

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

5.1. Conclusion

The saturation of job market due to the downturns in several economy sectors has made a lot of people turning to become entrepreneurs. In this sense, Human Capital becomes the main issue that needs to be focused on for it has a major role in accelerating economic growth of a country. In Indonesia particularly, the growth of entrepreneurs has also increased the country Gross National Income gradually in recent years. Moreover, as creative industry turns out to have significant contribution to the Indonesian economy growth, hence, the researcher focuses on analyzing creative industry entrepreneurs. Therefore, the aim of this research study is to investigate the relationship of Human Capital dimensions (i.e. Competence, Attitudes, and Intellectual Agility) toward Entrepreneurial Success.

In analyzing the data, the researcher used multiple linear regression analysis to investigate the relationship of Human Capital dimensions toward Entrepreneurial Success. Besides the three Human Capital dimensions, the researcher also included the demographic factors to the research model as the controlling variables.

The following paragraphs discuss the answers of each research question proposed in this research study.

RQ1: Is there any relationship between the demographic factors and Entrepreneurial Success?

According to the statistical results and findings of this research study, there is a relationship between demographic factors and Entrepreneurial Success. The result

shows that demographic factors can explain about 10.3 percent of the variance in Entrepreneurial Success. Moreover, the relationship indicates that respondents' age that are 30 and above, culinary sector, and Jakarta as the business location have positive significant influence on Entrepreneurial Success except for the female gender that has negative significant influence on Entrepreneurial Success in which a further investigation on these findings can be warranted.

RQ2: How do the dimensions of Human Capital such as Competence, Attitude, and Intellectual Agility relate to Entrepreneurial Success, with or without controlling for demographic variables?

Based on the statistical results and findings of this research study, after controlling for demographic variables, the Human Capital dimensions (i.e. Competence, Attitude, and Intellectual Agility) explain about 56.7 percent of the variance in Entrepreneurial Success. The relationship also shows that there are several variables that have significant influence on Entrepreneurial Success. The variables are the respondents' age, craft sector, location, and the dimension of Competence.

Meanwhile, without controlling for demographic variables, Human Capital dimensions (i.e. Competence, Attitude, and Intellectual Agility) explain lower percentage in Entrepreneurial Success, which is 52 percent although there are positive correlations between Human Capital dimensions and Entrepreneurial Success. Nevertheless, Competence is still the only Human Capital dimension that has significant influence toward Entrepreneurial Success in this research study.

RQ2a : How do Competence relate to Entrepreneurial Success?

Based on the findings of this research study, Competence is the variable that has the most influence on Entrepreneurial Success as it is the Human Capital

dimension that has significant influence in most of the models with and without controlling for demographic variables. Therefore, this research study suggests that among the tested dimensions of Human Capital, Competence appears to be the strongest indicator that leads the entrepreneurs to be successful.

RQ2b : How do Attitudes relate to Entrepreneurial Success?

Based on the findings of this research study, Attitude appears to be the least influential dimension of Human Capital on Entrepreneurial Success. The reason of why Attitude has seemed to be the least influential variable in this research study can probably be supported by the theory that indicates Attitude as the combination of various categories like mental concept and life style (Tamizharasi & Panchanatham, 2010). Therefore, the Attitude of respondents really depend on the exposure of their outside influences (Bolton & Lane, 2012). However, Attitude appeared to be significant only in the regression model that excluded the other two dimensions, after controlling for the demographic variables.

RQ2c: How do Intellectual Agility relate to Entrepreneurial Success?

Based on the findings of this research study, Intellectual Agility does not seem to have strong influence on Entrepreneurial Success either. However, when including Intellectual Agility in the regression model by itself, it induces a significant relationship with Entrepreneurial Success, after controlling for demographic variables.

5.2. Managerial Implications

The results and findings on the current research shows that not all of the investigated Human Capital dimensions namely Competence, Attitudes, and

Intellectual Agility have significant influence toward Entrepreneurial Success after controlling for demographic variables. The following paragraphs explain and elaborate more on the topics in regard to the practical implications for entrepreneurs particularly in creative industry in the area of JABODETABEK and Bandung.

