

CHAPTER V

CONCLUSION

5.1 Conclusion

This observational research is using variable of family background, perceived organizational support and organizational culture, entrepreneurial intention and start-up business activity. The research observation used questionnaires that distributed to 148 higher educational students in Padang City, which are includes two public universities and two private universities in Padang City. The data of the research is processed by SmartPLS .

Based on the research observational result that tested by Smart PLS, the conclusion are explains as follows:

1. Family Background has significant influences toward student's entrepreneurial intention were accepted, indicates by value of $T_{\text{calculation}}$ bigger rather than T_{table} , which are $t_{\text{calculation}}(4.563) > t_{\text{table}} (1.97)$. This result explains positive value of $t_{\text{calculation}}$ indicates the influences are bring positive impact which is means increase or decrease of family background of students will impact and attract more entrepreneurial intention to them.
2. Student's perceived organizational support has significant influences toward student's entrepreneurial intention were rejected, indicates by value of $T_{\text{calculation}}$ lower rather than T_{table} , which are $t_{\text{calculation}}(0.307) > t_{\text{table}} (1.97)$. This result explains positive value of $t_{\text{calculation}}$ indicates the influences are bring

positive impact which is means increase or decrease of perceived organizational support of students will have no impact on their entrepreneurial intention

3. Organizational culture has significant influences toward student's entrepreneurial intention were accepted, indicates by value of $T_{\text{calculation}}$ bigger rather than T_{table} , which are $t_{\text{calculation}}(4.121) > t_{\text{table}} (1.97)$. This result explains positive value of $t_{\text{calculation}}$ indicates the influences are bring positive impact which is means increase or decrease of Organizational culture of students will impact and attract more entrepreneurial intention to them and since Organizational culture had three dimension, innovative, supportive, and bureaucratic. so based on the research the effect of each dimension through Organizational culture is significance with the value higher than 1.97 for each dimension.
4. Entrepreneurial intention has significant influences toward student's start up were accepted, indicates by value of $T_{\text{calculation}}$ bigger rather than T_{table} , which are $t_{\text{calculation}}(7.024) > t_{\text{table}} (1.97)$. This result explains positive value of $t_{\text{calculation}}$ indicates the influences are bring positive impact which is means increase or decrease of Entrepreneurial intention of students will impact and attract more start-up.
5. According to the result calculation of determination coefficient, value of R Square for Entrepreneurial intention is 30.8% which is weak, This means that 30.8% of the variation dependent variable (entrepreneurial intention) can be explained by the three independent variables (family background, perceived organizational support and organizational culture), which is indicate the succeed of student's entrepreneurial intention in Padang City could explained by three

independent variable; family background, perceived organizational support and organizational culture at 30.8%, and the rest of percentage at 69.2% could explained by other variables that were not explained by this research. And because of Culture as one of Independent variable of the research had three dimension, innovative, Supportive and Bureaucratic, so the R-Square for each dimension are for innovative, the value R-square is 92.26% which is high, This means that 92.26% of the variation dependent variable (Organizational culture) can be explained by the independent variables (Innovative), and for Supportive, the value of R-Square is 91.75% which is high, This means that 91.75% of the variation dependent variable (Organizational culture) can be explained by the independent variables (Supportive) and the last for Bureaucratic, the value of R-Square is 93.12% which is also high. This means that 93.12% of the variation dependent variable (Organizational culture) can be explained by the independent variables (Bureaucratic)

6. According to the result calculation of determination coefficient, value of R Square for Start-Up is 24.4% which is also weak. This means that 24.4% of the variation dependent variable (Start up) can be explained by the independent variables (entrepreneurial intention), which is indicate the succeed of student's start up in Padang City could explained by independent variable; entrepreneurial intention at 24.4%, and the rest of percentage at 75.6% could explained by other variables that were not explained by this research

5.2 The Limitations and Future Research

There are a few limitations being discovered during the process of conducting research. The limitations merely provide platforms for future studies and thus do not divert the significance of the findings.

1. There is only four higher learning institutions included in this study and the sampling location is only in Padang City, not in whole West Sumatra. Therefore, the research outcomes are unable to represent the opinions of all students as there are many higher learning institutions situated in West Sumatra. The researchers should expand the sampling location to include universities throughout West Sumatra to obtain research outcomes with high accuracy.
2. There are only Economic Faculty of Unand, UNP, Bung Hatta University, and UPI are valid candidates in this study and the sample size are only limited to 150 respondents. This small sample size is difficult to detect the reliability of the research and unable to represent the opinion of all undergraduates from other faculties. Undergraduates from all faculties should be taken into consideration to get better insight into entrepreneurial intention and continue to start-up activity. Besides, this study only highlights the Economic Faculty students, different perspective and group's skill tendency of individual might have different thinking towards entrepreneurship. Thus, opinions from individual of different faculty should be considered.
3. Related with time constraints, entrepreneurial intention is the best predictor of entrepreneurial action. This research study only examines the entrepreneurial

intention being business start-up but not actual action as it appears to be impracticable in the real life and it requires a longer duration to monitor the actual action. Researchers are incapable of conducting this longitudinal study.

