC and CIAC saturated and independence models	312.33 and 459.03 $<$ 240.00 and 8484.08	Fit
2	Expectation Cross Validation Index (ECVI)	ECVI default model $<$ ECVI saturated and independence model	1.96 $<$ 1.51 and 52.97	Not Fit
3	Paimonious Goodness of Fit Index (PGFI)	$> 0.6$	0.58	Not Fit

In the above table (Table 2) of 13 GOF size criteria, 10 meet the fit criteria. Then it can be concluded that the overall fit of the model is good.

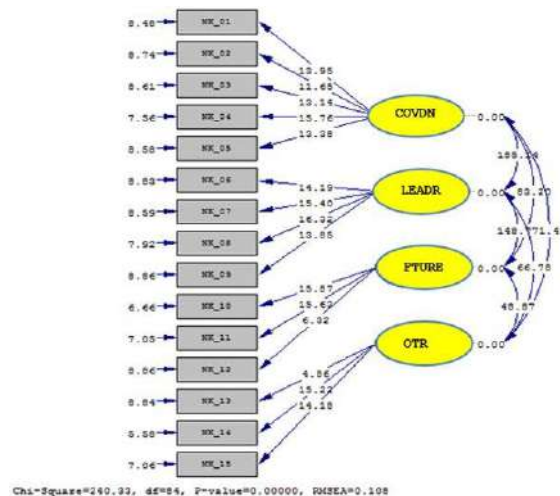
The second instrument of affective judgment is the value of entrepreneurship within the student. The instrument of appraisal of entrepreneurship value is divided into four indicators that are confidence, leadership, future orientation, and task orientation and result. The assessment instruments tested were 15 statements (Figure 4).



**FIGURE 4**  
**FIRST ORDER CONFIRMATORY FACTOR ANALYSIS STANDARDIZED SOLUTION MODEL**

### Instrument Valuation of Entrepreneurship Value

In this first test, of the 15 questions counted all eligible validity that has a value above 0.3. The figure (Figure 5) shows that all manifest variables have a value of  $t > 1.96$  at  $\alpha = 0.05$  which can be interpreted that manifest variable with factor or indicator has significant value. Here's the table loading factor measurement model (Table 3).



**FIGURE 5**  
**FIRST ORDER CONFIRMATORY FACTOR ANALYSIS THE t-VALUE MODEL OF ENTREPRENEURSHIP VALUE APPRAISAL INSTRUMENT**

<b>Table 3</b> <b>THE LOADING FACTOR MEASUREMENT MODEL SUMMARY</b>						
No	Factor/Indicator	Manifest	Loading Factor		Error	Conclusion
			SLF	t-value		
1	Self Confidence	X <sub>1</sub>	0.87	13.92	0.24	Valid
		X <sub>2</sub>	0.78	11.65	0.4	
		X <sub>3</sub>	0.84	13.14	0.29	
		X <sub>4</sub>	0.94	15.76	0.12	
		X <sub>5</sub>	0.85	13.38	0.28	
2	Leadership	X <sub>6</sub>	0.88	14.19	0.22	Valid
		X <sub>7</sub>	0.92	15.4	0.14	
		X <sub>8</sub>	0.96	16.32	0.09	
		X <sub>9</sub>	0.87	13.85	0.25	
3	Future Orientation	X <sub>10</sub>	0.94	15.87	0.11	Valid
		X <sub>11</sub>	0.82	15.63	0.13	
		X <sub>12</sub>	0.84	6.32	0.77	
4	Orientation on Tasks and Results	X <sub>13</sub>	0.38	4.86	0.86	Valid
		X <sub>14</sub>	0.92	15.22	0.14	
		X <sub>15</sub>	0.89	14.18	0.21	

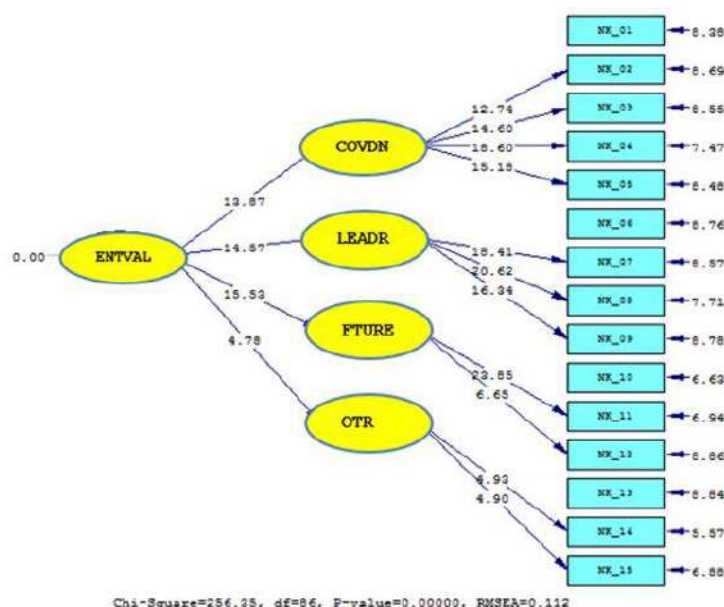
### Calculation construct Reliability (CR)

$$CR = \frac{(\sum \text{Loading Factor})^2}{(\sum \text{Feed Factor})^2 + \sum \text{Measurement Error}} = \frac{161.29}{161.29 + 4.25} = 0.974$$

### Calculation of Variance Extracted (VE)

$$VE = \frac{\sum \text{Loading Factor}^2}{\sum \text{Feed Factor}^2 + \sum \text{Measurement error}} = \frac{11.02}{11.02 + 4.25} = 0.722$$

Meanwhile, on the measurement of model Second Order Confirmatory Factor of analysis without indicating indicator can be shown in the following figure (Figure 6).



**FIGURE 6**  
**SECOND ORDER CONFIRMATORY FACTOR ANALYSIS MODEL STANDARDIZED SOLUTION**

The Entrepreneurship Value Instrument in the figure above shows that the difference with the previous order that all items are declared valid so that they are standardized and not tested further. The dimension of the value of entrepreneurship consists of indicator:

1. Look confident: Be independent, know your abilities.
2. Leadership: Be disciplined; Respect the opinions of others, Ability to find ideas.
3. Future orientation: Motivation for the future, Future planning.
4. Orientation on assignments and results: Accuracy in gathering assignments, Working on tasks with your abilities.

## CONCLUSION

Based on the result of the development of appraisal instrument of effective entrepreneurship done, it can be concluded as follows:

- a) Inset the rumen of affective judgments on construction and entrepreneurship subjects in Senior high school has not been developed, and the assessment is insufficient.
- b) Measures to establish an affective appraisal instrument undertaken are to follow the development theory proposed by Mardapi (2012) and obtain the affective assessment instrument of the workshop and entrepreneurship.
- c) The affective appraisal and entrepreneurship assessment instruments have met the validity and reliability so that they can be used for affective judgments on the workshop and entrepreneurship lessons.
- d) Dimensions entrepreneurial attitude indicators:
  1. Business Opportunities: Reading business opportunity, Capturing business opportunities and Leveraging business opportunities.
  2. Risks of business: Entrepreneurship failure, Ability to manage time.
  3. Innovation: The ability to innovate, Ability to develop business.

Dimensions value of entrepreneurship indicator:

1. Look confident: Be independent, Know your abilities.
2. Leadership: Be disciplined, Respect the opinions of others, Ability to find ideas.
3. Future orientation: Motivation for the future, Future planning.

4. Orientation on assignments and results: Accuracy in gathering assignments, Working on tasks with your abilities.

## FUTURE RECOMMENDATIONS AND LIMITATIONS

Although this study has made a significant contribution in the development of instruments for measuring and evaluating entrepreneurial learning in high schools, the development of entrepreneurial affective domain learning indicators on attitudes and values in students is limited. This research only focuses on the assessment of the affective domain from a teacher with the learning process in school. Therefore, further research needs to be seen in the assessment of entrepreneurial skills in all aspects, and from a broader central perspective. Furthermore, based on the analysis of the model fit value will encourage the implementation of similar research in the future to confirm and refine the results of this study.

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# DOES ENTREPRENEURIAL LEADERSHIP IMPACT ON CREATIVITY AND INNOVATION OF ELEMENTARY TEACHERS?

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**Ari Saptono, Universitas Negeri Jakarta**

## ABSTRACT

*This study aims to determine the impact of entrepreneurial leadership on teachers' creativity and teachers' innovation of elementary teachers. This study applied survey method with the causal approach. The data in this research are 200 respondents using random sampling method. Research data were collected at elementary schools in Jakarta by questionnaires and then analysed with path analysis. The findings indicate that entrepreneurial leadership had directly and positively effect on teachers' creativity. Entrepreneurial leadership and teachers' creativity also directly and positively effect on teachers' innovation. However, due to the moderate value of goodness of fit in the model, the findings will be the first step in examining the critical role of entrepreneurial leadership in elementary school.*

**Keywords:** Entrepreneurial Leadership, Creativity, Innovation, Elementary Teacher.

## INTRODUCTION

The entrepreneurial leadership competent for empowering multiple resources, exploring opportunities, solving challenges and crises and bringing organizations to successfully achieve the goal (Kuratko, 2007). Furthermore, this leadership style enhances the possibility of leaders to manage the organization successfully and solve problems through unique, dynamic and innovative policy (Chen, 2007). It also has a significant influence on leader competence in recognizing new opportunities to improve organizational performance (Okudan, 2006).

Kurako (2007) asserted that entrepreneurial leaders are not only capable of organizing their subordinates, but they also dare to take risks to achieve goals based on progress. Besides Kurako (2007) concluded that entrepreneurial leaders do not only provide space for creativity, but they also motivate subordinates to be innovative in achieving organizational goals. Complementing previous findings, Overton (1991) stated that the strength of entrepreneurial leaders comes from their innovative and creative character in exploiting business opportunities.

The positive impact of entrepreneurship leadership on the performance encourages experts and stakeholders to adopt it in the education sector. It is precisely used to enhance creativity, innovation and performance at the school (Collins & Smith, 2004). Recently, entrepreneurship leadership has been applied in schools in both developed and developing countries, to create, support and accommodate the education innovation (Heilbrunn, 2010; Lee, 2008). Moreover, entrepreneurship leadership can be used to handle the complexity and challenges of the school organization such as demands to improve the quality of education in schools, rapid changes and developments in the environment, lack of resources and funds (Lope, 2014).



Previous studies regarding the leadership of the principal mostly tend to the transformative leadership style (Bass, 1999). In Indonesia, the study of entrepreneurial leadership has not been studied so much. Yet, the development of entrepreneurship is one of the strategic policies of national education in utilizing demographic advantage for the next five years (Kemdikbud, 2015). Development of entrepreneurial education in Indonesia is also targeted to achieve the economic independence, as well as creating the prosperity of society (Usman, 2010). Meanwhile, studies on entrepreneurship leadership style mostly used the high school as the subject of the research. As long as we know, it is very few studies examining the leadership style of entrepreneurship of principals at the primary school level. However, in fact, as the rapid changes in education technology, the entrepreneurship leadership is also needed in elementary school. The elementary school level also very appropriate to instil entrepreneurial character to the students early on, one of which is supported by the entrepreneurial leadership (Heilbrunn, 2010).

Some studies indicate that the entrepreneurial leadership provided more creativity and innovation for teachers, even the entire school community (Chen, 2007; Heilbrunn, 2010 & Huang, 2016). Besides, Eyal & Kark (2004) emphasizes that innovative and creative role of the teacher will more often appear on principals with entrepreneurship character (Xaba & Malindi, 2010). This study aims to narrow the gap between theoretical and empirical studies with a focus on testing whether there is a significant direct influence on the entrepreneurial leadership, creativity and innovation of elementary school teachers.

## **ENTREPRENEURIAL LEADERSHIP**

To define entrepreneurship leadership, experts use three main approaches (Pihie & Bagheri, 2013). First, they focus on the nature and character of the inherent and distinguish the leader of entrepreneurship with other leaders. Second, they examine the environmental factors and contexts in which the organization's leaders are adept at applying the principles and strategies of entrepreneurship in carrying out its role and duties. Third, they observe the social process in which entrepreneurial leaders influence others to carry out their vision (Fernald & Sashkin, 2005).

Entrepreneurial leadership applied in School (Pihkala et al., 2011). The big drivers of change, innovation and progress of the school come from much entrepreneurial leadership. In the context of education, entrepreneurial leadership has defined goals and expectations that are integrated into the school's vision, mission, goals and strategic plan in a realistic manner, by the abilities, conditions and supporting factors of the school. A principal intrapreneur is not only as a leader but also manager of the school so that creative and innovative attitude will emerge from teachers and school employees (Pihie & Asimiran, 2014).

In addition, Ghasmi (2011) and Scarborough (2008) concluded that this entrepreneurial leadership has several characteristics, namely:

- a) Skilled
- b) Has a high work ethic
- c) Courageous
- d) Have negotiation skills
- e) Have good business intuition
- f) Has an entrepreneurial background.

The skilled principals an expert in the field of duties includes operational (engineering), social and conceptual skills. Technical skills include knowledge of methods, procedures and techniques for carrying out specific activities, as well as the ability to use tools and equipment relevant to the activity. Social skills include knowledge of human behaviour and interpersonal processes; understand the feelings, attitudes, motives of others from what he does and say (empathy, social sensitivity); ability to communicate clearly and effectively (articulate, persuasive); ability to effectively strengthen and cooperate relationships (tactical, diplomacy, listening skills and knowledge of acceptable social behaviour).

Conceptual skills include general analytical skills, logical thinking, experts in formulating and conceptualizing complex relationships; creative in solving problems and ideas, able to analyse events and feel the trends, anticipate changes and recognize potential opportunities and problems (Bagheri & Pihie, 2011).

Principals need to implement the characteristics of entrepreneurial leadership to improve the effectiveness of their schools and to facilitate school innovation processes (Najim, 2013). In the context of organizational innovation, entrepreneurial principals can develop and implement new ideas that lead to critical change and improvement in schools (Ruskovaara et al., 2011). Innovation in schools has three main components including the ability to explore new opportunities and educational opportunities, the tendency to take action and take advantage of opportunities and changes that are implemented through innovation make school success (Eyal & Kark, 2004).

Based on the opinions of experts, it is appropriate that the entrepreneurial leadership be applied in the school organizations, to increase their success in providing an effective and conducive learning environment.

## TEACHERS' CREATIVITY

Teacher's creativity, for some researchers, is still a difficult concept to define (Serdyukov, 2017; Zhou & Luo, 2012). Kagar (2015) related teacher's creative style with previous education and training. Andriansen (2010) emphasizes the importance of creative teachers because of their positive impact on student creativity. Hemaloshinee (2013) emphasizes the importance of creative development for teachers. The teacher as a learning facilitator must have creative skills that can be transferred and kept in mind of the students, so they can be more critical in evaluating or solving problems. Furthermore, there are also some researchers (Beghetto & Kaufman, 2014; Hemaloshinee, 2013) who have identified several factors that influence teacher creativity in the classroom. These factors are like learning standards; curriculum standards; standard of judgment and undiscovered creative ability.

Plucker and Hartley (2011) found that the success of the learning process in the classroom is determined by the creativity of teachers. Similarly, Nozari (2014) found that teachers' creativity can create a fun, meaningful learning environment and encourage students to be skilled at solving problems. The results also recommend that teachers continue to cultivate their creativity by frequently following professional training activities, further studies, diligent reading of relevant research and continuously discussing with other teachers related to the improvement of learning (Lope & Bagheri, 2013).

In this research the teacher's creativity refers to the use of techniques, tools, creative material of teachers, learning methods that develop student creativity, using methods that make students think actively and creatively; assigning tasks to students that enable them to use different ways of solving problems, such as brainstorming, reflection, analysis and causality;

providing activities that train students' creative and imaginative thinking; giving students a situation where they can explore resources and ideas innovatively; provides the task of allowing students to make alternatives and achieve new styles and giving of props and materials to provoke students' learning curiosities and be imaginative (Jeffrey & Craft, 2004).

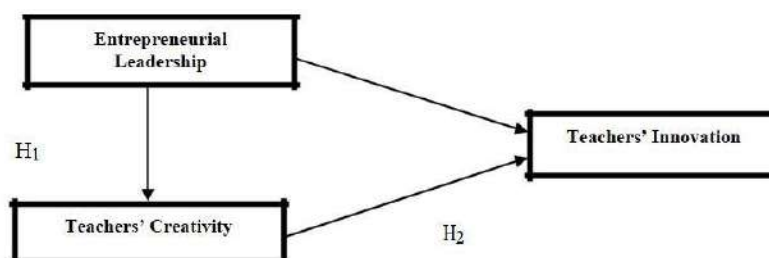
### TEACHERS' INNOVATION

Innovation is understood as the successful introduction of new things or methods (Tierney, 2012). Furthermore, Rogers (1995) states that innovation in the context of education and learning is related to new knowledge related to a particular subject, new learning method, strategy of organizing lesson material, delivery strategy, etc. These are forms of innovation in learning that are directly related to the teaching profession. The teachers in dealing with innovation in education have a different point of view. Some teachers directly accept it, while some teachers reject the innovation. In addition, some teacher conducts the study first. Then, they decide to accept or to reject it. For these people, there are interacting with the system first then make considerations about the innovation in education. Again, some of them still reject the innovation.

Some researchers and scholars agree that innovative learning is the same as creative learning (Lee, 2002; Chang, 2008), while innovative teachers are teachers who have creativity in preparation before teaching, in the teaching process and assessment of students, can reflect, design and apply new teaching methods that vary in activities, understanding individual student differences, stimulate student learning motivation and interests and enhance learning effects. Referring to Lee's opinion, teachers' innovations in learning include: (1) Innovative teaching methods, i.e., teachers using new and meaningful methods, such as cloud application technology, online-based education or using electronic whiteboards to solve learning problems and implement creative games; (2) meaningful design innovations, teachers are applying innovative learning designs, inspiring learners to integrate with practical, flexible knowledge, enabling them to contribute to issues relevant to the future (Lee, 2011). Following the discussion of the above literature, the following hypotheses will be tested (Figure 1):

*H1: There is a direct positive influence of headmaster entrepreneurship leadership on the creativity of primary school teachers.*

*H2: There is a direct positive influence of the principal entrepreneurship leadership toward the creativity and innovation of elementary school teachers.*



**FIGURE 1**  
**CONCEPTUAL DESIGN OF RESEARCH**

## METHODOLOGY

The sampling technique uses random sampling. Research respondents were taken in the randomly selected provinces of Jakarta, namely east Jakarta, Central Jakarta, South Jakarta, West Jakarta and North Jakarta. East Jakarta took 60 respondents; Central Jakarta was taken 50 respondents; South Jakarta taken 30 respondents; West Jakarta taken 30 respondents and North Jakarta taken 30 respondents each selected randomly. Determination of the number of samples in this study using the formula Isaac and Michael, which are as many as 200 teachers elementary.

To measure entrepreneurship leadership, the authors adapted five indicators from Pihie (2014), seven indicators from Chen (2007) and eight indicators from Chen (2007); Zhao, Seibert and Hills (2005); and Mueller & Thomas (2000). Furthermore, 15 teacher creativity indicators from Beghetto (2010), Beghetto and Kaufman (2013) and Smith (2010) and 15 teacher innovation indicators from Lee (2002), Chang (2008) and Lin (2002). Likert scale 1-5 is used for each indicator with 1 to strongly disagree and 5 to strongly agree.

Analysis of relationship patterns among variables aimed to determine the direct or indirect effect of exogenous and endogenous variables by using path analysis model. Exogenous variable in this research is entrepreneurial leadership ( $X_1$ ), while endogen variable is teacher creativity ( $X_2$ ) and teacher innovation ( $X_3$ ). Normality test with the provision if the significance value is greater than 0.05 then the data is normally distributed, while if less than 0.05 the data is not normally distributed (Malhotra, 2012). The validity test shows each item  $r$  arithmetic  $> 0.30$ , as well as reliability test results showing each item of Cronbach's Alpha value  $\geq 0.5$  (Malhotra, 2012; Hair, 2007). Dependent variable has a significant impact on the independent variable whether the  $p$ -value  $< 0.05$  (Hair et al., 2010).

## RESULT

Based on the normality test, it is known that the significance of entrepreneurship leadership and teacher creativity toward teacher innovation is  $0.138 > 0.05$  so that the data is normally distributed. The validity test shows each item  $r$  arithmetic  $> 0.30$ , as well as reliability test results showing each item of Cronbach's Alpha value  $\geq 0.5$ . Thus each instrument item is valid and reliable. The first structure model consists of entrepreneurial leadership variable ( $X_1$ ) as the exogenous variable and the endogenous variable is teacher creativity ( $X_2$ ). The shape of this path of influence gives rise to the structural equation:  $X_2 = \beta_{21}X_1 + \varepsilon_1$ . The calculation of path coefficient using SPSS 19.0 is presented in Table 1.

Table 1 PATH ANALYSIS RESULT		
	$X_2$ =Teachers' Creativity	Y=Teacher' Innovation
	Model 1	Model 2
C	37.485 (8.796)***	9.854 (2.365)**
EL	0.29 (5.620)**	0.13 (2.982)***
TC	- -	0.660 (11.154)***
$R^2$	0.138	0.482
Adj. $R^2$	0.133	0.477

\*\*\*:  $< 0.01$ , \*\*:  $< 0.05$ , \*:  $< 0.10$ , C: Constant; E: Entrepreneurial Leadership; TC: Teachers' Creativity.

From Table 1, the results show that path coefficient ( $p_{21}$ ) has t-value 5.620 with p-value  $0.000 < 0.05$ . So entrepreneurial leadership has a significant impact on teachers' creativity. In term of mathematics equation, it will be  $X_2 = 0.00X_1 + \varepsilon_1$ . It is also noted that  $R^2_{2,1}$  value = 0.138. It means there is 86.2 percent of teachers' creativity could not be explained by entrepreneurial leadership. However, the results of this study supported the findings of Kim (2011), Kinai (2013) and Jones et al. (2014) stating that teachers' creativity will arise where schools are led by entrepreneurial leadership. The findings also reinforce the results of Morais & Azevedo (2011) that this entrepreneurial leadership style can improve school effectiveness, as well as facilitate the process of creativity and teachers. Similarly, the opinion of Eyal & Kark (2004); Eyal & Inbar (2003) that in the context of organizational innovation, entrepreneurial leadership can develop and implement new ideas that inspire school members including more creative teachers.

Principals of entrepreneurship will be role models for the emergence of creativity of school residents including teachers.

From Table 1, the results show that path coefficients ( $p_{31}$ ) has t-value 2.982 with p-value 0.003 and  $p_{32}$  has t-value 11.154 with p-value  $0.000 < 0.05$ . So entrepreneurial leadership and teachers' creativity have a significant impact on teachers' innovation. In term of mathematics equation it will be  $X_3 = 0.003X_1 + 0.000X_2 + \varepsilon_2$ . It is also noted that  $R^2_{3,12}$  value = 0.518. It means there is only 48.2 percent of teachers' innovation could not be explained by entrepreneurial leadership and teachers' creativity.

Thus entrepreneurial leadership and teachers' creativity have a direct positive effect on teachers' innovation. The results of this study are logical, because of the positive impact of entrepreneurship leadership as found by Swiercz & Lydon (2002); Kuratko (2007); Klein & Bullock (2006); Hytti & O'Gorman (2004); Berglund & Holmgren (2006) provide space for teachers to develop creativity and innovation in learning, leading to the success of their students in education in schools.

The results of this study are by the findings of Xaba & Malindi (2010); Berglund & Holmgren (2006); Collins, Hannon & Smith (2004); Eyal & Kark (2004) and Lope (2014). The entrepreneurship leadership, with its positive impact, has been implemented in schools in both developed and developing countries, to create, support and accommodate the birth of educational change and innovation; including teacher innovation (Wu, 2002; Park, 2012). Moreover, entrepreneurship leadership is believed to be able to complete the great work of the school; the complexity and challenges of the school organization such as demands to improve the quality of education in schools, rapid changes and developments in the environment, lack of resources and funds (Xaba & Malindi, 2010; Eyal & Kark, 2004).

This study found a significant positive direct effect of entrepreneurship leadership on teacher creativity, teacher creativity on teacher innovation and entrepreneurship leadership on teacher creativity and innovation. The results of this study reinforce the findings of Eyal & Kark (2004); Eyal & Inbar (2003), that there is a positive impact of entrepreneurship leadership of the principal on teachers' creativity and innovation. The Kark (2004) study found teachers' awareness of the importance of entrepreneurship leadership. Teachers are beginning to feel entrepreneurship leadership style more space for their innovation and creativity. Teachers are also beginning to realize that entrepreneurship leadership styles are better able to create change and make schools more ready to face challenges both now and in the future. Moreover, teachers feel the need for entrepreneurship school principals with positive impacts to resolve the complexities that occur in schools smartly and appropriately (Okudan, 2006).

## CONCLUSION

This study aims to determine the impact of entrepreneurial leadership and teachers' creativity on teachers' innovation of elementary teacher at DKI Jakarta. The findings indicate that entrepreneurial leadership had directly and positively effect on teachers' creativity. Entrepreneurial leadership and teachers' creativity also directly and positively effect on teachers' innovation.

The positive impact of entrepreneurship leadership style is necessary to immediately apply the principals. For principals to have an entrepreneurial leadership character, they need to follow professionalism improvement activities, as well as training in entrepreneurship leadership. Principals need to attend courses, training, workshops and even further studies to further enhance their entrepreneurial leadership competencies (Berglund & Holmgren, 2006; Lope, 2014).

Kempster (2010) and Lope (2014) also emphasizes that entrepreneurial leadership can be gained by active involvement in education and training. The entrepreneurial leadership competence can also be embedded in the current teacher education program to become a principal candidate, where already in the training scenarios the tasks that challenge their future (Pihie, Bagheri & Asimiran, 2014).

## LIMITATION AND FUTURE RESEARCH

Although this study has contributed significantly to the lack of literature on entrepreneurial leadership, creativity and innovation of primary school teachers, there are some limitations. This study focuses only on entrepreneurial leadership practices from a teacher's perspective. Therefore, further research needs to be seen in the principal's entrepreneurship leadership, creativity and teacher innovation from a principal perspective. Furthermore, the weakness in goodness of fit value of the model will encourage the implementation of similar research in the future for confirming and refining the results of this study.

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# DOES TEACHERS' CREATIVITY IMPACT ON VOCATIONAL STUDENTS' ENTREPRENEURIAL INTENTION?

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## ABSTRACT

*Teachers' creativity is an important aspect of entrepreneurship education, to foster entrepreneurial intention. This study aims to investigate the impact of teachers' creativity and entrepreneurship education on vocational student's entrepreneurial intention. In total, 743 students from Public Vocational Secondary School (SMKN) at DKI Jakarta involved. As a result, three hypotheses were accepted, and one was rejected. This study carried out the findings: first, the teachers' creativity a positive direct impact on entrepreneurship education. Second, the entrepreneurship education a positive direct impact on the entrepreneurial intention. Third, entrepreneurship education mediates the impact of teachers' creativity on entrepreneurial intention. Meanwhile, the teachers' creativity did not directly impact on entrepreneurial intention. Although the results of this study found that teachers' creativity has no direct positive effect on entrepreneurship intentions, but can be the first step of further development research, so that the impact of teacher creativity can be felt directly by students.*

**Keywords:** Teachers' Creativity, Entrepreneurial Education, Entrepreneurial Intention, Vocational Students.

## INTRODUCTION

Indonesia is the country with the fourth largest population in the world. According to data Coordinating Ministry for Human Development and Culture (2018), the number of people in the first place occupied by the Republic of China (1374 million), India (1267 million), United States (324 million) and Indonesia (258 million). Unfortunately, despite Indonesia's fourth largest population in the world, very few become entrepreneurs. Therefore the Indonesian government is targeting four percent of the total population to become entrepreneurs (Puspayoga, 2017). The target of four percent of the total population to become an entrepreneur is still far less than Malaysia (5 percent), Japan (10 percent) and the United States (10 percent). Increasing the number of entrepreneurs by four percent or more, indeed not an easy job. The Indonesian government must work hard and cooperate with many related institutions to achieve the target of four percent of entrepreneurs. The Indonesian government strategy is in line with McClellan's opinion (1961). McClellan argues that more and more entrepreneurs, the shorter the nation reaches prosperity

One of the Indonesian government policies to increase the number of entrepreneurs is by revitalizing Vocational Secondary Schools (SMK), especially in entrepreneurship education. According to Minister of Industry, Airlangga Hartarto (2017), SMK graduates are better prepared to become entrepreneurs, compared with other equivalent schools. SMK graduates are also more absorbed by the world of work three months after they graduate (Amin, 2015). The

step of optimizing entrepreneurial education in SMK, starting from 2013 in line with the 2013 Curriculum. With the implementation of the 2013 curriculum, it is expected that students after graduation, do not always have to find a job but they will have the opportunity to become an entrepreneur (Kurniawan, 2015).

