

# The Entrepreneurship Students' Character Through Learning Based Capacity Building

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**Abstract**—The growing number of unemployment in Indonesia requires research to increase the knowledge, attitudes, skills, and motivation of the community for reducing the unemployment rate. However, the previous research showed the insignificant changes. This study examines the effect of the learning-based capacity building to develop an entrepreneurship character of students. This study implemented quantitative using ex-post facto design. One hundred and sixty-six students majoring in Economics involved as respondents in this study. The type of this research is ex post facto by using a quantitative approach. This study analyzes the causal relationship between the two variables that is the application of learning variables Capacity Building and Establishment of Entrepreneurial Character. The data of this study were collected by distributing the questionnaire. The data of this study were analyzed using descriptive and inferential statistics. This study showed that the level of capacity-based learning to develop entrepreneurship character of students is in the very high category. This study also indicated that the improvement entrepreneurship character of the student is in a very high category after following the learning based on a capacity building in entrepreneurship subject. Ultimately, this study exposed that learning based on capacity building influences the student entrepreneurship character majoring in Economics.

**Index Terms**— Entrepreneurship, students' character, learning based capacity building.

## 1 INTRODUCTION

The increasing number of unemployment in Indonesia has to solve this problem by taking various programs to improve the knowledge, attitudes, skills, and motivation of the community to reduce the unemployment rate. However, it has not shown significant changes. The data showed in 2015, nearly fifty percent of the unemployment were college graduates. It is showed that there were 600,000 unemployed are college graduates; consist of diploma and undergraduate students [1]. This phenomenon emerged that the unemployment rate in Indonesia becomes the highest in the Higher Education level.

The unemployment rate is predicted to be higher because of the university or college cannot improve their curriculum in line with the change in the industry based. The higher education institutions did not motivate their students and alumni to create jobs after they are graduated. On the other perspective, there are some issues related issues to be considered such as the low competence of graduates because of curriculum at higher education did not match to the industry. Graduates skills are different from the needs of industry; the soft skills of prospective workers are a mismatch with the industry level. Therefore, the placement of employment is different from the need of the industry or business environment. Besides, the low interest and motivation of entrepreneurship among college graduates also become the dominant factor of the increasing unemployment.

The government has done the fact shows an only small number of experienced entrepreneurs in South Sulawesi because of not many training. Based on data from the

Cooperative and Small and Medium Enterprises growth in South Sulawesi Province, only 0.8 percent of the total population of about 64 thousand entrepreneurs involved in entrepreneurship training. This fact shows that the number of entrepreneurs in South Sulawesi is still far from the minimum number of entrepreneurs in the region for about 2 percent. Therefore, the improvement is needed to develop new entrepreneurs programs in South Sulawesi, especially in universities or trained more graduates students to become entrepreneur.

Entrepreneurship in higher education setting not only provides a theoretical foundation of scientific issues for the concept of entrepreneurship but it can be fostering shapes the attitudes, behaviors, and mindset of students to become an entrepreneur. It is a human capital investment to prepare students in starting a new business through the integration of experience, skills, and knowledge in developing and expanding a business progress developed by the students. During this period, the government and universities to nurture the increase of entrepreneurship skills and motivation have done various models of development programs especially the university curriculum programs. Some of the regular programs in all universities in Indonesia include entrepreneurship coaching, entrepreneurship training or workshop, and Student Creative Program (SCP). However, this kind of programs cannot decrease the unemployment rate significantly because some students have no interest to develop their entrepreneurship skills.

The increase in unqualified unemployment from college graduates due to the low competence of college graduates in the form of interest, motivation, and soft entrepreneurship skills. Besides, the learning process in the classroom is a no longer appropriate model to provide skilled graduate. Therefore, the problems that arise are related to the learning process of entrepreneurship obtained at the time of education in college. The learning process requires a learning

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environment and learning plan that can improve entrepreneurial competence and skills. Therefore, the entrepreneurial character of students to prepare for their future career can be developed by using several approaches that may focus the ability of the students can adapt to the work environment. In addition, efforts are needed to encourage the formation of entrepreneurship model in Universitas Islam Negeri Alauddin, Makassar, South Sulawesi, Indonesia to create a new form of entrepreneur programs due to improving the student's skills and their motivation.