4. Researchers do not take into consideration about the opinions from different ethnic groups. It is one of the aspects that required attention as individuals from different ethnic group might have different perception toward entrepreneurship, and their entrepreneurial intention might vary. In order to obtain a more accurate result, all the respondents should be randomly chosen from different ethnic groups.
5. Due to limited financial resources, researchers are unable to have direct access to many research papers. Although researchers are able to access these information through secondary source, but the authors might not be able to include all information that are important in this study.

Future researchers should conduct the research in higher learning institutions all over the West Sumatra in order to get higher accuracy of the university student's feedback to avoid the bias that might be incurred. Besides, there are only 150 respondents from the sample size in this research. Future researchers should enlarge the sample size of respondents to better represent the opinion of whole undergraduates' population, from private and public institutions.

Future researchers should continue adopt Theory of Planned Behavior (Ajzen, 1991) in their study as theory to investigate entrepreneurial intention; this is because it shows significant in this study which consistence with pervious researchers

(Armitage& Conner, 2001; Krueger et al., 2000; Lin & Lee (2004).. Researchers adopted questions from other researchers. Future researchers can redesign the question of the questionnaire to better suit their research objective. Validity test should be conducted to ensure the questionnaire is valid for the particular research.

This is an exploratory research. It requires more information to clarify ambiguous situation. Thus, future researchers can use other combination of data collection methods like interviews. This can increase the participation of respondents and interviewers can get more opinions from multiple perspective. Besides that, there is a lower chance that respondents will misinterpret questions because the interviewer can clarify the instruction of question.

There are only 5 variables with 3 dimension tested in this study, future researchers can include other variables to get better research outcomes.

Lastly, future researchers should conduct the research with longer period. This can ensure that they can get consistent result that entrepreneurial intention of individuals can lead to an actual action in the real life.

5.3 The Implications of the Research

The results of the observational research findings has several implications for society and students of higher education in Padang City West Sumatra, especially for students who has intention for entrepreneurship and desirable for making their own business since they were a student in higher educational level, by concerning more to optimalization for family background,perceived organizational support and organizational culture before running their interest or entrepreneurial intention to become business start-up activity, or we called starting a business and make it by

their own. For nowadays economical culture, entrepreneurship is a trend that attract youth people especially students of higher educational institution to accommodate their skill and creativity for making a business and help them to create innovation as decreasing unavailability of job in Padang City.

Meanwhile, for universities or higher education institutional parties, the findings on this research could be a resource of information for entrepreneurial program development, or as resource of knowledge to increase the students tendency for business start-up that considered by student's entrepreneurial intention that concerned by family background, perceived organizational support and organizational culture. This findings also give the measurable result about the percentage target could be achieve for makes students of higher education in Padang City become interested for entrepreneurial area and has entrepreneurial intention for making their own business.

This research also could be a reference to know what currently happened in the real world, what exactly influence the student due to increase or decrease of entrepreneurial intention. From the result of the research we could find that there are 3 independent variables in entrepreneurial intention, the first one is family background, who influence significantly due to entrepreneurial intention. From the respondent's responds research we could know that, the two highest mean value of indicator are in a question number 6 and 9 where the question is siblings are entrepreneurs and grandparents are entrepreneurs. From the question we can see that there is difference generation that influence the entrepreneurial intention. Perhaps in the future research, this finding could be a basic background to do a research.

The second variable is perceived organizational support, where in this variable, researcher find that this variable have no significantly influences due to the research. In Perceived organizational support construct we can see that the highest mean of construct is the question number 13 and 12 where in the question stated that the organization show a very little concern for me and the second if given an opportunity, the organization would takes advantages for me. Based on the result, perhaps it could be an evaluation for organization in order to increase entrepreneurial intention through perceived organizational support in the future.

The third variable is organizational culture. Where in this variable, researcher find that the variable are significantly influence due to entrepreneurial intention, so that we can see in the variables, there is three dimensional, innovative, supportive and bureaucratic where in the research all dimensional are affect into organizational culture as independent variable. And also based on the construct mean value, we can see that the highest value are the question number 22 and 9. The questions stated that organization/collages trusted both for internal and external parties (trusting) and my organization/collages has a friendly services to an outsider or an internal parties (sociable), based on the result perhaps its could be an indicator to develop the organizational culture that exist in one organization or institution.

For dependent variable entrepreneurial intention. in this research prove that entrepreneurial intention are influence start up activity significantly with the highest mean of indicator at number 4 and 3 that stated I am determined to create a firm in the future and I will make every effort to start and run my own firm, The last variable, business start up. the highest value of mean can be determined on the question

number 10 and 9 that stated sold product and services and registered the company. From the both variable, it could be a reference for university and government about what actually entrepreneur needed in order to increase the level of entrepreneur in Indonesia.