This data is in contrast to the information provided by the Central Bureau of Statistics (Midayanti, 2017). According to Midayanti (2017), SMK graduates fill the first rank (11.41 percent) open unemployment rate, out of a total of 7.04 million people in August 2017. Second place was graduated from 8.29 percent Senior High School, 6.88 percent Diploma I / II / III, School Junior High School (SMP) 5.54 percent and University 5.18 percent.

Data on the increasing number of unemployed from SMK graduates, allegedly one of them is due to the ineffectiveness of entrepreneurship education (Husnaini, 2017). Primarily, the lack of creativity and innovation of teachers in the delivery of entrepreneurship education (Esmi et al., 2015). In fact, entrepreneurial education is done effectively, influences the intention of vocational students to become entrepreneurs. Some previous studies have suggested that entrepreneurial education has the potential to create a person's intention to entrepreneurship (Priyanto, 2012; Rauch, 2015; Block, 2016, and Ghina et al., 2017).

Furthermore, the study related factors that strengthen the intention of vocational students in addition to entrepreneurial education in Indonesia has been widely studied. The results of the study found gender, cultural, and learning environments (Ana, 2016; Buli, 2015), family environment, parenting, ethnic origin, emotional intelligence (Firmansyah et al., 2016), capital, big-five personality (Zhao et al., 2005; Zhao & Seibert, 2006), also, impact self-efficacy on the entrepreneurial of vocational students' intention (Murugesan & Jayavelu, 2017; Purwana & Suhud, 2017).

However, several previous research, no one has tested the teacher's creativity factor associated with entrepreneurial education and the entrepreneurial intention of vocational students. Lope Pihie's research (2014) tested teacher's creativity and innovation but not its influence on the intention of becoming a vocational student entrepreneur. Lope Pihie (2014) tested the influence of entrepreneurship leadership on teachers' creativity and innovation. Likewise, other research also tested the importance of teacher creativity but did not try to relate it to the vocational entrepreneurship intentions. Though the factor of creativity and innovation of teachers is very supportive in entrepreneurial education. Creativity and innovation of teachers will make entrepreneurial education effective and in turn will foster students' intentions into entrepreneurship (Altan, 2015; Heru Priyanto, 2012). This study aims to examine the impact of teacher creativity and entrepreneurial education on student intentions into entrepreneurs.

## TEACHERS' CREATIVITY

Teacher's creativity is an essential aspect of entrepreneurship education with outcome learning intense entrepreneurship. Beghetto & Kaufman (2014) argue that the creativity of this teacher should continue to be developed so that entrepreneurship education effectively affects the intentions of entrepreneurial students. Moreover, Beghetto & Kaufman (2014) concludes that creativity is urgently needed, for two important reasons: First, modern societies desperately need the creative character of improving their business (Beghetto & Kaufman, 2014; Wibowo & Saptono, 2018; Plucker et al., 2011). The characteristics contained in creativity such as flexibility, authenticity and adaptability and authenticity are not only crucial for the demands of life but also for the sustainability of the business (Alenizi, 2008). Secondly, the creativity of teachers that leads to the creativity of students dramatically supports the success of learning in

the classroom. The creativity of this teacher will encourage the emergence of talents and excess nonacademic students. These two skills are closely related to the world of entrepreneurs.

Torrance (1972) argues that creative teachers will make learning in the classroom less monotonous, but fun and students learn in a daze. Torrance concluded that creative teachers have many choices of strategies for solving classroom problems. In fact, creative teachers will inspire and become role models for students, who then they will be infected with the creative virus. Teacher's creativity, Torrance's node, can not be separated from the various education and coaches he has ever attended.

Cayirdag (2017) argues for the importance of teacher creativity in entrepreneurship education. The impact of teacher creativity, Cayirdag (2017) concluded, will inspire and motivate students to be creative as well. In line with Cayirdag (2017), Rasmi (2012) found that teacher creativity is crucial to the success of entrepreneurial learning in the classroom. Ayob et al. (2013) and Pishghadam et al. (2012) also found that teachers' creativity will make the climate and learning atmosphere in the classroom meaningful, fun and students learn in a daze. Ayob et al. (2013) and Pishghadam et al. (2012) recommend that teachers participate in entrepreneurship training or seminars, advanced study, diligent reading of relevant research, and continuously discuss with other teachers related to the improvement of entrepreneurship education.

Rasmi (2012) summarizes the creative forms of teachers in the classroom that include teaching creatively, teaching for innovative and creative teaching. These three components are interrelated, and much needed in entrepreneurship education. Operationally, it refers to how teachers speak creative teaching, teaching for creativity and creative learning in the classroom.

Jeffrey & Craft (2004) argues that cognitive teaching is related to how teachers use imaginative approaches so that learning is enjoyable, effective and efficient. Creative teachers, according to Jeffrey & Craft's (2004), can use different techniques, tools, and methods in classroom learning activities. For example, teachers are accustomed to using original materials or realia related to entrepreneurship education, so that students become more aware, and moved to practice what is obtained in the classroom. Creative teachers are also skilled in providing various examples, so students become more understanding, and experienced in using multiple tools or practice tools in the workshop (Ayob et al., 2013). The creative learning is a learning model that develops students so that students' learning outcomes have creative thinking and behavior (Dobbins, 2009; Jeffrey & Craft, 2004; Zhou & Luo, 2012).

In this paper, teachers' creativity refers to several criteria. First, teachers use techniques, tools, creative materials, learning methods that develop student creativity. Second, teachers use ways that make students think actively and creatively. Third, teachers assign tasks to students that enable them to skillfully select multiple strategies to solve problems, such as brainstorming, reflection, analysis, and causality. Fourth, teachers always provide activities that train students to think creatively and imaginatively. Fifth, teachers always give students a situation where they can innovatively explore resources and ideas. Sixth, teachers provide assignments that require students to offer some alternatives, using new styles, materials, and props to provoke students to want to know more about entrepreneurial and imaginative education (Alenizi, 2008; Dobbins, 2009; Jeffrey & Craft, 2004; Lin, 2011; Rasmi, 2012).

Based on some research, the scope of teacher's creativity is extensive. Nevertheless, this paper summarizes the creativity of teachers in three crucial ways: First, the way the teacher conveys the lesson. Creativity in the delivery of meaning learning is the way the teacher in delivering the lesson, so it is more meaningful for students and allows for interaction during the learning process. Teacher creativity in this regard includes how they design games and methods

so that the learning process can take two ways. Second, flexibility, meaning that teachers always respond to all the needs, interests, ideas and ideas of students. Moreover, flexibility also concerns how teachers can perform their professional duties, both inside and outside the classroom. Third, the topic work.

Given this flexibility allows teachers to discuss critical topics of their work. This job topic is a creative way for teachers in developing an entrepreneurship education curriculum, which includes the preparation of objectives, methods, themes, strategies, and evaluation of learning. In this way, learning activities become more relevant and meaningful to students, in addition to teachers also more effectively respond to the interests, ideas, and needs of students (Dobbins, 2009; Wibowo & Saptono, 2018).

Hamidi et al. (2008) argue the goals of entrepreneurship education is to make students creative and innovative. For students to have creativity, then the role of teachers is very dominant. Complementing the opinions of Hamidi et al. (2008), Mason & Arshed (2013), concluded that entrepreneurship education not only equips knowledge of entrepreneurship but also produces graduates with the mindset, creativity, and skills to identify, create opportunities and develop business. Therefore, teachers are required to be more creative in designing entrepreneurship education, to achieve the expected goals (QAA Enterprise and Entrepreneurship Review, 2012). Thus, the teachers' creativity had the effect of entrepreneurship education (Lin, 2011; Oosterbeek et al., 2010; Hamidi et al., 2008). Several studies have found the effect of teacher creativity on entrepreneurship education, such as QAA Enterprise and Entrepreneurship Review (2012), Beghetto & Kaufman (2014), Lin (2011), Oosterbeek et al. (2010), and Hamidi et al. (2008).

## ENTREPRENEURSHIP EDUCATION

According to Wu & Wu (2008), education can improve students' managerial skills so that they can support business activities. In this case, entrepreneurship education, Wu & Wu summed up two main functions. First, the transfer of knowledge and information, and second, ability development. Furthermore, Wu & Wu argue that education can change an individual's perception of their ability to engage in the deliberate behavior. Different from general education, entrepreneurship education focuses on enhancing the capabilities of individual entrepreneurial skills. Entrepreneurship education can be delivered in two formats namely teaching theory and practice.

In line with Wu & Wu (2008), Soutaris et al. (2007) concluded that entrepreneurial education influences students' entrepreneurial intentions in three ways: learning, inspiration and resource utilization. Through learning means, individuals can gain much knowledge about how to start a new business of entrepreneurial education. In particular, they will get detailed answers:

1. What the values and motivations of the entrepreneur are?
2. What should the entrepreneur do?
3. What skills or abilities should the entrepreneur possess?
4. What kind of social network should the entrepreneur build?
5. What kind of experience or intuition should an entrepreneur have?

Inspiration means entrepreneurial education can change students' minds and promote it. Individuals who are still hesitant about entrepreneurship, usually do not become entrepreneurs, because the doubt caused the concerned did not immediately decide the choice to achieve it.

Inspiration is a crucial step to change the mind and the behavior of the individual (Soutaris et al., 2007; Purwana & Suhud, 2017).

Utilization of resources means entrepreneurial education is beneficial for individuals to obtain funds through information transfer; For example, individuals can build relationships with peers while taking entrepreneurship courses. Relationships or networks can provide prospective entrepreneurs with various information related to necessary resources. Besides, individuals may also get comments or suggestions regarding their entrepreneurial activities while attending the course. Motivation from classmates and teachers is a resource for individuals getting help and support for their entrepreneurial activities.

Although there is a significant increase in the number of courses and programs on entrepreneurial education, it has not been sufficiently integrated into the curriculum from high school to college. In addition, entrepreneurial education is more often applied in business schools than in public schools (Altan, 2015). This is because innovative and viable business ideas are more likely to emerge from technical, scientific and creative studies. So the real challenge is building interdisciplinary approaches, making entrepreneurial education accessible to all students, creating teams for the development and exploitation of business ideas, and combining students in business schools with public schools.

Moreover, entrepreneurial education that provides much practice allows students to gain knowledge as well as skills. In other words, effective entrepreneurship education not only allows students to have experience but also put it into practice. Such an educational model not only arouses students' interest in entrepreneurship but also practices it. The more opportunities students have for transferring knowledge into the experience; they will gain better capabilities as well (Dimov, 2015; Sánchez, 2013; Shinnar et al., 2014; Karimi et al., 2014).

The results of Wu & Wu (2008) found that the level of entrepreneurial education is positively related to the ability of entrepreneurial Individuals. For example, US students have a high level of entrepreneurial education, because they not only learn entrepreneurship by taking courses but also get training on how to start a start-up when they go to college. In this way, their entrepreneurial skills increase due to a combination of the knowledge they learn in the course, with experience gained from the exercise.

The findings of Wu & Wu (2008) conclude that the better their entrepreneurial ability, the students more likely become entrepreneurs. Due to the capabilities gained from entrepreneurial education, US students have a higher entrepreneurial intention. In contrast, Chinese students do not take many entrepreneurial courses. They also do not have easy access to the various practical training of entrepreneurship. As a result, Chinese students lack entrepreneurship. Besides, their entrepreneurial intentions are too negative.

Several researchers managed to show significant impact on entrepreneurial education on the intentions of entrepreneurship. Such as Mahendra et al. (2017) who researched Malang, Indonesia against students. This research proves that there is a significant impact of entrepreneurial education on the intention of entrepreneurship. These results complement the previous findings made by Fayolle & Gailly (2015), Purwana & Suhud (2017), Piperopoulos & Dimov (2015), Sánchez (2013), Shinnar et al. (2014), Karimi et al. (2014), Karimi et al. (2016).

Some studies also show a significant impact of teacher creativity along with entrepreneurship education on the entrepreneurial intention of vocational students (Hussain, 2015; Opoku-Antwi et al., 2012; Susetyo and Lestari, 2014; Zhao et al., 2005; Purwana & Suhud, 2017).

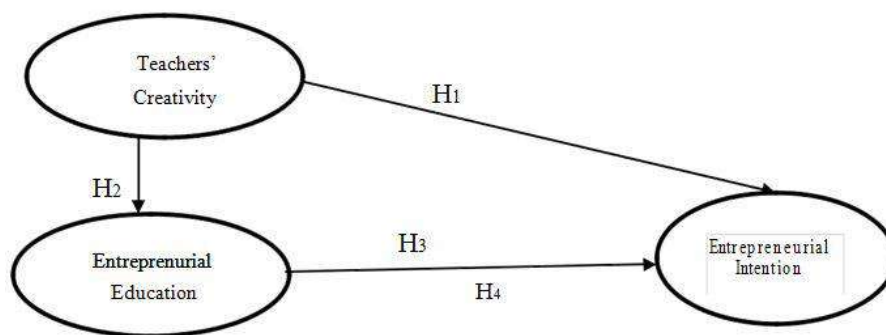
The authors posit the following hypotheses and develop the research model (Figure 1);

*H1: There is a direct positive impact of teachers' creativity towards on the entrepreneurial intention.*

*H2: There is a direct positive impact of teachers' creativity towards on the entrepreneurial education.*

*H3: There is a positive direct impact on the entrepreneurship education on the entrepreneurial intention.*

*H4: Entrepreneurial education mediates the influence of teachers' creativity on entrepreneurial intention.*



**FIGURE 1**  
**THE THEORETICAL FRAMEWORK**

## METHODOLOGY

This research used survey method. Data were collected using questionnaire. Research students participated were taken in the randomly selected Public Vocational Secondary Schools (SMKN) in Provinces of Jakarta, namely East Jakarta, Central Jakarta, South Jakarta, West Jakarta and North Jakarta. East Jakarta took 200 students, Central Jakarta was taken by 178 students, South Jakarta taken 156 students, West Jakarta taken 104 students, and North Jakarta taken 105 students each selected randomly. In total, 743 students participated in this quantitative study consisting of 300 males (40.38%) and 443 females (59.62%). Predominantly, the students' age was 17 (443 students) and 18 (300 students) years old. Areas of expertise comprised office administration 103 students (13.86%), mechanical engineering 138 students (18.57%), accounting 194 students (26.11%), marketing 178 students (23.96%), and information technology 130 students (17.50%).

To measure entrepreneurship education, seven indicators were adapted from Denanyoh et al. (2015), Opoku-Antwi et al. (2012) and Purwana & Suhud (2017). The author adapted six indicators from Liñán and Chen (2009) to measure entrepreneurial intention. Furthermore, eight indicators of teachers' creativity were adapted from Ayob et al. (2013), Dobbins (2009) and Rasmi (2012). To collect data, the authors used seven-point Likert's scale was applied for each variable from 1 for extremely disagree to 5 for extremely agree. The instrument was presented in *Bahasa Indonesia*.

## RESULTS AND DISCUSSION

In this paper, the authors do two stages of analyzing the data. The first stage, the author performs exploratory factor analysis test using SPSS version 18. This analysis is a way to validate the data as well as to explore dimensions and retain firmed indicators (Allen & Bennett, 2010), and followed by a reliability test. According to Hair Jr. et al. (2006), a construct should be reliable if it has a Cronbach's alpha ( $\alpha$ ) score of 0.6 and higher.

The second stage, the authors do confirmatory factor analysis using AMOS version 18. According to Schermelleh et al. (2003), the tested model should have some criteria and cut-off values, that is  $p$  (probability) of  $>0.5$  to achieve a fitted model. The value of CMIN/DF of  $<2$  (Tabachnick & Fidell, 2007), CFI of  $>0.95$  (Hu & Bentler, 1995), and RMSEA of  $\leq 0.05$  (Hu & Bentler, 1999).

### Exploratory Factor Analysis

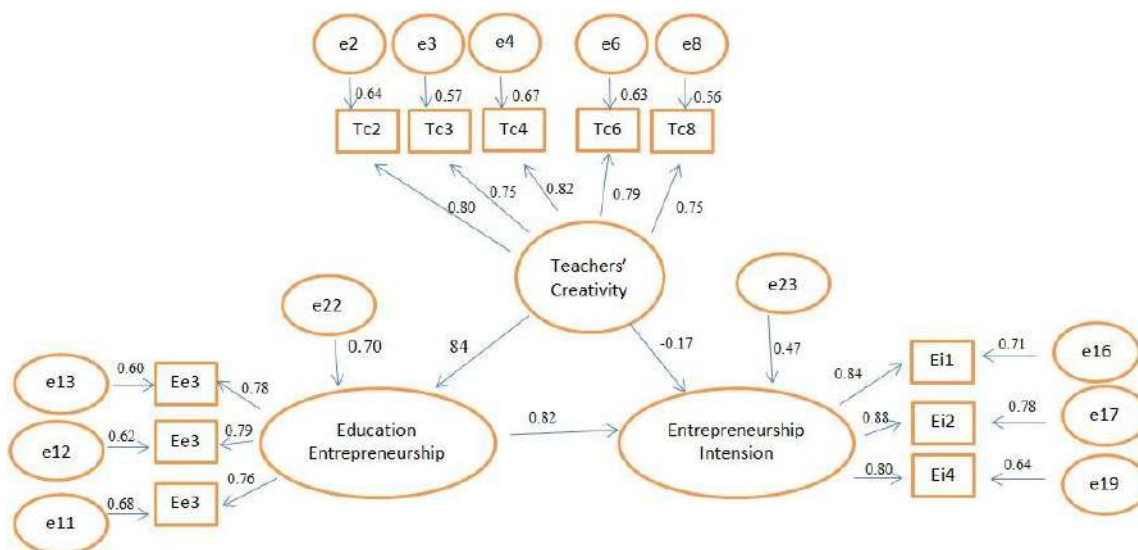
Based on the exploratory factor analysis result as seen in the table below, in total there are 21 factors including entrepreneurship education (7), entrepreneurial intention (6), and teachers' creativity (8). All factors have a Cronbach's alpha ranging from 0.689 to 0.922, and they are considered reliable to be included in further analysis (Table 1).

<b>Table 1</b> <b>RESULT OF EXPLORATORY FACTOR ANALYSIS</b>		
	<b>Dimension and indicators</b>	<b>Factor Loadings</b>
1	Entrepreneurial Education	$\alpha=0.904$
EE5	My school teaches students about entrepreneurship and starting a business	0.83
EE2	My school provides the necessary knowledge about entrepreneurship	0.813
EE3	My school develops my entrepreneurial skills and abilities	0.804
EE1	The education in school encourages me to develop creative ideas for being an entrepreneur	0.8
EE4	My Schools make me develop my skills	0.794
EE6	Entrepreneurship can be developed through education	0.79
EE7	I thought entrepreneurship education encourages me to be an entrepreneur	0.751
2	Teachers' Creativity	$\alpha=0.922$
TC6	Teachers give students a situation where they can explore resources and ideas innovatively	0.835
TC4	My teacher responds to all the needs, interests, ideas and ideas of his students.	0.833
TC2	My teacher often gives me various examples, so I understand more	0.823
TC1	My teacher uses methods that make students think actively and creatively	0.821
TC8	My teacher uses new styles, materials, and props to provoke students' curiosity to learn and become imaginative	0.79
TC3	Teachers give assignments to students who make them use various ways to solve problems	0.784
TC7	Teachers provide assignments that allow students to make alternatives	0.781
TC5	My teacher applies games and methods that make learning go both ways	0.775
3	Entrepreneurial Intention	$\alpha=0.689$
EI4	I am determined to create a business venture in the future	0.885
EI2	I will make every effort to start and run my own business	0.878
EI1	I am ready to do anything to be an entrepreneur	0.875
EI5	My professional goal is to be an entrepreneur	0.846
EI6	I have a very low intention of ever starting a business	0.854
EI3	I have serious doubts about ever starting my own business	0.85

## Hypotheses Testing

Based on the calculation of SEM for examining the theoretical framework, a fitted model was obtained with a probability score of 0.209, CMIN/DF score of 1.172, CFI score of 0.998, and RMSEA score of 0.15. As presented in the table below, *H2* and *H3* are significant with C.R. score of 17.938 and 8.470 respectively. These scores indicate a significance (Hair Jr. et al., 2006). *H4* is significant with  $b=0.687$  (Hair Jr. et al., 2006). In contrast, *H1* is insignificant with a C.R. score of -1.890 (Table 2 and Figure 2).

Table 2 RESULT SUMMARY OF HYPOTHESES TESTING						
				C.R.	P	Result
<i>H1</i>	Teachers' Creativity	→	Entrepreneurial Intention	-1.89	0.059	Insignificant
<i>H2</i>	Teachers' Creativity	→	Entrepreneurial Education	17.938	***	Significant
<i>H3</i>	Entrepreneurial Education	→	Entrepreneurial Intention	8.47	***	Significant
<i>H4</i>	Indirect effect Teachers' Creativity→ Entrepreneurial Intention=0.687					Significant



**FIGURE 2**  
**THE RESULT OF STRUCTURAL EQUATION MODEL**

The results of this study answered four hypotheses. The first hypothesis (*H1*), there is a direct positive impact on teachers' creativity towards entrepreneurial intention. The results of the study found that *H1* is insignificant with a C.R. score of -1.890. This means that the teachers' creativity does not directly impact on students' entrepreneurial intention. Vocational students who participated in this study saw teachers' creativity not enough to improve their intention to start a business. They see the creativity of teachers as part of entrepreneurial education and not stand alone. Moreover, many aspects of intercorrelation in building a good ecosystem to support student entrepreneurial intentions. Possible aspects include curriculum, teaching objectives, teaching methods, teachers as facilitators, infrastructure, duration, learning strategies, students,



and program design (Garavan & O 'Cinneide, 1994; Purwana & Suhud, 2017). However, we can not blame the teacher or school for what happened.

The second hypothesis, there is a direct positive impact on teachers' creativity towards on the entrepreneurial education. The results of this research indicate that teachers' creativity has a direct positive impact on entrepreneurial education (C.R.=17.938). This means that entrepreneurial education can explain teachers' creativity. Thus the second hypothesis is accepted. The results of this study are in line with the findings QAA Enterprise and Entrepreneurship Review (2012), Beghetto & Kaufman (2014), Lin (2011), Oosterbeek et al. (2010), and Hamidi et al. (2008). Furthermore, Mason & Arshed (2013) argue that teachers are required to be more creative in designing entrepreneurship education, to achieve the expected goals.

The third hypothesis, there is a positive direct impact on the entrepreneurial education on the entrepreneurial intention. The results of the study found that there is a positive direct impact on entrepreneurial education on entrepreneurial intention (C.R.=8.470). Thus, the third hypothesis is accepted. The results of this study support the findings of Fayolle & Gailly (2015), Purwana & Suhud (2017), Piperopoulos & Dimov (2015), Sánchez (2013), Shinnar et al. (2014), Karimi et al. (2014), Karimi et al. (2016), and Wibowo (2017), that there is a significant impact of entrepreneurial education on the entrepreneurial intention. This study also reinforces the findings of Liñán and Chen (2009) that the entrepreneurial education has a positive direct impact on increasing entrepreneurial intention.

The fourth hypothesis, entrepreneurial education mediates the impact of teachers' creativity on entrepreneurial intention. The results of the study found that the value of  $b=0.687$  which means entrepreneurial education mediates the impact of teachers' creativity on entrepreneurial intention (Hair Jr. et al., 2006). Thus the fourth hypothesis is accepted. The results of this study support the findings of Hussain (2015); Opoku-Antwi et al. (2012); Susetyo and Lestari (2014); Zhao et al. (2005), and Purwana & Suhud (2017), that entrepreneurial education mediates the impact of teachers' creativity on entrepreneurial intention of vocational students.

## CONCLUSION

This study aims to investigate the impact of teachers' creativity and entrepreneurial education on vocational student's entrepreneurial intention. In total 743 students from Public Vocational Secondary School (SMKN) at DKI Jakarta involved. As a result, three hypotheses were accepted, and one was rejected. This study carried out the findings: first, the teachers' creativity a positive direct impact on entrepreneurial education. Second, the entrepreneurial education a positive direct impact on the entrepreneurial intention. Third, entrepreneurial education mediates the impact of teachers' creativity on entrepreneurial intention. Meanwhile, the teachers' creativity did not the direct impact on entrepreneurial intention.

Although the results of this study found that teachers' creativity has no direct positive effect on entrepreneurship intentions, but can be the first step of further development research, so that the impact of teacher creativity can be felt directly by students.

Based on the conclusions suggested: First, teachers must to improve their competence in the field of entrepreneurship education through advanced studies, professional training, and entrepreneurship seminars. Principal, to support and provide opportunities for teachers to pursue higher education and attend training and lessons to be more competent in their fields. Second, facilitating and developing business incubation in schools. Third, facilitating the implementation

of the workshop on entrepreneurship in schools. Moreover, the principal must add facilities in schools such as business incubation as laboratories, internet networks, books and other literature to support improving the creativity and quality of entrepreneurship learning in schools, the development of entrepreneurship curriculum that can form entrepreneurship competencies and foster entrepreneurship intentions in students.

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# DO LEARNING ENVIRONMENT AND SELF-EFFICACY IMPACT ON STUDENT'S ENTREPRENEURIAL ATTITUDE?

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## ABSTRACT

*Learning Environment and self-efficacy are considered to be two important factors influencing entrepreneurial attitude. This study was conducted to determine the entrepreneurial attitude and self-efficacy of 300 vocational secondary school students at DKI Jakarta. This study used the survey method with the causal approach. The data was collected through a questionnaire and then analysed using path analysis. The findings indicate that the learning environment had directly and positively effect on self-efficacy. Learning environment also had directly and positively effect on entrepreneurial attitude. Self-efficacy was directly and positively effect on entrepreneurial attitude. Although this research tries to provide a better view of entrepreneurship education, particularly in self-learning environments and entrepreneurial attitudes, it may be different from other schools as a result of cultural differences, the ability of teachers and the model of learning to be undertaken.*

**Keywords:** Learning Environment, Entrepreneurial Attitude, Self-Efficacy, Vocational Secondary Students.

## INTRODUCTION

Entrepreneurship development is the primary focus of the education system, both in developed countries. This is due to the positive impact that supports social development, community empowerment, economy and organization (Akmaliah and Bagheri, 2010; Collins and Hannon, 2008). In Indonesia, entrepreneurship development is one of the national education strategic policies in utilizing demographic bonuses for the next five years (Puspayoga, 2017; Purwana and Suhud, 2017). The development of entrepreneurship education in Indonesia is also to increase economic independence and create prosperity of society. That is relevant according to McClellan (1961) that a nation can achieve prosperity if it has a minimum number of entrepreneurs as much as two percent of the population. Strategic steps in the framework of establishing and developing entrepreneurship, conducted in various ways, among others through education, skills training, and enhancement of entrepreneurial skills (Wu and Wu, 2008).

Educational institutions as managers of human resources, able to instill and foster entrepreneurial values in learners to produce graduates who have the character of entrepreneurship with the orientation as a creator of employment not as a job seeker (Obschonka, and Goethner, 2015). Vocational High School (SMK) in Indonesia seeks to educate students to be ready to work and become entrepreneurs (Amin, 2015). SMK is also proven to develop human resources who can work professionally in the field by prioritizing the potential and local wisdom as a form of environmental excellence (Setiawan, 2017).

One of the goals of entrepreneurship education is to cultivate entrepreneurial desires in students. This effort requires a large teacher role. That is, teachers, play an essential role in the formation of an entrepreneur through the proper learning process (Dinis, 2013). The family and community environment also play a role in the creation of an entrepreneur. Values that the family instills in a child, such as an impulse to go ahead and achievement without excessive stress can shape the nature of self-employment in children. Similarly, the community environment, where the surrounding environment supports the birth of character and entrepreneurial spirit will affect the formation of entrepreneurship. In facts, many parents prefer their children to be employees to companies or a government agency because of being an entrepreneur has a high risk of failure and considerable capital (Bruff, 2009).

Research related to self-efficacy and attitudes towards entrepreneurship is already widely done. Findings of Zhao (2005) and Autio (2001) aligned that self-efficacy and entrepreneurship attitudes can be nurtured through education. However, research that focuses on the influence of the learning environment on self-efficacy and entrepreneurial attitudes is still minimal. The findings Vuong (2010), Katarina (1993) and Khuong and Mai Ngoc (2016), has not discussed in detail how the direct impact of the learning environment on self- efficacy and entrepreneurial attitudes.

This study aims to narrow the gap in the review of literature and empirical with the focus of testing the influence of learning environment and self-efficacy on entrepreneurship of vocational students. In particular, this study focused on the direct impact of the learning environment on entrepreneurial attitudes; the direct impact of self-efficacy on entrepreneurial attitudes; the direct impact of the learning environment on self-efficacy and the influence of the learning environment on entrepreneurial attitudes through self-efficacy. This study is based on the assumption that a conducive learning environment for entrepreneurship will affect the development of self-efficacy and entrepreneurial attitudes as the findings Khuong and Mai Ngoc (2016), and Akmaliah et al. (2010).