Capacity Building for students is one of the learning processes for entrepreneurial learning. A learning process can improve a person's ability, an organization, or a system to achieve the aspired goals [2]. The capacity building based learning process can be in the form of, entrepreneurship training, and practice or direct experience of entrepreneurship. Thus, the capacity building comprises a process for doing something, or a series of movements, multi-level changes within individuals, groups, organizations, and systems to strengthen individual and organizational adjustment capabilities to respond to changes in the existing environment, such as in entrepreneurship [3]. Entrepreneurship training is one of the stages of communication learning. The entrepreneurship training consists of entrepreneurship courses (integrated with relevant subject matter materials and learning process) and extra-curricular activities of the students.

The theoretical entrepreneurship learning is provided in the classroom for debriefing before the students enter into entrepreneurship. The debriefing is in the form of work practices through activities to create creative and innovative business products for the next product is used as a small business managed by students. This learning process is part or stages of learning based capacity building on the level or dimensions of individuals. Capacity building-based learning is a learning process that emphasizes the process of developing skills and expertise of students to realize the formation of entrepreneurial character. Learning capacity building is often designed to strengthen the ability and skills of a person in carrying out decisions that are efficiently made to change and form the mindset of a person for entrepreneurship.

A few numbers of students continue their business after being applied to the entrepreneurship-training program. This is because of the initial motivation of students in implementing entrepreneurship due to inadequate to get good grades and to meet the requirements of the college so that motivation and entrepreneurship desire is still low. Some students are also still afraid to jump into the field of entrepreneurship because they do not have skills in managing the business and still afraid to take risks of non-success. Students who have been equipped with entrepreneurial character and know the benefits of entrepreneurship; they can create jobs for others and generate higher income from an employee or civil servant.

The researchers feel the need to conduct further research to determine the entrepreneurial character of students majoring in economics on the influence of learning based capacity building against the formation of student entrepreneurial

character. Therefore, this study aims to understand the implementation of the capacity building based learning in shaping entrepreneurship character of students majoring in economics. This study also aims to find out the effect of learning based on capacity building on entrepreneurship character building of student majoring in economics. Finally, this study aims to analyze the influence of learning based on capacity building to develop entrepreneur character of the student.

## 2 LITERATURE REVIEW

### 2.1 The Concept of Capacity Building

In general, the concept of the capacity building encompasses a process of building the capacity of individuals, groups, and organizations. The capacity building comprises an effort to strengthen the capacity of individuals, groups or organizations that are reflected through the development of existing skills, potentials and talents and the mastery of competencies so that individuals, groups or organizations can survive and can overcome the challenges of rapid changes and unexpected. Capacity building also involves a creative process in building the capacity that has not been visible. Capacity Building is a process to enhance individuals, groups, organizations, and communities to achieve the objectives [4]. Capacity Building includes a process of developing and improving the skills, talents, organizational resource capabilities as needed to survive, adapt, and grow the organization in an era of rapid change [5].

Meanwhile, the Capacity Building is the development or capacity improvement (dynamic) to achieve performance in production output and outcome on a particular framework. Furthermore, capacity building is in a broader and more detailed scope involve a process to increase the ability of individuals, groups, organizations, communities or societies in some aspects [6]. The most critical aspect is identifying problems, needs, issues, and opportunities. Another aspect is to formulate strategies to deal with issues and design a plan of action. Thus, assemble and use and implement sustainable resources base to implement, monitor, evaluate the plan of actions, and use feedback to learn lessons are an essential aspect of increasing and developing in capacity building.

Capacity Building can be interpreted as a process that aims to enhance the ability of individuals, groups, organizations, communities, or communities to analyze their environment. It is also projected to identify problems, needs, issues, and opportunities. Besides, it aims to formulate strategies for addressing issues and needs. It exploits the relevant opportunities and to design an action plan as well as collect and use it effectively on a sustainable resource basis to implement, monitor and evaluate the action plan. Ultimately, it aims to utilize feedback as learning; it is revealed that Capacity Building could be understood as a process to influence or move change at various levels (multi-level) to individuals, groups, organizations, and systems that seek to strengthen the ability of self-adaptation and organization so that they can respond to changes in the environment continuously [3]. Thus, Capacity Building is a process, not a result; it is a multi-level learning process that is closely related to the idea of action. Capacity building in this view can be

interpreted as a learning process.

