

The Role of Adversity Intelligence in Moderating the Influence of Individual Motivation on Entrepreneurial Success

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ABSTRACT

This study aims to test: 1) the influence of individual motivation on entrepreneurial success and 2) the role of adversity intelligence in moderating the influence of individual motivation on entrepreneurship success. This research was conducted with a survey. The population taken is vocational school alumni in the Special Region of Yogyakarta (Sleman Regency, Madya City, Bantul, Kulon Progo and Gunung Kidul) who experienced job cuts due to the covid-19 pandemic. Sampling by convenience sampling and data retrieval by spreading questionnaires (google form). Sampling by convenience sampling and data retrieval by spreading questionnaires (google form). The number of respondents who filled out and returned the questionnaire were 112 peoples—test instruments with confirmatory factor analysis and reliability by looking at Cronbach Alpha. The hypothesis test uses a simple regression (H1) and a tiered regression test (H2). The results showed that H1 and H2 were supported. There are some limitations in this research that require further investigation. This research has theoretical and managerial implications for business people. The discussion results showed that further research was needed discussing.

Keywords: Adversity Intelligence, Entrepreneurial Success, Individual Entrepreneurship Motivation

JEL Classification: L20, L26, L29

INTRODUCTION

One type of education that has a role and function in preparing quality human resources to face increasingly severe global challenges is Vocational High School (SMK). Government Regulation No. 20 of 2003 explains the purpose of SMK is to create a productive workforce, able to work independently and skillfully and ready to use in the world of work in accordance to a competition of expertise. In general, the primary mission of SMK is to prepare graduates who are ready-made in the world of work and industry. But the realization of vocational graduates contributes the highest contributor to open unemployment compared to graduates of equivalent types of education. This condition requires all parties to strive to grow and improve the skills of vocational students to be prepared better in facing the world of work. The curriculum at SMK should include one of the subjects that play a role in fostering entrepreneurship interest.

Effect of COVID-19 pandemic on public health, the economic conditions, education, and social life of Indonesian people. SMK alumni also experience this condition throughout Indonesia. In the last two years, vocational school graduates looking for work are experiencing severe disruption due to the Covid-19 pandemic. Competition in the job market is very high and clustered with workers who have also experienced job cuts (layoffs) from their companies. (Bobonis & Morrow, 2014; Siswanti et al., 2021).

In the current dynamic change conditions, the company must encourage employees to be creative (Siswanti & Muafi, 2020); (Shalley & Gilson, 2004). One of the human efforts is to be an innovative tray to open their business field, known as entrepreneurship. Entrepreneurship intentions generally often occur for specific reasons, such as: being expelled from the organization due to its inability to compensate its employees. A person's intention to entrepreneurship is interpreted as the process of finding information used to achieve the purpose of forming a business (Katz and Gartner, 1988). In general, the stronger the intention to show entrepreneurial behavior, the more concerned he will realize his intention to open his own business. The power of entrepreneurship intentions arises because it was triggered by life's needs that must meet every day. According to Kearney et al. (2008), individuals have a strong intention to own a business when they feel confident that entrepreneurship will earn income to cover expenses on their living expenses.

Results of research Ajiwibawani & Subroto, 2017; Herdjiono et al., 2017 show several factors affect the desires of entrepreneurship individuals. One factor is individual motivation. Motivation is the drive to work hard to get many opportunities, such as profit, freedom, personal dreams, and showing an independent soul. According to Baum (2007), entrepreneurship motivation is encouragement from within that aims to open up its jobs, and it contains an element of hope for business opportunities.

Entrepreneurship is about human behavior, so it's important to understand personal perceptions and judgments about the environment that significantly correlate with an individual's decision to start a new venture (Arenius & Minniti, 2005). Previous research identified individuals' perceptions of entrepreneurship with their entrepreneurial abilities, which they perceived as start-up opportunities, knew other entrepreneurs and feared failure in starting a new business (Arenius and Minnitti, 2005; Eckhardt and Shaneö 2003; Koellinger et al., 2005; Langowitz and Minniti, 2007; Shane and Venkataraman, 2000). Karadeniz & Ozdemir's research (2009) found that personal motivation to entrepreneurship with a higher education level affects interest and success in opening a business.

