

Factors That Influence Entrepreneur Success in City of Medan

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Keyword: Social Media , Business Opportunity, Entrepreneurship

Abstract: The importance of *entrepreneurship* in society is not just to make improvements and changes in quality of life community, but also also proven to play a significant role in realizing the quality of the people and the nation. This study aims to determine the factors that determine the success of *entrepreneurs* in entrepreneurs in the city of Medan. This study uses quantitative research methods through the provision of questionnaires using predetermined indicator indicators in addition to extracting information through in-depth interviews. The results of the study show that lifestyle variables influence the success of an *entrepreneur*. In addition, lifestyle variables have a significant effect on success variables *entrepreneurial*. So, the hypothesis is acceptable, namely the existence of partial lifestyle influences on success intentions *entrepreneurial*. The results of partial tests explain that psychological capital variables (X2) have a positive effect. In addition, psychological capital variables have a significant effect on success variables *entrepreneurship*. So, the hypothesis can be accepted, namely the influence of psychological capital partially on success intentions. *entrepreneurial* That individual talent variable (X3) has a positive effect and individual talent variables influence success. *entrepreneur* Individual talent variables have a significant effect on success variables *entrepreneurship*. So, hypothesis 3 is acceptable, that is, the influence of individual talents partially on the intention to succeed *entrepreneur's*.

1 INTRODUCTION

Entrepreneurship has several important roles in the economy including creating new jobs, increasing economic growth and national income, reducing economic disparities that occur between high-income and low-income communities, fostering community independence in the economic field so that it does not depend on other parties and foster creativity.

In carrying out entrepreneurial activities, everyone has the opportunity to entrepreneurship, but when people do entrepreneurial activities, the results of entrepreneurial activities between one another are not necessarily the same, although using the same techniques in running entrepreneurial activities, because success in entrepreneurship is not only determined by technical factors.

When viewed from age, everyone also has the potential to become an entrepreneur, both young and old, can run entrepreneurial activities. There are some entrepreneurs who start a business at an age that is mature enough due to a termination of employment or because they do not have activities

at retirement, so they start running entrepreneurial activities. Although the best age in starting entrepreneurship is from a young age where at a young age the ability to learn, have new creative ideas and keep abreast of information technology are on the cusp, besides at a young age the risk is smaller if there are obstacles in entrepreneurship because they are still not married or young families with small children

In recent years there has been an increase in public interest in entrepreneurship in North Sumatra Province, this is proven by recording where there is an increase in the number of people working as entrepreneurs. The results of the 2016 economic census carried out by the North Sumatra (North Sumatra) Central Statistics Agency (BPS) said the number of businesses grew by 11.5% or 12,000 businesses from the previous amount of 1.06 million to 1.18 million businesses. This growth occurs within 10 years.

From the data collection, it can be seen that the most dominant business is the trade sector business with a total of almost 47.20% of the total business. This development is supported by the development of population and the growth of

modern businesses such as businesses online. " Online business has contributed to the increase in economic activity in Indonesia in recent years. As many as 1.16 million businesses or 98.55% are small-scale micro- enterprises (MSEs) and 17,120 (1.45%) are medium-sized business enterprises (UMB). In line with the distribution of the number of businesses, the labor distribution map illustrates the same thing. From the trade business category, the processing industry, the provision of accommodation, as well as food and beverages, became a place of livelihood of two-thirds of the total workforce in North Sumatra which amounted to 2.1 million people. While other business categories each only contribute under 10%.

Meanwhile for the City of Medan according to the status of the main job as a young entrepreneur or self-employed experienced an increase with the number 1,026 (16.64%) in February 2016 to 1,069 (17.1%) in February 2017. While the number and percentage of the population of Medan City by status the main job as a worker / employee / employee decreased with a total of 2,371 (38.45%) in February 2016 to 2,230 (35.48%) in February 2016.