Based on the above explanation, it can be concluded that Capacity Building is a learning process that aims to improve the ability, skill, and expertise possessed by individual, group or organization and system. It strengthens the ability of self, group, and organization so that able to defend themselves or profession in amid continuous changes. Capacity Building has dimensions and levels that can be held in all lines from the start of the smallest component to the component system, which ultimately aims to achieve good quality through the learning process [7]. Furthermore, Riyadi [7] describes the level and dimensions of capacity building to three dimensions and levels, among others: (1) capacity building at individual level, (2) capacity building at organizational level, and (3) capacity building at the system level. The capacity building, in this study, is based on the individual levels with indicators include 1) Individual Enhancement; 2) Skills Improvement; 3) Capability Improvement; 4) Change of Attitude; 5) Selection of Business Type to be cultivated, and 6) Entrepreneurial Motivation.

## 2.2 Entrepreneurial Character

A character is a state of the soul that appears in the behavior and deeds because of innate and environmental influences [8]. In other words, the character depends on the strength from outside (exogenous). Thus, nature and the environment influence individual characters. Characters can be changed and educated. In general, an entrepreneur is a potential for achievement and has high motivation to move forward. An entrepreneur seeks independence to help himself and even others to overcome life problems. Entrepreneurs are action-oriented individuals and have high motivation in taking risks to pursue their goals [9].

Meanwhile, the general stereotype of entrepreneurs extend the characteristics, such as the high demand, the desire to take risks, robust confidence, and the willingness to do business [10]. It is revealed some main characteristics that exist in an entrepreneur [11] that is: (1) Encouragement achievement, meaning someone has a great desire to achieve an achievement, (2) Hard work, most entrepreneurs "drunk work" to achieve what one wants to aspire, (3) To pay attention to quality: an entrepreneur handles and supervises his own business until independent, before he/she starts with new business again, (4) Very responsible: able to take responsibility for his business, morally, mental, (5) Reward oriented: an entrepreneur will expect rewards that are commensurate with his efforts. Rewards are not just about money, but also recognition and respect, (6) Optimism: entrepreneur alive with all-time presumption good for business, and everything possible, and (7) Oriented to excellence oriented: an entrepreneur wants to achieve prominent success, and demand the first class. Based on the explanation presented by some experts above, it can be concluded that the entrepreneurial character is the characteristics or traits that should be owned by an entrepreneur. Indicators used to measure entrepreneurial character, taken from the characteristics of entrepreneurial character among them; confident, task-oriented and outcomes, risk-taking and likes challenges, creative and innovative, leadership, and future-oriented.

## 3 RESEARCH METHOD

The type of this research is ex post facto by using a quantitative approach. This study analyzes the causal relationship between the two variables that is the application of learning variables Capacity Building and Establishment of Entrepreneurial Character. Population in this study is all students in the Faculty of Economics and Islamic Business, Universitas Islam Negeri Alauddin Makassar, South Sulawesi, Indonesia. Three hundred and ten students and have followed or pass entrepreneurship courses. The sampling technique used is incidental random sampling. The samples obtained are 166 students. Data collection techniques are Observation, Questionnaire, and Interview. Data analysis used is descriptive and inferential statistical analysis

## 4 RESEARCH RESULTS

Descriptive analysis of capacity building based on capacity building and measured using a test consisting of 12 grains of statements given to 166 respondents to measure the level of respondent's tendency toward variables, the researchers categorize them based on the formula of tendency level proposed [12], as follows:

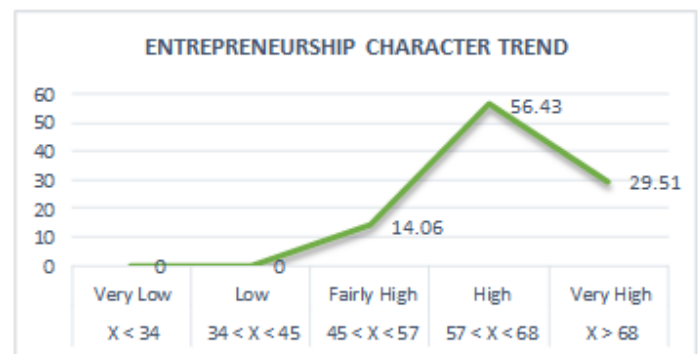


Fig. 1. Frequency distribution of capacity based learning

Figure 1 shows that the level of application of capacity building based learning in the course of entrepreneurship is very high. It shows that the indicator increased knowledge of entrepreneurship, improvement of entrepreneurship skills, improvement of entrepreneurship skills, attitude changes for entrepreneurship and determination of choice of business type, and motivation to entrepreneurship. Figure 1 above shows that the Character Building could support student learning process on the entrepreneurial learning process. Descriptive analysis of the variable on student entrepreneur character obtained from the results of respondents' answers with 17 questions and the number of respondents 166 students, to understand the level of student tendency toward research variables. The results of the analysis can be seen in the following Figure 2.

