

The Effect of Motivation, Creativity, Innovation on Entrepreneurial Interests and Students' Income in Madura

Ach. Zuhri¹, Yuni Putri Utami², Fajar Budiyo³, Rudy Haryanto⁴

¹Management Study Program, Bahaudin Mudhary Madura university, Indonesia

²Accounting Study Program, Bahaudin Mudhary Madura, Indonesia

³Primary School Teacher Education Study Program, STKIP PGRI Sumenep, Indonesia

⁴Faculty of Economics and Islamic Business, Madura State Institute of Islamic Religion, Indonesia

Keywords: Motivation, Creativity, Innovation, Entrepreneurial Interest, Income.

Abstract: Entrepreneurship is increasingly becoming an important concern in facing the challenges of globalization, called the global economic competition. This was involved creativity and innovation, also driven by high motivation, as entrepreneurial interest can later increase one's income. This study aimed to analyse the direct and indirect effects of motivation, creativity, and innovation on student interest and student income. The results of this study were investigated into four as follows: 1) the variables of creativity and motivation which have a direct effect on entrepreneurial interest, 2) motivation and entrepreneurial interest have a direct effect on income, 3) creativity has an indirect effect on income through entrepreneurial interest, 4) and motivation has an indirect effect on income through entrepreneurial interest.

1 INTRODUCTION

Entrepreneurship has become an important concern in developing a country's socioeconomic growth. In this case, it cannot be denied that entrepreneurship provided so many job opportunities, various consumer needs, services, and foster the welfare and level of competition of a country. In line with the development of globalization, entrepreneurship is also increasingly becoming an important concern in facing the challenges of globalization, namely global economic competition in terms of creativity and innovation. This is because organizations that are always innovating, succeed in generating new ideas, will gain a competitive advantage and will not be left behind in the world market which is constantly changing rapidly. (Aidha, 2016).

One common factor faced by a developing country was the total number of entrepreneurs in the country only 2% of the population. As a developing country, Indonesia only has 1.5% entrepreneurs out of around 252 million people, thus Indonesia still needs around 1.7 million entrepreneurs to reach 2%. The average population in Indonesia chooses to become employees rather than become entrepreneurs (Primandaru, 2017).

In regard to the impact of entrepreneurship skill, it is necessary to have an understanding on how to succeed and strengthen the emergence of potential young entrepreneurs while they are in school. Several former studies stated that the learners need to entrepreneurship triggered the birth of future entrepreneurs (Indarti and Rostiani, 2008). Entrepreneurial interest is something that is really needed for every student in this era. The interest in entrepreneurship that various factors wish to manifest, such as Entrepreneurship Education, Independence, and Income Expectations. Because with the interest in entrepreneurship, it will be able to reduce the impact of social inequality in society and reduce poverty (Yusuf & Efendi, 2019).

This phenomenon occurred due to the lack of motivation and interest of the Indonesian people. If they didn't changed the way they think, Indonesia will have many problems, one of which is the narrowing of job opportunities, the number of job opportunities with people looking for work, more people looking for work, so that many people do not get work which results in the number of unemployed, especially intellectual unemployment is getting bigger and has an impact on economic conditions in Indonesia.

It is undeniable that Indonesia is facing the problem of limited job opportunities for university graduates with the increasing number of intellectual unemployed recently. Including Madura, an island area where the number of unemployed is increasing and has a view to looking for work even though it does not have to go to college and become a graduate.

According to data from the Central Statistics Agency (BPS), the Open Unemployment Rate (TPT) has decreased from 2015 to 2019. In August 2019, TPT fell to 5.28 per cent compared to last year's 5.34 per cent. In line with the increase in the number of the workforce, the Labor Force Participation Rate (TPAK) has also increased. The TPAK for August 2019 was 67.49 percent, an increase of 0.23 percentage points compared to last year. The increase in TPAK provides an indication of the economic potential in terms of increasing supply of labor. Judging from the trend of employment during August 2018 - August 2019, employment experienced an increase in percentage, especially in the provision of accommodation and food and drink (0.50 percentage points), processing industry (0.24 percentage points), and trade (0.20 percent points). Meanwhile, the decline in employment was mainly in Agriculture (1.46 percentage points), Financial Services (0.06 percentage points) and Mining (0.04 percentage points). The total numbers of formal workers, those who try to be assisted by permanent workers and who become laborers / employee / employees, reached 56.02 million people (44.28 percent). Meanwhile, there are 70.49 million people who work in informal activities (including self-employed, doing business assisted by temporary laborers, casual workers and unpaid workers) (55.72 percent). (BPS, 2019).