There are four motivations for entrepreneurship; gain, personal freedom, personal dreams, and independence. Profit can motivate a person to become an entrepreneur because it can determine how much he wants, the benefits received, and how much he pay to the other party or employee. Freedom to manage time, establish rules/interventions, and freedom from organizational or corporate cultural governance. Personal dreams are something that individuals want, including the freedom to achieve the expected standard of living, routine work tired because he has to follow the vision, mission, dream-A gift for determining his vision, mission, and dreams. Independence or independence in business can motivate a person in doing entrepreneurship because of the absence of dependence on others. Independence in business can cause a sense of pride because it creates freedom in everything such as capital, management, supervision, and being a manager of himself. Motivation positively affects success in entrepreneurship because it can trigger enthusiasm or interest in doing certain activities to stimulate innovative thinking in generating business profits. Entrepreneur motivation is the need for independence and needs to achievement (Tyszka et al., 2011). Motivation is the driving force for individuals to work hard to boost the spirit of being an entrepreneur.

Overall & Wise's (2016) research results show that several factors cause entrepreneurship success. One such factor is adversity intelligence. A person with high adversity intelligence is an individual who feels empowered, optimistic, steadfast, determined, and can withstand adversity (Stoltz, 2000). Adversity intelligence can stimulate a person to trigger challenging thoughts and be ready and able to compete. People with high adversity intelligence do not blame the other party for setbacks or failures and solve problems.

This research was conducted on vocational school alumni in the DIY region who experienced job cuts due to the covid-19 pandemic. Most of them work as factory employees and are currently trying to open their own business with their courage. This study aims to test the influence of individual motivation on entrepreneurship success and test the role of adversity intelligence in moderating the impact of personal motivation on entrepreneurship success in vocational school alumni who experience termination of employment.

LITERATURE REVIEW

Individual Motivation in Entrepreneurship and Entrepreneurship Success

Damascus (2020) explains that motivation is an impulse that arises in a person to behave. The drive is an individual who is the driving force to do something, such as the drive to learn, the urge to achieve, or the drive to work. Apuanor et al. (2017) state that motivation comes from the word motive, which means the power contained in a person and causes him to act. According to Kurniawan (2016), motivation is a desire or will in a person through internal and external impulses to change behavior. Entrepreneurship motivation is a driving force/drive in the self that raises the spirit of the creation of an activity/work by seeing the opportunities that are around, acting boldly in taking risks, doing innovative activities, and having an orientation to profit (Yunal, 2013; Siswanti et al., 2019). Entrepreneurship success combines individual satisfaction with extrinsic achievement, namely financial and intrinsic assets, namely inner satisfaction (Austhi, 2017). Masuo et al. (2001) said that business success is a combination of economic-related things such as asset returns, sales, profits, employees, business continuity rates, and unrelated things to finance such as customer satisfaction, personal development, and personal achievement.

Karadeniz & Ozdemir's research (2009) found that personal motivation to entrepreneurship with a higher education level affects interest and success in opening a

business. The results of this research will strengthen by Overall & Wise (2016); Herdjiono et al. (2017).

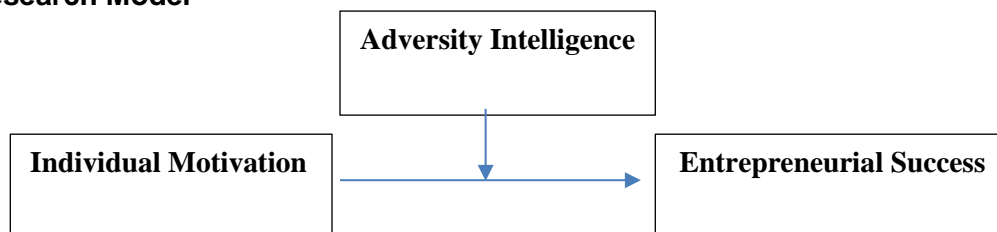
H₁: Individual motivation to entrepreneurship positively affects entrepreneurship success

Individual Motivation in Entrepreneurship – Adversity Intelligence Entrepreneurship Success

Aprilia (2019) adversity intelligence is a form of endurance intelligence that is the background to a person's success in facing challenges when there are difficulties or failures. Individuals who have high adversity intelligence will have strong fighting power and endurance. Entrepreneurship requires perseverance, hard work, and physical and mental toughness. Therefore, it takes a strong motivation in entrepreneurship to affect its success. In this case, adversity intelligence is needed. Thus, the motivation of individuals in entrepreneurship can affect their success but will be much more successful if accompanied by adversity intelligence.

