

Education, Attitudes, and Motivation of Entrepreneurship: Study of Knowledge Transfer at Small Business in Makassar City

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ABSTRACT

This research was purposed to review the direct and indirect effect of entrepreneurship education in family towards attitudes of entrepreneurship and to explain the direct and indirect effect of entrepreneurship education in family and also attitudes of entrepreneurship toward entrepreneurship motivation for the young generation on small scale family businesses in Makassar city. This research is explanatory research. There are 1.267 small scale family businesses as the population, while only 130 small scale family businesses as the sample in this research, in considerate the businesses have been running for at least 2 generations. The result of this research showed that entrepreneurship education has significant effect toward the attitudes of entrepreneurship and entrepreneurship attitudes have significant effect toward entrepreneurship motivation. Based on path analysis, the result showed entrepreneurship education has significant effect toward entrepreneurship motivation through mediating of attitudes of entrepreneurship.

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1. INTRODUCTION

The phenomenon of small business growth is one of the interesting studies to be studied in the entrepreneurial process. One motive that causes the failure of small businesses in developing their business is because the small business does not have the desire to grow (Headd and Kirchhoff, 2009; Brush et al, 2009; Doern, 2009; Davidsson et al, 2009; McKelvie A and Wiklund, 2010; Chalid and Hasan, 2018, and Hasan, 2018). Some research results show various factors that determine the success of the entrepreneurial process. A number of studies are concentrated on factors that influence entrepreneurship to be carried out, such as personality traits (Frank and Luthje, 2004), abilities and

experience (Ashokan and Suresh, 2012), personality and attitudes towards entrepreneurship, or social environment (Autio et al, 2002; Segal et al, 2005) and planned behavior (Schwarz et al, 2009), so based on this, studies on entrepreneurship education, entrepreneurship attitudes, and entrepreneurship motivation seen from the aspect of knowledge transfer are very important to do.

Knowledge transfer in small businesses is implemented in the form of entrepreneurship education. Entrepreneurship education in the family of small-scale businesses is carried out both formally, non-formally and informally, can contribute to the development of entrepreneurship attitudes, abilities and skills, thus impacting on self-efficacy and increasing entrepreneurship motivation, so that it can be concluded that knowledge transfer through entrepreneurship education has offered insight. So, the novelty of this research is there a mediating effect of entrepreneurship attitudes from the correlation of entrepreneurship education with entrepreneurship motivation. What is valuable about how entrepreneurship education can make a difference in the regeneration process of business continuity in small businesses, especially those related to entrepreneurship attitudes and entrepreneurship motivation (Gorman, 1997; Gibb, 2002; Mitra and Matlay, 2004; Kuratko, 2005; Graevenitz et al, 2010; Neck and Greene, 2011).

Knowledge is a significant source of competitive advantage, which allows small businesses to become innovative and remain competitive in the market (Grant, 1996; Smith, 2001). This comes from the individual head and is built on information that is changed and developed through personal beliefs, values, education and experience (Bender and Fish, 2000; Bollinger and Smith, 2001). From a pedagogical perspective, the transfer of knowledge in the perspective of entrepreneurship education has many variations, both formally, non-formally, and informally (Fiet, 2001; Solomon, 2007; Neck and Greene, 2011). Entrepreneurship education is very important for entrepreneurial success. The first failure of an entrepreneur is because it relies more on experience than education. But also does not underestimate the meaning of experience for an entrepreneur, for him the second source of failure is if an entrepreneur only has education but has poor field experience. Therefore a combination of education and experience is the main factor that determines entrepreneurial success (Churchill et al, 1987).

Research on the role of entrepreneurship education in forming entrepreneurship attitudes is based on the Theory of Planned Behaviour (TPB) (Ajzen, 1991) providing a strong theoretical foundation (Schlaegel and Koenig, 2014). The study states that a person's future behaviour is preceded by intention, the stronger a person's intention to engage in a particular behaviour, the more likely that actual behaviour will be carried out. Furthermore, the intention to conduct behaviour is the result of three cognitive antecedents, which include attitudes toward behaviour, subjective norms, and perceived behavioural control, which is obtained through entrepreneurship education. There is evidence that entrepreneurship education programs and courses are able to "build awareness of entrepreneurship as a career option and to encourage favorable attitudes (EA) towards entrepreneurship" (Gorman et al., 1997, p. 13). While entrepreneurial behavior is the goal, there needs to be a clearer understanding of EI and EA and the relationship between these two elements in order to facilitate stronger pedagogies/andragogies in entrepreneurship education to achieve that goal. This study focused on determining if there is a positive correlation between Based on this, the researcher proposed a hypothesis:

