



International Journal of Economic Research

ISSN : 0972-9380

available at <http://www.serialsjournal.com>

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Volume 14 • Number 2 • 2017

The Effects of Entrepreneurial Attitudes Mediation on the Relationship Between Education and Training and Management Supervision on Business Growth in Riau, Indonesia

Sri Indarti

Department of Management, Faculty of Economy, University of Riau, Indonesia

Abstract: This study aims to examine find the Effects of Entrepreneurial Attitudes Mediation on the Conceptual Effects of Education and Training and Management supervision on Business Growth of Small and Micro Enterprises Developed by the SOEs in Pekanbaru. The study used primary and secondary data. The primary data was data gaining from the micro-and-small enterpereuner's response to the development of enterpreunerial attitude, income of sales, and expenses before and after getting PDNP fund. The secondary data was gained from the publication of firms' and the relevant authorities. The sampling was conducted by using purposive sampling method. The analysis was conducted by using quantitative method using the WarpPLS structural model to test the effects of Entrepreneurial Attitudes Mediation under the Effects of Education and Training, and Management Supervision on the Business Growth of Micro and Small Enterprises in Pekanbaru. The result of this research showed that Education and Training conducted by the SOE so far to the MSME Entrepreneurs have not contributed positively yet to the Growth of their businesses. Entrepreneurial attitudes also mediate the management supervision in improving the growth of MSME, which means that through the positive entrepreneurial attitudes, the supervision can be a variable that can provide a positive contribution in the development of MSME.

Keyword: Corporate Social Responsibility (CSR), ertrepreneurial attitudes, bussinesss growth, small enterprises.

1. INTRODUCTION

Based on the analysis of the Impact Assessment Disbursement Corporate Social Responsibility (Partnership Program and Community Development) on the development of attitudes and Income and Small and Micro in Pekanbaru City before it could be argued that the aid Partnership Program and Community Development (CSR) conducted by the state-owned company is very effective and helps small and micro businesses in increasing revenue, it is seen from the significant growth in sales turnover and cost efficiency.

There were some significant changes found in the Development of Entrepreneurial Attitudes in the aspects of planning and leadership showed that the micro and small enterprises have good plan and leadership after receiving the PKBL funds. It can be seen from the significant differences between before and after receiving the PKBL funds distribution. The confidence, task-oriented, risk-taking, and honesty dimensions have not showed any significant differences yet between before and after receiving the PKBL funds since those are related to the nature attached to an individual that require considerable time and processes as well as the optimal treatment for the change. Meanwhile, the Micro and Small Enterprises (UMK) became the superior for Indonesia at the 1998 crisis, regardless the simple management, they had played a great role as a helpful and important option for people to have a more prosperous live, to be more self-sufficient and to help many people cope with the unemployment, with the following characteristics: hardiness; flexible, independent, efficient (conducted by all family members), and self- (or family) financing.

The CSR practices in SOEs have not been optimal yet based on the results of reviews and interviews conducted by the researcher, although the SOEs' position is like a two-side-of-the-same-coin, one side acts as a business institution and another side as a social institution. The weaknesses include: 1). Restrictions on the object of assistance; 2). PKBL requires direct distribution from the state without any third party as a companion, so that there is rarely enforcement available on the institutional capacity for the institutions that should become the partners; 3). Most of the social assistance from the SOEs to the community are still caricatures, only a distribution of short-term donation, rather than the sustainable and optimal community empowerment. Even the partnership program designed to community empowerment, in general, only provide financial capital without any improvement for the beneficiaries; 4). The obscurity on the mechanism of relationship between the units of CSR activities organizers, even without any coordination and integration; 5). Too bureaucratic social program management in SOEs; 6). The absence of blue print owned by the majority of SOEs related to the implementation of social assistance since the imperative program comes from the Ministry of State Owned Enterprises and the companies merely as the organizers of the activities, one of them is for PKBL activity.