H₂: Adversity intelligence can strengthen the influence of individual motivation on entrepreneurial success

Research Model



RESEARCH METHOD

This research is a quantitative descriptive and associative causal study. Descriptive research examines a group of humans, an object, a set of conditions, a class of events in the present. This research method uses surveys by distributing questionnaires to vocational alumni in DIY, including Sleman, Bantul, Kulon Progo, Gunung Kidul, and Madya Regencies.

Population

The population in this study was SMK alumni in DIY who experienced job cuts amounting to 112 people.

Measurement

Instruments to measure entrepreneurship motivation using Shane's instruments, et al. (2003) with indicators: the need for achievement, self-control (locus of control), having a vision, the urge to have freedom (independence), high spirit (passion), the drive to change ideas into real (drive), have a goal-setting (goal setting), confidence in ability (self-efficacy). Entrepreneurship success adopts the Aminah instrument (2016), consisting of indicators: satisfied with revenue growth and satisfied with the time to break-even point (BEP). Adversity intelligence is measured by instruments developed by Stolz (2000) with indicators: control, origin & ownership, rich & endurance. All devices measure on a 6-point Likert scale (scale 1= strongly disagrees until of 6 = strongly agrees).

Instrument Testing

All instruments are measured on a 6-point Likert scale (scale 1= strongly disagrees until six = strongly agrees). Instrument tests are conducted with validity tests using

confirmatory factor analysis and reliability tests. The reliability test limit, Reliability test results were demonstrated by according to Hair et al. (2006) is α 0.7; While if the α = 0.6, it is acceptable in exploratory research.

Validity and Reliability Test Results

CFA test results, all instruments for all three variables are declared valid because the value is above 0.6 (loading factor $> = 0.6$) and each item groups according to the variable. Reliability test results showed all three study variables were reliable, as they had Cronbach's Alpha coefficient > 0.6 .

Method of hypothesis testing

The hypothesis test (H1) uses simple regression. The H2 test uses hierarchical regression.

RESULTS

Respondent Profile

Table 1. Respondent Profile

Profile	Information	Sum	Percentage
Age	20 – 25 years	70	0.63
	26 – 30 years	30	0.27
	>30 years	12	0.11
Gender	Man	57	0.51
	Woman	55	0.49
Experience	< 1 year	31	0.28
	1 – 3 years	28	0.25
	4 – 6 years	33	0.29
	6 years	20	0.18
Married	Unmarried	67	0.60
	Married	45	0.40
	Sum	112	100.0

Source: Primary data

Based on table 1 it is known that the majority of SMK alumni respondents aged between 20 to 25 years by 63%. Respondents were predominantly male at 51%. The maximum working period of 4-6 years is 29%, and most respondents are unmarried (60%).

Descriptive Test Results

Table 2. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Entrepreneurial motivation (X)	112	2.82	4.42	4.51	.6332
Adversity intelligence (Z)	112	2.81	4.53	4.47	.5821
Entrepreneurial success (Y)	112	3.04	6.21	4.72	.6312
Valid N (listwise)	112				

Source: Primary data, 2021

From table 2 it can be known that the variable's descriptive average is high because it has an average value above 4.00. In general, it can be said that vocational school alumni in DIY who experienced job cuts during the covid-19 pandemic have high entrepreneurship motivation, adversity intelligence, and entrepreneurship success.

Hypothesis Test Results

Table 3. The Impact of Entrepreneurial Motivation on Entrepreneurial Success

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.321	.247		4.821	.000
	Entrepreneurial motivation (X)	.638	.069	.645	8.322	.030

a. Dependent Variable: (Z)

From table 3 (stage 2 test) obtained the result that the variable has entrepreneurship motivation with a significance value of t of $0.030 < 0.05$. This means that entrepreneurship motivation has a positive and significant influence on the entrepreneurship success of vocational alumni who experience termination of employment, which means H1 is supported.