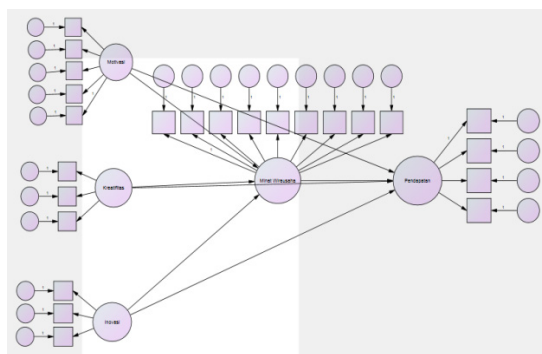


Figure 1: Research Conceptual Framework.

Information:

Variable	Indicator
X1:	X1.1 = physical requirements

Motivation	X1.2 = Need for Security and Comfort
	X1.3 = Social Needs
	X1.4 = Need for Appreciation
	X1.5 = Need for Self Manifestation (Andjarwati, 2015)
X2 =	X2.1 = Fluency
Creativity	X2.2 = Flexibility
	X2.3 = Novelty (Jagom, 2015)
X3 =	X3.1 = Product Innovation
Innovation	X3.2 = Process Innovation
	X3.3 = Market Innovation (Chandra & Haryadi, 2016)
Z =	Z1 = Individual
Entrepreneurial	Z2 = Work atmosphere
Interest	Z3 = level of education
	Z4 = Personality (personality
	Z5 = educational achievement
	Z6 = Family Encouragement
	Z7 = Environment and Association
	Z8 = Self-Esteem
	Z9 = compulsion (Sennang, 2017)
Y =	Y1 = Very high > Rp. 3,500,000.00
Income	Y2 = High Rp. 2,500,000.00 to Rp. 3,500,000.00
	Y3 = moderate Rp. 1,500,000 to Rp. 2,500,000.00
	Y4 = Low < Rp. 1,500,000.00 (Indrianawati & Soesatyo, 2015)

2 RESEARCH METHODOLOGY

This research method uses quantitative research methods with explanatory research type (explanatory), namely a study to find and explain the causal relationship between variables through hypothesis testing (Hidayat, 2009). The analysis of this research used Structural Equation Model (SEM) analysis with Smart PLS software. The population in this study were all students studying in Indonesia, while the population technique used in this study was probability sampling with systematic random sampling technique. In this technique, every student has the same opportunity to be selected as a research sample. The sample of this study was 111 who were selected through a random or random system in which the selection of sample members after starting with random selection for the first and subsequent respondents.

3 RESULT AND DISCUSSION

The data were tested using the Structural Equation Modeling (SEM) and analysed using SmartPLS software. The following is an image of the SmartPLS output model:

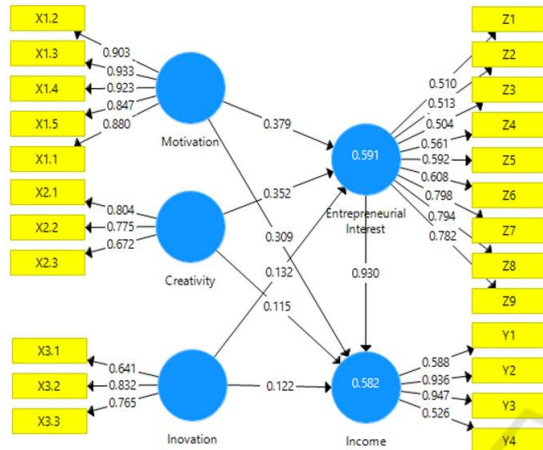


Figure 2: image of the SmartPLS output model.

The SmartPLS output results in outer loading which is then used to test the validity, which is as follows:

Table 1: Validity test results.

Variable	Indicator	Outer Loading
Motivation X1	X1.1	0.880
	X1.2	0.903
	X1.3	0.933
	X1.4	0.923
	X1.5	0.847
Creativity X2	X2.1	0.804
	X2.2	0.775
	X2.3	0.672
Innovation X3	X3.1	0.641
	X3.2	0.832
	X3.3	0.765
Entrepreneurial	Z1	0.510

interest Z	Z2	0.513
	Z3	0.504
	Z4	0.561
	Z5	0.592
	Z6	0.608
	Z7	0.798
	Z8	0.794
	Z9	0.782

Income Y	Y1	0.588
	Y2	0.936
	Y3	0.947
	Y4	0.526

Based on the outer loading, it shows that all indicators are above 0.5, so it can be said that all indicators are valid.