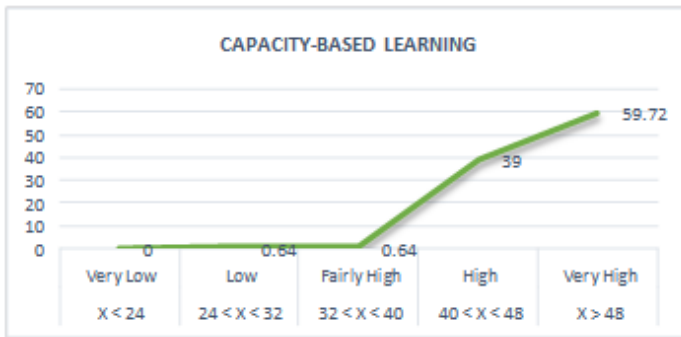


Fig. 2. Frequency distribution of entrepreneurship character

Figure 2 shows that the level of student entrepreneurship character formation is mostly in the high category. This means that the formation of the entrepreneurial character of students after participating in the capacity building based learning can be well established regarding confidence indicators, task-oriented and outcomes, risk-taking and challenge-like, leadership, and creative and innovative and future-oriented. The result of t-test and significance test to know whether there is significant influence between capacities building based learning (X) on the formation of entrepreneurship character of the student (Y) can be seen in table result of simple regression analysis below:

TABLE 1  
SIMPLE LINEAR REGRESSION TEST RESULTS

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	34.791	5.531		6.290	0.000
<sup>1</sup> Capacity Building	.638	.111	.410	5.758	0.000

a. Dependent Variable: Entrepreneurial Character

Table 1 above shows that t-count of 5.758 with a significance of 0.000 by the requirements  $t\text{-arithmetic} > t\text{-table}$  and significance  $< 0.05$ . Comparing to t-table, it equals to 1.974 at 5% significance level then t-arithmetic is higher than t-table, and significance value is equal to 0.000 smaller than the level of significance 0.05. This shows that H0 is rejected and H1 accepted means there is significant influence between Capacity Building Based Learning on Student Entrepreneur Character Building. Capacity Building based Learning through entrepreneurship courses are very helpful in the establishment of the entrepreneurial character of students majoring in economics. The result of the correlation test between capacity buildings based learning on the formation of entrepreneurship character of students presented in Table 2 below.

TABLE 2  
PRODUCT MOMENT CORRELATION TEST RESULTS CORRELATIONS

		Capacity Building	Entrepreneurial Character
Capacity Building	Pearson Correlation	1	.410**
	Sig. (2-tailed)		.000
	N	166	166
Entrepreneurial Character	Pearson Correlation	.410**	1
	Sig. (2-tailed)	.000	
	N	166	166

\*\* . Correlation is significant at the 0.01 level (2-tailed)

Table 2 shows that the correlation of learning based on Capacity Building with the formation of entrepreneurship character of students has a positive effect, which is 0.410. Positive means the relationship between variables X and Y direction. Based on the correlation coefficient interpretation Table, it can be seen that the correlation and strength of the relationship are in the medium category between 0.400 – 0.599. The value of r-arithmetic (0.410) is higher than r-Table (0.152) indicates that there is a significant positive correlation between Capacity Building Based Learning on Student Entrepreneurship Formation. The correlation analysis aims to find out the amount of donation variable X to Y as presented in the summary model of Table 3 below.