Table 4. Moderation Regression Test

	R Square	B	S.E	t	P	
EM → ES	.039	.543	.0571	8.183	.030	H1: supported
EM, AI, Interaction → ES	.063	.622	4.235	7.511	.000	H2: supported

Source: primary data, 2021

The hierarchical regression show that phase 2 regression test is 0.063 and the R Square stage 1 regression value is 0.039. These results show there is an increase in the influence of entrepreneurial motivation on entrepreneurial success when accompanied by adversity intelligence. Thus, H2 is supported, meaning that adversity intelligence competence plays a role in moderating the influence of entrepreneurial motivation on entrepreneurial success.

DISCUSSION

Test hypothesis 1, which states that entrepreneurship motivation positively affects entrepreneurship success, is supported. The results of this research support the research of Karadeniz & Ozdemir, 2009; Overall & Wise, 2016; Herdjiono et al. (2017). The motivation of Entrepreneurship was characterized: the need for achievement, self-control (locus of control), having a vision (vision), the drive to have freedom (independence), high spirit (passion), the urge to change ideas into natural (movement), have goal setting (goal setting), and confidence in ability (self-efficacy). That will be able to increase the potential for success in entrepreneurship. SMK alumni who experience job cuts in Yogyakarta province and have these characteristics will try to rise from the economic downturn, so they dare to decide to open their own business to keep existing.

Many people manage to open their own business when the encouragement from within and the family support it fully. A successful entrepreneur has character: a firm commitment in industry, patience when business conditions still pioneered, sharp in seeing opportunities, dare to take the initiative, always looking for and utilizing feedback, having a high internal locus of control, considerations in terms of risk are pretty mature, and innovative (Siswanti et al., 2020). The character can make his business successful, facing competition outside the organization and strengthening the business.

Hypothesis 2 states that adversity intelligence can strengthen the influence of individual motivation on entrepreneurship success supported. Adversity intelligence is part of a person's ability to overcome various life problems and survive without giving up. Vocational High School graduates who experience job cuts but have high adversity intelligence tend to increase the influence of entrepreneurial motivation on their success. In this case, the consumption of adversity intelligence is indicated by the characteristics: being in trouble can reduce negative thoughts, such as thinking that they can't overcome obstacles and thinking about the bad things that will happen, so people can decide to become entrepreneurs without hesitation.

Research Implication

The theoretical implications of this research are: strengthening the role of adversity intelligence as an inseparable part of entrepreneurship motivation and efforts to achieve entrepreneurial success. Previous research tested the influence of adversity intelligence as a moderation variable has been minimal, largely analyzing the direct effects of adversity intelligence on entrepreneurship intensity. (Pagehgiri, 2016; Fradani, 2017; Herdjiono et al., 2017; Mayasari & Perwita, 2017; Ambarriyah & Fachrurrozie, 2019; Naiborhu & Susanti, 2021; Rakhmadiningrum et al., 2021). The managerial implications of this research are: that the success of entrepreneurs is stronger influenced by entrepreneurship motivation and strengthened by adversity intelligence. On this basis, anyone who will open their own business must adequately understand the magnitude of entrepreneurship motivation from within him to achieve success. In addition, it must increase intelligence adversity to be more successful in entrepreneurship.

The results of hypothesis tests 1 and 2 showed that entrepreneurship motivation affected entrepreneurship success in vocational school alumni in DIY who experienced job cuts due to the covid-19 pandemic. In addition, adversity intelligence can moderate the influence of entrepreneurial motivation on entrepreneurship success.

LIMITATION

This study only took respondents from vocational graduates in the DIY region, so the population is still limited. Further research should develop vocational alumni outside DIY who experience termination problems. In addition, further research expands respondents from their education level, not only vocational school approvals but diploma and college levels, with a larger number of respondents and a large area, not just in DIY.

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DECLARATION OF CONFLICTING INTERESTS

The author declares that there is no conflict of interest.

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