## **ENTREPRENEURIAL ATTITUDE**

One's attitude towards an object acts as an intermediary between its response and the object concerned who then crystallizes as a potential reaction to the attitude object. According to Ajzen (2002), attitudes represent a summary of the evaluation of psychological objects recorded in some dimensional attributes such as good-bad, harm-beneficial, happy-sad and liked-disliked. The study of the characteristics of entrepreneurs has done a lot of researchers and experts in the field of entrepreneurship. The study attempts to answer the critical question of why entrepreneurs have different characteristics from others, based on the assumption that entrepreneurs are a significant component of the entrepreneurial process in all (Heinonen, 2006). By knowing their personalities and traits in depth and accuracy, we will be able to develop qualified entrepreneurship training and education strategies to others (Kundu and Rani, 2008).

Some researchers conclude that personality has a positive influence on someone to entrepreneurship (Thomas and Mueller, 2000), such as the need for achievement (McClellan, 1961; Fayolle and Gailly, 2015) and self-efficacy (Shinnar et al., 2014). While some other studies have found that demographic factors such as gender, age and previous experience also trigger attitudes and entrepreneurial behaviours (Liñán and Chen, 2009). However, some researchers have recently tried to criticize the reliability and validity of personality and demographic characteristics to predict entrepreneurial attitudes and behaviours, as these findings do not develop dynamically (Akmaliah et al., 2010; Thomas and Mueller, 2000; Ajzen, 1991;

Robinson et al., 1991). This debate caused the researchers to shift the focus of the study on the characteristics of the entrepreneur through an attitude perspective, which has a stronger measure than the entrepreneurial behaviour, perceptions and minds (Robinson et al., 1991; Ajzen 1991; Ajzen, 2002). Nevertheless, personality and attitude characteristics are still applied to predict entrepreneurial behavior (Akmaliah, 2010; Kundu and Rani, 2008). In this case, entrepreneurial behaviour is a function of attitudes toward values, benefits and enthusiasm for entrepreneurship (Ajzen, 1977). According to Akmaliah (2010), changes in entrepreneurial attitude can be done through the process of learning, experience, interaction with the environment, as well as with intensive entrepreneurship education program. Therefore, entrepreneurship education needs to be improved by focusing more on developing entrepreneurship attitudes of students (Luca, 2012; Holmgren, 2005; Wyk and Boshoff, 2004; Robinson et al., 1991). Although some researchers agree that entrepreneurship education can enhance and even reinforce students' entrepreneurial attitudes, there are also findings that nullify them. In short, there are findings that entrepreneurship education does not improve entrepreneurial attitudes, even lower the intention of students to pursue the business world (Fuchs and Wallau, 2008).

The difference in findings is likely due to the object and methodology used. However, overall the study of the relationship between entrepreneurial self-efficacy and entrepreneurial attitudes, found that entrepreneurial attitudes were relatively high among students compared with middle school students (Kundu and Rani, 2008). Schwarz et al. (2006) examined the effect of attitudes and environmental conditions on student entrepreneurship intentions in Austria. The results concluded that attitudes and environment proved as an important factor as a predictor of intent entrepreneurship. Thus attitudes play an important role in growing entrepreneurial intentions and can be developed from an early age. This is reinforced findings of Dinis (2013) that early formal entrepreneurship education will influence students' attitudes and influence them in determining career direction with entrepreneurship. Thus entrepreneurship education at elementary and secondary level becomes important in growing entrepreneurship attitude.

## **LEARNING ENVIRONMENT**

According to Sarwono (2009), human attitudes are not something inherent from birth but obtained through a learning process that is aligned with the development of his life. Attitude is formed through four kinds of learning, namely: classical conditioning: Learning Based on Association, instrumental conditioning, observational learning, learning by example and social comparison. Likewise, entrepreneurial attitudes in education can be encouraged by meaningful learning experiences such as through business incubation (Soria and Rodríguez, 2017).

Business incubation is a program designed to foster and accelerate the success of business development through a series of capital programs that are followed by partnership support, management and technology coaching. With business incubation, students will gain real experience in managing and developing existing production units in schools ultimately will foster a positive attitude toward student entrepreneurship (Barral and Canevar, 2018). However, the school environment alone is not sufficient in fostering a positive attitude of student entrepreneurship, but also the family and community environment. According to Buchari (2009), the factors driving the entrepreneurial ability are not only a factor of the educational environment but also the encouragement of family and friends.

Thus it is suspected that there is a direct positive influence of the learning environment on entrepreneurial attitudes, the more conducive the learning environment, the more favourable the entrepreneurship attitude of the students, the less conducive the learning environment, the more

negative the entrepreneurship attitude of the students. Thus there is a positive direct effect on the learning environment on self-efficacy, meaning a more conducive learning environment then the higher the self-efficacy otherwise less conducive learning environment, the lower the self-efficacy.

### **ENTREPRENEURIAL SELF EFFICACY**

According to Bandura (1997), self-efficacy is a self-confidence of one's ability and capacity to succeed and successfully perform a specific task. There are four psychological processes of self-efficacy affecting human function that is cognitive, motivational, effective and selective. Self-efficacy plays an important role in controlling anxiety, where self-confident individuals can cope with threatening situations and not feel anxious about the threat. With the increase of self-efficacy, the anxiety in a person will be reduced and replaced by a positive attitude. In the context of entrepreneurship education, self-efficacy is self-confidence that students have in their ability to organize and implement actions that include magnitude, strength, and generality (Piperopoulos and Dimov, 2015; Zhao et al., 2005). Self-efficacy will determine the form of action to be performed, accompanied by how much effort they will be doing, how strongly they survive in the face of obstacles and failures, and how tough in the face of setbacks. Students with strong self-efficacy can complete tasks although difficult. They see difficulty as a challenge to face, not a threat to avoid (Peng et al., 2012; Zhao et al., 2005; Luis and Campo, 2010; Akmaliah, 2010). Moreover, students with strong self-entrepreneurial self-efficacy will be readily shaped and developed through entrepreneurship education (Fayolle, 2014; Carswell, 2006; Fang 2005).

This entrepreneurial self-efficacy has been widely studied as a personality trait that motivates entrepreneurial behaviour (Chen and Crick, 1998; Akmaliah, 2010), and enables entrepreneurs to successfully perform complex and heavy tasks throughout the entrepreneurial process (Wilson et al., 2007). Self-efficacy even affects the ability of entrepreneurs to recognize business opportunities, manage resources and overcome challenges in entrepreneurship (Kumar 2007; Wilson et al., 2007; Akmaliah, 2010).

Some empirical findings related to the direct impact of self-efficacy on entrepreneurship (Zhao et al., 2005; De Noble et al., 1999). However, there are still few studies focusing on self-employment entrepreneurial effectiveness at the upper secondary and college level (Wilson et al., 2007), as well as in SMK (Akmaliah, 2010).

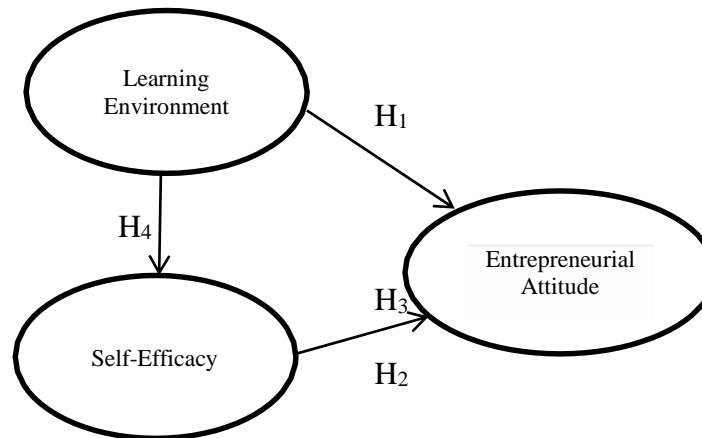
The findings of Wilson et al. (2007) confirm the positive and significant impact of entrepreneurship education on self-efficacy and entrepreneurship intentions. Wilson found that female students had less efficacy in the field of entrepreneurship than their male counterparts. Wilson also found that students with high self-efficacy have the motivation to engage in entrepreneurial activity. Furthermore, they see more opportunities where others see the situation as a threat or risk, set a more mature, earnest and determined goal to achieve their vision, and jelly overcomes any obstacles or obstacles (Zhao et al., 2005). Conversely, those with low self-efficacy will consider them incapable of entrepreneurship and avoid all activities that are closely related to entrepreneurship (Chen et al., 1998). Chen et al. (1998) also concluded that self-efficacy against entrepreneurship is a distinctive character that distinguishes students and students in self-management and organization. This study aims to narrow the gap between theoretical and empirical studies with a focus on testing whether there is a significant direct influence on the entrepreneurial leadership, creativity, and innovation of elementary school teachers. According the literature review by the discussion of the above literature, the following



hypothesis will be tested:

- H1: There is a direct positive influence on learning environment on entrepreneurial attitude.*  
*H2: There is a positive direct effect of self-efficacy on entrepreneurial attitude.*  
*H3: There is a direct positive influence on the learning environment on self-efficacy.*  
*H4: There is an influence of the learning environment on entrepreneurial attitudes by mediating self-efficacy.*

Based on the literature review above, this study is addressed to examine a theoretical framework as illustrated below in Figure 1.



**FIGURE 1**  
**THE THEORETICAL FRAMEWORK**

## METHODOLOGY

This research used survey method. Data were collected using a questionnaire. To measure entrepreneurial attitude, the authors adapted indicators from Akmaliah et al. (2010), Thomas and Mueller (2000), Schwarz et al. (2006) and Robinson et al. (1991). Furthermore, learning environment adapted indicators from Soria and Rodríguez (2017) and Barral and Canever (2018). Moreover, entrepreneurial self-efficacy the author adapted indicators from Kumar (2007), Wilson et al. (2007); Akmaliah (2010). Likert scale 1-5 is used for each indicator with 1 to strongly disagree and 5 to strongly agree.

Research respondents were taken in the randomly selected provinces of Jakarta, namely East Jakarta, Central Jakarta, South Jakarta, West Jakarta and North Jakarta. East Jakarta took 60 respondents, Central Jakarta was taken 60 respondents, South Jakarta took 60 respondents, West Jakarta taken 60 respondents and North Jakarta taken 60 respondents each selected randomly. Determination of the number of samples in this study using the formula Isaac and Michael, which is as many as 300 vocational students.

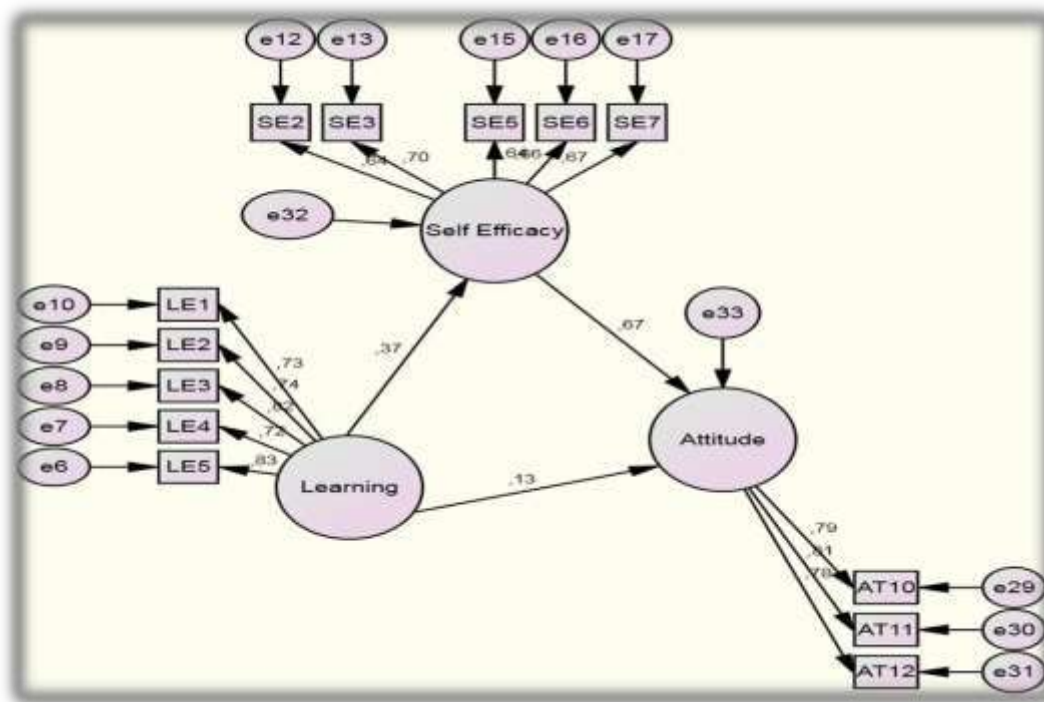
## RESULTS AND DISCUSSION

There were two stages of data analyses conducted in this study. The first stage was the exploratory factor analysis using SPSS version 22. This analysis is a way to validate the data as well as to explore dimensions and retain firmed indicators (Allen and Bennett, 2010) and

followed by a reliability test. A construct should be reliable if it has a Cronbach's alpha score of 0.7 and greater (Hair et al., 2006). The indicator is significant when the factor loading value is above 0.50 (Janssens et al., 2008)

The second stage was confirmatory factor analysis using AMOS version 22. Path coefficient is significant when C.R. value or t-value  $\geq 1.98$  (Holmes-Smith, 2010). To achieve a fitted model, the tested model should have some criteria and cut-off values, namely p (probability) of  $>0.5$  (Schermele and Müller, 2003), CMIN/DF of  $<2$  (Tabachnick and Fidell, 2007), CFI of  $>0.95$  (Hu and Bentler, 1995) and RMSEA of  $\leq 0.05$  (Hu and Bentler, 1999).

Hypothesis testing in this study uses SEM with the AMOS program to explain the direct influence of the learning environment on entrepreneurship attitude, the direct effect of self-efficacy on entrepreneurial attitudes, the direct influence of the learning environment on self-efficacy and the influence of the learning environment on entrepreneurial attitudes by mediating self-efficacy. Figure 2 demonstrates a fitted model of the theoretical framework produced by confirmatory factor analysis (structural equation modelling).



**FIGURE 2**  
**THE THEORETICAL FRAMEWORK**

This study consists of three constructs, namely the learning environment, self-efficacy and entrepreneurial attitudes with Cronbach's alpha scores of 0.89; 0.84; and 0.90. Thus all constructs are reliable with a score of more than 0.70. Furthermore, all indicators are valid with a loading factor of more than 0.50. Continuing the confirmatory factor analysis, the authors tested three hypotheses developed by verifying the C.R. values. Table 1 figures a summary of hypothesis testing from the model. The result showed that the learning environment direct positively influenced self-efficacy (C.R=5.381).

Meanwhile, the learning environment and self-efficacy had a significant impact on

entrepreneurial attitude. C.R. value of learning environment and self-efficacy are 2.09 and 8.768 respectively. These C.R values are higher than 1.98. It means that the regression weight for the learning environment and self-efficacy in the prediction of entrepreneurial attitude is significantly influenced. Based on the Sobel Test, the value of  $Z=5.45$  is higher 1.98, which means the learning environment influences entrepreneurial attitudes by mediating self-efficacy. Based on the calculation of SEM for examining the theoretical framework, a fitted model was obtained with a probability of 0.053; CMIN/DF score of 1.304; RMSEA score of 0.032; and CFI scores of 0.988. These grades are needed for obtaining a fitted model.

**TABLE 1**  
**RESULT SUMMARY OF THEORETICAL FRAMEWORK TESTING**

				Estimate	S.E.	C.R	P	Result
H1	Learning Environment	→	Attitude	0.101	0.048	2.090	0.037	Accepted
H2	Attitude	→	Self-Efficacy	0.695	0.079	8.768	-	Accepted
H3	Learning Environment	→	Self-Efficacy	0.282	0.052	5.381	-	Accepted

The results of the study found that the learning environment has a direct positive effect on entrepreneurial attitudes, meaning that the positive and negative attitudes of students towards entrepreneurship can be explained by the learning environment. The results of this study are in line with the findings of Afzal et al. (2013), that the learning environment in the classroom can develop positive attitudes of students. The results confirm the findings of Florin et al. (2007); Mitra and Matlay (2004); Wyk and Boshoff (2004); Robinson et al. (1991) that the less conducive the learning environment, the lower the entrepreneurial attitude of students. This finding is logical, the low influence of the learning environment on entrepreneurial attitudes is because students still have a negative attitude towards entrepreneurship, both against business opportunities, business risk capital and profession as entrepreneurs. This is due to the learning environment that is less supportive in encouraging students to entrepreneurship such as learning facilities in the form of laboratories and libraries that are less supportive; the learning process has not provided the real experience to students and the low support of parents and surrounding communities towards the profession as an entrepreneur. Therefore to optimize the positive attitude of students towards entrepreneurship must be sought to create a more conducive learning environment. The results of this study also support and reinforce the findings of Harris and Gibson (2008), Kundu and Rani (2008); Schwarz et al. (2009); that attitude formation can be done through the creation of a conducive learning environment. Attitudes are formed through four types of learning, namely: (1) classical conditioning (classical conditioning: Learning Based on Association), the learning process can occur when a stimulus/stimulus is always followed by another stimulus/stimulus so that the first stimulus becomes a signal for incentives the second. Over time, people will learn if the first stimulus appears, then a second stimulus will be followed. (2) Instrumental conditioning (instrumental conditioning), the learning process occurs when a behaviour brings pleasant results to someone, then the behaviour will be repeated. Conversely, when behaviour brings unpleasant results, the behaviour will not be repeated or avoided. (3) Learning through observation (observational learning, learning by example), the learning process by observing the behaviour of others, then being used as an example to behave similarly. Much behaviour is done by someone because they only observe the behaviour of others.

(4) Social comparison (Social Comparison), the learning process by comparing other people to check whether our views on a matter are right or wrong. A person often has a certain positive or negative attitude towards the object of attitude because it compares and wants to identify with others. This attitude is formed or obtained by someone through advice from people who are known and the results of this study indicate that self-efficacy has a direct positive effect on entrepreneurial attitudes, meaning that the positive and negative attitudes of students towards entrepreneurship can be explained by self-efficacy. The results of this study are in line with the findings of Wilson et al. (2007), Zhao et al. (2005), Chen et al. (1998) and Akmaliah (2010), that the higher the self-efficacy, the higher the entrepreneurial attitude of students. This finding also reinforces the opinion of Wilson et al. (2007) that self-efficacy has a positive impact on students' entrepreneurial attitudes.

Based on the results of research that are supported by relevant research and theory shows that the high level of self-efficacy of students will determine the form of action to be taken accompanied by how much effort they will do, how strong they survive in facing obstacles and failures, and how strong in the face setbacks. Students with strong self-efficacy, they can complete tasks even though difficult and see difficulties as challenges that must be faced, not threats that must be avoided. Thus, through high efficacy will foster a positive attitude in students.

The results of this study support the findings of Harris and Gibson (2008); Kundu and Rani (2008); Schwarz et al. (2009); Wibowo (2018) that the establishment of entrepreneurial self-efficacy can be done through the creation of a conducive learning environment. This study also confirms the findings of Bruff (2009) that the environment has a positive direct effect on increasing entrepreneurial self-efficacy. The family and community environment, for example, the values that families in still in a child, such as encouragement to go forward and perform without pressure excessive can shape self-efficacy of entrepreneurship in children. Likewise the community environment, where the surrounding environment that supports the birth of nature and entrepreneurial spirit will influence the formation of entrepreneurial self-efficacy. In reality, many parents prefer their children to be employees/employees of a company or government institution because being an entrepreneur has a high risk of failure and significant capital. Thus, the learning environment hypothesis has a direct positive effect on entrepreneurial self-efficacy.

## CONCLUSION

This study aims to determine: (1) direct positive influence of learning environment on self- efficacy of entrepreneurship; (2) positive direct influence of learning environment on entrepreneurship attitude, (3) direct positive influence of learning environment and self-entrepreneurial self-efficacy towards entrepreneurship attitude, and (4) entrepreneurial self-efficacy mediate influence of learning environment towards entrepreneurial attitude. Based on the objective findings it was concluded that the learning environment had a direct positive effect on entrepreneurial attitude. The learning environment also has a positive direct effect on the self-determination of influential entrepreneurship. Furthermore, the learning environment and self-entrepreneurial self-efficacy have a direct positive effect on entrepreneurial attitude. Moreover, entrepreneurial self-efficacy mediates the influence of learning environment on an entrepreneurial attitude.

Based on the conclusions suggested: teachers, to improve their competence in the field of entrepreneurship through advanced studies, professional training and entrepreneurship seminars; improving the quality of learning process through problem based learning and experiential

learning, for example through business incubation and social modeling by utilizing the entrepreneurship laboratory; preparation or development of entrepreneurship teaching materials. Principal, to support and provide opportunities for teachers to pursue higher education and attend training and seminars to be more competent in their fields; facilitating and developing business incubation in schools; facilitating the implementation of the workshop on entrepreneurship in schools. Head of Education Office to add facilities in schools such as business incubation as laboratories, internet networks, books, and other literature to support improving the quality of entrepreneurship learning in schools, the development of entrepreneurship curriculum that can form entrepreneurship competencies and foster entrepreneurship intentions in students.

## LIMITATIONS AND FUTURE RESEARCH

The influence of self-efficacy on entrepreneurial attitude in the results of this study is low because students still have negative attitudes towards entrepreneurship, both on business opportunities, capital risk business and profession as an entrepreneur. This is because students are afraid of failure, lack of courage to face challenging jobs, quickly give up when faced with problems that are difficult to solve, students still depend on others in task completion and low levels of knowledge about pioneering or starting a business. Therefore, to optimize the positive attitude of students to entrepreneurship should be attempted to increase students' self-efficacy.

Although this research tries to provide a better view of entrepreneurship education, particularly in self-learning environments and entrepreneurial attitudes, it may be different from other schools as a result of cultural differences, the ability of teachers and the model of learning to be undertaken.

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# ENTREPRENEURSHIP EDUCATION AND ITS INFLUENCE ON FINANCIAL LITERACY AND ENTREPRENEURSHIP SKILLS IN COLLEGE

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## ABSTRACT

*This study aims to determine the effect of entrepreneurship education, financial literacy, on entrepreneurship skills. This study applied the survey method with the causal approach. With the population of 128 students of Economics and Accounting Education, Faculty of Economics, the State University of Jakarta with a sample of 97 respondents with random sampling technique. Data obtained from the questionnaire and conducted the path analysis to determine the effect between variables. The result showed that entrepreneurship education directly and positively affects the financial literacy of 63%, financial literacy directly and positively influence entrepreneurship skills of 9.3%, and entrepreneurship education directly and positively affect the entrepreneurship skills of 28%, with influence in indirect and positive through the literacy of the money of 65%. Based on research this model can be a frame of reference in improving students' entrepreneurship skills in universities.*

**Keywords:** Financial Literacy, Entrepreneurship Skills, Entrepreneurship Education.

## INTRODUCTION

Economic growth is one of the main macroeconomic indicators in creating the welfare of a country's society (Issues & Economic, 2015). Economic independence is the key to national economic development by encouraging the number of entrepreneurs. Entrepreneurship encourages employment, productivity and economic growth (Kritikos, 2014). The low number of entrepreneurs of a State will encourage economic problems such as poverty, unemployment that will ultimately affect inflation and low income and state revenues from taxes. In general, the quality of a country's human resources will be seen from the number of entrepreneurs who can grow and develop.

Based on data from the Indonesian Central Bureau of Statistics, Indonesia's population reached 265 million by 2017. Indonesia faces a demographic bonus (Health & Indonesia, 2018) a condition where the composition or population structure is profitable regarding development because the population is large. Population growth of 4 million per year or 1.49%. The ratio of the productive age population to the workforce age reaches a 48.9% dependence rate that every 100 productive age persons bear 48-49 people of non-productive age. The number of Indonesian entrepreneurs compared to other countries is very small. Indonesian entrepreneurs according to the Indonesian Chamber of Commerce are very low earning only 0.2-0.3% of the population of Indonesia, Malaysia 2.1%, Korea 4.4%, China 10%, Japan 10%, and the United States 12%. It indicates the need to encourage young entrepreneurs. David McClelland said that a country could be prospered if at least must have the number of entrepreneurs or entrepreneurs as much as 2% of the total population.



Entrepreneurship skills are developed through education and learning of educational institutions in Croatia (Hunjet et al., 2015); College Students in China (Zhou & Xu, 2012); even requiring effective learning methods in the field of entrepreneurship (Lekoko et al., 2012). Campus as an educational and economic mining institution can be a means of developing entrepreneurship learning skills. Why entrepreneurship is relevant to the economic points of view. This has worked fairly well for elective courses on higher level education (Lackeus, 2015). The development of technology and information enables students to learn, start new businesses, and grow their business online while studying; even Entrepreneurship education produces successful business and industry leaders, champions of innovation.

The entrepreneurial challenge in business is managerial (Vonortas & Kim, 2011) and finance (John & Sylvester, 2011); (Harner, 2011). Entrepreneurship education on campus teaches good business management and financial management is obtained through lectures in Accounting. Financial literacy becomes an important factor for students entering entrepreneurship and curbing the risk of entrepreneurial failure (Avlijaš et al., 2014) because the online payment mechanism and financial management require good knowledge (Musie, 2015) in transactions credit. Based on the above study then Entrepreneurship skills need to be analyzed and evaluated as the process and results of universities in improving new entrepreneurship.

## ENTREPRENEURSHIP SKILLS

*"Entrepreneurs as individuals who exploit the market opportunity through technical and organizational innovation"* employed (Adeyemo, 2009). *"Entrepreneurship is about taking a risk"* so it takes entrepreneurship skills and Good Business Idea in entrepreneurship (Scott, 2017). Educational institutions can develop good entrepreneurship skills (Zhou & Xu, 2012; Lackeus, 2015).

Skills refer to the abilities and capacities of people who perform tasks demanded of them in a work environment. Skills can be generic, referring to general transferable skills, computing, dealing with risk and uncertainty, or developing a new product or service. Skills in good entrepreneurship will be able to increase business profits (Irawan, 2016; Agbim, 2013) so that creativity and innovation are very important for entrepreneurs.

The OECD has identified three main groups of skills required by entrepreneurs:

1. Technical-communication, environment monitoring, problem-solving, technology implementation and use, interpersonal, organizational skills.
2. Business management-planning and goal setting, decision making, human resources management, marketing, finance, accounting, customer relations, quality control, negotiation, business launch, growth management, compliance with regulations skills.
3. Personal entrepreneurial-self-control and discipline, risk management, innovation, persistence, leadership, change management, network building, and strategic thinking. (Highlight & On, 2015).

Entrepreneurship skills have several dimensions that can be studied comprehensively including, Financial skills, Management skills, Start-up business skills, Operational skills, Marketing skills, Communication and management information skills (Mohamad et al., 2014).

Based on the opinions of experts we can conclude that the skills of entrepreneurship in educational institutions are fundamental because it will increase, competitiveness, the courage to take risks, and improve business profits are built in a creative and innovative.

## ENTREPRENEURSHIP EDUCATION

Liñán (2014) stated *"that entrepreneurship education can be found the whole set of education and training activities that intention to perform entrepreneurial behaviors, or some of the elements that affect that intention, such as entrepreneurial knowledge, the desirability of the entrepreneurial activity, or its feasibility"*. Educational institutions can build basic skills of entrepreneurship to foster entrepreneurship intentions.

In Theory of Planned Behavior (Ajzen, 1991), Attitudes, subjective norms, and behavioral controls can drive one's intentions into behavior. A strong desire accompanied by knowledge and skills will be able to encourage someone dare to risk becoming an entrepreneur. Learning in educational institutions is expected to form entrepreneurship skills that will create new entrepreneurs (Wahyu & Ranto, 2016).

Bandura asserts in Social Learning Theory that learners can learn to the environment to be able to construct new knowledge. It encourages innovation and creativity in education, including in entrepreneurship education (Bandura, 1971). The primary goal of most entrepreneurial education is to develop some level of entrepreneurial competencies. Entrepreneurial competencies are defined here as knowledge, skills, and attitudes that affect the willingness and ability to perform the entrepreneurial job of new value creation. This definition aligns with much of the literature on competencies in general as well as on entrepreneurial competencies (Lackeus, 2015). It confirms that entrepreneurship education provides competence in entrepreneurship skills.

The indicators of entrepreneurship education can be seen from entrepreneurship education programs cultivate the desire of students to entrepreneurship, entrepreneurship education makes students aware of the existence of business opportunities, and entrepreneurship education adds student science in the field of entrepreneurship.

To measure the variables of entrepreneurship education based on indicators:

1. Entrepreneurship education program to cultivate entrepreneurship desire is when the entrepreneurial course has been perceived began to grow the desire to entrepreneurship.
2. Entrepreneurship education programs add knowledge and insight in the field of entrepreneurship is after entrepreneurship educations feel more knowledge in the field of entrepreneurship.
3. Entrepreneurship education program awareness raises the existence of business opportunities is after entrepreneurship education makes aware of existing business opportunities.