Phenomenon of the increasing presence of young entrepreneurs also increases the number of business professions in general. Various factors that influence entrepreneurial intelligence provide knowledge for entrepreneurs such as lifestyle, psychological capital and individual talents. These factors are factors that determine a person's success in work as an entrepreneur. Therefore, these factors become the focus in this research proposal.

Based on the background described, the formulation of the problem in this study is whether the factors that influence the success of entrepreneurs in Medan city, then the identification of the problem in this research is does lifestyle have a significant positive effect on the success of the entrepreneur, does psychological capital have a significant positive effect on success entrepreneur, do individual talents have a significant positive effect on success entrepreneur, how do you influence the contribution of lifestyle, psychological capital and individual talents to success entrepreneurial?

2 RESEARCH METHODS

Population in this study were entrepreneurs in Medan City who were members of KADIN and

HIPMI, North Sumatra which numbered around 150 people.

Sekaran (2006) quoted from Roscoe (1975) The sample size that is feasible in the study is between 30 to 500. If the research will do multivariate analysis (multiple correlations or regression), the number of sample members is at least 10 times the number of variables examined. The dependent and free variables in this study were 4 (four) so that $10 \times 4 = 40$. Based on the above explanation, the minimum number of samples used in this study were 40 people. To facilitate calculation, the researcher took a sample of 50 respondents.

In this study the authors used two data collection techniques, namely:

1. Primary data
collection technique primary data used in this research is data obtained directly from respondents using a questionnaire.
2. Secondary Data
Secondary data collection techniques used in this study are:
 - a. Literature Study
Collection of data obtained from books, scientific works and opinions of experts who are competent and have relevance to the phenomenon to be studied.
 - b. Documentation Study
Data collection using written notes or documents, drawings, or other objects related to the phenomenon under study.

2.1 Test Methods for Test Instruments

Validity and Reliability conducted to test whether the questionnaires distributed were appropriate to be used as research instruments. Validity and Reliability Tests were conducted on respondents. This is done so that the data obtained is valid and reliable. Classical Assumption Test The classical Assumption requirements must be fulfilled by multiple regression models before the data is analyzed are as follows:

1. Normality
Test Normality Test aims to test whether in the regression model, dependent variable, independent variable, or both have normal distribution or not.
2. Test Heteroskedasticity
heteroskedasticity test aims to test whether there is inequality in the regression model variance of the residuals of the observations to other observations. If the variance from

residual one observation to another observation is fixed then it is called homoskedasticity and if a different variant is called heteroscedasticity. Multicollinearity Test This test is used to test whether the regression model found correlation between independent variables. If there is a correlation between independent variables, it can be said that there is a problem of multicollinearity. A good regression model should not have a correlation between independent variables. Multicollinearity test uses the criterion Variance Inflation Factor (VIF) with the provisions:

- a. If $VIF > 10$ there is a serious problem of multicollinearity.
- b. If VIF is < 10 , there is no serious multicollinearity problem.

2.2 Multiple Linear Regression Analysis

Regression Analysis is used to analyze whether independent variables (lifestyle, psychological capital, and individual talents) together influence the dependent variable, namely success entrepreneur. The equation model used in this study is:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

2.3 Testing Hypothesis

After the regression model meets classical assumption requirements, it will be used to analyze regression through testing the hypothesis as follows:

1. Partial Significance Test (Test -t)

This test is conducted to find out how far the influence of one independent variable partially (individually) explains the variation of the dependent variable. The basis for decision making for partial t test in regression analysis is as follows:

- a. Based on the value of t count and t table
 1. If the value of t arithmetic $>$ t table, the independent variable affects the dependent variable.
 2. If the value of t arithmetic $<$ t table, then the independent variable has no effect on dependent variable
- b. Based on the significance value of the output on software statistical
 1. if the value of sig. $<$ 0.05, the

independent variable has a significant effect on the dependent variable

2. if the sig value. $>$ 0.05, no significant effect of independent variables on the dependent variable
3. H_0 is rejected if $t <$ t table at $\alpha = 5\%$
 H_a accepted if $t >$ t table at $\alpha = 5\%$

2. Significant Simultaneous Test (Test F)

Kuncoro (2013 : 219) argues that F statistical test basically shows whether all independent variables included in the model have the same effect on the dependent variable. Simultaneous testing (Test-F) is done to see the effect of independent variables (lifestyle, psychological capital and individual talents) on the dependent variable (success entrepreneurial) together.

