

## **INCREASING STUDENTS' ENTREPRENEURSHIP AWARENESS THROUGH COLLEGE TOURISM BUSINESS INCUBATORS**

**I Ketut Utama, I Ketut Pasek, and I Gede Mudana**

Politeknik Negeri Bali

Jalan Kampus Bukit Jimbaran, Kuta Selatan, Badung 80364, Bali, Indonesia

email: ketutsutama@pnb.ac.id

### ABSTRACT

The aim of the study is to search the entrepreneurial potency of students of Politeknik Negeri Bali (State Polytechnic of Bali). By knowing such a potential, the development of tourism business incubator within the college will be significant. Instead of giving theoretical and practical benefits in terms of teaching and learning for the subject of entrepreneurship, the existence of the incubator will prove that the institution also plays the role in creating job opportunity. In terms of teaching and learning process the result of the study will give support to the subject of entrepreneurship, for instance in production of updated teaching material and method. On the other hand, regarding job creations, institutional incubator business will give wider chance to students and fresh graduates to train themselves to create and practice business. To get view on the potency of entrepreneurship of the students, a number of 91 fourth semester students were chosen as research samples. Questionnaires were distributed to them, then analyzed using descriptive method. Three indicators of entrepreneurship, such as innovation, proactive, and risk acceptance, also indicator of the potency of business in tourism area were utilized to count means. It was found the value of 3.6. It means that between 1 to 5 of choice scale, the value of 3.6 is significant enough to indicate that the students have good potency for entrepreneurship. If it is developed seriously, they will be able to build their own business upon graduate. Such a data is significant enough as an indicator for further research at the second year, dealing with the development of business incubator in tourism area.

Keywords: entrepreneurship, student, tourism business incubator, job opportunity.

### INTRODUCTION

The central issue of concern of various parties in Indonesia are open unemployment, especially regarding intellectual unemployment. Citing data released by the Central Bureau of Statistics, Directorate General of Education and Student Affairs of the Ministry of Research, Technology and Higher Education (2015) reported that the rate of open unemployment in Indonesia in 2014 reached 6.25% or 7.9 million and the number of college graduates was 688, 660 people (495, 143 bachelors and 193, 517 diploma). It is estimated that the unemployment rate has increased every year. The Government, through the Ministry of Research, Technology and Higher Education realized that there has been a mistake in our

education system in a broad sense: “The above conditions also supported by the fact that the majority of college graduates tend to be more as job seekers rather than job creators. This is likely due to a learning system applied in various universities are still focused on how to prepare the students to quickly pass and get a job, rather than graduates who are ready to create jobs” (2015: 1).

Creating jobs is challenging. It needs knowledge, skill, mental, and behavioral entrepreneurship. Such competencies can be formed from a variety of factors, such as formal and informal education, family as well as social environments. In regard to the government's efforts, through the institutions of higher education, there are two programs concerned, namely the scheme of Student Entrepreneurial Program (Susilaningsih, 2015) and the development of business incubators at universities (Kelvin 2007). In addition, the college also teaches entrepreneurship subject, as an effort to develop entrepreneurial spirit of students. It was expected that college graduates were capable of creating jobs. However, in many cases tend to be theoretical entrepreneurial learning. In an effort to foster entrepreneurship, learning processes need to be improved in a comprehensive manner through the internalization process. Suratna (2010) stated that the process of internalization of entrepreneurship can be generated if supported by an entrepreneurial culture in the educational institutions, which can be done through various forms of learning. It is said, "The results of research conducted by Central Bank of Indonesia showed that business incubators can create new jobs and foster new entrepreneurs" (Suratna, 2010: 2).

Business Incubator is superior when compared to the other business development model. Sharif (2009) in Hasbullah *et al* (2014) stated the business incubator has its own advantages, namely Small Medium Enterprises (SMEs) target/potential entrepreneurs are trained to master all aspects of the business, equipped with facilities and working capital, and accompanied intensively. In other words, in implementing the programs, business incubators are responsible until participants or tenants are able to run their businesses independently. However, it is unfortunate the existence of a business incubator has not received serious attention yet from stakeholders, such as the government, employers and higher education institutions (Nindyawati *et al*, 2013). In fact, the success of business incubators in developing and fostering the participants or tenants depends on those parties. She further explained that the role of an incubator actors still individuals and/or

institutions. It means, concerning to incubators at universities, for example, the role of government as regulator as well as in terms of helping funding and guidance are still lack whereas since 2010 there was an agreement between the Ministry of Cooperatives and Small Medium Enterprises (SMEs) with the Ministry of National Education (Ministry of Research, Technology and Higher Education, today). It also happens with other stakeholders, such as employers, for example in terms of funding, coaching and preparation for apprenticeship for participants of incubator or tenants.