After the validity test is carried out, then the reliability test is carried out which is shown based on the following results:

Table 2: Reliability test results.

Variable	Cronbach's Alpha	Composite Reliability	AVE
Creativity	0.739	0.796	0.566
Entrepreneurial Interest	0.820	0.858	0.510
Income	0.757	0.848	0.599
Innovation	0.705	0.792	0.562
Motivation	0.940	0.954	0.806

The results of the reliability test indicated that the variable was reliable because it meets the reliability criteria, including the value of Cronbach's Alpha is higher than 0.60, the Composite Reliability value is above 0.70, and the Average Variance Extracted (AVE) value is above 0.50.

The results of the validity and reliability tests show that the variables creativity, motivation, innovation, entrepreneurial interest, and income are said to be valid and reliable so that a causality test can be done.

Table 3: The results of the direct effect test.

Variable	Original l	Sample Mean	Standar Deviation	T- Statistics	P- Value
Creativity→Entrepreneurial Interest	0.352	0.36 4	0.109	3.217	0.001
creativity→Income	0.115	0.10 4	0.139	0.830	0.407
Entrepreneurial Interest→Income	0.930	0.94 4	0.074	12.625	0.000
Inovation→Entrepreneurial Interest	0.132	0.12 5	0.091	1.448	0.148
Inovation→Income	0.122	0.12 0	0.093	1.316	0.189
Motivation→Entrepreneurial Interest	0.379	0.37 2	0.098	3.853	0.000
Motivation→Income	0.309	0.30 3	0.129	2.391	0.017

Meanwhile, the results of the direct effect, revealed that 1) the variable of creativity has a direct effect on entrepreneurial interest. It implied that the better the student's creativity, the higher the entrepreneurial interest for students. 2) the creativity variable has an indirect effect on income, meaning that the level of student creativity has no significant effect on student income. 3) the entrepreneurial interest variable has a direct effect on income, meaning that the higher the student's interest in entrepreneurship, the higher the student's income will be. 4) the innovation variable has an indirect effect on entrepreneurial interest, meaning that the level of innovation has no significant effect on student interest. 5) the innovation variable has an indirect effect on income, meaning that the level of innovation also has no significant effect on student income. 6) the motivation variable has a direct effect on entrepreneurial interest, meaning that the higher the student's motivation, the higher the student's entrepreneurial interest. 7) and the motivation variable has a direct effect on income, meaning that the higher the student's motivation, the greater the student's income.

In line to the previous studies, the research result conducted by (Setyaji, Yanto and Prihandono, 2020) showing that entrepreneurial interest does not grow by itself, but it was influenced by several factors, involving the variable creativity. These results are also similar to the results of research conducted by Tanoira which revealed the most important factor that should be considered to increase creativity, innovation and entrepreneurship was intrinsic motivation (Tanoira, 2017).

Table 4: Indirect effect test results.

Variable	Original Sample	Sample Mean	Standar Deviation	T- Statistics	P- Value
creativity→Income	0.327	0.345	0.110	2.987	0.003
Inovation→Income	0.123	0.117	0.086	1.432	0.153
Motivation→Income	0.352	0.351	0.097	1.627	0.000

In addition, the results analysis of the indirect effect, suggested that 1) the variable of creativity has an indirect effect on income, meaning that the higher the level of student creativity followed by entrepreneurial interest, the greater the student's income. 2) the innovation variable does not have an indirect effect on income, meaning that the innovation variable, even though it is followed by entrepreneurial interest, does not directly affect student income. 3) the motivation variable has an indirect effect on income, meaning that the higher the level of student motivation followed by entrepreneurial interest, the greater the student's income.