2.4 The Determination Coefficient

Kuncoro(2013: 246) argues that the coefficient of determination (R^2) essentially measures how much the ability of the model in explaining the dependent variable. If R^2 gets bigger (close to one), then it can be said that the influence of the independent variable (X_1, X_2, X_3) is large on the dependent variable (Y). This means that the model used is stronger to explain the effect of the independent variables studied on the dependent variable. Unfortunately if R^2 gets smaller (near zero), then it can be said that the effect of independent variables (X_1, X_2, X_3) on the dependent variable (Y) is getting smaller. This explains the effect of the independent variables studied on the dependent variable.

3 RESEARCH RESULTS

Simultaneous test results explain that lifestyle variables (X_1), psychological capital (X_2), and individual talents (X_3) have a positive and significant effect on the calculated f value ($28,631 >$ f table (2,81) which means variable variables lifestyle (X_1), psychological capital (X_2), and individual talents (X_3) affect the success of entrepreneurs. In addition, based on the significance value that the sig value is. (0.00) $<$ 0.05, the variables of lifestyle (X_1), psychological capital (X_2), and individual talents (X_3) have a significant effect on the success variable of entrepreneurs. So, hypothesis 4 is acceptable, namely the influence of lifestyle

variables (X1), psychological capital (X2), and individual talents (X3) simultaneously on entrepreneurial success intentions. The results of this study support the previous research conducted by Frese (2014) with the title "The Psychology of Entrepreneurship" which gets results that variable lifestyle, psychological capital and individual talents partially and simultaneously have a positive and significant effect on the success of entrepreneurs. Based on the distribution of respondents' answers related to the success of the entrepreneur (Y) there is an accumulation of respondents' answers of positive value (strongly agree) as much as 84% in the distribution of answers that state that "I make customer loyalty an important thing in doing business". The results of this study support the theory by Soetadi who states that successful entrepreneurs must have a strong belief that wherever their business is, they are able to run and always have confidence that the business will succeed. In addition, based on the distribution of respondents' answers related to the success of the entrepreneur (Y) there is an accumulation of respondents' answers with a negative value (disagree) as much as 12% in the distribution of answers that stated prioritizing creativity and innovation in doing business.

4 CONCLUSIONS

Based on the results of the study and discussion, it can be concluded as follows:

1. The partial test results explain that lifestyle variables (X1) have a positive and significant effect on the value of t count (3.859) > t table (1.665) which means that lifestyle variables affects success entrepreneur. In addition, based on the significance value that the sig value is. (0.00) < 0.05, the lifestyle variable has a significant effect on the success of the variable entrepreneur. So, hypothesis 1 is acceptable, namely the existence of a partial lifestyle influence on success intentions entrepreneurial.
2. The partial test results explain that the variable psychological capital (X2) has a positive and significant effect on the value of t count (3.859) > t table (1.665), which means that the variables of psychological capital affect the success of entrepreneurs. In addition, based on the significance value that the sig value is. (0.00) < 0.05, the

psychological capital variable has a significant effect on the success variable of entrepreneurs. So, hypothesis 2 is acceptable, namely the influence of psychological capital partially on success intentions entrepreneurial.

3. The partial test results explain that individual talent variables (X3) have a positive and significant effect on the value of t count (3.859) > t table (1.665), which means that individual talent variables affect the success of entrepreneurs. In addition, based on the significance value that the sig value is. (0.00) < 0.05, the individual talent variables have a significant effect on the success variable of entrepreneurs. So, hypothesis 3 is acceptable, namely the influence of individual talents partially on success intentions entrepreneurial.

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