The purpose of this study is to find the Effects of Entrepreneurial Attitudes Mediation on the Conceptual Effects of Education and Training and Management supervision on Business Growth of Small and Micro Enterprises Developed by the SOEs in Pekanbaru. It is a further study, which previous study analyzed the differences in Entrepreneurial Attitudes and income of micro and small entrepreneurs before and after receiving the PKBL funds (partnership and environmental development program) as parts of the Corporate Social Responsibility CSR programs.

2. LITERATUR REVIEW

One of the forms of Non-Formal Education is training because training is a part of the education that involves learning to acquire and improve skills outside the prevailing education system, in a relatively short time and with a method that prioritizes practice rather than theory. Training is one of the forms of PLS, because it is organized outside the formal education system. The term *pelatihan* (training) comes from the word "*latih*" that has a close meaning to "*ajar*" or *belajar* (study/learn), then it comes into *latihan/pelatihan* (training), an activity related to the teaching and learning process. In addition, training is an effort conducted intentionally in the form of assistance undertaken by professional trainer(s) in a certain period which aims at improving the working skill(s) of the participant/trainee in a particular line

of work in order to improve the effectiveness and productivity in a company. The purpose of this training is to provide educational services for the community which acts as a substitute, addition, and/or complement to formal education in order to support the lifetime education. This training is actually a business realization to expand learning opportunities for the community. The effects of entrepreneurship education has been considered as one of the important factors to grow and develop passion, spirit and entrepreneurial attitudes among the younger generation. Regarding the effects of entrepreneurship education, it needs an understanding on how to develop and to encourage the potential of young entrepreneurs in school. Some of the previous studies stated that the entrepreneurial desire of young people is the source for the future entrepreneurs. Entrepreneurial attitudes, behavior and knowledge will form their tendency to start their new businesses/enterprises in the future.

Entrepreneurial workforce is one of the elements that participates in achieving the national goal of having a just and prosperous society, both materially and spiritually. The participation from the community and entrepreneurs need to improve in order to achieve that goal. The entrepreneurial workforce is a pioneer for the development and national heroes, to create new jobs and reduce the unemployment. Be aware that entrepreneur has broad scopes and needs our common sense and participation. By participating in such jobs, the socio-economic level of the society, the nation, and the country will increase. The entrepreneurs should be able to provide improvement on their environment. The entrepreneurs are the heroes, creators, businessmen, and also organizers for business, commerce, industry, and culture. The effort to establish entrepreneurship in schools should be encouraged by teachers, especially for the entrepreneurship teachers who provide entrepreneurship training, so that the students will have an interest to be entrepreneurs. The encourage to be entrepreneurs should also come from parents, friends, family, and others.

In order to solve the problems of unemployment, one of the ways is by creating the opportunity for and promoting entrepreneurship. As we know that entrepreneurship refers to the person creating wealth and added-value. Thus, if the students want to be entrepreneurs, they should have the courage, modeling, and risk-taking characteristics from their own abilities. Entrepreneurship is not only motivated by financial incentive, but also by a desire to escape from an undesirable environment. In addition, the entrepreneurs want to find a new meaning to their life. In addition to those mentioned above, in order to carry out entrepreneurship and to be an entrepreneur, it takes a strong motivation from the individual. Not all people has the same motivation to be entrepreneurs. Some people want themselves to be bosses, want to make money and wealth as much as possible, some others just want to do usual activities, and others are serious enough to follow the steps of successful people, although some are just part of it. The motivation process is not all the same. Some by chance, invitation, talent, skills, or education utilizations, and by understanding what other people needs. Entrepreneurship can also be encouraged by a person engaged in entrepreneurship, for providing inspiration and interest in entrepreneurship. Other encouragement or triggers come from friends, family, and other people who are always discussing ideas, or from the experiences of successfully conducting a small business that gives some motivation. Thus, it can be said that entrepreneurs are not born, they are developed.