Entrepreneurship education should include the following:

1. Increasing entrepreneurial potential through entrepreneurship programs in schools.
2. Implementing entrepreneurship education through entrepreneurial values.
3. Encourage successful entrepreneurs to share their knowledge and experience in entrepreneurship processes with entrepreneurship education students.

Based on the study of experts above, entrepreneurship education variables include dimensions:

1. Grow entrepreneurial desire.
2. Adding knowledge and insight in the field of entrepreneurship.
3. Grow awareness of business opportunities and can improve entrepreneurship skills.

## FINANCIAL LITERACY

Financial literacy is very important for entrepreneurs because of the knowledge of budget management, procedures, credit management, and even the financial risks of business operations. The Indonesian Financial Services Authority's programs are well literate by encouraging people to have better financial management capabilities in supporting prosperity and financially inclusive that will support economic development through a prosperous financial community (Obligation, 2017).

Students' ability in financial literacy can be obtained through educational institutions. 21<sup>st</sup> Century Skills for Students and Teachers state that so with financial literacy one can manage personal budget including in entrepreneurship. Entrepreneurship education can teach financial literacy in managing the business to grow and develop.

Financial literature is defined as:

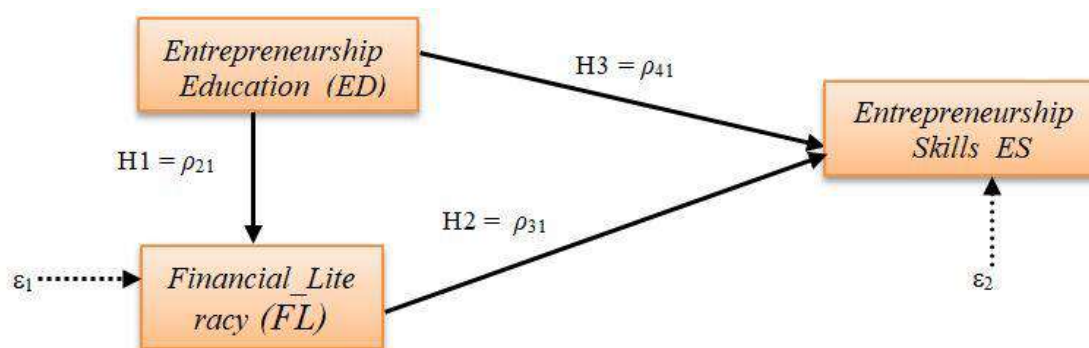
- a. A specific form of knowledge.
- b. The ability or ability to apply that knowledge.
- c. Perceived knowledge.
- d. Good financial behaviour.
- e. Financial experiences (Hung et al., 2009).

Financial literacy even needs to be taught from primary school to adult because it affects a person in making financial decisions (Avlijaš et al., 2014), managing and managing revenues and expenditures, making future financial planning, so that one will be wise and are in good financial responsibility. The financial literature in this study uses 15 financial literacy indicators that are adjusted to the conditions in Indonesia (Irin, 2017), namely:

1. Looking for career choices.
2. Understanding factors affecting net salary.
3. Identifying sources income.
4. Explain how to achieve welfare and fulfil financial goals.
5. Understand a saving budget.
6. Understand insurance.
7. Analyze risk, return, and liquidity.
8. Evaluate investment alternatives.
9. Analyze tax and inflation impact on investment.
10. To analyze the advantages and disadvantages of debt.
11. Explains the purpose of the track record of credit and recognize the rights of the debtor.
12. Describes ways to avoid or fix the debt problem.
13. Know the basic laws for consumer protection in the credit and debt.
14. Able to make financial records,
15. Understand the balance sheet, profit and loss statement, and cash flow.

Previous studies regarding the entrepreneurship to financial literacy shows that the educational attainment is significantly related to its level of financial literacy (Sucuahi, 2013).

Also, entrepreneurship education has an impact to entrepreneur skill of university graduates (Vaziri et al., 2014). The purpose of this study is to provide models and an overview of online business development campus students while studying. Financial literacy as the basis for the mastery of business transactions, as well as entrepreneurship skills is studied as an online business development factor. Based on the theoretical study, the analysis (constellation) of the structure of the influence lines built in the research (Figure 1).



**FIGURE 1**  
**THE PROPOSED MODEL**

Based on Theory, the hypothesis proposed in this study there was the tree as follows:

1.  $H_1$ : There is a positive and significant link between entrepreneurship education and financial literacy.
2.  $H_2$ : There is a positive and significant link between entrepreneurship education and entrepreneurship skills.
3.  $H_3$ : There is a positive and significant link between financial literacy and entrepreneurship skills.

## METHOD

The population in this study are 128 students of Economics and Accounting Education, Faculty of Economics, Jakarta State University. Year 2017/2018 semester seven who have taken the course of Entrepreneurship, as many as four classes with each class consists of 32 students, and the number of samples in this study using the formula Isaac and Michael using the significance level of 5% is as many as 97 students. The sampling technique, simple random sampling technique with all the elements of the population having the same opportunity to be chosen as a sample.

The method in this study is a survey by taking data using a questionnaire as a measuring tool. Data analysis techniques with Confirmatory Factor Analysis (CFA), Joreskog and Sorborn (1993) are used to test uni-dimensional, validity and reliability of construct measurement models that cannot be directly measured, measurement theory (Hair et al., 2006). Test the validity and reliability of the questionnaire items, and as a requirement for testing the hypothesis is to test the normality of regression estimates error, linearity test and significance of the regression coefficient and correlation. Test normality of regression estimates using Lilliefors test while linearity tests and significance of correlation coefficient and regression using ANAVA.

Test the normality of data with the provision if the significance value is greater than 0.05 then the data is normally distributed, whereas if less than 0.05 data is not normally distributed.

The test instrument was conducted with 50 students. The formula used for the validity test is the Product Moment correlation of Pearson and reliability test with Cronbach's Alpha. Data analysis in this study used path analysis. Path analysis developed by Sewall Wright, is used to analyze the relationship between variables on endogenous variables.

The analysis of relationship pattern among variables aimed to know the direct or indirect influence between variables, namely entrepreneurship education as the exogenous variable and Financial Literacy ( $X_2$ ) and Entrepreneurship Skill ( $X_3$ ) as the endogenous variable by using model path analysis.

## FINDINGS

Based on the results of experimental data of variables of Entrepreneurship Education ( $X_1$ ), Financial Literacy ( $X_2$ ), and Entrepreneurship Skills ( $X_3$ ) to 50 students, validity test with Product Moment correlation of Pearson show each item  $r$  arithmetic  $> 0.279$ . Means that each item is valid (able to measure what should be measured), and Statistic Reliability Test: Cronbach's Alpha showing the value of  $\geq 0.5$  so that the measuring instrument used is valid and reliable.

Furthermore, based on the results of research data to 186 samples of economic education students who responded to the questionnaire performed a test of normality with Kolmogorov-Smirnov test with a significance level of 5%. The results are as follows (Table 1):

<b>Table 1</b> <b>TEST DATA DISTRIBUTION RESEARCH: ONE-SAMPLE KOLMOGOROV-SMIRNOV</b> <b>TEST ENTREPRENEURSHIP EDUCATION (ED), FINANCIAL LITERACY (FL), AND</b> <b>ENTREPRENEURSHIP SKILLS (ES)</b>				
		<b>ED</b>	<b>FL</b>	<b>ES</b>
N		97	97	97
Normal Parameters <sup>a, b</sup>	Mean	45.4948	75.6289	42.6082
	Std. Deviation	4.72829	6.59438	5.11036
Most Extreme Differences	Absolute	0.097	0.089	0.085
	Positive	0.086	0.089	0.054
	Negative	-0.097	-0.060	-0.085
Kolmogorov-Smirnov Z		0.960	0.872	0.841
Asymp. Sig. (2-tailed)		0.315	0.433	0.478

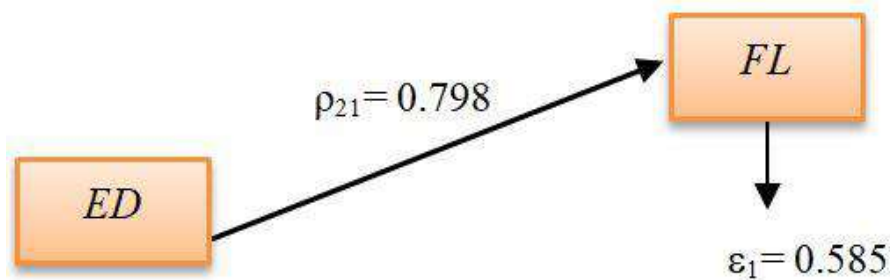
a: Test distribution is Normal.

b: Calculated from data.

With Kolmogorov-Smirnov One-Sample Test on Asymp. Sig. (2-tailed) Obtained data distribution of entrepreneurship education is 0.315, financial literacy 0.433, and entrepreneurship skills 0.478; with normal test distribution. Furthermore, hypothesis testing between variable structure and sub-structure 1 consists of entrepreneurship education variables ( $X_1$ ) as an exogenous variable and financial literacy as endogenous variables ( $X_2$ ). Next, influence the path form with formulation Become structural equation:  $X_2 = \rho_{21} + \epsilon_1$ , calculation of path coefficient using SPSS 19.0 and can be seen in this following table (Table 2):

Table 2 TEST COEFFICIENTS SUB-STRUCTURE 1 INFLUENCE ENTREPRENEURSHIP EDUCATION (ED ) TO THE FINANCIAL LITERACY (FL)						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig. (Constant)
		B	Std. Error	Beta		
1	FL	34.7646	0.944	0.000	5.006	-
	ED	0.109	0.644	0.000	8.206	0.798

Based on the calculations above, large of path coefficient  $\rho_{21}=0.798$ . Thus, structural equation form is  $X_2=0.798X_1+\varepsilon_1$ . The value of  $R^2_{2,1}$  or R square is 0.415, then the magnitude of other variables influence the model (error) towards endogenous variables  $X_2$  is  $\varepsilon_1=1-R^2_{2,1}=1-0.415=0.585$ . Form visualization and coefficient value on the path shown in the following figure (Figure 2).



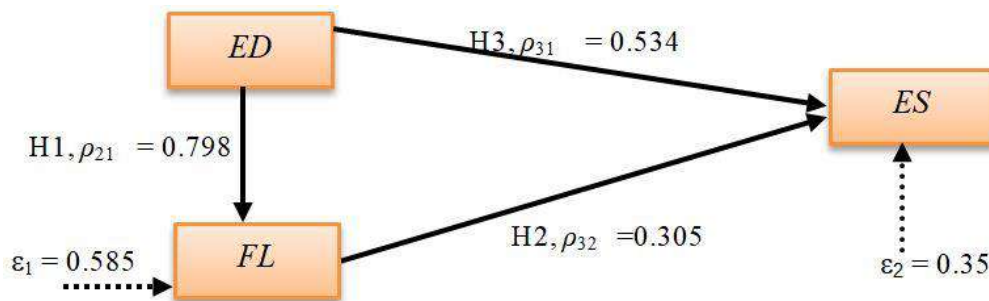
**FIGURE 2**  
**PATH COEFFICIENT SUB STRUCTURE MODEL 1**

Model path coefficient sub-structure 1 test will give a decision-making hypothesis test 1. Sub-structure 2 Consist of Entrepreneurship Education variables ( $X_1$ ), Financial Literacy ( $X_2$ ), and Entrepreneurship Skills ( $X_3$ ). Model path coefficient analysis substructure 2 declared in equation  $X_3=\rho_{31}X_1+\rho_{32}X_2+\varepsilon_2$ . The test results of substructure two by using SPSS 19.0 is available at the following table (Table 3):

Table 3 THE COEFFICIENTS TEST INFLUENCE OF ENTREPRENEURSHIP EDUCATION, FINANCIAL LITERACY, TOWARD ENTREPRENEURSHIP SKILLS						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig. (Constant)
		B	Std. Error	Beta		
1	ES	-4.776	-1.290	0.200	3.703	-
	ED	0.086	0.494	0.000	6.196	0.534
	FL	0.062	0.394	0.000	4.938	0.305

Based on the calculations above, large of path coefficient  $\rho_{31}=0.534$  and  $\rho_{32}=0.305$ . Thus, structural equation form is  $X_3=0.534X_1+0.305X_2+\varepsilon_2$ . Value of  $R^2_{3,12}$  or R square is 0.650, then

the magnitude of other variables influence outside the model (error) towards endogenous variables  $X_3$  is  $\varepsilon_2 = 1 - R^2_{3,12} = 1 - 0.650 = 0.35$  (Figure 3).



**FIGURE 3**  
**PATH ANALYSIS RESULTS FROM SUB STRUCTURE 2, INFLUENCE OF**  
**ENTREPRENEURSHIP EDUCATION AND FINANCIAL LITERACY TOWARDS**  
**ENTREPRENEURSHIP SKILLS**

### Description

$X_{1\_}$  (ED): Entrepreneurship Education.

$X_{2\_}$  (FL): Financial Literacy.

$X_{3\_}$  (ES): Entrepreneurship Skills.

The coefficient value in the picture above can conclude that all paths are significant. Path analysis calculated direct and indirect influence. Direct influence is an influence from one exogenous variable towards endogenous variables without any other exogenous variables. Indirect influence is an influence where exogenous variable affects endogenous variable through other variables which are called mediating/intervening variable. Direct and indirect influence is visually shown through the path diagram. Meanwhile, total influence is a combination of direct and indirect influence. The direct influence, indirect influence, and total are presented in the following table (Table 4):

Table 4 SUMMARY OF PATH COEFFICIENT, DIRECT INFLUENCE, INDIRECT INFLUENCE AND TOTAL				
Effect	Causal Effect			Total
	Variable traversed			
Variable/Hypothesis	Direct	X <sub>2</sub>	Indirect	
X <sub>1</sub> to X <sub>3</sub>	0.534	-	-	0.534
		(0.798) (0.305)	0.243	0.787
X <sub>1</sub> to X <sub>2</sub>	0.798	-	-	0.798
X <sub>2</sub> to X <sub>3</sub>	0.305	-	-	0.305

## DISCUSSION AND CONCLUSION

Based on the calculation of the path analysis, the model form is acceptable and gives ( $X_1$ ), and entrepreneurship skill ( $X_3$ ) according to the model is as follows:

- a. Entrepreneurship education ( $X_1$ ) which directly affects financial Literacy ( $X_2$ ) equal to 63%.
- b. The contribution of financial Literacy ( $X_2$ ) which is directly entrepreneurship skill ( $X_3$ ) equal to 9.3%.
- c. The contribution of entrepreneurship education ( $X_1$ ) to entrepreneurship skill ( $X_3$ ) through financial literacy ( $X_2$ ) is 65%.

Based on the results of research and calculation process that has been done to 97 students of Economics Education Faculty of Economics, State University of Jakarta on the influence of entrepreneurship education and financial literacy on entrepreneurship skills, it can be concluded from this study that research hypothesis stating *"entrepreneurship education directly and positively influence on literacy finance"* is acceptable and the result is that 63% of financial literacy is determined or influenced by variants of entrepreneurship education, it is because schools, parents can shape future financial behavior (Grohmann & Menkhoff, 2015), by preparing the competency of economic and financial education curriculum (Retzmann & Seeber, 2016).

The research hypothesis which states *"financial literacy directly and positively affect entrepreneurship skills"* is acceptable. Entrepreneurship skills are determined or influenced by the financial literacy variant of 9.3%, it reinforces the finding that financial literacy provides knowledge for novice entrepreneurs to provide knowledge and financial competence for new entrepreneurs (Wise, 2013) and even reduce the risk for entrepreneurs (Avlijaš et al., 2014).

Research hypothesis which states *"entrepreneurship education directly and positively influences on entrepreneurship skills"* is acceptable. Directly 28%, and indirectly entrepreneurship skills are determined or influenced by the variation of financial literacy and entrepreneurship education by 65%. This is an entrepreneurship education entrepreneurship skills and motivation (Oosterbeek et al., 2010). Based on the findings of this research, emphasizing that entrepreneurship skill is essential to be formed through entrepreneurship education and good financial literacy with the structured learning curriculum program in the school.

The results show that entrepreneurship education has a greater influence on the financial literacy in the grow aspect awareness of business opportunities and can improve entrepreneurship skills. This has implications that the importance of increasing awareness of business opportunities in entrepreneurship education. Simultaneously entrepreneurship education and financial literacy have a big influence on forming entrepreneurship skills that indicate an increase in entrepreneurial skills through understand the balance sheet aspects, profit and loss statements, and cash flow and grow awareness of business opportunities and can improve entrepreneurship skills become the main focus in entrepreneurship education for develop financial literacy and student entrepreneurship skills.

Although the results of this study contribute to the lack of literature on entrepreneurship education, financial literacy, there are a number of limitations to entrepreneurship skills in college. This research only focuses on students of Economics and Accounting Education. Therefore it is necessary to develop further about entrepreneurship education on a broader scale



and main perspective. Furthermore, it encourages the implementation of similar research in the future to confirm and refine the results of this study.

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# FINANCIAL STATEMENT FRAUD: PERSPECTIVE OF THE PENTAGON FRAUD MODEL IN INDONESIA

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## ABSTRACT

*This study investigated the determinant factors of financial statement fraud (FSF) by employing the Fraud Pentagon model as a new approach. This study empirically examines 14 companies listed on the Indonesia Stock Exchange that incurred sanctions from the Financial Services Authority during the period 2013-2015, and 14 comparable companies as a control sample that were similar in both industry and size. This research is an explanatory research that applies logistic regression analysis to test 10 hypotheses on the effect of pressure, opportunity, rationalization, capability, and arrogance on FSF in Indonesia. The results show that free cash flow as a proxy of pressure; independence of the audit committee as a proxy of opportunity, total accruals as a proxy of rationalization, and disclosure of doubtful debts as a proxy of Capability have significant and negative effect on FSF. Those variables must be considered by external and internal auditors, investors, and those charged with governance, as well as government in their decision-making process for consideration of the occurrence of FSF.*

**Keywords:** Financial Statement Fraud, Fraud Pentagon Model, Pressure, Opportunity, Rationalization, Capability, Arrogance.

## INTRODUCTION

Fraud has become a global phenomenon due to the fact that it occurs in many countries in various sectors and industries, in addition to being carried out by actors at various different levels. The Global Fraud Study (2016) conducted by the Association of Certified Fraud Examiners (ACFE) revealed that the losses caused by fraud are equal to 5% of the annual revenue of the company, with a total loss of more than \$6.3 billion from the 2,410 cases of fraud that occur globally. Of the total losses mentioned above, \$975,000 was due to fraud in the form of financial statement fraud. Crowe (2011) developed the Crowe's Pentagon Fraud model. This model expanded the previous model of fraud which is the fraud triangle model and the fraud diamond model by adding the arrogance of the perpetrator. The Fraud Triangle model holds that there are three factors that influence the occurrence of fraud, namely pressure, opportunity, and rationalization (Turner, Mock, & Srivastasa, 2003). Wolfe & Hermanson (2004) added another factor, namely capability, that can influence the occurrence of fraud and extended the model into the Fraud Diamond model (capability). In their argument, Wolfe & Hermanson (2004) stated that the perpetrators of such fraud have reasons such as pressure, opportunity, and rationalization to commit fraud activities; however, fraud will not occur unless the offender also has the capability to commit it. Several studies have previously stated that financial statement fraud can be detected from some of the indications in companies' financial statements (Dechow et al., 2011; Persons, 1995). Most previous research stated that opportunity is one of the factors that mostly affect the financial statement fraud (Beasley, 1996; Beasley et al., 2000; Rezaee, 2005; Person, 2005). Skousen (2008) states that only five proxies of the pressure factor and two proxies of the opportunity factor were effective in predicting and detecting financial statement fraud. Skousen

(2008) also states that the rationalization factor is not effective as a factor to detect financial statement fraud and acknowledges the difficulties in measuring the rationalization factor in his research. Therefore, it is interesting to have it studied further together with the other factors of capability and arrogance (Kaminski et al., 2004).

Furthermore, several other prior studies on financial statement fraud have been conducted in the context of Indonesia. Most of these, however, have investigated the factors contained in the Fraud Triangle model (Hanifa & Laksito, 2015; Fimanaya & Syaruddin, 2014) and the Fraud Diamond model (Sihombing & Rahardjo, 2014; Manurung Hardika, 2015) in detecting financial statement fraud. Accordingly, financial statement fraud examined from the perspective of the Fraud Pentagon is still under-researched, thus it is interesting and important to conduct further study in this area. The main motivation of this research is to ascertain those factors within the Fraud Pentagon model that significantly affect the occurrence of financial statement fraud in Indonesia. This study is expected to contribute to the scientific development of theories and practices of financial statement fraud in Indonesia.

## **THEORETICAL BACKGROUND AND HYPOTHESIS DEVELOPMENT**

### **Fraud Pentagon Model and Financial Statement Fraud**

ACFE (2016) defines financial statement fraud as a presentation of the company's financial situation through intentional misstatements by omitting the value of certain elements within those statements and with the intention of deceiving the users of the statements. Financial statement fraud in the form of misstatements can be either overstated or understated and can also be committed by covering up the actual conditions. The Pentagon Fraud model developed by Crowe (2011) names five factors that cause fraud: pressure, opportunity, rationalization, capability, and arrogance. The first three factors pressure, opportunity, and rationalization were first put forward by Cressey (1953) in the Fraud Triangle model. Pressure is a condition that encourages a person to commit fraud and includes aspects such as economic demands and lifestyle, as well as the environment. Four types of pressure are namely financial stability, external pressures, personal financial needs, and financial targets. Opportunity is a condition in which a party may seize an advantage to commit fraud. Opportunity can arise due to a low level of supervision in a company. According to ISA 240, there are two types of conditions that encourage parties to take advantage of an opportunity to commit fraud, namely complexity in the organizational structure or the stability of the organization as an entity. Ineffective oversight may lead to the domination of management by one or more particular groups that cannot be effectively monitored by the board. Rationalization is based on the viewpoint of one's justification for committing fraud-related activities. Gillet & Uddin (2005), in Hogan et al. (2008), stated that the attitude of the Chief Financial Officer has a significant impact on the intention not to report the fraud. Furthermore, Hernandez and Groot (2007), in Hogan et al. (2008), also stated that the factors of revenue recognition and accounting estimates, aggressive company, management integrity, honesty, and ethics are the most important factors in measuring the risk of fraud. However, Suyanto (2009) stated the likelihood of FSF is easier to be observed publicly using risk factors of pressure and opportunity rather than rationalization. The fourth factor of capability was subsequently added to the Fraud Triangle model to develop the Fraud Diamond model (Wolfe & Hermanson, 2004). Capability refers to a person's ability to commit fraud. Albrecht et al. (1995) argue that only people who have a high capacity to understand the existing internal controls are able to override them and conduct fraud. Mackevicius and Giriunas

(2014) state that an individual who, despite having the pressure, opportunity, and rationalization, may not commit fraud unless they also have the capability to do so. Sorunke (2016) and Tugas (2012) stated that the previous model of fraud triangle and fraud diamond theory is not yet reliable to detect financial statement fraud. Crowe (2011) explain that there are five elements of arrogance from the CEO perspective:

1. A large ego: the CEO is seen as a celebrity rather than as a businessman.
2. They can cut through internal control and do not get caught.
3. They have a suppressing attitude (Bullying- attitude).
4. They apply an autocratic management style.
5. They fear the loss of position or status.

### **Pressure and Financial Statement Fraud**

According to Cressey (1953) a condition that is always present in cases of financial statement fraud is pressure. Skousen et al. (2008) prove the existence of a significant relationship between pressure and financial statement fraud. Most researches in Indonesia also show that pressure is a risk factor for financial statement fraud (Sihombing & Rahardjo, 2014; Maghfiroh, et al., 2015 and Widarti, 2015). Pressure arises if a company's performance falls below the industry average and management may manipulate the company's financial statements by providing the appearance of stable growth (Skousen et al., 2008). As such, growth in assets is used to indicate a company's financial stability (Beneish, 1997; Beasley et al., 2000). Dechow et al. (1996) argue that the demand for external financing depends not only on how much cash is generated by a firm's operating and investment activities, but also on the amount of funds available within the firm.

### **Opportunity and Financial Statement Fraud**

The second factor that causes financial statement fraud is opportunity (Cressey, 1953). Companies with weak internal controls will have many loopholes that can present an opportunity for management to manipulate transactions or accounts. Beasley (2000) states that good corporate governance mechanisms will reduce the potential for financial statement fraud. Farber (2005) fraud firms have poor governance in the year prior to fraud detection. Furthermore, Smith et al (2000) suggest that the strength of internal controls in the company will be inversely related to the likelihood managers commit fraud. Previous research conducted in Indonesia by Tiffani & Marfuah (2016); Sihombing & Rahardjo (2014) and Kusumawardhani (2013) also proved that opportunity may affect financial statement fraud.

### **Rationalization and Financial Statement Fraud**

Rationalization involves the perpetrators seeking to justify their actions in committing fraud. Various studies in Indonesia show that such rationalization can lead to financial statement fraud (Sihombing & Rahardjo, 2014; Tiffani & Marfuah, 2016). Skousen et al. (2008) argue that rationalization can be measured by a change of auditors. Beneish (1997); Francis and Krishnan (1999) and Vermeer (2003), as mentioned in Skousen (2008), argue that accruals are representative of management's decision-making and provide insight into their financial reporting rationalization. Moreover, Francis and Krishnan (1999) also conclude that excessive

use of discretionary accruals may lead to qualified audit opinions. Stice (1991) and Skousen (2008) also highlight how incidences of audit failures and litigation often occur following a change in a company's external auditors.

### **Capability and Financial Statement Fraud**

Wolfe & Hermanson (2004) stated that fraud can only occur if the right people have the right capability to commit it. Hardika (2015) stated that capability is a factor that affects financial statement fraud. A position as a CEO or leader can be a factor of fraud since individuals in such roles can use their position to influence others to commit fraud. A change of directors will be closely related to political content and interest, which can generate a conflict of interest. Wolfe & Hermanson (2004) concluded that a change of directors may be an indicator of fraud.

### **Arrogance and Financial Statement Fraud**

According to Crowe (2011), research by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) found that 70% of the perpetrators of fraud have a profile featuring a combination of pressure with arrogance and greed. A total of 89% of the cases of fraud involve the CEO. Crowe (2011) and Yusof & Simon (2015), also states that arrogance is a trait that demonstrates a sense of superiority and an inherent lack of awareness arising from greed and the thought that a company's internal control does not apply to them personally. Yusof & Simon (2015) argue that a politician who is also a CEO or company president indicates a greater likelihood of financial statement fraud.

## **HYPOTHESES**

Previous empirical studies observed factors of financial statement fraud of the perspective of fraud triangle and fraud diamond model. However, this study observed how five factors of fraud pentagon model, i.e. pressures, opportunity, rationalization, capability, and arrogance affect the occurrence of financial statement fraud. To accomplish this, hypotheses are as follows:

*H1: A bigger change in assets will affect the occurrence of financial statement fraud.*

*H2: Finance is an additional external pressure for the company that affects the occurrence of financial statement fraud.*

*H3: Free cash flow of the company will reduce the need for external financing for the company, which can reduce the occurrence of financial statement fraud.*

*H4: A presence of independent audit committee members will reduce the occurrence of financial statement fraud.*

*H5: Better total accruals as management's estimate on accounting earnings reduces the occurrence of financial statement fraud.*

*H6: Unqualified audit opinion reports show a lower occurrence of financial statement fraud.*

*H7: A change in auditors will reveal the occurrence of financial statement fraud.*

*H8: A change of director indicates a higher tendency of the occurrence of financial statement fraud.*

*H9: The non-disclosure of a doubtful debt policy indicates a higher tendency of the occurrence of financial statement fraud.*

*H10: Arrogance affects the occurrence of financial statement fraud.*

## METHOD

This study employs a quantitative research method using a logistic regression model to test the hypothesis. Logistic regression will result in a regression model to test the probability of occurrence and the extent to which the dependent variable can be predicted by the independent variables. There is no requirement for a normality test or heteroskedasticity test, and classical assumptions are applied to the independent variables (Hair, 2015). Sample of the research are companies sanctioned by Indonesia Financial Service Authoritative due to violation of Bapepam Regulation VIII.G7 in the period 2013-2015. There were 14 fraud companies and other 14 non-fraud companies included in this research sample. The control sample selected non-fraud companies from the same industry that all had similar levels of assets, with a range of up to 30%.

## RESULT AND DISCUSSION

### Multicollinearity Test

The test results for multicollinearity for 10 existing proxies and the test results showed that there is a strong correlation between the ten existing proxies.

### Significance Test Model

The significance test model used the Omnibus Tests of Model Coefficients value table to ascertain the results of testing the feasibility of the logistic regression models formed (Table). The following test result was obtained: Sig. Model value of 0.000 with an alpha value < significance of 5%.  $H_0$  is thus rejected, and the study concludes that a decent regression model was used to predict the effect of independent variables on the variable fraudulent financial statements. The significance of 0.000 also shows that at least one of the independent variables affects the dependent variable (Beasley et al., 2000).

