SUSTAIN OR NOT SUSTAIN? A CHALLENGE IN MAXIMIZING STUDENTS’ ENTREPRENEURSHIP CAPACITY

Devi Rachmasari
Politeknik Ubaya
devi@staff.ubaya.ac.id

Abstract
Entrepreneurship education has a significant role in maximizing students’ entrepreneurship capacity. During their study in the university, students are equipped with knowledge and skill on entrepreneurship mindset, how to identify business opportunity and get ready to start the business. Moreover, the most challenging process after this is to motivate and guide the students to maintain the business. This study is a qualitative study that analyzes Politeknik Ubaya students who join the Entrepreneurship Capacity Building Program in 2017-2018. This paper aim is to find out the challenging factors that lead students of the program to sustain or not sustain in running their start up business. The result shows that in spite of the facility and capital provided by the university, students tend to have low commitment in developing their business. Meanwhile students who have economics problem try harder to maintain good condition on their study and business. Furthermore, the systematic guidance and control needed to emphasize sustainability issues for the students.

Keywords: entrepreneurship, education, capacity building, business, sustainability.

Introduction
Entrepreneurship role in the growth of economic of a nation is substantial. Indeed, a nation must have at least 2% of entrepreneurs to make the economic growth, said David McCleiland. Thus, a nation must encourage and support its citizen to be entrepreneurs.
Entrepreneurship itself is a discipline, so entrepreneurship can be learned, as explained by Drucker in Kuratko (2005). Moreover, UNESCO World Conference suggested to cultivate entrepreneurship skill in higher education. Schulte in Fitriati (2015) explained that entrepreneurship education in university has three significant roles, they are as a facilitator of entrepreneurship culture, mediator of entrepreneurship skill and locomotive of local business development. A university must prepare students with the knowledge and skill of entrepreneurship, cultivate the entrepreneurship environment, facilitate, and encourage students to start their business. Hopefully, the start ups owned by students, is able to compete and last in the long run period. In other words, those start ups sustain. Thus, this phenomenon of sustainability on students’ business is important to be analyzed.
Politeknik Ubaya is a university which equips students with entrepreneurship skill and knowledge both in the course of entrepreneurship and extra curricula through students group on entrepreneurship. Students who have taken the entrepreneurship course and want to apply the knowledge to start their own business are facilitated, guided, funded and monitored until one year after their business started. This supported business facilities and environment hopefully will be able to empower students to be new independent young entrepreneurs. Thus, the sustainability of their start up business is interesting to be analyzed.

Literature Review
A. Entrepreneurship
Cuervo, Ribeiro and Roig as stated in Lawal, Worlu, Ayoade (2016) said that entrepreneurship consists of entrepreneurial function which is embodiment of opportunities discovery, risk bearing and subsequently
creating new economic activity. Moreover the new economic activity consists of identification, assessment and exploitation of opportunities with the development of appropriate strategy and optimization of resources, as stated by Eckhardt and Shane (2003). Students must comprehend this entrepreneurship mindset that they need to identify business opportunities as well as be ready for any risk happen in deciding appropriate strategy and optimizing resources for the business.

B. Entrepreneurship Education
Rachmasari (2017) mentioned that to change students’ mindset on entrepreneurship, it’s hard enough, since it involves creative thinking as well as innovative idea to find the market need and solve it by creating competitive value on the product or service. In doing so, entrepreneurship education can help. Eze (2011) explained that entrepreneurship education therefore is a process of changing people’s mindset towards applying creative thinking and innovative approach to solve identifiable problems, or improving systems in which they find themselves. This idea extended by Gorman, Hanlon and King in Kuratko (2005) that stated most of the empirical studies showed entrepreneurship can be taught or at least encouraged by entrepreneurship education. Many universities in Indonesia encourage entrepreneurship spirit, comprehension and environment for their students not only as a course but also provide other facility such as entrepreneurship priority, entrepreneurship center, coaching to support students’ participation on student entrepreneurship program.

C. Sustainable Entrepreneurship
According to Schaltegger and Wagner (2007), sustainable entrepreneurship is an innovative, market oriented and personality driven form of value creation by environmentally or socially beneficial innovations and products exceeding the start-up phase of a company. Thus sustainable entrepreneurship is a new concept that link sustainable development with business activities. Lawal, Worlu, Ayoade (2016) described sustainable entrepreneurs are those enterprises that support sustainable development by ensuring that businesses are done in a sustainable fashion. Moreover, Motomura in Lawal, Worlu, Ayoade (2016) stated that sustainable entrepreneurship involves ensuring that things happen in a manner that takes responsibility of short, medium and long-term consequences. Some researchers called sustainable entrepreneurship “sustainable-minded entrepreneurship” (Gagnon, 2012) while some called “sustainability-driven entrepreneurship” (Majid, Kamaludin, Saad & Aziz, 2012). A business needs to be kept running, be able to compete with its competitor, find the innovation for the product and service, to conclude have sustainable manners. This new concept is needed to be introduced to students as a new but important issue in running their business.