The English word entrepreneur is actually adopted from French, meaning between taker or go-between. Joseph Schumpeter provide understanding entrepreneurs, are people who break the existing economic system by introducing new goods and services, by creating a new form of organization or process of new raw materials (Buchari Alma, 2014).

Priyanto (in Soeprapto, 2012) stated that entrepreneurship is something that exists in the soul of a person, society and organizations, which therefore generated a wide range of business activities. Entrepreneurship involves three important dimensions, namely innovation, proactive, and risk-taking or courage to take risks (Dalimunthe, 2004; Buchari Alma, 2014). Innovation can be defined in terms of product development, proactive in terms of implementation, and risk-taking in terms of pursuing opportunities. That is, the entrepreneur should at least have the ability to innovate, always proactive and dare to risk. Of course not everyone has such properties would be a successful entrepreneur. There are many other factors that influence it. One factor that is still quite often debated by practitioners and academics are concerned with the term 'born as entrepreneurs' and 'educated or trained as entrepreneurs'. That is, people who were born as an entrepreneur capable of acting or succeed as an entrepreneur although does not have a formal education or training regarding entrepreneurship. Instead, someone declared a success as an entrepreneur because he has a background in education or training in the field of entrepreneurship. Although both of these contain a meaning different from each other, it does not need to be debated. However, empirical evidence shows that the number of entrepreneurs in Indonesia is still below the neighboring countries in the ASEAN region, moreover when compared to Asian countries such as India and China (Joewono 2011; Dipta, 2011).

Since 1997 the government, through the Directorate General of Higher Education have developed entrepreneurship programs in higher education institutions, such as the subject of Entrepreneurship, Entrepreneurship Internship, Field Work Enterprises, Consulting Business and Employment, and Incubator New Entrepreneurs, and continues today with the scheme of Student Entrepreneurial Program which seems to be treated more seriously (Susilaningsih, 2015). In addition, entrepreneurship courses have also been taught in colleges, as the responsibility of higher education institutions to support government programs in developing highly educated young entrepreneurs.

The idea of business incubator development was first established by Joseph L. Mancuso in New York USA, in 1959. It was Batavia Industrial Center, New York with his business partner Charles Mancuso & Sons as an early model of business incubators in the United States (Setyobudi, n.d). Furthermore the main purpose of the business incubator was to produce an independent company, especially in financial aspects. Proven success of the development of business incubator finally became a reference of establishment of similar business incubators in other countries which then spread to almost all over the world including to Indonesia in 1994 (Nindyawati *et al*, 2013). Business incubator act as an economic strategy to build and develop the social and economic growth, commercialization of new products and processes and new business models. According to Al-Mubaraki *et al* (2015) there are three categories of business incubator in the United States, which is related to economic development, commercialization of technology, and entrepreneurship. Through their research conducted in New York, United States of America regarding the three categories of business incubator was found that the incubator acts as: (1) a dynamic model of self-sustainable, efficient business development; (2) a helpful tool to generate jobs; (3) a method of fostering and supporting enterprise and innovation to create the best environment for the growth of businesses, both at start-up and to accelerate smart growth; and (4) high contributors that add value to businesses by developing the region's science parks and R&D centers, improving collaboration between universities and supporting business investment and growth (Al-Mubaraki *et al*, 2015: 8). In terms of benefit, Smilor and Gill quoted by Cooper *et al* (2012:435) "identified four main entrepreneurial benefits to start-up companies residing in an incubator: heightening credibility, shortening the

learning curve, creating quicker solutions to problems, and gaining access to an entrepreneurial network.”

## RESEARCH METHODS

Seeing the fact above this research is important, in order to formulate or design a model of business incubator in the field of tourism in Politeknik Negeri Bali, although similar research has been done elsewhere. This study was designed three years (2016-2018). In the first year it will explore the potency of entrepreneurship of the students and their understanding of the business in tourism sector. Understanding of the tourism business is very essential to know since the development of education in State Polytechnic of Bali based on tourism, and geographically the position of the institution is in the well-known tourist destinations, namely Jimbaran, Bukit Pecatu, Nusa Dua, and Kuta.

Based on the sample calculations according to Slovin, a number of 91 Likert-scale questionnaires were distributed to students of fourth semester on all courses in State Polytechnic of Bali. For positive statements the scale ranges from strongly agree, score 5; agree, score 4; neutral, score 3; disagree, score 2; and disagree, score 1, and vice versa for negative statements. Three basic indicators of entrepreneurship, such as: innovation, proactive, and risk-taking (Dalimunthe 2004, Buchari Alma, 2014) are used to describe the data. In order to obtain an overview of the potency of business in tourism area, statements of tourism business are included. Total score of means of each indicator represents the potency of entrepreneurship of the respondents which range from 1 (worst) to 5 (very good).