Table 1 OMNIBUS TESTS OF MODEL COEFFICIENTS				
		Chi-square	Df	Sig.
Step	83.712	10	0.000	
Block	83.712	10	0.000	
Model	83.712	10	0.000	

### Feasibility Regression Model

#### Hosmer–Lemeshow Test

The significant value resulting from the Hosmer-Lemeshow test, as shown in Table 2, is 0.487, which shows a significance value of  $>0.05$ , meaning  $H_1$  is accepted. It can be concluded with 95% confidence that the logistic regression model used is both capable and appropriate to explain the data.

Table 2 HOSMER–LEMESHOW TEST			
Step	Chi-square	Df	Sig.
1	7.469	8	0.487

### Nagelkerke R-Squared Test

Table 3 shows that a value of 0.841 was obtained from the *Nagelkerke R-Squared* test. It is thus concluded that 76.11% of the variance of financial statement fraud can be explained by using the existing models.

Table 3 MODEL SUMMARY			
	-2 Log likelihood	Cox & Snell R-Squared	Nagelkerke R-Squared
	32.736a	0.631	0.841

a. Estimation terminated at iteration number 20 because maximum iterations had been reached. The final solution cannot be found.

### Classification Plot Test

The percentage of model accuracy in classifying observation in this test was 90.5%, as can be seen in Table 4. Based on this, from the total of 84 observations, 76 observations could be accurately classified using the logistic regression model.

Table 4 CLASSIFICATION TABLE <sup>a</sup>					
Step 1	Observed		Predicted		
			FRAUD		Percentage Correct
			0.00	1.00	
	FRAUD	0.00	68	2	57.1
		1.00	6	8	90.5
	Overall Percentage				
a.The cut value is 0.500					

### Regression Logistic

Table 5 displays the logistic regression test results from the five independent variables as represented by the 10 proxies used in this study. The test results show that the 4 proxies of pressure, opportunity, rationalization, and capability have a significance value  $<0.05$ . The test results also show that CEOPOL, representing the arrogance variables, do not significantly affect financial statement fraud, with a score of  $0.998 > 0.05$  significance level.

Table 5 VARIABLES IN THE EQUATION							
		B	S.E.	Wald	Df	Sig.	Exp(B)
Step 1 <sup>a</sup>	ACHANGE	0.969	1.374	0.498	1	0.480	2.636
	FINANCE	-0.113	0.506	0.050	1	0.823	0.893
	FREEC	-0.070	0.028	6.280	1	0.012	0.933
	IND	-5.871	1.950	9.063	1	0.003	0.003
	AUDCHANGE	36.760	9927.769	0.000	1	0.997	9222135599328192.0
	AUDREPORT	-1.149	1.042	1.215	1	0.270	0.317
	TACC	-5.012	2.331	4.625	1	0.032	0.007
	DCHANGE	-1.416	1.512	0.877	1	0.349	0.243
	DOUBTDISC	3.429	1.708	4.031	1	0.045	30.852
	CEOPOL	-17.757	7051.009	0.000	1	0.998	0.000

a. Variable(s) entered on step 1: ACHANGE, FINANCE, FREEC, IND, AUDCHANGE, AUDREPORT, TACC, DCHANGE, DOUBTDISC, and CEOPOL.



The logistic regression equation used in this study is as follows:

$$\begin{aligned} \ln(F/1-F) = & \beta_0 + 0.969ACHANGE - 0.113FINANCE - 0.070FRECC - 5.871IND + \\ & 36.760AUDCHANGE - 1.149AUDREPORT - 5.012TACC - 1.416DCHANGE + \\ & 3.429DOUBTDISC - 17.757CEOPOL + e \end{aligned}$$

## DISCUSSION

### Effect of Pressure on the Occurrence of Financial Statement Fraud

The logistic regression test result shows that FREEC representing the variable pressure has a significant effect on financial statement fraud, with a significance of  $0.012 < 0.05$ . Free cash flow shows the ability of the company's internal financing in terms of how well the company can finance the expansion and operations of its own funds. The negative coefficient of  $-0.70$  is consistent with the empirical facts on the ground, showing that the better the company's internal financing capability, the less the likelihood of financial statement fraud. Companies whose own financing ability of poor are likely to be highly dependent on external financing. These results are consistent with Skousen (2008), who states that a greater amount of operating cash flow will reduce the possibility of the company to be engaged in fraud activities.

### Effect of Opportunity on the Occurrence of Financial Statement Fraud

IND shows the percentage of the audit committee that is an independent party of the company significantly affect the occurrence of financial statement fraud with a significance value of  $0.003 < 0.05$ . The result indicates that the smaller the percentage of independent members of the audit committee, the greater the likelihood of financial statement fraud which shows a similar result with Abbott et al. (2004). This finding is also supported by Hogan et al. (2008), who state that weak corporate governance will increase the likelihood of financial statement fraud. The results of this study are also consistent with those of Beasley (1996), who outlines a difference in the composition of the company's audit committee between fraud and non-fraud companies. In line with this, Beasley (2000) states that the audit committees of fraud-related companies are less independent than those of non-fraud companies.

### Effect of Rationalization on the Occurrence of Financial Statement Fraud

The results show that TACC representing for rationalization have a significant effect on the possibility of financial statement fraud in Indonesia, with a significant value of  $0.032 < 0.05$ . total accruals reflect management judgment and estimates of the cash flows of the company to present the accounting earnings to reflect the economic performance of the company. the better judgment and estimates made by management in this case will mean the level of discretionary accruals become smaller while the level of non-discretionary accruals are greater, thus further minimizing the possibility of financial statement fraud. This is supported by Francis and Krishnan (1999) stating that the excessive use of discretionary accruals could result in a form of misleading unqualified audit opinion. Dechow et al. (2011) also found that misstatements in the financial statements were linked to low earnings quality in the company and a decline in the financial and non-financial performance of companies.

### Effect of Capability on the Occurrence of Financial Statement Fraud

This research result indicates that DOUBTDISC as a proxy of the capability variable shows a significant positive effect ( $0.045 < 0.005$ ) on the occurrence of financial statement fraud. This result is not consistent with the explanation given by Mohamed (2015), who explains that companies that commit fraud will usually be less likely to make disclosures on their doubtful accounts. The empirical evidence states that the company will continue to disclose the amount of doubtful accounts of companies as shown in this study data. However, the company does not further disclose its ability to collect the doubtful accounts. This can be considered as the ability of management to cover a company's inability to collect receivables through the formation of a doubtful account and then putting through a disclosure.

### Effect of Arrogance on the Occurrence of Financial Statement Fraud

The result shows that the variable of arrogance as proxied by CEOPOL does not affect the possibility of financial statement fraud. This is not in line with Crowe (2011), who explains that the profile of the perpetrators of fraud takes the form of a combination of pressure with arrogance and greed. Indonesia has been found to not be similar to Malaysia in this regard, as studied by Hull (2016), who states that a CEO who is also a politician, representing the arrogance variable, has a significant effect on the occurrence of financial statement fraud. The data show that CEOs of Indonesian companies with fraud indication during the period 2013-2015 were not actively involved in political activities and had no involvement as members of any particular party.

## CONCLUSION AND RECOMMENDATION

The conclusion of this study is that four of the five factors in the Fraud Pentagon theory, namely pressure, opportunity, rationalization, and capability, are proven to significantly affect the occurrence of financial statement fraud in Indonesia. Therefore, the internal auditors, external auditors, those charged with governance (TCWG) in the companies, investors, and prospective investors, as well as government, must consider factors such as pressure, opportunity, rationalization, and capability to measure and weigh the possibilities of fraud within a company's financial statements. The internal auditor is an internal party of the company who is expected to play a significant role in the prevention and detection of fraud external of financial statement fraud. External auditors are also important parties who are expected to detect financial statement fraud as part of their auditing activities on the fairness of the financial statements. As for other parties such as TCWG and the government, an understanding of the factors that can lead to financial statement fraud will be very helpful in their decision-making process.

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# INFLUENCE ABILITY, PERCEPTION OF CHANGE AND MOTIVATION TO INTENTION OF ENTREPRENEURSHIP: OVERVIEW OF ANALYSIS IN STUDENTS OF FACULTY OF ECONOMICS UNIVERSITAS NEGERI JAKARTA

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## ABSTRACT

*The purpose of this research is to know Influence Ability, Perception of Change and Motivation to Intention of Entrepreneurship. Respondents in this research are 166 students of Faculty of Economics UNJ. The method used is descriptive quantitative. Analysis technique used in this research is Structural Equation Model (SEM) with analyst is confirmatory factor. The results are:*

- 1. There is positive and significant influence between ability to Motivation.*
- 2. There is a positive but not significant influence between ability to Intention of Entrepreneurship.*
- 3. There is Indirect Influence between ability to Intention of Entrepreneurship through Motivation.*
- 4. There is a positive and significant influence between perceptions of change on Motivation.*
- 5. There is a positive and significant influence between perceptions of change to Intention of Entrepreneurship.*
- 6. There is no significant influence between perceptions of change on Intention of Entrepreneurship through Motivation.*
- 7. There is a positive and significant influence between Motivations with Intention of Entrepreneurship.*

*Theoretical and practical implications are entrepreneurship learning at university is very useful to improve the quality of university graduates and practical policies, and also in this study see that entrepreneurial intentions can be optimized through motivation, ability and perception to change. Entrepreneurial learning must be interactive and facilitated by faculties and universities so that students have the motivation and desire to become entrepreneurs. Need to combine good conventional and online learning (but not fully online) to learn more interactive entrepreneurship*

**Keywords:** Ability, Intention of Entrepreneurship, Motivation, Perception of Change.

## INTRODUCTION

The phenomenon of the low quality of Indonesia's workforce has recently become a major challenge for the people of Indonesia. The Government strives to make changes by doing many innovations in the field of education. The main objective is for the people of Indonesia to improve the welfare of his life. Through education is expected to improve the ability, both in the

form of hard competency and soft competency. When a person has the ability, it will expand his chances of getting better welfare.

Today, it is widely known that entrepreneurs are the engine of economic growth and development, in both developing and developed countries (Farsi et al., 2012). The entrepreneurial learning process in schools has not been followed by the application of skills, knowledge and real entrepreneurial skills. Not optimum entrepreneurial learning process, finally make the graduates do not have the spirit of entrepreneurship and just like to be employees or workers (Vemmy, 2012). Education policies are constantly being improved. The government's desire is that graduates not only become workers but also become entrepreneurs. Students as agents of change in the field of education continue to improve their skills in the hope of increasing their motivation so that it can impact on the desire to entrepreneurship after graduation later, in the future leads to improvements in the quality of university graduates in Indonesia.

In addition to preparing the ability (soft competency and hard competency) is not less important is to prepare the perception of change itself (Balcioglu & John, 2014). Perception is a unique interpretation of each individual within an organization. Perception is not a recording of a situation. Therefore, it is important to review and build in order to contribute to organizational change and in accordance with organizational goals (Luthan, 2006)

All issues related to the quality of the workforce are nationally problematic, and the researcher wants to contribute to the problem. It's just that in this study, researchers discussed more about how to improve the quality of university graduates not only become employees but also become entrepreneurs. For that reason, the researcher conducted a review of the analysis of the students of the Faculty of Economics, State University of Jakarta (UNJ) and further explored the influence of Ability and Perception of Change on Motivation and Intention of Entrepreneurship.

## **LITERATURE REVIEW**

### **Intention of Entrepreneurship**

Research to see aspects of one's entrepreneurial intentions has received considerable attention from researchers. The intention of entrepreneurship can be interpreted as a process of seeking information that can be used to achieve the goal of forming a business (Katz and Gartner, 1988). A person with an intention to start a business will have better readiness and progress in the business run than someone without the intention to start a business. As stated by Krueger and Carsrud (1993), the intention has proven to be the best predictor of entrepreneurial behavior. Therefore, the intentions can serve as a reasonable basic approach to understanding who will become entrepreneurs (Choo and Wong, 2006).

Intention of entrepreneurship is the determination of a person to become an entrepreneur or for entrepreneurship. Novitaloka & Nurtjahjanti (2015), the intention of entrepreneurship is the first step individual before choosing to take the step of entrepreneurship. Tubbs & Ekeberg, (1991) states that the intention of entrepreneurship is a representation of the actions planned to engage in entrepreneurial behavior. Before a person starts a business (entrepreneurship) it takes a strong commitment to start it. Tung (2011), states that understood entrepreneurial intention as the personal commitment of the potential entrepreneur to start up. According to Tung (2011) states that entrepreneurship intention is a cognitive representation of actions for exploiting a business opportunity by applying entrepreneurial learning (knowledge and skills).

Jones (2011) mentions whereas medical students graduate as doctors, engineering students as engineers and education students as educators, students of entrepreneurship/enterprise rarely graduate as entrepreneurs. But, why medical, engineering, and education students should not become entrepreneurs? Students of some fields are significantly weak in some aspects, however, some others, in a different degree, have more entrepreneurial characteristics. (Salamzadeh et al., 2014).

## **Ability**

To perform the various tasks assigned by an organization or company to its employees, every employee needs to be required to have the abilities that are usually listed on the organization/organization job desk. Ability can be obtained through various ways (for example, through education, training or experience). Robbins & Judge (2008) defines ability means the capacity of an individual to perform various tasks in a job. Subkhi (2013) defines the ability that is the meaning of the term ability is the capacity of a person to carry out several activities in one job. In line with the two terms of ability according to the experts above, it can be concluded that ability is the capacity of a person to perform the various tasks assigned to him in a job.

The whole ability of an individual is essentially composed of two sets of factors namely intellectual ability and physical ability. This factor is then taken into dimensions to measure the abilities developed based on the theory of Robbins and Judge.

## **Perception of Change**

According to Subkhi (2013) states that perception is a process, in which individuals organize and interpret their sense impressions to give meaning to the environment. Whereas, Moorhead & Griffin (2013) defines perception as a set of processes that individuals perceive and interpret information about the environment. It can be concluded that perception is the process of a person understanding and interpreting the environment based on the impression of their senses.

From the above view of perception it can be understood that perception needs to be established to interpret precisely information received by the individual regarding his organization. Robbins (Ardana, 2013) states the factors that influence perception are: Perception/Performer perception, Target/object and Situation.

Change is an absolute thing in our lives. Every individual should not resist the change. In the context of an organization or company, changes are generally interpreted by the change of rules within the organization. Wahjono (2010) suggests there are two sources of resistance to change: From individuals and from organizations.

## **Motivation**

Motivation is the psychological processes that cause stimulation, direction, and persistence towards a volunteer activity directed at a goal (Kreitner and Kinicki, 2014). Today, there have been many theories about Motivation. Almost all Motivation Theory suggests the linkage of Motivation with human needs. By fulfilling the human needs, work motivation will automatically be realized. According to Robbin (2003) who says that a process that produces an individual's intensity, direction and persistence in an attempt to achieve a goal. While general motivation is concerned with efforts toward each goal. According to Prihartanta (2015),

motivation is a psychological phenomenon in the form of impulse that arises in a person consciously to perform an action with a specific purpose.

Motivation is a concept that describes the forces within each individual to initiate and direct behavior. This concept is used to explain differences in the intensity of behavior in which the vibrant behavior is the result of a strong level of motivation. In addition, the concept of motivation is used to indicate the direction of behavior.

Then according to Nimran (2005) defines motivation is as a condition where effort and one's hard will be directed to the achievement of certain results. The results can be:

- a) Productivity.
- b) Presence or Creative work behavior.

Meanwhile, according to Adair (2007) motivation is what makes people do something, but the more important meaning of this word is that motivation is what makes people really try and expend energy for what they do. A simple definition of the word '*motivation*' may be getting people to do what must be done willingly and well.

## METHODS

### Research Methodology

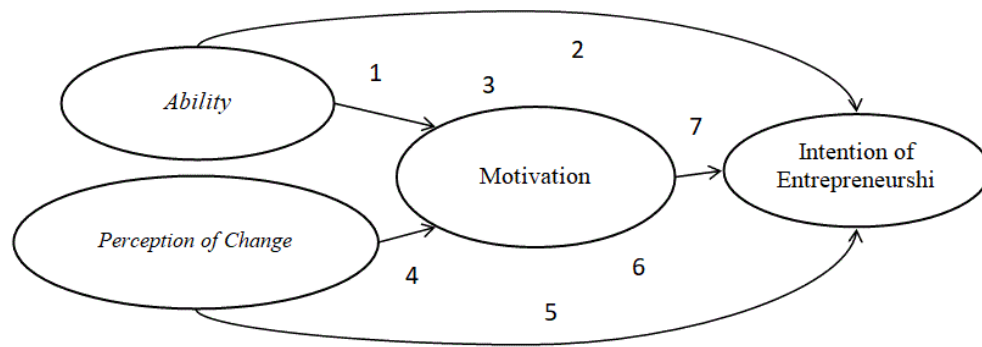
The population in this research is all 4th semester students of Faculty of Economics UNJ. The number of affordable population is 270 respondents. The number of questionnaires that returned and can be studied only 166 respondents. The type of this research is Descriptive Quantitative. Analysis technique used in this research is Structural Equation Model (SEM) with analyst is confirmatory factor.

Questionnaires to be used in advance tested the validity and reliability, so that the questionnaire used to provide the desired information and reliable. In this study used 5% significance level for two-way test. If the item in the questionnaire is declared invalid, then the item is not used in this research.

### Research Hypothesis

Based on the framework of thinking that has been described, then the hypothesis in this study are (Figure 1):

- H<sub>1</sub>: There is a significant influence between ability to Motivation.*
- H<sub>2</sub>: There is significant influence between ability to Intention of Entrepreneurship.*
- H<sub>3</sub>: There is a significant influence between ability to Intention of Entrepreneurship through Motivation.*
- H<sub>4</sub>: There is a significant influence between the perceptions of change on Motivation.*
- H<sub>5</sub>: There is a significant influence between the perceptions of change on the Intention of Entrepreneurship.*
- H<sub>6</sub>: There is a significant influence between the perceptions of change on the Intention of Entrepreneurship through Motivation.*
- H<sub>7</sub>: There is a significant influence between the Motivation and Intention of Entrepreneurship.*



**FIGURE 1  
RESEARCH MODEL**

## RESULTS AND DISCUSSION

### Results

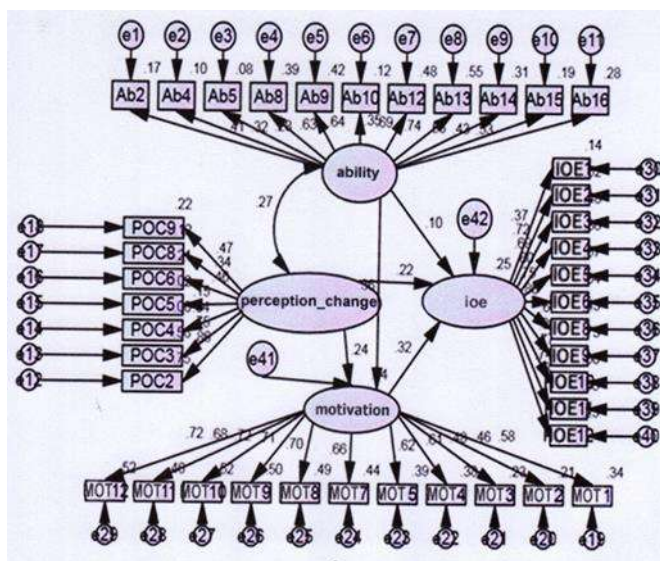
In this study the researchers took a sample of 166 respondents who are students of 4<sup>th</sup> semester Faculty of Economics UNJ who have taken entrepreneurship courses (Figure 2).

The magnitude influence between observed variables can be seen in Table 1 as follows:

Table 1 STRUCTURAL MODEL ANALYSIS RESULTS						
			CR	P	Results	Standardize total effect
Ability	→	Motivation	3.063	0.002	Significant	0.359
Ability	→	IOE	1.060	0.289	Not significant	0.218
perception_change	→	Motivation	2.502	0.012	Significant	0.243
perception_change	→	IOE	2.204	0.028	Significant	0.299
Motivation	→	IOE	2.708	0.007	Significant	0.324
						Interpretation
						Moderately strong effects
						Mild effects
						Mild effects
						Mild effects
						Moderately strong effects

Source, data processed 2017





**FIGURE 2**  
**ESTIMATION RESULTS SEM MODEL**

Based on the results of data processing that has been obtained from the analysis of Structural Model or Structural Equation Model 1 (SEM) can be concluded hypothesis test results as follows:

***H<sub>1</sub>: Influence between Ability to Motivation***

This first hypothesis is the test of influence between the variable Ability to the variables Motivation by showing the results of hypothesis testing between these two variables have a significant influence because the value of  $P < 0.05$  that is 0.002, CR value 1.96 is 3.063 and the relationship that occurs marked positive (unidirectional) with the power of influence seen from standardize total effects is Moderately strong effects (influence is strong tends) that is equal to 0.359. Thus it can be concluded this hypothesis test accept  $H_a$  and reject  $H_o$ .

***H<sub>2</sub>: Effect between Ability against the Intention of Entrepreneurship***

This second hypothesis is the test of influence between the variables Ability to the Intention of Entrepreneurship variables by showing the results of hypothesis testing between these two variables have an insignificant influence because the value of  $P > 0.05$  is equal to 0.289, CR value < 1.96 of 1.060 and relationships that occur marked positive (unidirectional) with the power of influence seen from standardize total effects is mild effects (i.e. smooth influence) that is equal to 0.218. Thus it can be concluded that this hypothesis test rejects  $H_a$  and accepts  $H_o$ .

***H<sub>3</sub>: Effect between Ability against the Intention of Entrepreneurship through Motivation***

The third hypothesis is the influence test between the variables Ability to the Intention of Entrepreneurship through intervening variables Motivation. By showing the results of hypothesis testing between these two variables were seen from the standardized total effects obtained amounted to 0.218 is mild effects (smooth effect). To see the effect of indirectly or directly can

be obtained by multiplying the estimated coefficient on the path capability (ability) and motivation ( $0.503 \times 0.184 = 0.093$ ). The coefficient of estimation of indirect effect is greater than the direct effect ( $0.093 > 0.080$ ), it means there is an indirect effect. It can be concluded the influence of Ability of Intention of Entrepreneurship indirectly influence through Motivation. It means  $H_o$  is rejected and  $H_a$  accepted.

#### ***H<sub>4</sub>: Influence between Perceptions of Change to Motivation***

This fourth hypothesis is the influence test between perception of change variable to motivation by showing the result of hypothesis test between these two variables have influence of positive and significant influence, expressed with P value  $< 0.05$  that is 0.012. With CR  $> 1.96$ , that is 2.502. If viewed from the standardized total effects obtained amounted to 0.243 was mild effects (smooth effect).  $H_o$  can be concluded rejected and  $H_a$  accepted.

#### ***H<sub>5</sub>: Influence between Perceptions of Change on Intention of Entrepreneurship***

This fifth hypothesis is the test of influence between perception of change to Intention of Entrepreneurship by showing the result of hypothesis test between these two variables have influence Positive and significant influence, expressed with value  $P < 0.05$  that is equal to 0.028. With CR  $> 1.96$ , that is 2.204. The power of influence seen from standardize total effects is mild effects of 0.299. Concluded  $H_a$  accepted and  $H_o$  rejected.

#### ***H<sub>6</sub>: Influence between Perceptions of Change on Intention of Entrepreneurship through Motivation***

This sixth hypothesis is the test of influence between Perception of Change on Intention of Entrepreneurship through Motivation. By showing the results of hypothesis testing between these two variables were seen from the standardized total effects obtained amounted to 0.299 is mild effects (smooth effect). To see the effect of indirectly or directly can be obtained by multiplying the estimated coefficient on the track will change perception of change and motivation ( $0.143 \times 0.184 = 0.026$ ). The coefficient of indirect effect estimation is smaller than direct effect ( $0.026 < 0.074$ ), meaning the effect is direct. It can be concluded the influence of Perception of Change on Intention of Entrepreneurship directly influence. Means  $H_a$  rejected and  $H_o$  accepted.

#### ***H<sub>7</sub>: Influence between Motivations to Intention of Entrepreneurship.***

This seventh hypothesis is the test of influence between the variables Motivation to the variables intention of entrepreneurship by showing the results of hypothesis testing between these two variables have a positive and significant influence, expressed by the value of  $P < 0.05$  that is equal to 0.007. With CR  $> 1.96$ , that is 2.708. With the power of influence seen from standardize total effects is Moderately strong effects that is equal to 0.324. Thus it can be concluded this hypothesis test accept  $H_a$  and reject  $H_o$ .

## **DISCUSSIONS**

In this study it can be seen that the intention of entrepreneurship can be influenced by any variable. The results of this study show that the ability does not affect the intention of

entrepreneurship. This is aligned and supported by other studies that not only look at capabilities but also require experience, without sufficient experience and finance, entrepreneurs will not be able to start. Lack of finance and experience is the most important reason for not working for yourself and lacking confidence and height. Uncertainty in the market is one of the most influential factors of students (Salamzadesh et al, 2013).

Referring to the results obtained and supported by other research, the researcher can conclude that the ability of students does not play more in terms of intention of entrepreneurship, although the researchers concluded that the ability of students who viewed from the ability to assess the situation and ability to find opportunities by students can increase motivation them to work. It turned out that the ability to assess the situation and look for opportunities is not enough to foster intention of entrepreneurship. In addition to these capabilities, as well as financial and experience needs (Salamzadesh et al., 2013), the researchers assessed the need for another capability that is the ability to take risks. Why take a risk? Because without financial capital and experience for example, it takes finance through loans, and only people who have the ability to take risks that can solve financial problems. This is what has not been included in this research.

The results of this study indicate that the perception to change does not affect significant of entrepreneurship intentions through motivation as mediation. This is supported by other researchers who see that before there is a perception to change, a compulsory course is needed in advance so that they have a thought to change their concept of entrepreneurship and entrepreneurship. The aim of this research is to find out the perception change of the students towards entrepreneur and entrepreneurship. A survey was conducted among 925 students who participated in these courses and who did not in Aksaray University and the results show that the compulsory courses have positive impact on perceptions toward Entrepreneurship, along with the intention to start their own businesses. We hope that similar studies which will focus on the context of the course, the qualifications of the lecturers, the practices of students after graduation, their innovative behaviors in their business life will contribute to the Entrepreneurship Education field (Akin and Demirel, 2015). The researcher concludes that perception to change cannot influence the intention of entrepreneurship through motivation, but need existence beforehand before existence of equation of perception to change mind-set of entrepreneurship concept and entrepreneurship that is existence of training or course.

The growth of motivation through the ability of students must begin with interactive entrepreneurial learning so that they are interested to learn. The practice of entrepreneurship interactive and directly apply the ability of students certainly can foster desire to entrepreneurship. Practice by students at state universities in Jakarta in groups and directed by advisors at the practice site. The entrepreneurship practices that students undertake today are project-based and apply and teach how they can apply the ability to assess situations and seek opportunities so that practices can run conventionally.

Unlike other researchers who learn can also be done online. Online courses require new teaching and different teaching-new approaches to pedagogy and behavior. Students are empowered to learn on their own. They are usually much more intensive writing than the traditional class ever. In online courses, general discussions, requests for elaboration or assistance, answers to focused questions, group projects, most tasks, and many tests and quizzes are being written (Radović-Marković and Salamzadeh, 2012).

Researchers see online learning there are still shortcomings in terms of requiring different new approaches as well as students cannot be entirely left to self-study. So researchers still consider that project-based learning on entrepreneurial practices implemented in the Faculty is

still good applied in a conventional way. But it is possible that this online learning can be used as an additional suggestion for universities and faculty to also be able to apply a combination of entrepreneurial learning not only conventionally but added online.

## CONCLUSIONS, IMPLICATIONS AND SUGGESTIONS

### Conclusions

Based on the results of data analysis can be concluded take from 7 hypotheses tested, there are 2 rejected hypothesis that there is no influence between ability to intention of entrepreneurship and perception of change apparently direct influence on intention of entrepreneurship without motivation mediation. The results of the research may be different if the sample criteria used are different and the indicator dimensions of instrument size used are different.

### Implications

1. Theoretical implications, entrepreneurship learning at university is very useful to improve the quality of university graduates and in this study see that entrepreneurial intentions can be optimized through motivation, ability and perception to change. Need to add the ability to take risks for the future research.
2. Practical implications (policy), the results of this study are used as input for universities and faculties in practical policies and entrepreneurial learning must continue to run and be improved in quality. Need to apply a combination of entrepreneurial learning not only conventionally but added online.

### Suggestions

From the conclusion above, the researcher wants to give suggestions for improvement quality of student's ability and intention of entrepreneurship among students and for future research that are:

1. Entrepreneurial learning must be interactive and facilitated by faculties and universities so that students have the motivation and desire to become entrepreneurs.
2. Need to combine good conventional and online learning (but not fully online) to learn more interactive entrepreneurship and can increase ability and perception to change that motivates students and intention of entrepreneurship.
3. Sample criteria and measurement tools are important for further research development.
4. To consider other variables such as age, gender, etc., in future comparisons.