1. In relation to the Competence, entrepreneur's competence is a significant factor that leads to Entrepreneurial Success. The basic knowledge on how to run and play a role in a business is fundamental for an entrepreneur to be successful. The meaning of basic knowledge refers to the entrepreneur's understanding in developing a set of core or professional skills into the business activity and in positioning themselves as someone who is able to lead the way in all the business-related matters. For instance, an entrepreneur is motivated to run a business. In this case, what the dimension of Competence suggests is that the entrepreneur has to know at least what to do in order to realize the business properly. Otherwise, it may cause more risks to the entrepreneur if the person solely relies on fortune that may be accompanied by reckless management.
2. In relation to the Attitude, an entrepreneur probably may not necessarily need to always reflect entrepreneurial attitudes in order to become successful. However, demonstrating several entrepreneurial attitudes such as being confidence, ambitious, and having persistence into entrepreneurial activity can surely help the business owner to become a successful entrepreneur because Attitude basically reflects the person's perception of the desirability in performing certain actions which means that in entrepreneurial context, if there is no desire to behave like how entrepreneurs should be then there will be no use of being an entrepreneur.

3. In relation to the Intellectual Agility, an entrepreneur that performs high value of Intellectual Agility may not necessarily lead the person to become successful. Nevertheless, performing the advance level of Intellectual Agility such as able to easily adapt in a dynamic business condition, be flexible in handling changes, see problems from many different point of views, and keep being innovative in a situation that seems to be static, can surely open up opportunities for an entrepreneur to be successful because these abilities help an entrepreneur to survive with the business.

5.3. Limitations on Current Research

The limitations on the current research study are related to the scope of the research, the analyzed industry, and the number of entrepreneurs that participated in the research study.

1. First limitation is in regard to the scope of research in this research study. The current research study only covered the area of JABODETABEK and Bandung in which the results and findings of this research study cannot then be generalized as this only applies to the covered area. Therefore, the results and findings can vary more if the observation involves a larger scope.
2. Second limitation is in regard to the industry that is being analyzed in this research study. The current research study only focuses on creative industry entrepreneurs, which makes the results and findings of this research study not necessarily be applicable for entrepreneurs from other business industries in Indonesia such as agricultural industry, property industry, tourism industry, and so on. However, since the results and findings of this

research study mainly discusses the three main sectors in creative industry namely craft, fashion, and culinary, hence the result may only be more useful for entrepreneurs working in these sectors.

3. Third limitation is in regard to the number of samples being used in this research study. Although the number of 102 respondents can make up reliable and valid responses, but this amount still cannot represent the entire entrepreneurs from creative industry in the area of JABODETABEK and Bandung. In other words, the more sample, the better the results may appear in defining Human Capital influence on Entrepreneurial Success in creative industry entrepreneurs

In addition to these three categories of limitations, the researcher also concludes that the tendency of Indonesian people in always being “Agree” toward survey questions might also become the limitation in this research study. Due to this potential social desirability bias, the researcher tended to interpret the results with full of caution.

5.4. Recommendations for Future Research

The researcher suggests several recommendations for future researcher who is probably interested in observing more on this topic so that the results can have improvements.

1. Having a good understanding about the target sample first which includes the industry that is being intended as well.

This is because entrepreneurs from different industries may have different perspectives about business and thus interpret the survey questions differently.

Knowing the audience well will help future researchers to develop survey items better so that it becomes more suitable and understandable for the target sample.

2. Broadening the scope of research.

The future researchers may not only investigate the entrepreneurs from creative industry in the area of JABODETABEK and Bandung but also investigate entrepreneurs from other industries and locations so that the research study can deliver more valid and richer outcomes.

3. Increasing the number of respondents.

The more entrepreneurs can participate in the study, the better the results may be reliably and validly produced in defining the relationship of Human Capital dimensions, and Entrepreneurial Success

4. Including another dimensions of Human Capital and/or other demographic variables

As there are at least 40% unexplained variance in the models presented in this research study, including other human capital dimensions and/or other demographic variables may increase the explained variance in modelling the relationship between Human Capital and Entrepreneurial Success.