Entrepreneurship education is seen as a strong factor for the formation of entrepreneurship motivation. Two theoretical concepts that have been developed that support this relationship are the Theories of Human Capital (Becker, 1964); and entrepreneurial self-efficacy (Bae et al, 2014). Human Capital Theory states that human capital represents the skills and knowledge acquired by individuals through investment in schools, training in the workplace, and other types of experience. Entrepreneurship education is associated with a higher level of entrepreneurship motivation. Furthermore (Chen, 2010; Martin et al, 2013; Autio and Acs, 2010; Liñán, 2004; Luthje and Franke, 2003; Rauch A, Frese and Utsch, 2005) it was found that entrepreneurial attitudes were a positive moderator of the relationship between entrepreneurship education and entrepreneurial motivation. Based on this, the researcher proposed a hypothesis:

H₂: Entrepreneurship education has significant effect on entrepreneurship motivation

H₃: Entrepreneurship attitudes has significant effect on entrepreneurship motivation

H₄: Entrepreneurship education has significant effect on entrepreneurship motivation through entrepreneurship attitudes.

2. METHODS

This study is included in the type of explanatory research, which is non-experimental and aims to analyze the influence of entrepreneurship education on entrepreneurship motivation mediated by entrepreneurship attitudes in small businesses in Makassar City, using a quantitative approach through parameter testing in answering hypotheses that use the questionnaire in data collection. Based on this, the measured variables include: (1) exogenous variables: entrepreneurship education; (2) intervening variables: entrepreneurship attitude; and (3) endogenous variables: entrepreneurship motivation.

To get the data according to the research design, the type of closed question is used (closed-ended question). Entrepreneurship education in the family with indicators of optimization of knowledge transfer which includes recognizing opportunities, evaluating opportunities, ways of starting opportunities, and entrepreneurial organizations (Zhao et al, 2005), with the measuring scale used is ordinal. Entrepreneurship attitudes are seen from the tendency to react positively or negatively to the entrepreneurial process (Ajzen, 1991), while the measuring scale used is ordinal. Entrepreneurship motivation includes extrinsic rewards, freedom/autonomy, intrinsic rewards and family security (Benzing et al., 2009; Benzing et al, 2005) and the scale used is ordinal.

This research was conducted on small businesses which are family businesses in the city of Makassar, which are scattered in a number of sub-districts, while the analysis unit used in the research sample data is a small business which is a family business that has been running for at least 2 generations. 1,267 small business family businesses in the city of Makassar, while the sample size is carried out with the consideration of data analysis requirements that provide a sample size of at least 5 times the number of indicators used in the measurement, so that the amount is 126, and to avoid too small a sample that can cause the possibility of error measurement, the sample can be enlarged and determined to be 130 family businesses in Makassar City and subsequently withdrawn proportionally according to distribution (Cooper and Schindler, 2001).

Data analysis techniques use statistical testing to verify various problems presented in the hypothesis, so that they can be generalized, and based on path analysis analysis. The purpose of path analysis is to determine the direct and indirect effects of a set of exogenous variables on endogenous variables.

3. FINDINGS AND DISCUSSION

The study examined the direct and indirect effects of entrepreneurship education in the family on entrepreneurship motivation, as well as explaining the direct and indirect effects of entrepreneurship education in the family and entrepreneurship attitudes on the generation of entrepreneurship motivation in small businesses that are family businesses. Summary of research results can be seen in Table 1.

Table 1. Path analysis coefficient(s)

Direct Effect			
Path Analysis	Path Coefficient	Prob.	Result
Entrepreneurship Education → Entrepreneurship Attitudes	0.771	0.001	Significant
Entrepreneurship Education → Entrepreneurship Motivation	0.303	0.010	Significant
Entrepreneurship Attitudes → Entrepreneurship Motivation	0.541	0.015	Significant

Indirect Effect	
Indirect Path	Path Coefficient
Entrepreneurship Education → Entrepreneurship Attitudes → Entrepreneurship motivation	$0.771 \times 0.541 = 0.417$