3. METHODOLOGY

This study used primary and secondary data. The primary data are related to responses from micro and small entrepreneurs towards the Roles of education and training, management supervision, development

of entrepreneurial attitudes, sales turnover, and cost after receiving the PKBL funds, while the secondary data are obtained from the related companies or institutions. There were 97 respondents in this study used as the sample who are the entrepreneurs of micro and small enterprises in Pekanbaru City that received the PKBL funds in 2013. The sampling was conducted by using purposive sampling method. The analysis was conducted by using quantitative method using the WarpPLS structural model to test the effects of Entrepreneurial Attitudes Mediation under the Effects of Education and Training, and Management Supervision on the Business Growth of Micro and Small Enterprises in Pekanbaru.

4. RESULTS AND DISCUSSION

Test of Goodness of Fit uses predictive value-relevance (Q^2). the value of R^2 each endogenous variable in this study are as follows: 1) for attitude variables obtained R^2 Enterprise for 0.647; 2) and for Business Growth variables obtained R^2 of 0.642. Predictive value-relevance obtained by the formula :

$$Q^2 = 1 - (1 - R_1^2) (1 - R_2^2) (1 - R_3^2) \dots (1 - R_p^2)$$

$$Q^2 = 1 - (1 - 0.647) (1 - 0.642) = 0.8736$$

The results of calculations showed the predictive-relevance value of 0.8736, or 87.36%, so that it is worthy to say that the model has a relevant predictive value. The 87.36% relevance predictive value indicates that the diversity of the data that can be explained by the model is 87.36%, or in other words, 87.36% of the information contained in the data can be explained by the model. While the remaining 12.64% is explained by other variables (which are not contained in the model) and errors.

Hypothesis test of mediating effect Attitudes Entrepreneurship in Education and Training effect, and the Growth Management Oversight Micro and Small Enterprises in the city of Pekanbaru is presented more in the following table:

Table 1
Mediation Test in WarpPLS Analysis

<i>Relation</i>	<i>Coefficient</i>	<i>P-Value</i>	<i>Result</i>
Education and Training → Entrepreneurship Attitudes	0.433	0.000	Significant
Management Supervision → Entrepreneurship Attitudes	0.517	0.000	Significant
Entrepreneurship Attitudes → Business Growth of Micro	1.091	0.000	Significant
Education and Training → Business Growth of Micro	-0.189	0.024	Significant
Management Supervision → Business Growth of Micro	-0.290	0.001	Significant
Education and Training → Entrepreneurship Attitudes à Business Growth of Micro	0.472	-	Significant
Management Supervision → Entrepreneurship Attitudes à Business Growth of Micro	0.564	-	Significant

The hypothesis test on the effect of Education and Training on Entrepreneurial Attitudes obtained a coefficient of 0.433 with a significance of 0.000. The result of the significance of < 0.05 indicates that there is significant effect between the Education and Training on the Entrepreneurial Attitudes. The