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# PRO-POOR TOURISM: FINDINGS FROM BANGKA ISLAND, INDONESIA

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## ABSTRACT

*This study investigated the influence of created resources, supporting facilities, destination management and private investment on destination competitiveness and the effectiveness of pro-poor tourism benefits in Bangka Island, Indonesia. To answer the research problems and objectives, data from two hundred and fifty visitors of Batu Kapur and Belimbing Beach were processed with Partial Least Square method. Goodness of inner and outer research model was evaluated and the result showed acceptable scores. Some important findings are first, created resources and supporting facilities have significant impact on destination competitiveness; second, created resources, supporting facilities and destination management have significant impact on Pro-poor tourism benefits; third, the extent of overall significant of research model is above eighty percent. Recommendations for beach management are providing basic tourist facilities, refining basic local infrastructure, promoting potential aspect of beaches and preparing local residents in terms of tourism awareness.*

**Keywords:** Created Resources, Supporting Facilities, Destination Management, Private Investment, Destination Competitiveness, Pro-Poor Tourism.

## INTRODUCTION

For more than two decades, Pro-poor tourism studies continuously managed in various places by many researchers like Africa and Asia (Truong, 2014; Truong, Slabbert & Nguyen, 2016; Drosos & Skordoulis, 2018; Knight, 2017) Some studies that investigated deeply on Pro-poor tourism and infrastructure can be found in Mahadevan, Amir & Nugroho (2017); Gascón (2015); Ashley, Boyd & Goodwin (2000). However, they only focus more on the pro-poor concept and less discussed on how to achieve the benefits. Some scholars in tourism management studies are having disagreement on what factors that truly affected the competitiveness of a pro-poor tourism benefits. Cattarinich (2001) explained that pro-poor benefits strongly supported by tourism attractions in particular location. Furthermore, Cattarinich (2001) also clarified that tourism attractions itself comprises effective tourism management, healthy natural environment and appealing location. Similarly, Drosos & Skordoulis (2018) stated that tourism development is deeply connected with the environmental conditions. Still, they only focus more on the environmental aspects and less on the tourist attractions. Some scholars have addressed the importance of community capacity building to support pro-poor tourism agenda (Saito, 2017; Rogerson, 2018). Unfortunately their studies have not mentioned the relationship between pro-poor tourism agenda and its antecedents. Meanwhile, other scholars like Christofle & Massiera (2009) explained that pro-poor tourism is highly affected by some factors like planning experience and on-site experience. Nevertheless, specific information about pro-poor benefits in marine-based tourism is unclear. Dissimilarity of finding on pro-poor benefits studies also found in Das & Ghosh (2014); Rogerson (2014) who stated that micro and

macroeconomics play important role in creating tourism benefits within a location. However, they only explained about general aspect of tourism and its contribution on local economy.

Study of Faulkner & Walmsley (1998) also revealed that tourism benefits is strongly influenced by situational conditions and resources including climate, geographical condition and local culture (inherited resources) and created resources such as buildings and facilities. Nonetheless, specific thing related to pro-poor benefits was not being discussed. Interesting studies have been done related to the role of information technology and service quality in the tourism industry (Drosos, Chalikias, Skordoulis, Kalantonis & Papagrigoriou, 2017). They have confirmed that information technology is “the lifeblood of travel” and service quality in tourism industry is positioned as strategic part of this industry. Nonetheless, they have not mentioned the real factors that contribute to the pro-poor tourism agenda. Some studies approved that pro-poor tourism benefits strongly affected by destination competitiveness. Famous tourist destinations can have more opportunities to give many benefits for local people and their community (Christofle & Massiera, 2009; Das & Ghosh 2014; Durydiwka & Duda-Gromada, 2014). Even so, detailed explanation about what factor that largely contributes to pro-poor benefits is still uncertain.

Different from previous studies, this study specifically introduced created resources, supporting facilities, investment, destination management and destination competitiveness as new pro-poor tourism benefits model. Based on previous details, the need to understand profoundly about pro-poor benefit and its antecedents motivated this study. The present study is focus to expose the extent of beach competitiveness in Bangka Island and what factor that primarily affected the accomplishment of pro-poor benefits in Bangka Island. The novelty in this study is the comprehensive model of pro-poor tourism benefits which will further contribute to tourism management and strategic management studies. In order to answer research questions, this paper is structured as follows. First, literature review and conceptual framework are detailed. Then, the method used to manage empirical testing is explained. Next, the results of hypothesis testing and overall significant of research model are presented. The paper closes with the discussion of findings together with interpretation of result, conclusion, implications for beach stakeholders and advices of future research.

## **THEORETICAL BACKGROUND AND HYPOTHESIS DEVELOPMENT**

### **Destination Competitiveness and Pro-poor Tourism Agenda**

Competitiveness refers to “a force” or “a power” to compete among rivals where in several strategic management writings it was categorized into nation-level and firm-level competitiveness (Kaharuddin, Handaru, Sardan & Mohammed, 2017; Meutia & Ismail, 2015). In order to create competitiveness, a firm must undergo several crucial processes such as strategic management process, human resources management process, operation management process and technology innovation process (Khavi & Enu, 2013). Presently, some experts in competitiveness studies associated the competitiveness with the tourism sector and fostering the destination competitiveness concept (Kirovska, 2011; Ashley, Boyd & Goodwin, 2000). Destination competitiveness also explained by Kumar, Loganathan, Patel & Kumar (2015) who clarified that competitiveness of a destination is the capability of a specific location to achieve high financial performance. Some expert mentioned that measurement of destination competitiveness particularly in tourism management should lead to poverty reduction (Levine, 2003; Kirovska, 2011; Ashley, Boyd & Goodwin, 2000). Rios-Morales, Gamberger, Jenkins & Smuc (2011)

explained that study of destination competitiveness are including analysis of tourism management effectiveness, the role of infrastructures and marketing program.

Ashley, Boyd & Goodwin (2000) mentioned that main agenda of tourism management is poverty alleviation. Similar to them, Ashley et al. (2000) also explained that tourist attraction is important aspect that inseparable within tourism management. Cattarinich (2001) argued that tourism is the backbone of economy in developing countries. Besides, Yunis (2004) that pro-poor tourism is a set of policy and program to strengthen local economy and residents awareness of tourism management. Likewise, Mowforth & Munt (2003) explained that pro-poor tourism is strongly related to benefits for poverty mitigation as well as increasing the extent of natural environment quality. Meanwhile, Hovinen (2002) argued that pro-poor tourism policy is fostering economy resilience of local residents and refining the quality of tourism destination. In conclusion, we promote that the extent of destination competitiveness is positively affected pro-poor benefits agenda.

### **Created Resources as Essential Support in Beach Management**

Description of created resources can be found in Li, Zhang, Xu & Jiang (2015) who simplified that infrastructures are main feature of created resources. Infrastructure as a big part of created resources plays an important role to support whole visitor's activities starting from arrivals until departures. Therefore, created resources can also take form as a transportation system which is safe, comfort and affordable for all visitors and ready to serve all channels of air, land and sea. Other experts like Liu, Vogt, Luo, He, Frank & Liu (2012) argued that other forms of created resources are entertainment, shopping and tourism infrastructures. In conclusion, created resources are the whole man-made infrastructure which is built to provide convenient, comfort, security and deliver memorable experience for all visitors. Briefly, we claimed that the quality of created resources will affected the extent of destination competitiveness.

### **The Role of Destination Management in Tourism Sector**

Destination management defined as the process of creating, leading and adjusting some factors that related to product and service formulation in tourism business (Pasa, 2013; Ma & Hassink, 2013). Other processes in destination management are including location management, service marketing management and human resource management. Some key points in destination management are called physiographic of a destination including landscape, climate, weather, topography, which are crucial for tourism industry (Pasa, 2013). Destination management also related to management staff in particular tourist destination. Peteley (2013) mentioned that main scopes of destination management are marketing and promotion, membership and stakeholders, policy and strategy perspective, information and research, together with financial management. In summary, we promote that the extent of destination competitiveness is affected by the quality of its management.

### **Primary Role and Forms of Supporting Facilities for Tourist**

Liu (2013); Hall & Page (2009) have mentioned that every tourism destination has to have adequate tourism facilities that intentionally build to create comfortable condition. Supporting facilities for visitors can take many forms such as accommodation or hotels,



restaurant, shopping facilities, or souvenir center. Similar view is mentioned by Durydiwka & Duda-Gromada (2014). They believe that tourist destination should be supported by comfortable tourist facilities like recreational center, accommodation and attractions. Weaver (2000) also mentioned that sport facilities are very important to specific visitors. Furthermore, Durydiwka & Duda-Gromada (2014) suggested that tourist destination can create their own accommodation facilities by cooperation with local residents. Other scholars like Zili & Benhua (2014) stated that supporting facilities in tourism destination are including sport facilities, recreational center, or shopping center. As stated by Zunic (2012), hotel and accommodation facilities are central to tourism management. Study of Ionita (2014); Christofle & Massiera (2009), argued that supporting facilities for disable people are very important to support the extent of destination competitiveness. Therefore, we deliberate that the extent of destination competitiveness fostered by the quality of its supporting facilities.

### **Private Investment to Enhance Destination Competitiveness**

The extent of private investment is fundamental to develop tourism destination especially in new location (Kornai, 1992). As Soegiono, Pranoto & Haryani (2011) mentioned that private investment is related to a set of activities that intentionally crafted to increase and add the assets. Furthermore, they stated that assets are financial and non-financial (Soegiono et al., 2011). Study of Smith (1992) explained that private investment can promotes several benefits such as flow of cash, refinement of technological aspect, increase of managerial expertise and promoting more market penetration. Li (2009); Box (2011) also mentioned that private investment can also bring negative impact such as degradation of natural environment. To minimize this, Li (2009) suggested that local government as regulator should proactively protect natural environment by providing necessary regulations. Another scholar argued that investment is crucial in terms of regional trade agreement like ASEAN (Leshner & Miroudot, 2007). In their study, Hassan, Othman & Karim (2011) explained that in order to increase private investment, local government should actively provide public investment. Public investment plays an important role to attract private investment because public investment needs huge capital to develop basic infrastructure such as harbors, railroads, toll roads and airports (Hassan et al., 2011; Terenteva, Vagizova & Selivanova, 2016). More detailed explanation about investment role in tourism industry can be found in Florea & Ciovisa (2014). Oreja Rodriguez, Parra-Lopez & Yanes-Estevez (2008) also mentioned that tourism industry is very attractive to private investment. Additionally, they also mentioned that accommodation and hotel development are crucial in private investment. For above explanation, we concluded that the extent of destination competitiveness is fostered by the extent of private investment in particular location.

### **HYPOTHESES**

Numerous empirical studies have observed the relationship between pro-poor tourism campaign and external factors of particular tourism destination. However, some of previous studies are only discussed about qualitative aspects related to specific destination. Therefore, this study is focus on formulating more comprehensive model of pro-poor tourism management. To accomplish this, some hypotheses are formulated as follows:

*H<sub>1</sub>: The extent of destination competitiveness is positively affected pro-poor benefits agenda.*

*H<sub>2</sub>: The quality of created resources will affect the extent of destination competitiveness.*

- H<sub>3</sub>: The extent of destination competitiveness is affected by the quality of its management.*
- H<sub>4</sub>: The extent of destination competitiveness fostered by the quality of its supporting facilities.*
- H<sub>5</sub>: The extent of destination competitiveness is fostered by the extent of private investment in particular location.*

## METHOD

Samples in this study are two hundred and fifty visitors of Batu Kapur and Belimbing Beach in Bangka Island. Primary data retrieved from questionnaire distribution alongside some interviews with beach visitors and secondary data retrieved from local government office. This study used PLS technique to test all hypotheses and answer research questions. The result of average variance extracted, composite reliability and loading factors will be the main parameters to decide the goodness of proposed research model. All analysis is based on qualitative method and the structural model output, path coefficients and p-value scores. The impact of each exogenous latent variable on destination competitiveness is evaluated by effect size ( $f^2$ ) scores

## RESULT AND DISCUSSION

### Beach Condition

In-depth observation at Batu Kapur and Batu Belimbing Beach revealed some information. In general, these beach are poorly managed and far below expectation. These two beaches actually gifted by beautiful natural landscape. But basic and tourism facilities are poorly managed. There are no appealing facilities for tourists and even basic facility such as restrooms or toilets are hard to find. The main road which connected airport and beach is relatively in good condition. It only takes two hours by bus or car to get to the beach from Depati Amir Airport in Pangkal Pinang. Close observation in two locations also exposed other facts. Batu Kapur and Batu Belimbing Beach are still managed by local residents unprofessionally. Some local residents were trying to provide basic facilities such as food stalls, rest areas, parking lot and restrooms. Nevertheless, the qualities of those facilities are poor. The descriptive statistics of all variables in this study are presented in Table 1. These empirical results have been estimated using SPSS statistical software.

Table 1 DESCRIPTIVE STATISTICS					
	N	Minimum	Maximum	Mean	Std. Deviation
CREAT	250	1.00	2.75	1.9630	0.26771
SUPP	250	1.00	2.82	1.9566	0.26212
DEST	250	1.00	3.00	1.9700	0.29058
PRIVATE	250	1.17	2.50	1.9731	0.17863
DESCOMPT	250	1.00	2.50	2.0280	0.15911
PRO	250	1.00	3.00	1.9984	0.32271

## Model Evaluation

The first evaluation of research model in this study is construct validity test which correlates research construct with its indicators. Construct validity test essentially based on basic assumption that indicators and research construct should have strong correlation. In this study, the result of construct validity depicted from Average Variance Extracted (AVE) scores as follows: Destination Competitiveness (0.742), Destination Management (0.694), Pro-Poor Tourism (0.682), Created Resources (0.568) and Supporting Facilities (0.692). This result shows that the validity of research model is acceptable. The second evaluation of proposed research model is composite reliability test. Composite reliability measurement is used to check internal steadiness of survey instruments. The result of composite reliability test is as follows: Destination Competitiveness (0.852), Destination Management (0.819), Pro-poor tourism (0.865), Created resources (0.840) and Supporting Facilities (0.818) which are acceptable for further analysis. The result of AVE and composite reliability showed that present research model is satisfactory. Another evaluation of present research model is the outer loading of its each indicator. The result of outer loading of present research model is represented in Table 2:

Table 2 OUTER LOADING						
	CR	SF	DM	PRI	DC	Pro
x1	0.755					
x2	0.722					
x3	0.698					
x4	0.787					
x5		0.852				
x6		0.811				
x7			0.881			
x8			0.782			
x9				0.815		
x10				0.863		
x11					0.875	
x12					0.849	
y1						0.898
y2						0.752
y3						0.822

CR: Created Resources, SF: Sup Fac, DM: Dest Mgt, PRI: Private Invest, DC: Dest Comp, Pro: Pro Poor Tourism

Based on Table 1, strongest indicator for created resources is x4 (clean water system); the strongest indicator for supporting facilities is x5 (shopping facilities); the strongest indicator for destination management is x7 (marketing strategy); the strongest indicator for private investment is x10 (tourist facilities); the strongest indicator for destination competitiveness is x11 (competitive advantage) and the strongest indicator for pro-poor benefits is y1 (economic benefit).

## Path Coefficient and Total Effect

The present study formed some path coefficients represented in Table 3:

**Table 3**  
**PATH COEFFICIENT AND TOTAL EFFECT**

	<b>Original Sample (O)</b>	<b>Sample Mean (M)</b>	<b>Standard Error (STERR)</b>	<b>T Statistic</b>	<b>P Values</b>
DC → PRO	-0.052	-0.056	0.073	0.715	0.475
DMGT → DC	-0.054	-0.051	0.106	0.514	0.608
DMGT → PRO	0.150	0.154	0.061	2.436	0.015
PI → DC	-0.183	-0.188	0.108	1.690	0.092
PI → PRO	0.139	0.139	0.075	1.862	0.063
CRES → DC	0.579	0.584	0.120	4.843	0.000
CRES → PRO	0.609	0.615	0.088	6.881	0.000
SUP → DC	0.405	0.406	0.119	3.397	0.001
SUP → PRO	0.193	0.183	0.089	2.165	0.031

Based on Table 3, created resources and supporting facilities are positively supporting destination competitiveness. Meanwhile, created resources, supporting facilities and destination management are positively developing pro-poor benefits.

### **F-Square/Effect Size**

Some exogenous latent variables have significant impact on beach destination competitiveness and pro-poor benefits. The extent of exogenous latent variables effect are as follows: destination competitiveness → pro-poor tourism (0.010), destination management → destination competitiveness (0.003), destination management → pro-poor tourism (0.094), private investment → destination competitiveness (0.033), private investment → pro-poor tourism (0.066), created resources → destination competitiveness (0.227), created resources → Pro-poor tourism (0.743), supporting facilities → destination competitiveness (0.180) and supporting facilities → pro-poor tourism (0.126). In summary, created resources have the strongest effect on the development of destination competitiveness and the weakest is destination management. Besides, created resources also have the strongest effect on pro-poor benefits. Overall, total contribution of exogenous latent variables on pro-poor benefits is 87.5%.

## **DISCUSSION**

Positive contribution of destination competitiveness on pro-poor benefits implementation is consistent with Yunis (2004); Zunic (2012). One destination can give many benefits for local community if it has competitive advantage among other beach destinations. In this study, the three benefits from pro-poor tourism (economic, livelihood and less tangible benefits) are scored low. Implementation of Pro-poor tourism benefits could be succeed if these beach are well organized and managed professionally by local government in cooperation with private investors as explained by Ashley et al. (2000). Unfortunately, several survey questions of created resources such as “clean water quality” and “transportation infrastructure” also scored low. Cooperation between local government and investors is highly needed because the cost of development of tourist destination is huge. High cost of destination development in return will provide many benefits such as poverty alleviation, better infrastructure, positive image of region and better environment quality. This study also revealed that supporting facilities play an

important role to enhance competitiveness of two beaches. Specifically, local government together with private investors must provide various facilities to serve beach visitors. This are including accommodations or hotels, banks and ATM, restaurants, rental facilities, shopping retails, food stalls, local souvenir center, travel agents, tourist information center and other amenities. Unfortunately, several survey questions of supporting facilities such as “ticketing”, “toilet/restroom”, “accommodation quality” and “shopping retails” are answered far from satisfactory. Another important aspect that highly contributes to pro-poor benefits campaign is the quality of tourist attractions, festivals and events. At the moment, Batu kapur and Batu Belimbing Beach do not have appealing attraction, festivals, or event that well managed and prepared. Survey questions like “local culture festivals”, “international events” and “recreational package” are scored unacceptable. This negatively affected the sum of visitors. Learn from other more settled beach destination like Kuta Bali, many water-based attraction can be made such as marine sport (canoeing, sailing, banana boating, water skiing, snorkeling, diving), marine festivals (seafood, exhibition, kites), culture festival (traditional food and dance, local history) and recreational sport (biking, tracking, hiking, beach volleyball, beach running).

This study however, has limitation that can be addressed in future research. First, our samples are visitors of beach with various backgrounds. This could result in potential bias of response and data. We have tried to minimize potential bias of data by adding more samples to gather more robust data from relatively similar background by using specific criteria such as educational level and age, as advised by Davcik & Sharma (2015); Ntanos, Kyriakopoulos, Chalikias, Arabatzis & Skordoulis (2018).

## CONCLUSION AND RECOMMENDATION

The present study explored antecedent of beach competitiveness and its impact on pro-poor tourism program. Some steps were used to answer research questions. First, mean score was used to measure the extent of beach competitiveness. Then, partial least square analysis technique was used to determine what antecedents are positively developed beach competitiveness and pro-poor tourism benefits program. This study empirically validates some findings. First, created resources and supporting facilities are positively enhancing beach competitiveness. Next, created resources, supporting facilities and destination management are positively developing pro-poor benefits. In summary, pro-poor tourism benefits can be successfully created if supported by 1) well-maintained created resources such as basic infrastructure (roads, transportation system, public utilities); 2) good supporting facilities such as accommodation, amenities, shopping centers, restaurants, tourist information center and travel agents and 3) destination management such as attractive marketing promotion programs. Future research is needed to measure other potential factors to enhance beach competitiveness and pro-poor tourism benefits such as cultural aspect and local heritage.

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# **THE EFFECT OF COMPENSATION, MOTIVATION OF EMPLOYEE AND WORK SATISFACTION TO EMPLOYEE PERFORMANCE PT. BANK XYZ (PERSERO) TBK**

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## **ABSTRACT**

*This study aims to determine the effect of variable compensation, work motivation and job satisfaction on employee performance PT. Bank XYZ (Persero) Tbk by using a quantitative and technical approach to path analysis (Path Analysis). The population in this research are employees with non-managerial positions at 24 branch offices in the working area of Regional Office I covering the provinces of DKI Jakarta, West Java and Banten as many as 2547 people, with a sample of this study as many as 346 respondents with exploratory research method which aims to test a theory or hypothesis to reinforce or reject the theory or hypothesis of the results of research undertaken. The results of this study indicate that compensation has a positive and significant effect on work motivation, compensation has a positive and significant effect on job satisfaction, work motivation has a positive and significant effect on job satisfaction, compensation has positive and significant effect on employee performance, work motivation has positive and significant impact on performance employees and job satisfaction has a positive and significant effect on employee performance.*

**Keywords:** Compensation Variable, Work Motivation, Job Satisfaction, Employee.

## **INTRODUCTION**

Every company strives to achieve the goals set by top management. Company goals include growth, profit and employee welfare productivity and so on. The role of human resources in a company is very important. Relevant changes are very influential on the way the company. Often the appraisal systems of supervisors and subordinates are not the same as those at lower levels.

Regarding the issue of HR management in a company that should focus closely on performance, there are several factors that need attention and which can support the performance of an employee, including; compensation, work motivation, job satisfaction and so forth.

Performance of PT. Bank XYZ (Persero) Tbk period 2013 s.d 2014 showed less than optimal performance. The performance of less than optimal employees is reflected or can be measured by not achieving the company's performance targets that have been set. Achieving



company performance targets is an accumulation of the achievement of individual performance of all employees, so that the improvement of employee performance will improve company performance and vice versa.

## **REFERENCE AND HYPOTHESES FORMULATION**

### **Employee Performance**

Performance has diverse insights from various experts, but still has common ground. Armstrong's performance definition, performance is as behavior and the behavioral result that comes from the actors who change the performance from the abstract into the form of action. Not only is the instrument for achieving results, the behavior is something that stands alone, the product of a mental and physical effort that is applied in the execution of the task and can be judged separately from the results. Performance according to Daft is the organization's ability to maintain its objectives by using resources effectively and efficiently. Furthermore, the scope of performance of performance definition according to TR Mitchell (Sedarmayanti, 2001), that performance includes several aspects, namely: (1) Quality of work; (2) Promptness; (3) Initiative; (4) Capability; (5) Communication.

Performance is one measure of actual behavior in the workplace that is multidimensional in nature, where performance indicators include: quality of work, the quantity of work, working time and cooperation with co-workers. Explanations of these performance indicators are: (1) Quality of work, the provision of quality products is a demand for the organization to survive in various forms of competition. Increased purchasing power and the existence of consumer support to the existence of the quality of work offered will further enhance the sustainability of the organization in achieving the goals set; (2) The quantity of work, the quantity of production will determine the ability of the organization to dominate the market, so with the quantity of work that can be produced the company is expected to give a positive impression to the position of products in the market; (3) Working time, determining the most efficient and effective working time at all levels of management, is the basis for an employee in completing a product or service he or she is responsible for; (4) Cooperation is a demand for the success of the company in achieving the goals set, good cooperation will provide confidence in various parties concerned, either directly or indirectly with the company. Companies must be able to build constructive internal conditions with high commitment and consistency to all levels of management.

Based on the definition of concepts that have been expressed by experts, it can be synthesized that performance is the work achieved by a person both quantity and quality in carrying out tasks in accordance with the responsibilities imposed to him and how much they can contribute to the organization. Performance is a real work achieved by a person in carrying out the tasks assigned to him based on his skills, experience, sincerity and time. Performance is also influenced by several factors, especially motivation, ability, skills, social security, compensation and achievement opportunities. With dimensions and indicators: (1) Work quality; (a) Quality generated, (b) The ability of employees. (2) The quantity of Work; (a) The work, (b) Activities completed. (3) Punctuality; (a) Work completion, (b) Time optimization. (4) Effectiveness; (a) Use of resources, (b) Maximize results. (5) Cooperation; (a) Constructive communication, (b) A harmonious working relationship.

## Job Satisfaction

Human resource management experts and organizational behavior give definition or concept about job satisfaction with the expression of language and review from different perspectives but the meaning contained from the definition which they express at the same meaning that is job satisfaction is attitude and the general feeling from a worker to his work. Various definitions of job satisfaction are, among others, Gibson et al. (1996), job satisfaction is the attitude that individuals have about their work. These results from their perception of their work, based on work environment factors, such as the style of supervision, policies and procedures, affiliate working groups, working conditions and additional benefits. Job satisfaction made by Schermerhorn, Job satisfaction is the extent to which individuals feel positive or negative about their work.

Job satisfaction is also an emotional response to one's duties, as well as the physical and social conditions of the workplace. In concept, job satisfaction also shows the extent to which expectations in a person's psychological contract are met. This is in accordance with the explanation Marihot Tua Hariadja suggests that *"Job satisfaction is the extent to which individuals feel positively or negatively various factors or dimensions of the tasks in their work"*. Some theories of job satisfaction are as follows:

### Discrepancy theory by Porter

This theory explains that *"An employee will be satisfied if there is no difference between what is desired and his perception of reality, by measuring one's job satisfaction by calculating the difference between what should be and the perceived reality"*. Next Locke said that *"Employee job satisfaction depends on the difference between something earned and expected by the employee"*. If the employee gets bigger than expected then the employee will be satisfied and vice versa.

### Equity theory (Adam's theory of justice)

The principle of this theory is that *"People will feel satisfied or dissatisfied, depending on whether they feel the existence of equity or not on a situation"*. According to the theory of justice (equity theory) developed by Adam, it is said that *"There are four main components in this theory, namely input, outcome, comparison person and equity-inequity"*. According to this theory, satisfied or unsatisfied employees are the result of comparing their input-output with the comparison of other employee input-outputs. If the comparison is felt fair then the employee will feel satisfied. However, inequity can result in two possibilities, the injustices that benefit him and the opposite of injustice that benefits other comparable employees.

### Need fulfillment theory by Schaffer

The theory of need fulfillment was developed by Schaffer (Staw, 1991) who said that *"Job satisfaction will vary directly with the extent to which the needs of an individual which can be satisfied are actually satisfied."* This statement was also confirmed by Anwar Prabu Mangkunegara who said that *"Employee job satisfaction depends on the fulfillment or absence of the needs of employees, employees will feel satisfied when he gets the things he needs, the greater the needs of employees are fulfilled the more satisfied the employee and vice versa"*. In

this theory have also considered that to measure total or total job satisfaction can be done by combining several facet-satisfaction measures of some of the work factors that have been weighted (Staw, 1991). Furthermore, according to As'ad (2004) the factors that affect job satisfaction are: (1) Psychological factors, is a factor associated with the psychiatric employees that include interest, work comfortability, attitudes toward work, talents and skills; (2) Social factors are factors related to social interaction both among employees, with employers, or employees of different types of work; (3) Physical factors are factors related to the physical condition of the work environment and the physical condition of the employee, including the type of work, the working time and the rest period, work equipment, the condition of the room, temperature, lighting, air exchange, employee health conditions, etc.; (4) Financial Factor, is a factor related to employee guarantee and welfare covering system and amount of salary, social security, allowances, facilities provided, promotion and so on.

Of the several definitions, theories and factors that affect job satisfaction described above, it can be synthesized that job satisfaction is a part of life satisfaction related to the feelings and attitudes of a worker to his work, which directly affects the economy and behavior in work in the form of performance, discipline and work morale, with dimensions and indicators of measurement of job satisfaction are: (1) Work mentally challenged; (a) The nature of the work to be performed; (b) Workload and workload; (c) Promotion and training opportunities continue. (2) Supporting working conditions; (a) Company Policies and Procedures (b) Work tools and equipment; (c) Security. (3) Coworkers support; (a) Direct Supervisor; (b) Recognition and Appreciation.

## **Work Motivation**

Motivation can be defined as a process that explains one's intensity, direction and perseverance in trying to achieve its goals (Wukir, 2013). Motives are necessities, desire, drives or impulses. Positive motivational philosophy and practice can improve productivity and quality of work. Some motivational theories work as follows:

### **The hierarchy of needs theory by Abraham Maslow**

Motivation is the set of forces that initiate, directing and keep people in their efforts to achieve goals. Hierarchical Motivation Theory according to Maslow (Luthan, 2003), "*Motivation is a process that starts from the needs of physiology and psychology that drive behavior or encouragement that leads to goals or incentives*". Motivation includes 3 (three) interacting elements, namely: (1) Needs, needs to be created when there is physiological and psychological imbalance; (2) Encouragement, created to meet the needs; (3) Incentives, everything that can meet the needs and decrease encouragement. Maslow divides an important need for humanity into 5 (five) levels: (1) Physiological needs, is a basic need that humans need to survive. This need must be fulfilled before one wants to meet the above needs; (2) The need for safety (security), once the physiological needs are met then the need to protect oneself becomes the motivation of the next behavior. These needs include stability, freedom from fear and job security; (3) social needs (love and social needs) and once the needs of the body and security are met, new needs arise: ownership and belonging and the need to be accepted in social groups. Humans need others to relate and interact; (4) Needs of appreciation, after the three previous needs are met, there arises the need for rewards or the desire to excel; (5) Self-actualization,

arises after all needs are met. It is a necessity to continue to grow and realize its full capacity and potential.