Based on the results of data analysis obtained the pathways of entrepreneurship education path toward entrepreneurship attitudes of 0.771, indicating that the influence of entrepreneurship education on entrepreneurship attitudes is 0.771 with a probability value of 0.001. The results of this analysis indicate that entrepreneurship education has a significant effect on entrepreneurship attitudes. The coefficient of entrepreneurship education path towards entrepreneurship motivation is 0.303 indicating that the influence of entrepreneurship education on entrepreneurship motivation is 0.303. The probability value of entrepreneurship education on entrepreneurship motivation is 0.010. The results of this analysis indicate that entrepreneurship education has a significant effect on entrepreneurship motivation. The path coefficient of entrepreneurship attitudes towards entrepreneurship motivation is 0.541, indicating that the effect of entrepreneurship attitudes on entrepreneurship motivation is 0.541. The probability value of entrepreneurship attitudes towards entrepreneurship motivation is 0.015, so the results of this analysis indicate that entrepreneurship attitudes have a significant effect on entrepreneurship motivation. The indirect coefficient of entrepreneurship education on entrepreneurship motivation through entrepreneurship attitudes is 0.417, indicating that the coefficient of entrepreneurship education path towards entrepreneurship motivation through entrepreneurship attitudes is 0.417.

The findings of study indicated that entrepreneurship education influenced entrepreneurship attitudes. Entrepreneurship education is the process of providing individuals with concepts and skills to recognize opportunities that have been ignored by others and have insight, self-esteem and knowledge to act where others are hesitant (Jones and English, 2004). Entrepreneurship education in relation to the transfer of knowledge in the family environment, turning ideas into reality and consists of three aspects, namely creativity, which creates all kinds of ideas; innovation, which finds value in selected ideas; and entrepreneurship, which develops business from innovative ideas. Entrepreneurship education refers to the pedagogical process involved in encouraging entrepreneurial behavior and mindset, and strives to provide children or future generations with the knowledge, skills and motivation to encourage entrepreneurial success (Hasyim et al, 2018; Binks, 2005).

The test results in this study indicate that entrepreneurship education influences entrepreneurship motivation. Entrepreneurship education that takes place in a family environment can foster motivation in family entrepreneurship through idiosyncratic knowledge which is a collaboration of tacit and explicit knowledge that is transferred from parents to children so that the child as the next generation has interest and desire to start a business and courage in taking risks (Pittaway and Cope, 2007).

Other findings in this study indicated that entrepreneurship attitudes had a significant effect on entrepreneurship motivation. This means that entrepreneurship attitudes were proven to mediate entrepreneurship education for the next generation entrepreneurship motivation in small businesses that are family businesses. The attitude of an entrepreneur had a significant relationship with entrepreneurship motivation, this fact is in line with previous research (Stuart and Abetti, 1990). An innovative attitude influences its success in business because it has high motivation. Entrepreneurs who want to achieve success in their business must have an entrepreneurship attitude which includes: honest, innovative, creative, visionary, persevering, working seriously, having good planning, and having a good reputation.

Based on the results of path analysis it is known that there is an influence of entrepreneurship education on entrepreneurship motivation through mediating entrepreneurship attitudes. This shows that entrepreneurship education must begin and develop within the family environment. The failure and success of small businesses that are a family business is largely determined by the transfer of knowledge that goes from the previous generation to the next generation. Entrepreneurship education

that starts from the family can foster awareness of the next generation to improve their ability to start and manage businesses. Empirical studies show that entrepreneurship education influences motivation to become entrepreneurs continues to increase (Muofhe and Du Toit, 2011). Every individual who has obtained entrepreneurship education both formally, non-formally and informally, has a high entrepreneurship motivation so that he will start more businesses and also have higher income.

4. CONCLUSION

The research findings indicated that entrepreneurship education had a significant effect on entrepreneurship attitudes, and entrepreneurship attitudes had a significant effect on entrepreneurship motivation. The results of path analysis showed that entrepreneurship education had a significant effect on entrepreneurship motivation through mediating entrepreneurship attitudes.

The finding confirmed that entrepreneurship attitudes shown through commitment to the entrepreneurship process, feel responsible for managing their business, trying to find new opportunities, can bear the risk of uncertainty, who are confident, creative and flexible, who always need immediate feedback, like working hard and has high fighting strength, has the drive to excel, is future oriented, willing to accept failure and has leadership skills, will build entrepreneurial characteristics that have the ability to face risk, be results oriented, energetic, have growth potential, and oriented towards improvement.

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