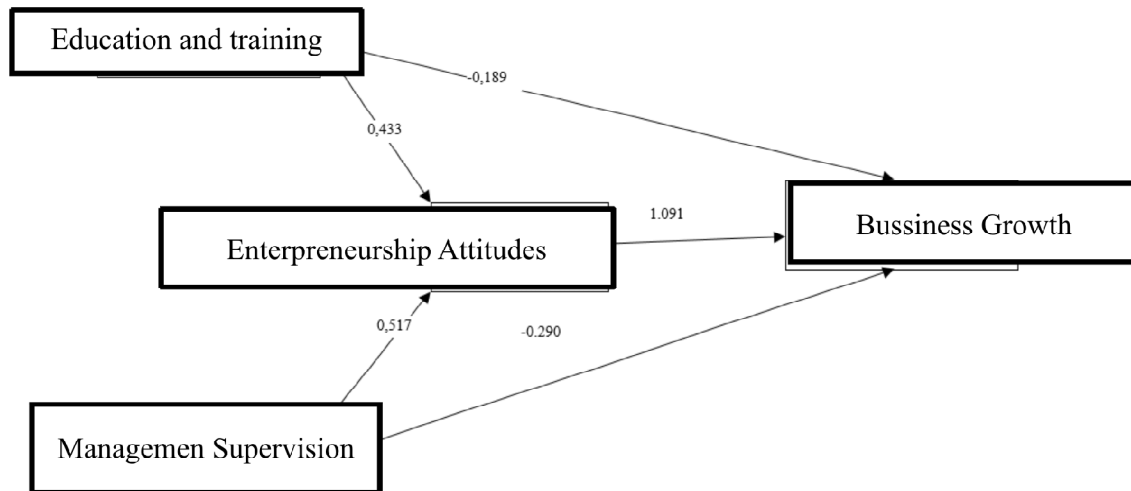


Figure 1: Mediation attitude of Entrepreneurship under the influence of Education and Training and Supervision Management to Business Growth

positive-marked coefficient shows a unidirectional relationship. It means that the higher the education and training, the higher the Entrepreneurial Attitudes.

The hypothesis test on the effect of Management Supervision on Entrepreneurial Attitudes obtained a coefficient of 0.517 with a significance of 0.000. The result of the significance of < 0.05 indicates that there is a significant effect between the Management Supervision on the Entrepreneurial Attitudes. The positive-marked coefficient shows a unidirectional relationship. It means that the higher the value of Management Supervision, the higher the Entrepreneurial Attitudes.

The Entrepreneurial Attitudes has a positive effect on Business Growth of the Beneficiaries of SOEs' PKBL funds of Pekanbaru City. The table also shows that the coefficient of the attitude is 1.091 which means that every increase in the attitude for one unit will increase the business growth for 1.091 units, assuming that other variables remain the same. The positive effect of entrepreneurial attitudes on business growth is acceptable, as it supports the previous research (Indarti et al, 2013), in which the positive attitudes include: planning, risk-taking, leadership, honesty, task-oriented, and confidence will carry a significant effect on the business growth of MSME, as the success of MSME entrepreneurs is determined by how big the spirit possessed by the entrepreneurs that can be implemented in developing their businesses. The findings showed that the planning after receiving the PKBL funds is significantly different from the planning before receiving the PKBL funds, means that PKBL funds distribution that is previously completed by the training on entrepreneurial attitudes brings the changes in the attitude related to the planning process, so that the respondents plan their business growth well in obtaining input, process, as well as with regard to output and marketing of their products. It means that through the PKBL funds, they are able to make proper planning. Thus, the leadership attitude, one of the entrepreneurial attitudes, shows that the leadership before and after receiving the PKBL funds has a significant difference in the form of the increase in the positive attitudes and the decrease in the negative attitudes. It means that the indicators attached into a leader are going better, because the training conducted before the distribution of the funds is helpful. It is in accordance with the concept of management, including

leadership, as a science that can be learned and applied by anyone who becomes a leader, in addition to the good informal leadership in a relatively small organization and the communication that are still developed well.

Supervision has a negative effect on Business Growth of the Beneficiaries of SOEs' PKBL Funds of Pekanbaru City. Management Supervision found having a negative or opposing relationship in this study because with a strict supervision the MSME Entrepreneurs feel uncomfortable and give a bad effect on their business development. the MSME Entrepreneurs have the independent, risk-taking, and responsible entrepreneurial spirits as parts of their lives, so that their businesses should be managed by a free-of-control leadership, which means that they are given a full-trust, and thus the evaluation on their business performance is only conducted at an agreed time, so that the supervision will be really effective as a tool to help the development of MSME in Indonesia.

Education and training has a negative effect on the Business Growth of the Beneficiaries of SOEs' PKBL of Pekanbaru City. The negative effect is based on the observation conducted by the author because the training conducted takes a considerable time of the Entrepreneurs, because the small business scale requires them to be the leaders as well as worker in their businesses, so that the several-day-training would reduce their time in managing their businesses.