The reason of choosing fourth semester students to be the subjects of this study was that in the sixth semester they will get entrepreneurship course, which is also the second year of the study. The result of the study can be used as baseline of the design of business incubator. It can also be used early in the development process of teaching entrepreneurship courses covering teaching materials and teaching methods.

## RESULT AND DISCUSSION

Total population of 4<sup>th</sup> semester students on all courses in State Polytechnic of Bali is 994 students. Using Slovin’s calculation formula with an error rate of 0.1 obtained a sample of 91 students who are determined proportionally to each

department, namely Tourism 22, Business Administration 17, Accounting 16, Civil Engineering 12, Mechanical Engineering 10, and Electrical Engineering 14 students.

The respondents consisted of 47.3% men and 52.7% women with a variety of age: 19 years as many as 20.9%, 20 years as many as 72.5% and 21 years as many as 6.6%. Data characteristics of respondents based on the experience owned businesses showed significant differences, with 24.2% stating to have the business experience versus 75.8% have no business experience. From the business experience of the respondents (24.2%), the largest percentage is the culinary business by 11%, followed by 5.5% fashion; handicraft 4.4%; daily needs 1.1%; IT 1.1%; and workshops 1.1%. In line with these data, concerning the business interests of the respondents who want to work at the businesses in the culinary field are also occupied the highest percentage, that is 46.2%; followed by fashion 9.9%; engineering took 7.7%; travel 6.6%; IT 5.5%; contracting 5.5%; handicraft 4.4%; workshop 3.3%; daily needs 1.1%; whereas no interest has recorded a 9.8%. If the data concerning the business interests associated with tourism-related businesses, such as culinary, travel and handicraft are combined, the total percentage will be 56.1%. The data is significant as an indicator of students' understanding of the business-related or supporting tourism field.

The potency of entrepreneurship can be measured through three basic indicators, such as: innovation, proactive, and risk-taking (Dalimunthe 2004, Buchari Alma, 2014). The following Table 1 describes these three indicators separately based on respondents' responses.

Table 1 Frequency of Innovation Indicators

S N	TR	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Tot al RxS	Mea ns
		R	RxS	R	RxS	R	RxS	R	RxS	R	RxS		
1	91	0	0	6	12	18	54	50	200	17	85	351	3.9
3	91	1	1	4	8	19	57	46	184	21	105	355	3.9
4	91	1	1	3	6	27	81	45	180	15	75	343	3.8
14	91	0	0	4	8	42	126	32	128	13	65	327	3.6
16	91	0	0	2	4	7	21	29	116	53	265	406	4.5
18	91	4	4	5	10	44	132	26	104	12	60	310	3.4
Total Means												23.0	
Means												3.8	

Note: SN = statement number; TR = total respondent; R = respondent; S = scale

It shows that the respondents' perceptions of six statements regarding the innovation indicators, such as the statement item number (1) In everyday life, I proposed a lot of ideas; (3) in everyday life, I always get up early to start the activity; (4) I always maintain good health with regular exercise; (14) I have a lot of personal skills; (16) I am pleased with something new; (18) when a holiday, I always do any works at home. Those statements have positive meaning that the value of the scale is normal: strongly disagree is worth 1, disagree 2, doubtful 3, agree 4, and strongly agree 5. Calculation of means of the Innovation indicators get the number of 3.8, which means good. In other words, the respondents have a good enough innovation in business or entrepreneurship.

In order to obtain a nature of the respondents' Proactive indicators, there are 10 statements submitted, which consists of 6 positive statements and 4 negative statements, as seen in Table 2. For negative statements the value scale is calculated inverted. It means, if the respondents chose strongly agree, it is worth 1, agree 2, doubtful 3, disagree 4, and strongly disagree 5 (Buchari Alma, 2014). The positive statements are (7) I am among those who are always excited and optimistic; (8) I like cooperation with others; (9) I want to hear the opinions of others; (10) I am always diligent in completing all the tasks; (13) I am happy and often pay attention to businesses; and (17) I am pleased to visit another city and see the situation of the town. While the negative statements are (2) I always follow the idea of a friend; (5) I am glad to have erratic chat with friends; (19) I am not happy asked by my mother/father shopping in traditional markets, and (20) I often ask the maid for help although that work I can do alone. The results can be seen in Table 2. The results of means calculation for Proactive indicators is 3.8, which implies good. That is, respondents have a high level of proactive in doing business or entrepreneurship.