Methods
This study is a descriptive qualitative study employing a case study approach that describes the sustainability of students business whether the business sustain or not within one year period. Students of Politeknik Ubaya who join the Entrepreneurship Capacity Building Program in the year of 2017-2019 are analyzed. The focus of the analysis is on the sustainability of students’ business. The data collection conducted through participative observation, deep interview and document review (business model canvas, business plan, and business report). The data analysis is conducted by data reduction which data from observation explored in a report, then reduced until produced better data. Next, initial conclusion is drawn by looking for a model, the similarity and link in the sustainability of students business. Then internal validity conducted through triangulation. The writer compares the data got from observation, interview and document, in order to get the data accuracy.

Results and Discussion
In 2017 and 2018, Politeknik Ubaya facilitated students who were eager to start their own business. These students joint the Entrepreneurship Capacity Building Program. Those students were treated in PALS (Participatory Action Learning System). They were asked to be actively participated both individually or in group, in the entrepreneurship process to increase their competence on entrepreneurship. Through PALS, the students are expected to do transformation on their entrepreneurship capacity through the following phases (Rachmasari, 2017):
1. Awareness phase
This phase is the first phase that in this phase the writer did socialization of the entrepreneurship program. Then, selection of students will be treated with PALS. Those selected students must make a Business Model Canvas and pass the interview with a team of entrepreneurship lectures.

2. Capacitating phase
In this phase, the students’ entrepreneurship capacity will be improved by some workshops on entrepreneurship mindset, finding business idea, marketing strategy, digital marketing, financial management, coaching on starting the business. The students also visit a small business to get real best practice on business process especially production process. Students then must make a business plan and present it in front of the team of entrepreneurship lectures to get financial support and coaching.

3. Institutionalization phase
In this phase, students who pass the two previous phases, and pass the business plan review, get the financial support. Hopefully students are ready to be new entrepreneurs. Moreover, they will be asked to participate at internal entrepreneurship expo at Politeknik Ubaya as well as external expo to test the market and develop the business.

Figure 1. Participatory Action Learning System

<table>
<thead>
<tr>
<th>Year</th>
<th>Prospect participants</th>
<th>Selected Participants</th>
<th>Participants who joint all 3 phases</th>
<th>Start up</th>
<th>Sustain after one year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>50 students</td>
<td>36 students</td>
<td>11 students</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>2017</td>
<td>40 students</td>
<td>33 students</td>
<td>10 students</td>
<td>8</td>
<td>4</td>
</tr>
</tbody>
</table>

From the table we can get some information as follows:
1. Only ±10% of the students from all active students who are interested in applying the knowledge and skill of entrepreneurship course in spite the fact that ±20% of the active students sell food / service for their classmates. It seems the concept of selling is more familiar and more comfortable for students instead of entrepreneurship.

2. The prospect participants show little concept of their business idea since only ±70-80% of the prospect participants have the business concept as shown from their Business Model Canvas (BMC). Students are interested in trying to create their own business but without any concept about it. This condition is a pity since no plan means plan to fail.

3. Only a little number of students, 30% of selected participants who concerns and show their persistence to be entrepreneurs by preparing their business plan and joint all the three phases of awareness, capacitating and institutionalization and later on get financial support. Most of the students said that they do not want to be tied up with the institution if they got funding.
4. At the end of the year, the students who proceed and have the start up business is 14% in 2018 and 24% in 2017 from the selected participants. These students already had their product/service, brand, and loyal market. Moreover some of them already joint online selling platform such as Go Food.

5. One year later, the students whose business can sustain is ± 8% from the selected participants.

![Figure 2. The most dominant factor in students’ sustainability](image)

From figure 2 we can see that the most dominant factors that influence students’ business sustainability are:

1. 46% is lack of human resources in producing their product and the ability to bear the risk of having business. Production is a main activity of a business process. If students cannot manage of having human resources on production such as chef, tailor, designer, etc, how can the students produce their product. Moreover students must be ready with the risk of having their business so that they can compete with competitor and keep the business running.

2. Other dominant factor, 38% related with students bad time management in controlling time for study and time for running their business. It is hard condition. Students must understand both study and business are their priority and keep both work well.

3. 8% other factors due to unsolid team. Having unsolid team is similar with having no team. This condition just wastes the time and energy in achieving the target.

**Conclusion**

The entrepreneurship concept on students seems unfamiliar compare to selling concept. We can say that since only 10% of the active students are interested to join the Entrepreneurship Capacity Building Program in spite of 20% of them who sell product/service to their classmates. Moreover, students’ interest is not parallel with their preparation / their concept of business. They just do it, without any specific concept, while entrepreneurship needs more prepared business concept. That is why while they are asked to clarify the business concept, the number drops.

Finally only 8% of the selected students, who proceed to start their own business and sustain after one year. Moreover we can say that commitment, the more systematic coaching and control needed to emphasize entrepreneurship sustainability issues for the students. Meanwhile, the students with economics problem proved tried harder to keep their business running. This study is a preliminary study and need to conduct further study especially on the factors that influence, both improve and decrease, the students’ sustainable entrepreneurship.
References