### **Theory X and theory Y by Douglas McGregor**

Theory X and Theory Y according to McGregor in his book *The Human Side of Enterprise* (Wukir, 2013) states that people in an organization can be managed through 2 (two) ways, namely: (1) More negatives, which fall within category X and (2) More positive, which falls within category Y. Presents 2 (two) views of man, to the assumption held by the manager, namely: Theory X, there are 4 (four): (a) Employees are inherently embedded in their dislike of work; (b) Employees disliking their work to be monitored or threatened with punishment for achieving goals; (c) Employees will avoid responsibility; (d) Most employees put security above all work-related factors, while the Theory Y is 4 (four): (a) Employees may view cooperation as reasonably as rest and play; (b) People will exercise self-direction and self-supervision if they commit to the target; (c) The average person will accept responsibility; (d) The ability to make innovative decisions.

### **Theory of two factors by Fredrick Herzberg**

According to Widodo (2014), this theory concerns the things that directly and indirectly affect the motivation of work, that there are 2 (two) important factors that must be considered in encouraging the motivation of members, namely: (1) maintenance factor or hygienic; and (2) motivator factors. Maintenance factors or hygienic is factors that cause dissatisfaction in the work and are extrinsic.

### **Achievement theory by David McClelland**

Motivation by Ivancevich et al. (2008) in McClelland's theory of Achievement Theory, that motivation is a relationship with the concept of learning. He believes that many needs are derived from culture. Thus the key to understanding the process of motivation is interdependence on understanding and the relationship between needs, drives and incentives.

### **Expectancy theory by Victor Vroom**

In the opinion of Kreitner & Kinicki (2009), by arguing that the Expectancy theory of Victor H. Vroom, namely: Motivation boils down to the decision of how much effort to exert in a specific task situation. Motivation shortens the decision on how much effort is being made in a specific assignment situation. This Vroom Theory has the assumption that behavior derives from conscious choices among alternatives aimed at enlarging pleasure and minimizing suffering, at least 3 (three) different components, namely: (1) Direction, relates to what an individual chooses when he is confronted with a number of possible alternatives; (2) Intensity, refers to the strength of the response when the direction of motivation has been chosen; (3) Perseverance, referring to the length of time a person will continue to give their efforts. This theory argues that the high motivation of a person is determined by 3 (three) components, namely: (1) Expectancy, success in a task; (2) Instrumentality, namely the assessment of what will happen if successful in doing a task; (3) Valence (valance), i.e. response to outcomes such as positive feelings, neutral, or negative. High motivation if effort produces something that exceeds expectations, on the contrary motivation is low if the effort produces less than expected (Widodo, 2014).

## **ERG motivation theory by Clayton Alderfer**

This theory is an improvement of Maslow's hierarchy of needs (Wukir, 2013) according to this theory humans have 3 (three) levels of need, namely: E (Existence: existence), refers to the need for the existence of basic materials, such as shelter, healthy physical and psychological safety. In Maslow's hierarchy this need is a physical and security requirement; R (Relatedness: relevance), refers to the desire to have interpersonal relationships and social interactions similar to social needs and external components of the need for appreciation in Maslow's hierarchy; G (Growth: growth); refers to the desire to grow and develop its full potential. Usually this desire is met with the involvement of individuals within the organization. In Maslow's hierarchy, this need is similar to the intrinsic component of reward needs and self-actualization.

## **Goal setting theory by Locke**

Furthermore, the theory of goal setting of motivation by Williams is: Motivation is the set of forces that initiates, directs and makes people persist in their effort to accomplish a goal. Motivation is an effort in the form of initiative, directing and making people commitment in trying to achieve goals.

From several definitions of concepts that have been expressed by experts, it can be synthesized that the motivation of work is a process of behavior in moving oneself starting from the fulfillment of physiology and psychology needs and the drive to meet certain needs or to achieve goals, with dimensions and indicators: (1) Needs; (a) Achievement, (b) Authority, (c) Affiliation; (2) Encouragement; (a) Achieving success, (b) Opportunities to grow, (3) Incentives; (a) Individually, (b) Together.

## **Compensation**

One way of management to improve job performance, motivate and improve employee performance is through compensation. Compensation is important to employees as individuals because the amount of compensation reflects the size of their work among the employees themselves, their families and society. Compensation is often also called an award and can be defined as any form of reward given to employees as a reward for the contribution they give to the organization.

Compensation according to Dessler (2006), employee compensation has 2 (two) main components: (1) Direct payments; (wages, salaries, incentives, commissions and bonuses), (2) Indirect payments; (financial benefits, such as: insurance and vacation paid by employers). According to Ivancevich (2007), the purpose of compensation is to create an appropriate reward system for workers and employers, the desired outcome is a worker who is tied to his job and motivated to do a good job for the worker. The compensation given should reflect the value of a job. Compensation or compensation aimed generally for the benefit of the company and employees. The interest of the company with the compensation is to obtain a greater job performance. While the interests of employees for the compensation received that is able to meet the needs and desires and become household economic security.

Compensation according to Rivai (2009), where the outline of the compensation program can be divided into 2 (two) major groups, namely: (1) Based on the form, divided into; (a) financial compensation; (b) compensation non-financial (non-financial compensation); (2) Based on the method of giving, divided into; (a) direct compensation, namely, (b) indirect

compensation. Direct Compensation is the compensation that is directly felt by the recipient, i.e. in the form of salary, wages, incentives is the right of employees and the obligation of the company to pay for it. Indirect compensation is the compensation that employees can not directly perceive, i.e. benefits and services.

Of the several definitions of concepts that have been expressed by experts, it can be synthesized that the compensation is a reward received by someone in return for his efforts either in the form of money or in the form of other rewards that make the person feel satisfied with the work that has been achieved and is a compensation which is given to employees as a means to achieve organizational goals that include: extrinsic aspects in the form; salary and wages, benefits, incentives and additional income, as well as intrinsic aspects of the form; responsibilities, challenges and the nature of the work, abilities, skills and growth of personal qualities, with dimensions: (1) Direct financial compensation; employee payment in form; (a) salary; (b) wages; and (c) incentives; (2) Indirect financial compensation or benefit; all payments not covered by direct financial compensation, including; (a) insurance; (b) benefits; (c) retirement.

Based on literature review and frame of thought, hence hypothesis in this research can be formulated as follows:

1. Compensation has a significant effect on work motivation.
2. Compensation has a significant effect on job satisfaction.
3. Work Motivation has a significant effect on job satisfaction.
4. Compensation has a significant effect on employee performance.
5. Work Motivation has a significant effect on employee performance.
6. Job Satisfaction has a significant effect on employee performance.

## **RESEARCH METHODS**

Research conducted by employees of PT. Bank XYZ (Persero) Tbk or known as Bank BTN is a limited liability company engaged in banking services provider. Bank BTN is an Indonesian State-Owned Enterprise established in 1987 under the name Postspaar Bank located in Batavia. Currently, Bank BTN has become one of the leading banks in Indonesia, with total assets as of November 2017 amounting to Rp. 240.82 trillion has a network of 5 regional offices consisting of 73 conventional branch offices and 24 sharia branch offices spread throughout Indonesia.

The focus of attention in the implementation of this study is limited to only 4 variables of compensation, work motivation, job satisfaction and employee performance. The study was conducted for 12 months from December 2016 to December 2017, using survey method using primary data collection method by giving statements to individual respondents and using quantitative research approach with emphasis on numerical assessment over the phenomena studied.

Population in this research is employees of Branch Office of PT. Bank XYZ (Persero) Tbk in the working area of Regional Office I located in DKI Jakarta, West Java and Banten, includes 24 Branch Offices consisting of 7 Main KC, 4 KC Class I, 8 KC Class II and 5 Class III KC. The total number of employees of the Branch Office located in the working area of Regional Office I is 2,759 persons, consisting of 212 persons with managerial positions and 2,547 persons with non-managerial positions.

Sampling using simple random sampling technique where this technique is used because the sampling consists of 24 branches. Calculation of the number of samples in this study will use

the Slovin formula. With the desired error rate is 5%, then by simple random samples obtained as many as 346 respondents with non-managerial positions.

Data collection is done by using questionnaires that is a method of data collection by spreading the list of statements to all respondents. In this study data obtained directly from the respondents by distributing questionnaires or statements list on the respondents in the form of a sample of a population, so the data used is primary data.

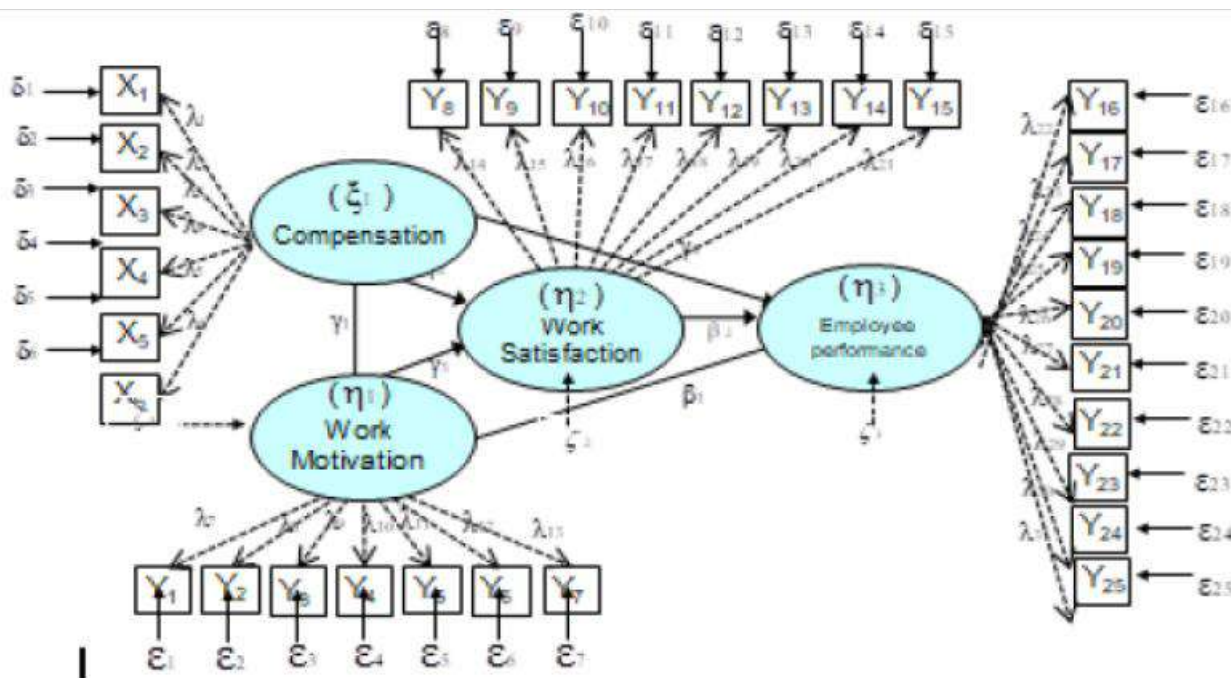
The data collection technique used in this research was survey method, with closed questionnaire tool, consisting of two parts, the first part consisting of statements to obtain personal data of respondent and second part used to get data about the dimensions of construction developed in this study, in which respondents chose one of the answers that have been provided, with alternative answers consisting of intervals worth 1-5.

Measurement scale used for the assessment of the questionnaire is the Likert Scale is the scale used to measure attitudes, opinions and perceptions of a person or a group of people for about social phenomena. In this social research has been specified specifically by the researchers, hereinafter referred to as research variables. The answer of each instrument item using the Likert Scale, has a graduation from very positive to very negative, or interval (1-5). Scale 1 for level of assessment "*strongly disagree*", scale 2 "*disagree*", scale 3 "*neutral*", scale 4 "*agree*" and scale 5 "*strongly agree*".

This research uses SEM (Structural Equation Modeling) method. According to Ghazali (Siswoyo Haryono), SEM is a multivariate analysis technique that allows researchers to examine the relationships between complex variables, both recursive and non-recursive to obtain a comprehensive picture of the overall model. Such complex relationships can be constructed from one or more dependent variables with one or more independent variables. Each variable can be a factor (constructed construct of some indicator). The flow diagram in this study is presented in Figure 1.

### Testing Validity and Reliability of Research Instruments

Validity and reliability test results for the compensation variable show all statements used in this compensation indicator have validity value greater than 0.300 and declared valid. While the reliability value of this indicator of 0.932. This value is greater than 0.700 which becomes the minimum restriction of reliability. Job motivation variable shows all questions used in this work motivation indicator has a validity value greater than 0.300 and declared valid. While the reliability value of this indicator of 0.936. This value is greater than 0.700 which becomes the minimum restriction of reliability. Job satisfaction variable shows all statements used in this indicator has a validity value greater than 0.300 and declared valid. While the reliability value of this indicator of 0.951. This value is greater than 0.700 which becomes the minimum restriction of reliability. The employee performance variable shows all statements used in this indicator have validity values greater than 0.300 and are declared valid. While the reliability value of this indicator of 0.952. This value is greater than 0.700 which becomes the minimum restriction of reliability. Based on the above results, it is concluded that the variable compensation, work motivation, job satisfaction and employee performance have met the requirements of validity and reliability.



**FIGURE 1**  
**FLOW CHART OF RESEARCH**

## TEST RESULT AND DISCUSSION

### Overall Match Tests Model Criteria Goodness of Fit

Based on the SEM Analysis Output using Lisrel software the values obtained are used as references in the overall model test. In the Table 1, The Match Test scores on some of the Goodness of Fit Index Criteria are as follows:

Table 1 OVERALL MATCH TESTS MODEL CRITERIA GOODNESS OF FIT			
Goodness of Fit Index	Criteria	Research Result	Conclusion
Chi-Square	Kecil	403	Good-Fit
P-Value	>0.05	0.000	Marginal-Fit
RMSEA	<0.08	0.061	Good-Fit
GFI	>0.90	0.85	Marginal-Fit
AGFI	>0.90	0.82	Marginal-Fit
CMIN/DF	<2.00	2,33	Marginal-Fit
TLI	>0.95	0.99	Good-Fit
CFI	>0.95	0.99	Good-Fit

The above Goodness of Fit coefficient indicates a matching model with a good match rate. Goodness of Fit values obtained entirely meets the requirements of the model fit well. Based on the above coefficient values that meet the fit requirements of a model, it can be concluded that in general, the model obtained has a good level of compatibility.

The table above shows that:



1. Chi-Square Statistic Value ( $\chi^2$ ) of 403 with a small concentration means the smaller the better.
2. The P-Value value is  $>0.05$ , this indicates that the proposed model is good
3. Root Mean Square Error of Approximation (RMSEA) is  $\leq 0.08$  which means this model is a good fit.
4. Goodness-of-Fit Index (GFI) has value  $>0.90$  means that this model is suitable.
5. Adjusted Goodness of Fit Index (AGFI) value of  $\geq 0.90$  is good fit, meaning the value of 0.90 shows the better model.
6. Tucker-Lewis Index or Non-Normed Fit Index (TLI or NNFI) is  $\geq 0.95$  is good fit, moderate
7. Comparative Fit Index (CFI), the value of  $\geq 0.95$  is suitable

## Hypothesis Testing

There are six paths hypothesized in the compiled model. So there are 6 pairs of hypotheses to be tested. In the Table 2 below, it appears that in the hypothesized model, of the six proposed hypotheses, all are proven statistically significant. The results of hypothesis testing as complete as follows:

<p style="text-align: center;"><b>Table 2</b> <b>HYPOTHESIS TESTING</b></p>						
No	Hypothesis			Loading	T-Value	Decision
1	Compensation	-->	Work Motivation	0.56	10.13	Significant
2	Compensation	-->	Job Satisfaction	0.16	2.68	Significant
3	Work Motivation	-->	Job Satisfaction	0.45	7.05	Significant
4	Compensation	-->	Employee Performance	0.37	7.58	Significant
5	Work Motivation	-->	Employee Performance	0.41	7.53	Significant
6	Job Satisfaction	-->	Employee Performance	0.17	3.83	Significant

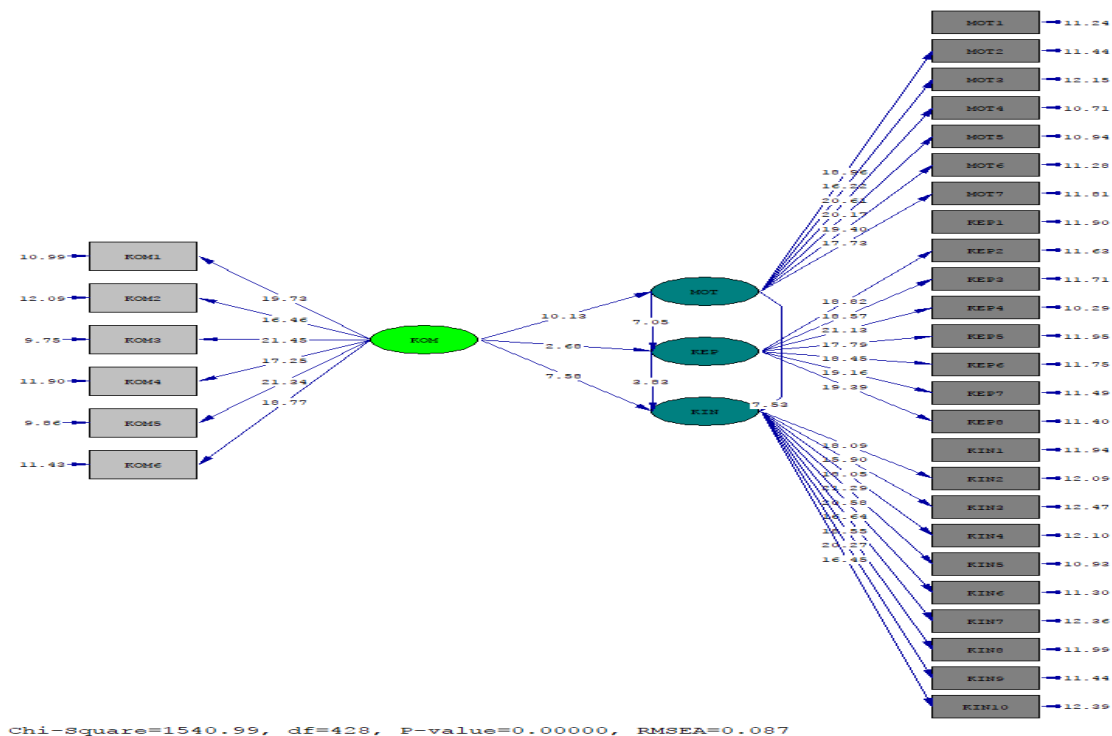
Table 2 shows that, motivation variable significantly influence employee performance, with value T-Value 7.53 bigger than t-table. Similarly, job satisfaction variables significantly affect employee performance, with T-Value of 3.58 is greater than T-table.

The result of hypothesis test shows that compensation significantly influences employee's work motivation, where t-value is greater than the critical t value 1.96. The value of the loading factor (standard error) of 0.56 and the path coefficient  $\gamma^1$  (gamma) of 10.13 ( $>1.96$ ), indicates the effect of compensation on employee motivation PT. Bank XYZ (Persero) Tbk is positive and significant. This means that efforts to increase compensation given to employees will be a driving factor in improving employee motivation; this is also in line with research conducted by Rizal et al. (2014) as well as research by Negash et al. (2014) who concluded that compensation has a positive and significant effect on work motivation. Good compensation should apply the principles of fairness and fairness, the amount of compensation should be related to the relative value of a job or occupation.

Provision of compensation is of course also adjusted to the size of the sacrifice, or the risk of work done, the higher the sacrifice, or job risk, then the compensation should also be higher. Compensation should also be reasonable and able to meet the standard of living of the employee's needs reasonably. This means that a fair and acceptable compensation amount, both financial and non-financial compensation will increase employee motivation, but employee work motivation will decrease if the compensation received by employees is not sufficient to meet the needs of employees. So it can be concluded that the higher the compensation given will increase employee work motivation.

Compensation has a significant effect on job satisfaction; it is proved that the value of t-value is greater than the critical t value of 1.96. The loading factor value of 0.16 and the path coefficient  $\gamma^2$  (gamma) of 2.68 (>1.96) indicates the effect of compensation on employee job satisfaction of PT. Bank XYZ (Persero) Tbk is positive and significant. The results of this study in line with the results of research conducted Dewi Adnyani and research by Sudarno et al. (2016) who asserted that compensation has a positive and significant effect on employee job satisfaction. A good compensation system, in addition to being fair and worthy should also be more attractive, competitive and motivate. Compensation must be attractive to employees, able to compete with other companies, in accordance with the size of the responsibilities undertaken or the level of complexity of work and can stimulate employees to better achievement because of a value of appropriate or higher rewards. This means that the size of the compensation received by employees will result in high employee job satisfaction, the higher the compensation received for the work done then the employee job satisfaction will also increase.

In more detail, the result of t-value calculation of each indicator by applying Lisrel 8.8 can be seen in Figure 2 below.



**FIGURE 2**  
**T-VALUE RESULTS EACH INDICATOR**

Motivation significantly affects job satisfaction; it is proved that t-value value is greater than the critical t-value of 1.96. The loading factor value of 0.45 and the path coefficient  $\gamma^3$  (gamma) of 7.05 (>1.96) indicates the effect of motivation on employee work satisfaction of PT. Bank XYZ (Persero) Tbk is positive and significant. The same study was conducted by Sohail et al. (2014) and research conducted by Pangemanan & Maria Tielung (2015) who asserted that motivation of work influences positive and significant to job satisfaction. The motivation of work is needed by employees to be able to achieve a high job satisfaction although by its nature

job satisfaction is relative or different from one person to another. This means that if employees have high work motivation in carrying out the tasks assigned to him indicates the level of job satisfaction is also getting better, so it can be concluded the higher the employee's motivation of employee job satisfaction will also increase.

Compensation significantly affects Employee performance; it is proved that the value of t-value is greater than the critical t value of 1.96. The loading factor value of 0.37 and the path coefficient  $\gamma^4$  (gamma) of 7.58 ( $>1.96$ ) indicates the effect of compensation on employee performance of PT. Bank XYZ (Persero) Tbk is positive and significant. Provision of compensation can be either financial compensation or non-financial compensation other than in the form of money. Provision of compensation can be either financial compensation or non-financial compensation other than in the form of money. The results of this study are in line with the results of research conducted by Sopiah which concludes that both financial and non-financial compensation have positive and significant influence.

## CONCLUSION

Based on the results of research and discussion that have been described in the previous chapters and with reference to some theories and results of previous research, pertaining to the research hypothesis Influence Compensation, Work Motivation and Job Satisfaction on Employee Performance at PT. Bank XYZ (Persero) Tbk, it can be concluded as follows:

1. Compensation has a positive and significant effect on work motivation at PT. Bank XYZ (Persero) Tbk. This means that if the compensation received is higher than the employee's motivation will be better in carrying out the tasks assigned.
2. Compensation has a positive and significant effect on job satisfaction at PT. Bank XYZ (Persero) Tbk. This means that if the compensation received is better or higher then it will increase employee job satisfaction.
3. The Motivation of work has a positive and significant impact on job satisfaction at PT. Bank XYZ (Persero) Tbk. This means that if the motivation of work increases it will increase employee job satisfaction.
4. Compensation has a positive and significant effect on employee performance at PT. Bank XYZ (Persero) Tbk. This means that if the compensation received is higher than the employee's performance will be better.
5. The motivation of work has a positive and significant impact on employee performance at PT Bank XYZ (Persero) Tbk. This means that if work motivation increases then employee performance will improve.
6. Job satisfaction has a positive and significant impact on employee performance at PT. Bank XYZ (Persero) Tbk. This means that if employee job satisfaction increases then employee performance will be better.

## SUGGESTION

### **Advice for PT. Bank XYZ (Persero) Tbk**

Some suggestions that can be submitted to improve employee performance of PT. Bank XYZ (Persero) TBK are:

1. Management is always trying to increase the compensation of employees, both compensation in the form of financial and non-financial and can be delivered directly or indirectly. A good compensation system should be more attractive, competitive, fair and motivate. Compensation must be attractive to employees, able to compete with other companies, in accordance with the size of the responsibilities undertaken or the level of complexity of work and can stimulate employees to better achievement because there is a value of appropriate or higher rewards.

2. The need for management to have the policy to improve employee motivation, by accommodating the needs of employees to excel, have the authority and the need to affiliate, have the opportunity to grow and achieve career success, as well as awards for loyalty and performance.
3. Management in order to maintain or improve employee satisfaction, by providing challenging work, creating a conducive working environment by providing employees with up-to-date policies and procedures, adequate work equipment, a good job security system and the implementation of job liability on a tiered basis and measurable.
4. Management needs to have a good performance appraisal system and clear performance measures to ensure the achievement of company goals or objectives can be achieved. Performance appraisals must be specific, measurable, achievable/realistic and reliable and have a time limit. Performance measures are used to determine the high performance of a person by considering the quality, quantity, timeliness and effectiveness of the work.

## Further Research

This study has limitations that can still be improved by further research, among others:

1. A sample of 346 employees is statistically adequate for parametric testing, however, the sample is still relatively small i.e. only 12.54% of employees of PT. Bank XYZ (Persero) Tbk. This research can provide valuable information, but larger numbers of samples from different employees and or organizations can provide different empirical facts.
2. Different tests using research demographics cannot be done, because if the sample is divided according to demographics and tested then the parametric test cannot be done. Thus further research can consider the influence of respondents' demographics on employee performance.
3. Very limited research time can reduce the response rate of respondents and the willingness of respondents to participate. Time constraints become an obstacle to re-verify and or visit one by one respondent.

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# THE USEFULNESS OF FINANCIAL ACCOUNTING SYSTEMS IN ISLAMIC EDUCATION INSTITUTIONS: LESSONS LEARNED

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**Unggul Purwohedi, Universitas Negeri Jakarta**

## ABSTRACT

*This study aims to examine the effect of aspects of accounting behavior such as superior support, clarity of the goal, training and work motivation on the use of a Pesantren (Islamic Education Institution) financial accounting system. Research on accounting behavior has been conducted in many companies and government sectors, but this study is conducted in the pesantren.*

*This study uses primary data combined with a quantitative method by distributing questionnaires to all employees at Pesantren Ulul Ilmi, East Jakarta. The sample was selected using purposive sampling, with the criteria of those who have authority and responsibility in Pesantren finances such as the head of the pesantren, sub-section head, teachers, and accounting and finance staff involved in the preparation of budgets and financial statements. This study uses multiple linear regression analysis to test its hypotheses.*

*The conclusion of this study proves that superior support has a significant effect, while clarity of the goal, training, and work motivation have no significant effect on the usefulness of a Pesantren financial accounting system. It should be possible for future studies to expand on the research sample by adding additional respondents in order to more accurately research and reflect the actual situation, as well as to develop other variables that may affect the financial accounting system.*

**Keywords:** Superior Support, Clarity of the Goal, Training, Work Motivation, Financial Accounting System.

## INTRODUCTION

The accounting process has a digest as a core form of communication, with financial or management implications. Business information should be presented by accountants to meet the needs of users, and this information should be clearly stated, concise, and accurate. The motivation and behavior of the executor of an accounting information system is an important element of that system. The users of financial statements can be divided into two groups: internal users and external users.

Accounting information is a basis for the making of many important decisions both inside and outside the company. Information systems are used to assist in complex planning, coordination, and control processes, as well as in related activities, to motivate people at all levels within the company. Rapid development in behavioral accounting is more due to accounting being simultaneously faced with the social sciences as a whole. Behavioral accounting uses behavioral science methodology to complement the information picture by

measuring and reporting on the human factors that influence business decisions and their outcomes (Ardiansyah, 2009).

Since 1952, there has been the development of behavioral accounting research and a group of behavioral accounting researchers. This group of behavioral accounting researchers is needed due to the development of current accounting research and so that the identification of accounting research can be done in accordance with methodology dimensions, accounting specialty, and research issues (Ardiansyah, 2009). There was an increase in the number of articles on behavioral accounting from the 1960s to the 1980s, in line with the emerging and developing growth of the study of behavioral accounting that was especially initiated by academics in the accounting profession. According to Akay et al. (2016), *“there is a need to consider the behavioral aspects of designing, analyzing, implementing, and running an accounting system. Behavioral accounting is a study of accountant or non-accountant behavior that is influenced by accounting and reporting functions. Thus, behavioral accounting is a science that examines the relationship between human and accounting systems and behavioral organization”*.