In addition, based on the observation and interview conducted by the author, the education and training is not right on the target since it was conducted in general and massively. The materials provided have not reached the development of the enterprises yet, and the education and training was not conducted in a suitable place for the needs of the Entrepreneurs. Therefore, the Ministry of State Owned Enterprises needs to change the form of the implementation of appropriate education and training for MSME, so that it will actually serves as one of the ways in developing the MSME in Indonesia.

In the test on the effect of Entrepreneurial Attitudes Mediation on the effect Education and Training on the Growth of Micro Enterprises, it obtained a result that there is a significant indirect relationship between Education and Training on the Growth of Micro Enterprises through the Entrepreneurial Attitudes. The positive-marked coefficient showed that the higher the Education and Training provided, the higher the Growth of Micro Enterprises, if the Entrepreneurial Attitudes is also higher. It means that the Entrepreneurial Attitudes variable also becomes a bridge (mediator) in the effect of Education and Training on the Growth of Micro Enterprises.

In the test on the effect of Entrepreneurial Attitudes Mediation on the effect of Management Supervision on the Growth of Micro Enterprises, it obtained a result that there is a significant indirect relationship between the Management Supervision on the Growth of Micro Enterprises through the Entrepreneurial Attitudes. The positive-marked coefficient showed that the higher the Supervision provided, the higher the Growth of Micro Enterprises, if the Entrepreneurial Attitudes is also higher. It means that the Entrepreneurial Attitudes variable also becomes a bridge (mediator) in the effect of Management Supervision on the Growth of Micro Enterprises.

From the findings above, there are some managerial implications that can be taken as references in the policy made by the parties involved in the Growth of MSME as follows: 1) Education and training is important and should be continuously conducted intensively towards the MSME, but the SOEs have to re-design the proper form of training in the form of training in the business place directly. Second, the

Management Supervision is also important in supporting the growth of MSME, and proper supervision is a supervision that includes training by conducting a regular inspection and having a business approach to the MSME in order to find solutions to the problems they face. The third, the most important variable studied above is the entrepreneurial attitudes of the MSME, because the entrepreneurial attitudes will determine the success of their efforts, either directly or entrepreneurial attitudes as the intervening variable.

5. CONCLUSIONS AND RECOMMENDATIONS

Based on the analysis above, there are some conclusions that can be taken as follows: (1) Education and Training conducted by the SOE so far to the MSME Entrepreneurs have not contributed positively yet to the Growth of their businesses. This is due to the inappropriate method, time, materials, speakers, and training method in order to develop their businesses. (2) The Supervision conducted so far has not contributed yet to the Growth of MSME. This is due to the inappropriate supervision provided, while the entrepreneurs need a developing supervision, so that they can find the way out of and solution for any mistake or deviation they may make. (3) The Entrepreneurial attitudes of the entrepreneurs highly determine the success of MSME, because of the entrepreneurial attitudes attached in the entrepreneurs will shape the characteristics reflected in the implementation of activities conducted in the development of their businesses. (4) The entrepreneurial attitudes do not only contribute to the growth of the business directly, but also indirectly mediate the education and training in providing positive contribution in the development and growth of the business. (5) Entrepreneurial attitudes also mediate the management supervision in improving the growth of MSME, which means that through the positive entrepreneurial attitudes, the supervision can be a variable that can provide a positive contribution in the development of MSME.

Recommendations: (1) There is a need to re-design the appropriate form of training for MSME, for example, a direct training that directly visits the entrepreneurs. (2) Appropriate supervision in which the supervision needed is a supervision that can assist them in solving the problem, and it should be handled by SOE employees who are competent, and it should be conducted systematically and continuously. (3) There is a need to develop the more integrated entrepreneurial attitudes, not only conducted by the SOE as the distributors of PKBI funds, but also by us together with the government and the educational world in developing the entrepreneurial attitudes early and continuously.

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