TABLE 3  
THE CONTRIBUTION OF LEARNING VARIABLES BASED ON CAPACITY BUILDING TO STUDENT ENTREPRENEUR CHARACTER BUILDING

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.410 <sup>a</sup>	.168	.163	5.00609

a. Predictors: (Constant), Capacity Building

b. Dependent Variable: Entrepreneurial Character

## 5 DISCUSSION

The results of this study indicate that there is a significant influence between Capacity Building Based Learning and the Character Building of Entrepreneurship of Economics Students, Faculty of Economics and Islamic Business, Universitas Islam Negeri Alauddin, Makassar, South Sulawesi, Indonesia. The results of regression analysis showed the value of t-arithmetic of  $5.758 > t\text{-table}$  of 1.974 and significance value of  $0.000 < 0.05$ . Thus, there is a significant positive influence between Capacity Building Based Learning and Establishment of Student Entrepreneurial Character.

The results of this study are in line with research that the implementation of Capacity Building and empowerment of human resources have a positive and significant impact on employee work motivation [13]. Similarly, the relationship between capacity building and employee performance productivity resulting in high regression coefficients or

showed a strong linear correlation between capacity building and employee performance productivity [14]. In the study, it has been proven that high-capacity organizations can improve motivation, employee performance, job skills, and satisfaction that lead to proportional organizational performance improvements. In addition to these results, the theory of Entrepreneurship Theory and Constructivism Theory also support it. They have argued that in essence entrepreneurship is a mental attitude or mindset. The entrepreneurial mindset is a set of life attitudes needed for the entrepreneurial activity. Attitudes of life are, honest, creative, innovative, confident, resilient, and dare to take risks.

The entrepreneurship comprises a character that could be built through a series of learning processes. Some entrepreneurial characters are most prominent are having perseverance, ready to face challenges, keen to see the circumstances and opportunities, creative, think more open and not fragmented, or think out of the box [15]. In the view of constructivism, the learning process aims to build understanding rather than collect as much knowledge without understanding it. The basic premise is that the individual must actively "build" his knowledge and skills [16]. Associated with two views on how individuals construct knowledge, i.e., psychologically, and sociologically as expressed that knowledge is built on psychological development [17].

On the other hand, a sociological constructivism view says knowledge is built based on social relationships. However, the constructivism approach is an innovative form of learning. The essence of learning is the formation and development of knowledge, skills, habits, values, attitudes, and human behavior. Thus, learning always refers to the conditions of the learned person "a process of a person's behavior or personal change based on a particular practice or experience". Such changes may be additions and enhancements or enrichment and deepening of existing information, knowledge, skills, maybe a discovery, the creation or procurement of information or the mastery of an entirely new skill, maybe a reduction or omission of a personality or behavioral nature which is not desired while improving the existing.

## 6 CONCLUSION

The tendency of students to learning-based capacity building on entrepreneurship courses are generally in very high category. It indicates the increase of entrepreneurship knowledge, improvement of entrepreneurship skills, improvement of skills of entrepreneurship, and determining the choice of business type to be cultivated and the motivation of students to entrepreneurship. This means that capacity building based learning can shape the entrepreneurial character of the students where they can understand the entrepreneurship materials, improve their entrepreneurship skills, improve their skills, change attitudes to entrepreneurship, and be able to determine the type of business they will be involved in and they are more motivated to entrepreneurship. Student Entrepreneurship Character in the Faculty of Economics and Islamic Business, Universitas Islam Negeri Alauddin Makassar, South Sulawesi, Indonesia generally are in very high category after following capacity building based learning in entrepreneurship subject, seen from

an indicator that is confident, task-oriented and results, dare to take a risk and like a challenge, and creative and innovative and future-oriented. This means that they already have the knowledge, skills, creativity, and entrepreneurial innovation to start entrepreneurship. This study also showed that there is the influence of learning based on Capacity Building on entrepreneurship character creation of Economics students, meaning that if the learning based on Capacity Building is applied well, then the establishment of entrepreneurship character of students is also better.

There are several suggestions in relation to the conclusions of this research are: (1) To the lecturers of entrepreneurship courses in universities, by understanding that Capacity Building Based Learning has a significant positive impact on Student Entrepreneurship Formation, it is expected to apply well this learning to motivate and shape the character of students to be entrepreneurship, so they have provision after graduating from college, (2) To the student, should be able to give more participation in entrepreneurship learning process so that the learning process applied by the lecturer can run well and in accordance with the purpose to be achieved, (3) To the next researcher to presumably can develop this research so as to increase the repertoire of knowledge about Capacity Building Based Learning and Student Entrepreneur Character especially the other factors that are held up p effect on the formation of student entrepreneurial character.

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