Carolina (2013) stated that *“local government provides substantial authority for the region to manage its resources and is obliged to report and be accountable for the management of its resources. Therefore, the accounting system becomes a demand as well as a need for each local government to be able to produce reliable financial statements”*. Astuti (2017) stated that *“the development of an accounting system requires a plan and careful implementation, to avoid the development of any system resistance. The success of a system implementation is seen not only from the perspective of technical development and technical mastery, but several studies have shown that the behavioral factors of individual users of the system greatly determine the success of its implementation”*. The study of how individuals, groups, and structures affect and are influenced by behavior in organizations is called organizational behavior. Behavior refers to what a person in the organization wants to do, how the people were formed, and what their attitudes are (Yulistia, 2017). The attitude of a person in responding to an innovation such as the implementation of a regional financial accounting system is different. It is influenced by the environment within the organization. Organizational environmental factors may influence the implementation of a new regional financial accounting system that will ultimately affect the success of the implementation. Several studies have found empirical evidence of the organizational factors of training, support of superiors, and clarity of the goal to have a positive effect on the implementation of a system innovation, as well as changes in the management accounting model (Engko, 2013). Shields (1995) in Engko (2013) argues that *“training in the design, implementation, and use of an innovation such as a new system provides an opportunity for the organization to articulate the relationship between implementation of the new system and its organizational goals and provides a means for users to understand, accept, and feel comfortable without feelings of distress or worry in the implementation process”* (Robins and Coulter, 2016).

The results of Carolina (2013) indicate that clarity of the goal has a significant and positive effect on the use of a regional financial accounting system. The greater the clarity of the goal, the greater will be the usefulness of the regional financial accounting system. The results of statistical analysis, however, also show that superior support has no significant positive effect on the usefulness of a regional financial accounting system. Superior support is not a major factor in improving the usefulness of a regional financial accounting system, but the presence of clarity of the goal within the organization applying the regional financial accounting system has been

shown to serve as the direction and controller in the successful application of a financial accounting system of the area. Akay et al. (2016) analyzed the effect of the behavioral aspect of an inventory accounting system at PT. Surya Wenang Indah, which is a company that distributes goods. The result shows that behavioral aspects significantly influence the inventory accounting system run by the company. It is expected that the company may pay more attention to aspects of behavior in running the existing system in order that the system can run effectively and efficiently in accordance with the company's goals. Rombe et al. (2016) shows that behavioral accounting uses indicators of motivation, perception, and learning that have a significant effect on the cash system, but that attitudes and emotions do not affect the cash system. Yulistia (2017) found that training had a positive effect on the usefulness of the financial accounting system in the Regional Government Finance Agency, with the guidance and direct training given by experienced experts being very useful in increasing the knowledge of employees in utilizing the information system. At the same time, clarity of the goal was found to have no significant effect on the usefulness of the financial accounting system in the Regional Government Finance Agency. This condition occurs because members of the organization rarely use financial accounting systems when completing tasks associated with their work; consequently, clarity of goal within an organization is not prioritized in the program utility financial accounting system, meaning it cannot contribute maximally. While superior support has a significant positive effect on the use of a financial accounting system within an organization, this must be balanced with the ability and skill of the organization's members in running a system; therefore, a leader strongly supports various activities that can increase the ability of the organization in running a system. Greater use of the program will certainly increase the usability of the financial accounting system. The results obtained by Astuti (2017) show that superior support and clarity of goal affect the usefulness of a regional financial accounting system, while also showing that training does not affect the usefulness of the regional financial accounting system at the government of Kediri City.

There is a need to apply the use of a financial accounting system as a mechanism to motivate and influence employee behavior in various ways, so that financial statements provide reasonable and reliable information. A low quality of financial statements can be caused by the accounting comprehension of the authors themselves or the optimal application of the accounting information system and the fact that the role of internal audit remains weak. This study uses the Pesantren as its research location, which remains a relatively rare location for research within the accounting field, while pesantrens have responded positively to national development in the field of education. The establishment of public schools and madrasah in Pesantren environments has served to make Pesantren very rich as verified educational institutions and has seen their improvement within the framework of national education (Usman, 2013). In the pesantren, a kyai plays a role in financing planning at Pesantren Asthma 'Chusna, the emphasis of which is on the extraction of funds and determining the source of funds. The kyai and Pesantren managers do not use authority in managing the use of education funds, but rather seek to empower students. The role of the kyai in the evaluation and accountability of financing is emphasized more in relation to its role as an auditor or financial supervisor (Subkhan, 2012). In addition, Arifin & Raharjo, (2014) analyzed the financial reports of Pesantren in terms of the accounting media used for financial management accountability at Pesantren Nazhatut Thullab. The only accounting media used in financial management accountability was financial statements listing cash disbursements and cash receipts (Yakin, 2014).



The paper discusses the problem of usefulness of financial accounting systems then proceeds with a brief description from the instrument developments of superior support, clarity of the goal, training, work motivation in order to provide some insights on Pesantren in Indonesia and the important things to apply the financial accounting system in Pesantren as a tool to motivate and influence employee behavior in various ways, so that financial statements provide reasonable and reliable information and also to avoid some issues facing in Pesantren due to the limited ability of managers and supporting infrastructure are seen still inadequate, limited human resources in the field of institutional management, institutional management in Pesantren still managed traditionally, financial need is always an obstacle, as well as oriented curriculum to students life skills and communities (Usman, 2013). Finally, it evaluates by answering hypotheses uses multiple regression analysis. The paper then concludes. Generally, a research about the usefulness of financial accounting systems always found in the sector of government, but in this study conducted in Pesantren that is rarely used as a research study.

Based on the above results on behavioral accounting research and the uniqueness of the pesantren, this study makes the following contributions:

1. To complement previous studies in the literature by investigating the positive effect of superior support, clarity of the goal, training and work motivation on the usefulness of the Pesantren financial accounting system.
2. For Pesantrens as a tool of evaluation and performance improvement related to the usefulness of the financial accounting system owned by the Pesantren as well as the planning and violation of implementation and accountability, financial system and reporting, monitoring system, and procedures.
3. For science as an input material in adding knowledge, especially with regard to the analysis of financial statements and public sector accounting for planning and budgeting, implementation and accountability, financial system and reporting, and the system and procedure of supervision in the Pesantren.

## LITERATURE REVIEW

### Pesantren Financial Systems

The Pesantren is an Islamic educational institution with a dormitory system in which a kyai (religious person) serves as the central figure, the mosque is the center of activities, and the teaching of Islam, as followed by the santri, is carried out under the guidance of the kyai as its main activity. Usman (2013) identified three types of Pesantren based on the curriculum or education system: (1) the traditional Pesantren (Salaf) is a Pesantren that still retains its original form by teaching books written by scholars from the 15<sup>th</sup> century with the use of the Arabic language. The curriculum is completely determined by the kyai as a Pesantren caretaker. (2) The modern Pesantren is a development-type Pesantren for learning orientation that tends to adopt the whole system of classical learning and abandon the traditional learning system. The curriculum used is the national curriculum. (3) The comprehensive Pesantren is a Pesantren that works with a combination of the traditional and modern types of education system and teaching. Education is carried out using kitab kuning teaching methods and teaching usually takes place in the evening, after Maghrib prayer and Subuh prayers.

In general, Pesantren keep only two forms of records related to the management of their activities: cash receipts and cash disbursements. All financial expenses of Pesantren from any source must be accounted for. Accountability is a form of transparency of financial management. In principle, accountability is carried out by following the rules of the budget source. However,

the principle of transparency and honesty in the financial accountability of Pesantren should still be upheld.

Masyhud (2003) states that the use of budgets and finance, from any source, whether from the government or the public, needs to be based on a set of general principles of financial management, as follows:

1. Efficient, not fancy, efficiently tailored to the required technical requirements.
2. Focused and controlled according to a plan, program, or activity.
3. Open and transparent, in the sense of for what financial institution it shall be recorded and accounted for, and accompanied by evidence of its use.
4. Use domestic production capability to the greatest extent possible.

Each pesantren, in line with a committee or council of pesantrens, at the beginning of each budget year, should jointly formulate plans for their budget revenue and costs as a reference for the Pesantren managers in implementing good financial management. Budgets by themselves are plans formulated in the form of rupiah to cover a certain time period or periods, as well as the allocation of resources to each part of the activities. There are two principal parts of the budget:

- a. A plan for the source or target receipts or income for the year concerned, including financial resources from
  1. Contributions from santri.
  2. Donations from individuals or organizations.
  3. Contributions from the government (if applicable).
  4. From the results of Pesantren operations.
- b. A plan for the use of funds in the current year. The use of Pesantren finances must involve all of the expenditure relating to the management needs of the Pesantren, including to fund daily operations, Pesantren facilities, and infrastructure development, and also in respect of the honorarium/salary/infaq of all of the officers/implementers at the Pesantren.

## **Behavioral Accounting**

Behavioral accounting provides a set of measurement concepts and innovative performance achievements from a set of business processes and decision-making policies. In Akay et al. (2016), behavioral accounting is a part of the accounting discipline that examines the relationship between human behavior and accounting systems, as well as the dimensions of the behavior of the organizations in which human and accounting systems reside and are acknowledged. Thus, the definition of behavioral accounting is a study of the behavior of accountants or non-accountants who are influenced by the functions of accounting and reporting.

According to Tin et al. (2017), the scope of behavioural accounting covers the following areas:

1. Topics that discuss the influence of human behavior on the design, construction, and use of the accounting systems implemented in the company. In this area, the behavioral aspect of accounting is related to how the attitude and philosophy style of management affect the nature of accounting control and organization function. In other words, accounting control (strong or weak) is affected by human behavior.
2. Topics that discuss the effect of accounting systems on human behavior. In this area, the behavioral aspect of accounting is related to how the accounting system affects motivation, productivity, decision-making, job satisfaction, and cooperation.

3. Topics that discuss methods to predict human behavior and strategies to alter it. In this area, the behavioral aspect of accounting is related to how the accounting system can be used to influence behavior.

Ardiansyah (2009) states that *“the distinction between behavioral accounting research and other accounting studies can be determined based on Becker’s criteria that behavioral accounting research applies the theory and methodology of behavioral science to study the relationship of information and accounting processes with human behavior (including organizational behavior)”*. Organizations are formed by groups of people with the purpose of achieving things that a person cannot achieve individually. Better results are created as a consequence of the organizational effect, which directs the organization toward the achievement of its goals. Regarding the purpose of the organization’s founding, they can be described as either successful (profitable ones) or failures (non-profitable ones) (Tran and Tian, 2013). According to Yulistia (2017), organizational behaviour is the study of how individuals and groups, as well as structures, affect and are influenced by behavior within the organization. Organizational behavior is a study of the aspects of human behavior in a particular group (Rivai, 2008).

In this study, the influencing factors we consider consist of factors relating to the use of the Pesantren financial accounting system. Training is an activity of human resource management that aims to improve employee performance in accordance with the needs of organizations and individuals. Organizations that approach training and development from this standpoint inevitably foster people who perform well and progress, and importantly who remain with the organization for long enough to become great at what they do, and to help others also become so (Vinesh, 2014). In general, the purpose of training is to improve the effectiveness and efficiency of the company and to bridge the gap between the knowledge, skills, and attitudes of the existing and expected employees in both the present and the future and that will be adjusted to the needs of both the individuals and the company (Nurlaela, 2010).

Clarity of goal in an organization can determine a system’s success because individuals with clarity of goal will be able to understand how they are achieving targets to achieve goals by using their skills and competencies. The organization’s goals are strongly influenced by the objectives of the dominant members within the organization, who collectively hold sufficient control over the organization’s resources to make commitments to a particular direction. The goals are seen as complex agreements, sometimes reflecting the conflicting individual needs of the dominant members of the organization (Mranani & Lestiorini, 2011).

Engko (2013) also identifies superior support as influential in supporting the successful implementation of a new system. According to Shield (1995), top management (superior) support in an innovation is very important due to the power of managers associated with resources. Managers can focus on the required resources, objectives, and strategic initiatives planned if they fully support the implementation.

The following describes the sociological, psychological, and social psychological factors relevant to behavioral accounting. These factors include attitude, motivation, perception, learning, and personality (Akay et al., 2016). But the focus of this study is only to explain motivation in the workplace. Motivation refers to a condition in which a person is encouraged to perform an action/activity and that takes place consciously. In a company, the purpose of providing motivation for managers is very diverse, such as:

1. Encouraging the passion and spirit of the manager.
2. Improving the manager’s morale and job satisfaction.
3. Increasing productivity.

4. Maintaining the loyalty and stability of corporate managers.
5. Increasing discipline and reducing the absenteeism of managers.
6. Creating effective procurement managers.
7. Creating a good atmosphere and good work relationships.
8. Increasing managers' creativity and participation.
9. Improving managers' welfare.
10. Enhancing managers' sense of responsibility to their duties.
11. Increasing the efficiency of the use of tools and raw materials.

## Formulation of Hypotheses

Superior support can be interpreted as the involvement of superiors in the progress of the project and their ability to provide the necessary resources. Superior support is crucial in improving the usefulness of the application of a system, especially in innovation situations due to the superiors' authority over the resources, strategic goals, and initiatives planned if they fully support the implementation of the new system. Superior support has a positive influence on the improvement of the application of a financial accounting system. If there is no support from the superiors within an institution then the system will not be developed in accordance with the agency's plans and thus the purpose of the agency will not be achieved (Krumwiede, 1998). Managers can focus on the necessary resources, objectives, and strategic initiatives planned when the manager fully supports the implementation (Engko (2013), Astuti (2017), Yulistia (2017). In addition, Chenhall (2004), in Nurlaela and Rahmawati (2010), reveals that superior support is defined as manager involvement in the project progress and provision of the necessary resources.

*H1: There is a positive influence between superior support and the usefulness of the Pesantren financial accounting system.*

Clarity of goal in government organizations can be seen within the vision and mission of the organization. The usefulness of a financial accounting system is part of the organization's goal of producing quality financial reports. If clarity of goal in the form of the implementation of a financial accounting system is not executed properly, then the usability of the financial accounting system will not be fully realized. According to Mrarani (2011), clarity of goal has a positive effect on the implementation of a system innovation and management of changes to the accounting model (Krumweide, 1998). The usefulness of a regional financial accounting system is part of the objectives of local government organizations to produce quality local government financial reports. Clarity of purpose in an organization can determine the success of the system because individuals with clarity of goal will be better able to understand where they are in terms of achieving their targets and goals by using their skills and competencies (Carolina, 2013).

Chenhall (2004), in Nurlaela and Rahmawati (2010) and Yulistia (2017), explains that clarity of goal is defined as clarity of the objectives related to use of the regional financial accounting system at all levels of the organization. The result proves a positive relationship between clarity of goal and the use of a regional financial accounting system.

*H2: There is a positive influence between clarity of goal and the usefulness of the Pesantren financial accounting system.*

Yulisita (2017) states that training is a briefing effort aimed at improving understanding of the system, in order that guidance and direct training by experienced experts can be very useful in increasing employee knowledge in utilizing the information system. According to Mrarani (2011), training has a positive effect on the implementation of a system innovation and the management of accounting model changes (Krumweide, 1998). Shield (1995) argues that training in the design, implementation, and use of an innovation such as a new system provides an opportunity for the organization to articulate the relationship between the implementation of the new system and the organization's objectives and provides a means for users to understand, accept, and feel comfortable in the implementation while also avoiding feeling depressed or worried (Engko, 2013).

*H3: There is a positive influence between training and the usefulness of the Pesantren financial accounting system.*

Motivation is closely related to the leadership and management in the company, whereby their motivation will affect the performance of the employees in preparing financial statements and application of the company's cash system. The results of research by Indriani and Loulyta, (2008) show that behavioral variables significantly influence the company's performance. Research results from Rombe et al. (2016) and Akay et al. (2016) show that aspects of behavioral accounting have a significant effect on the accounting system and that a way to realize that outcome is by providing motivation, since motivation determines employees' behavior to work, or in other words, behavior is a simple reflection of motivation.

*H4: There is a positive influence between motivation and the usefulness of the Pesantren financial accounting system.*

## RESEARCH METHOD

This research uses a quantitative method by distributing questionnaires to all employees at Pesantren Ulul Ilmi, East Jakarta and obtaining data for the purposes of the research. This study uses a Pesantren as its research site because it is a unique educational institution in terms of its teaching system that uses a traditional approach to delivering materials to its students and, owing to the fact that it is a non-profit organization, the main concern of which is to deliver positive input for national development. These research instruments were measured using a 5-point Likert scale in which opinions are expressed ranging from strongly disagree (STS) to strongly agree (SS).

The population for this study consists of the employees of the pesantren. Samples were selected using purposive sampling with the criteria of those who have authority and responsibility for the pesantren's finances, such as the head of pesantren, the sub-section head, teachers, and the accounting and finance staff involved in the preparation of budgets and financial statements, which gave a total of 34 respondents. These job positions were used in this study because one of the principles of a Pesantren is to uphold togetherness and kinship. In this context, the crucial role of a kyai has to be taken into account. A kyai, with his expertise and influence, can motivate and foster a commitment that shapes the values and perceptions of the Pesantren community so that all members of the community are willing to contribute to the establishment of an accountable culture in providing quality educational services, especially the financing problem and Pesantren finances.

In this study, the purpose of the data analysis process is to generate data in a tabular form that enables tabulation of the data, validity and reliability testing, and multiple regression analysis using the analytical tools in SPSS (*Statistical Product and Service Solution*) (Ghozali, 2014).

<b>Table 1</b> <b>INDICATORS OF VARIABLES</b>		
<b>No</b>	<b>Variables</b>	<b>Indicators</b>
1	Usefulness of Financial Accounting System (Masyhud, 2003)	<ol style="list-style-type: none"> <li>1. Efficient, not fancy, efficiently tailored to the required technical requirements.</li> <li>2. Focused and controlled according to the plan, program, or activity.</li> <li>3. Open and transparent, in the sense of and for what the financial institution shall be recorded and accounted for and accompanied by evidence of its use.</li> <li>4. To use domestic production capability to the greatest possible extent.</li> </ol>
2	Superior Support (Nurlaela (2010); Mrarani (2011))	Providing authority to support every decision, do a good job, respect opinion, freedom in discussing issues, trust, freedom of expression, attention, and receiving superiors' support.
3	Clarity of Goal (Carolina, (2013); Mrarani (2011); Nurlaela (2010))	Clarity of tasks, clarity of organizational goals, obedience and loyalty, understanding the purpose of the work, and the achievement of goals.
4	Training (Nurlaela, 2010)	Job skills and training are provided clearly, specific training modes, training facilities, field-specific research, types of research, capacity building and direction.
5	Work Motivation Rombe (2016); Akay et al. (2016)	<ol style="list-style-type: none"> <li>1. Award for outstanding employees.</li> <li>2. Supporting facilities and adequate work equipment.</li> <li>3. The spirit of work in carrying out tasks in connection with implementation of the budget.</li> </ol>

## RESULTS AND DISCUSSION

### Characteristics of Respondents

The primary data were obtained from the questionnaires received from the 34 respondents who consisted of school leaders, heads of department, sub-division heads, teachers, and accounting and finance staff involved in the preparation of financial statements in Pesantren Ulul Ilmi, East Jakarta.

<b>Table 2</b> <b>DESCRIPTION OF RESPONDENTS</b>			
<b>Respondent Characteristics</b>	<b>Types</b>	<b>Fr</b>	<b>%</b>
Gender	Male	17	50
	Female	17	50
Job Function	Leader	1	3
	Treasurer	3	9
	Teacher	21	62
	Finance staff	9	26
Length of Work	<5 years	15	44
	>5 years	9	26
	<10 years	7	21
	>20 years	3	9

<b>Table 2</b> <b>DESCRIPTION OF RESPONDENTS</b>			
Education	Diploma Degree	3	9
	Bachelor's Degree	17	50
	Master's Degree	3	9
	Senior High School	11	32

It can be seen from the table above that an equal number of male and female respondents work at the pesantren. There are certain fundamentals with regard to the different personality traits exhibited by women and men. While men generally tend to be more individualistic, aggressive, impatient, and assertive, with higher self-confidence and more control in their work, women tend to be more attentive to others, submissive, passive, more unrelenting, and have the responsibility for taking care of larger families than do men. It can also be seen from the table that teachers account for the greatest number of those with the additional task of helping to produce the annual budget. The working period influences the level of control over the detail of the work held by an employee; in this case, the greater the length of work, the greater the work experience, self-confidence, and the better control of a job description (Robins, 2016). It is shown that 50% of the employees have a bachelor's degree. Different educational backgrounds will affect the respondents' ability, knowledge, and confidence level with regard to them doing their job. This is because education is very important when it comes to enhancing the respondents' capabilities. Those respondents with higher levels of education are able to work with higher levels of difficulty and responsibility (Robins, 2016).

### Descriptive Statistics

<b>Table 3</b> <b>DESCRIPTIVE STATISTICS</b>					
	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Accounting System	34	23	75	41.35	12.794
Superior Support	34	20	50	27.91	6.943
Clarity of Goal	34	12	30	16.09	4.495
Training	34	16	40	22.29	6.048
Work Motivation	34	17	45	25.88	7.049
Valid N (listwise)	34	-	-	-	-

The table above displays the results of the descriptive statistics for all of the independent and dependent variables for the 34 samples processed with the following five variables: Accounting System, Superior Support, Clarity of Goal, Training, and Work Motivation. In this study, the variables have average values of 41.35, 27.91, 16.09, 22.29, and 25.88, respectively. All of variables were measured using a Likert scale.

### Multiple Regression Analysis

This study passed the classical assumption test with a normality test above 5% significance. An autocorrelation test with run test shows the significance of the variables to be above 0.05, thereby proving that the variables do not have autocorrelation. A multicollinearity test with a tolerance value < 0.10 or equal to a VIF value > 10 and a heteroskedasticity test using the Glejser test show the significance of each variable to be above 0.05, thus proving that there is no problem with heteroskedasticity for the variables in question.

<b>Table 4</b>					
<b>HYPOTHESIS TESTING<sup>a</sup></b>					
<b>Independent Variable</b>	<b>Unstandardized Coefficients</b>		<b>Standardized Coefficients</b>	<b>T</b>	<b>Sig</b>
	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>		
(Constant)	-0.070	6.010		-0.012	0.991
Superior Support	1.002	0.485	0.544	2.067	0.048
Clarity of Goal	0.042	0.685	0.015	0.061	0.951
Training	0.290	0.641	0.137	0.452	0.654
Work Motivation	0.244	0.449	0.135	0.544	0.591
Adjusted R Square	0.799				
R Square	0.638				
F test	12.774				
Sig	0.000				

a. Dependent Variable: Accounting System

Based on the results table above, the following can be concluded as follows:

1. Superior Support has a positive and significant effect on the usefulness of the financial accounting system because it has a significance value of 4.8%, which is below 5%; therefore, the first hypothesis is accepted.
2. Clarity of goal has no positive significant effect on the usefulness of the financial accounting system because it has a significance value of 95.1%, which is above 5%; therefore, the second hypothesis is rejected.
3. There is no positive influence of training on the usefulness of the financial accounting system because it has a significance value of 65.4%, which is above 5%; therefore, the third hypothesis is rejected.
4. There is no positive influence of work motivation on the usefulness of the financial accounting system because it has a significance value of 59.1%, which is above 5%; therefore, the fourth hypothesis is rejected.

## DISCUSSION

The first hypothesis (*H1*) that superior support has a positive effect on the Pesantren financial accounting system is accepted. This therefore shows that higher involvement in project progress and the provision of resources will improve the financial accounting system. The results of this study are supported by those of Nurlaela (2010), who in her research proved that superior support has an effect on improving the usefulness of a regional financial accounting system in Subosukawonosraten. In addition, Yulistia (2017) and Astuti (2017) found the superior support variable to have a positive effect on the use of a financial accounting system. The effect of superior support on the usefulness of a financial accounting system within an organization must certainly be balanced with the ability and skill of the organization members in running a system; therefore, a leader strongly supports the various activities that can increase the organization's ability to run a system. Greater utilization of the program will certainly increase the usability of the financial accounting system. In this study, superior support strongly influences decision-making in Pesantren finances. This is proven with the loyalty and compliance of the members of the organization and is balanced with the ability and skill of the members of the organization in running a system; therefore, the role of the kyai in a Pesantren is very dominant and important in terms of directing various activities to be able to increase the organization's ability to run a system.

The second hypothesis (*H2*) in this study, stating that clarity of goal has a positive influence on the usefulness of the Pesantren financial accounting system, is rejected. This result



is supported by Engko (2013) and Yulistia (2017), who found that clarity of goal has no significant effect on the usefulness of a financial accounting system. The results obtained in the test shown are not in line with the hypothesis, and this condition occurs because members of the organization rarely use a financial accounting system when completing tasks with which they are charged at work. Consequently, the clarity of goal of an organization is not prioritized in the program of the usefulness of the financial accounting system and, as such, cannot give maximum contribution. The findings of this result may be due to the fact that the staff of the Islamic Education Institution not only prioritize the agency's interest in achieving its objectives but also prioritize personal interests, giving the result that they have two sets of interests when performing their duties. This leads to a situation where organizational commitment cannot play a role as moderator in the clarity of financial accounting objectives and systems as it carries those two interests. If clarity of goal in the form of the implementation of the financial accounting system is not properly executed, then usability in the application of the financial accounting system will not be realized. This happens due to negligence in the supervision and monitoring of employees, which should be carried out by superiors. If supervision is carried out carefully and is actively supported by the kyai as a leader, then clarity of goal can determine the success of a system.

The third hypothesis (*H3*) in this study, stating that training has a positive effect on the usefulness of the Pesantren financial accounting system, is rejected. Nurlaela and Rahmawati (2010) found that the effect of organizational factors on the usefulness of the regional financial accounting system does not succeed in proving a positive relationship between training and the use of a regional financial accounting system. This is in line with research conducted by Mranani and Lestiorini, (2011); Engko (2013) and Astuti (2017) stating that there is no positive influence of training on the usefulness of a regional financial accounting system. These findings may be due to the benchmarking of training processes undertaken by Pesantren being inappropriate with regard to the individuals' needs and the pesantren's requirements, so that the expected implementation of results does not materialize in the system development. When properly implemented, training will improve the effectiveness and efficiency of employees in such a way that it will be able to produce or form a good financial accounting system.

The fourth hypothesis (*H4*) in this study, stating that work motivation has a positive effect on the usefulness of the Pesantren financial accounting system, is rejected. The results of this study concur with those from Akay et al. (2016), who found that motivation has no significant effect on the accounting system. The existence of these findings may be caused by a company managerial policy for improving employee performance motivation that is less precise, or by management devoting less effort to motivating their employees in such a way that employees feel no motivation to carry out their jobs. Motivation is closely related to the leadership and management of the company, whereby the motivation provided will affect the performance of the company's employees in the preparation of reports and the implementation of the financial system. This motivation is intended to provide an incentive to the employees concerned so that they will devote maximum effort to their work. In fact, the Pesantren is less motivating to members of the organization and is lacking in terms of providing training to its employees to improve their skills and ability, especially in regard to financial literacy.

## CONCLUSION

Superior support is important in improving the usefulness of the application of a system, especially in innovation situations, due to the authority of superiors concerning the necessary

resources, strategic objectives, and initiatives planned. The support of superiors has a positive influence on the improvement of the usefulness of a financial accounting system. If an institution or educational institution has no superior support, then the system will not be developed and also the planning and the goal of the institution will not be achieved.

Clarity of goal in the form of the implementation of a financial accounting system is executed appropriately; hence, the usefulness of the financial accounting system will be realized, as influenced by supervision and monitored by the superiors. Yet, in this study, it has been concluded that if supervision is not carried out carefully and is not actively supported by the management, then the clarity of goal in an institution cannot determine the success of a system, or, in other words, the successful clarity of a goal does not actually result in the usefulness of a Pesantren financial accounting system, so it is not in accordance with the relevant theory.

The objective of training is aimed at improving the effectiveness and efficiency of the company and to debate the gap between the knowledge, skills, and attitudes of the existing and expected employees, both in the present and the future, and will be tailored to the needs of individuals and companies. But the results of this study indicate that training has no relationship with the usefulness of a financial accounting system, so it does not fit the relevant theory.

One aspect of employee use concerns the motivation of the employees, in terms of utilizing employees who provide benefits to the company. The purpose of the benefits here is the achievement of the company's goals. This motivation is intended to provide stimulus to the employee concerned so that he/she works with all their power and effort. But the results of this study indicate that employee work motivation has no relationship with the usefulness of the financial accounting system, so it does not fit the relevant theory.

The authors acknowledge several limitations of this study as follows:

1. The samples in this study only consisted of one Pesantren thus the results may not be generalized towards Pesantrens with different types.
2. The observation with limited respondents meaning that the result of this study may not be as robust as other studies with a lot of respondents.

For future research, we recommend a study of various other outcomes such as information technology, communication, conflict, attitude, and others. Moreover, a comparative study between developing and developed Pesantren could also be conducted to better understand the expected roles of financial accounting in different cultures, in addition to incorporating an increased number of respondents.

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