Table 2 Frequency of Proactive Indicators

SN	TR	Strongly Disagree		Disagree		Doubtful		Agree		Strongly Agree		Total RxS	Means
		R	RxS	R	RxS	R	RxS	R	RxS	R	RxS		
-2	91	0	0	30	120	46	138	15	30	0	0	288	3.2
-5	91	1	5	18	72	19	57	32	64	21	21	219	2.4
7	91	0	0	1	2	20	60	52	208	18	90	360	4.0
8	91	0	0	2	4	11	33	51	204	27	135	376	4.1
9	91	0	0	0	0	8	24	55	220	28	140	384	4.2
10	91	0	0	1	2	21	63	54	216	15	75	356	3.9

13	91	0	0	3	6	24	72	42	168	22	110	356	3.9
17	91	2	2	3	6	15	45	42	168	29	145	366	4.0
-19	91	27	135	45	180	13	39	4	8	2	2	364	4.0
-20	91	48	240	37	148	4	12	2	4	0	0	404	4.4
Total Means													38.1
Means													3.8

Note: SN = statement number; TR = total respondent; R = respondent; S = scale; minus (-) = negative statement.

There are five proposed statements in association with Taking Risks indicators, which consists of four negative statements and one positive statement. The negative statements include (6) if doing business, I am afraid of loss and fear of risk; (11) I often have difficulty in every decision; (15) when I face a difficult problem, I tend to leave alone and forget; and (21) I do not plan the future yet because it is not important. While positive statements is (12) I am healthy and be able to complete the activities. Data can be seen in Table 3. The calculation of means yields only 3.4, meaning good enough. In other words, respondents have fairly good courage in taking entrepreneurial risks concerned.

Table 3 Frequency of Risk Taking Indicators

SN	TR	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total RxS	Means
		R	RxS	R	RxS	R	RxS	R	RxS	R	RxS		
-6	91	5	25	21	84	27	81	27	54	11	11	255	2.8
-11	91	1	5	14	56	18	54	47	94	11	11	220	2.4
12	91	0	0	0	0	14	42	49	196	28	140	378	4.2
-15	91	6	30	39	156	32	96	11	22	3	3	307	3.4
-21	91	42	210	25	100	18	54	6	12	0	0	376	4.1
Total Means													16.9
Means													3.4

Note: SN = statement number; TR = total respondent; R = respondent; S = scale; minus (-) = negative statement.

In order to obtain an overview of the potency of business in tourism area, the respondents filled 6 statements, which consist of five positive statements and one negative statement. These five positive statements are (22) I often hear about the business potency of tourism in Indonesia, and Bali in particular; (23) I'd like to figure out how to successfully do business in tourism in Bali or Indonesia; (25) the



knowledge and skills of business (tourism) that I obtained during the course quite adequate; (26) my knowledge of tourism can be said enough; (27) I constantly strive to update myself with information about tourism. While negative statement is (24) I have not been able yet to see opportunities in tourism business. Data can be seen in Table 4. The result of the calculation of the means scored 3.5 which implies good. That is, the respondent has good potency of business in tourism sector, and it is quite large by the will, the knowledge and skills possessed.

Table 4 Frequency of Tourism Business Potency Indicators

SN	TR	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total RxS	Means
		R	RxS	R	RxS	R	RxS	R	RxS	R	RxS		
22	91	0	0	2	4	23	69	44	176	22	110	359	3.9
23	91	0	0	9	18	23	69	51	204	8	40	331	3.6
- 24	91	2	10	18	72	29	87	42	84	0	0	253	2.8
25	91	1	1	7	14	26	78	45	180	12	60	333	3.7
26	91	0	0	12	24	39	117	34	136	6	30	307	3.4
27	91	0	0	6	12	27	81	46	184	12	60	337	3.7
Total Means												21.1	
Means												3.5	

Note: SN = statement number; TR = total respondent; R = respondent; S = scale; minus (-) = negative statement.

## CONCLUSION

Results obtained from this study met the objectives that were defined, namely to see the entrepreneurial potency of State Polytechnic of Bali students. The knowledge, skills and willingness of the students to develop the potency of business within the tourism sector is quite large. Evident from the means value of 3.6 which is calculated from the four indicators of entrepreneurial potency of the tourism sector. Figures are in line with the average of the results of research by Pasek *et al* (2013), which was equal to 3.9. The means value can be used as a reference in the development of entrepreneurial students' potency through formal academic activities, such as adding weight of credit semester unit of the subject of entrepreneurship, and the teaching methods that are more practical. In addition, giving more opportunity for students to carry out extracurricular activities in entrepreneurship can also support the development of entrepreneurial potency of the students.

The results obtained in the first year of this study become an important reference for future research in the second year, involves the development of a business incubator model in tourism in State Polytechnic of Bali. Through the development of a business incubator, entrepreneurial potency of students will be realized more quickly, as the primary objective of a business incubator is to establish, to build up participants (tenants) successfully manage their own business (standalone).

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