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THE ENTREPRENEURIAL TRAITS AS MODERATING VARIABLE IN THE RELATIONSHIP BETWEEN ACADEMIC PERFORMANCE AND ENTREPRENEURIAL ORIENTATION OF UNIVERSITY STUDENTS: A STUDY IN INDONESIA HIGHER EDUCATION CONTEXT

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Abstract: This research aimed to examine the role of entrepreneurial traits as moderating variable on relationship between students’ academic performance and entrepreneurial orientation. This research was conducted on university students. The data were drawn from 250 students through survey using questionnaires. There were four universities participated in the survey. The results of survey were analysed using hierarchical regression analysis to answer the proposed hypotheses. The finding of the research found that students’ academic performance significantly affected on entrepreneurial orientation of the students. Meanwhile, the students’ entrepreneurial traits significantly influenced on entrepreneurial orientation. Testing of moderating effect demonstrated that entrepreneurial traits significantly moderated relationship between students’ academic performance and entrepreneurial orientation. Implications of the finding were also discussed in the paper.

Keywords: Entrepreneurial orientation, entrepreneurial traits, academic performance

INTRODUCTION

The issues of entrepreneurship in have been interesting discussion for scholars since last two decades. The role of entrepreneurship in nations can be seen from its impact on creating new job opportunities which in turn might reduce unemployment rate. Entrepreneurship is source of innovation and creativity that pushes the one country’s economy development and growth (UNCTAD, 2004). Entrepreneurship has been identified as the best solution to reduce unemployment and poverty among the youths, especially higher education graduated who cannot find jobs (Brownhilder 2014). Therefore the issue of entrepreneurship is recently becoming central issue in developed country, such as Indonesia. On the basis of the data from Indonesia Statistics Bureau (2015), the growing up of work force is greater than the growing up number of job opportunities. Therefore, long terms strategies are needed to address this
issue, mainly strategy related to process creating entrepreneurship through educational process. The role of university becomes crucial to change students’ mind-set from job seeker to job creator. It can be argued that university or higher education institutions could be a starting point to choose the next career afterward for graduated. This issue appears to be essential and important since the chances to find jobs is getting decrease, moreover the job opportunities is becoming more limited for job seeker due to slowly economic growth.

OBJECTIVE

The research objective is to determine the effect of entrepreneurial traits (i.e. self-confidence, innovativeness, risk taking) that is surmised to strengthen entrepreneurial orientation.

LITERATURE REVIEW

Entrepreneurial orientation (EO) refers to a strategy making process which guides firms developing constant innovations, adopt a proactive posture in the market and undertake risky investments (Stam and Elfring, 2008). In term of academic performance in college, grade point average (GPA) is commonly used as an indicator student performance and achievement to evaluate student persistence (Osher & Kneidinger, 2000). Entrepreneurship is known to be highly influential on the development of economies (Audretsch and Keilbach, 2004).

METHODOLOGY

Data were obtained from university students in West Sumatra Province Indonesia. There are four universities participated in the current study. A total of 300 questionnaires were distributed to the universities. Participants were involved in voluntarily basis and responses were treated with confidentiality.
FINDINGS

Table Regression Analysis

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Overall F  
1.162  
2.677**  
6.002**

$R^2$  
.021  
.065  
.158

F Change  
4.281**  
8.062**

$R^2$ Change  
.062  
.094

Note: $N = 250$. Entries are standardized regression coefficients. a Variables are standardize.

* $p \leq .05$. ** $p \leq .01$

CONCLUSION

This research uses variable of academic performance, entrepreneurial traits as independent variables and entrepreneurial orientation as dependent variable. The research observation used questionnaires that distributed to 250 higher educational students in West Sumatra Province, Indonesia. Academic Performance significantly influence on student’s Entrepreneurial Orientation. This result supports the hypothesis (H1) constructed. This result explains the higher academic performance of students; the more students demonstrate entrepreneurial orientation. Entrepreneurial Traits have positive and significant influences toward student’s Entrepreneurial Orientation. This result supports the hypothesis (H2). The student with strong traits in self-confidence, innovativeness, and risk taking will be strengthen orientation to be entrepreneur after graduating from universities.
MAIN REFERENCES