4 CONCLUSIONS

The results of the direct effect show that 1) the variable creativity has a direct effect on entrepreneurial interest. It meant that the better the student's creativity, the higher the entrepreneurial interest for students. 2) the creativity variable has an indirect effect on income, meaning that the level of student creativity has no significant effect on student income. 3) the entrepreneurial interest variable has a direct effect on income, meaning that the higher the student's interest in entrepreneurship, the higher the student's income will be. 4) the innovation variable has an indirect effect on entrepreneurial interest, meaning that the level of innovation has no significant effect on student interest. 5) the innovation variable has an indirect effect on income, meaning that the level of innovation also has no significant effect on student income. 6) the motivation variable has a direct effect on entrepreneurial interest, meaning that the higher the student's motivation, the higher the student's entrepreneurial interest. 7) and the motivation variable has a direct effect on income, meaning that the higher the student's motivation, the greater the student's income.

The results of the analysis of the indirect effect indicate that 1) the variable of creativity has an indirect effect on income, meaning that the higher the level of student creativity followed by entrepreneurial interest, the greater the student's

income. 2) the innovation variable does not have an indirect effect on income, meaning that the innovation variable, even though it is followed by entrepreneurial interest, does not directly affect student income. 3) the motivation variable has an indirect effect on income, meaning that the higher the level of student motivation followed by entrepreneurial interest, the greater the student's income.

increasing entrepreneurial interest through student involvement in entrepreneurship lectures', *Journal Of Economic Education*, 9(1).

Tanoira, F. G. B., 2017. 'motivation for increasing creativity, innovation and entrepreneurship. an experience from the classroom to business firms', *Journal of Innovation Management*, 5(3).

Yusuf, E., & Efendi, R., 2019. Student Entrepreneurial Interests that are influenced by Income Expectations, Entrepreneurship Education, and Self Efficacy. *International Journal of Multicultural and Multireligious Understanding*, 6(6).

REFERENCES

- Aidha, Z., 2016. 'The Influence of Motivation on Student Entrepreneurial Interest in the Faculty of Public Health, State Islamic University of North Sumatra', *JUMANTIK*, 1(1).
- Andjarwati, T., 2015. Motivasi dari Sudut Pandang Teori Hirarki Kebutuhan Maslow, Teori Dua Faktor Herzberg, Teori X Y Mc Gregor, dan Teori Motivasi Prestasi Mc Clelland. *Jurnal Ilmu Ekonomi & Manajemen*, 1(1).
- BPS (2019) Indonesian Labor Situation August 2019, Badan Pusat Statistik. Available at: <https://www.bps.go.id/pressrelease/2019/11/05/1565/a-gustus-2019--tingkat-pengangguran-terbuka--tpt--sebesar-5-28-persen.html> (Accessed: 25 March 2020).
- Chandra, G. C., & Haryadi, B., 2016. Proses Inovasi Produk pada PT Mekar Usaha Nasional. *AGORA*, 4(2).
- Hidayat, R., 2009. 'Effect of Service Quality, Product Quality and Customer Value on Customer Satisfaction and Loyalty of Bank Mandiri', *Jurnal Manajemen dan Kewirausahaan*, 11(1). doi: <https://doi.org/10.9744/jmk.11.1.pp.%2059-72>.
- Indarti, N. and Rostiani, R., 2008. 'Intention of Student Entrepreneurship: Comparative Study between Indonesia, Japan and Norway', *Jurnal Ekonomi dan Bisnis Indonesia*, 23(4). doi: <https://doi.org/10.22146/jieb.6316>.
- Indrianawati, E., & Soesatyo, Y., 2015. Pengaruh Tingkat Pendapatan dan Pengetahuan Ekonomi terhadap Tingkat Konsumsi Mahasiswa Program Pascasarjana Universitas Negeri Surabaya. *Jurnal Ekonomi Pendidikan Dan Kewirausahaan*, 3(1).
- Jagom, Y. O., 2015. Kreativitas Siswa SMP dalam Menyelesaikan Masalah Geometri berdasarkan Gaya Belajar Visual-Spatial dan Auditory-Sequential. *Math Didactic: Jurnal Pendidikan Matematika*, 1(3).
- Primandaru, N., 2017. 'Analysis of Factors Influencing Student Entrepreneurial Interest', *Jurnal Economia*, 13(1).
- Sennang, I., 2017. Pengaruh Dukungan Sosial dan Efikasi Diri terhadap Minat Berwirausaha Siswa SMK (Studi Kasus Pada Siswa SMK Negeri 3 Samarinda). *PSIKOBORNEO*, 5(3).
- Setyaji, B., Yanto, H. and Prihandono, D., 2020. 'the role of personality, adversity intelligence and creativity in