

Entrepreneurial Culture in the Village of the Barbers, Garut, Indonesia

Nizar Alam Hamdani, Galih Abdul Fatah Maulani, Arif Abdullah Muharam

ABSTRACT--- Garut is not only well-known as the city of dodol, but also as the city of the barbers. Most barbers in Indonesia come from Garut, precisely from a village named Kampung Parung, Banyuresmi Subdistrict. Usually, upon completion of high schools, they go to big cities to open barbershops instead of going to universities. This has been a well-established entrepreneurial culture in that village for decades. The purpose of this study is to identify how this long entrepreneurial culture is established. To this end, a survey was addressed to 120 barbers. The results show that family plays an important role in establishment of entrepreneurial culture in the village in question. Education is not much of importance to them.

Keywords: Entrepreneurial Culture; Entrepreneurship, Village of the Barbers.

I. INTRODUCTION

Entrepreneurship is a very important factor in the economic development of a country (1) so that communities with entrepreneurial culture will always plays an essential role in it (2). In today's global competition, countries with a strong entrepreneurial structure have a competitive advantage in international trade. Therefore, it is very necessary to promote understanding about entrepreneurial culture (3,4).

In 2018, the total number of entrepreneurs in Indonesia is 3.1% of its total working age population (5). According to the 2018 Global Entrepreneurship Index, Indonesia ranks 94th out of 137 countries in the world (6).

Table 1. The 2018 GEI Ranks Within the Asia-Pacific Region

Country	Ranks	GEI
Australia	1	75%
Hongkong	2	67%
Singapore	5	53%
China	9	41%
Brunei Darussalam	10	34%
Malaysia	11	33%
India	14	28%
Philippines	17	24%
Vietnam	18	23%
Indonesia	21	21%

The above data shows that the entrepreneurial culture in Indonesia is rather low. This is particularly restricted, according to the 2018 GEI report, by risk retention in doing entrepreneurship (6). However, on a national scale, Indonesia experienced an increase in the level of entrepreneurship from 1.67% to 3.10% of the total Indonesian population of 225 million (7). Garut, West Java, is a region in Indonesia with rapid entrepreneurial growth. Garut has not only been known as the city of dodol, but also as the home of Indonesian barbers. Most of top-notch barbers across the country come from Garut, particularly from the Village of Banyuresmi and the Village of Bagendit (8). For people in these two villages, becoming a barber has been an entrepreneurial culture passed down ever since the Dutch colonization era (9). This paper describes factors that contribute to the establishment of this entrepreneurial culture.

II. LITERATURE REVIEW

Studies show that entrepreneurship and culture are two inseparable entities (2,10,11). Culture is a general picture of society in certain groups and is transmitted from generation to generation (12).

Entrepreneurship in a society always makes a dynamic influence on certain moral values that shape culture in the society in question (2). There are several factors contributing to the establishment of entrepreneurial culture in a society including environmental factor (1,13), education (14), economy (15), income level, family factor, and kinship factor (2).

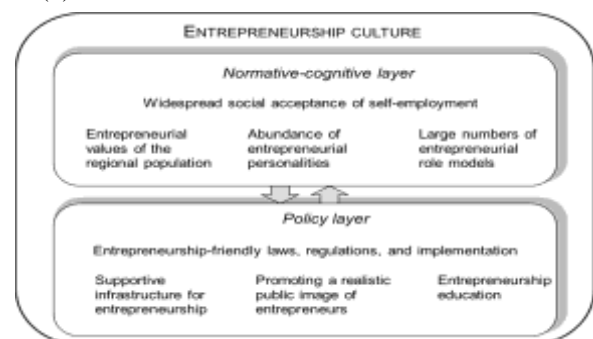


Figure 1. Elements of an entrepreneurial culture (16).

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III. METHODOLOGY/MATERIALS

This study was conducted using a quantitative survey. Data were collected through questionnaires addressed to 120 barbers in the Village of Banyuresmi, the Village of Bagendit, and some other areas in Garut. Data analysis was performed using PLS-SEM. The survey attempted to examine the influence of entrepreneurial motivation, family environment, and technology on the entrepreneurial decision.

IV. RESULTS AND FINDINGS

Based on the data we collected, we found that 100% of barbers in Garut were male. Their average income ranged from IDR 5 to 6 million.

Further analysis was conducted using PLS-SEM. The purpose was to examine the influence of entrepreneurial motivation, family environment, and technology on the entrepreneurial decision. Figure 2 is the resulting modeling.

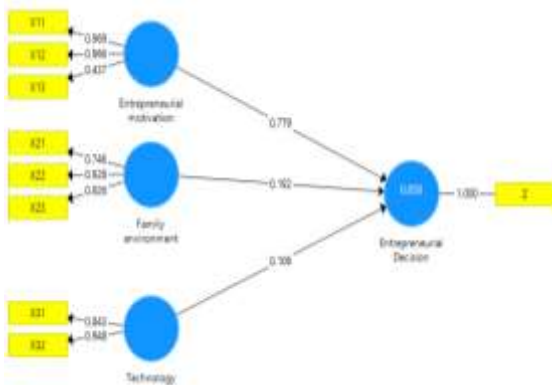


Figure 2 PLS Modeling

Figure 2 can be interpreted as follows:

a. Entrepreneurial motivation has influence on entrepreneurial decision as much as 0.779 or 77.9% and the factor loadings of entrepreneurial motivation indicators, which include social factor (X11), emotional factor (X12), and educational factor (X13), are 0.969, 0.966, and 0.437 respectively.

b. Family environment has influence on entrepreneurial decision as much as 0.192 or 19.2% and the factor loadings of family environment indicators, which include family business ownership (X21), family encouragement to do business (X22), and family knowledge about business (X23), are 0.746, 0.928, and 0.926 respectively.

c. Technology has influence on entrepreneurial decision as much as 0.106 or 10.6% the factor loadings of technology, which include information access through electronic media (X31) and use of ICT devices (X32), were 0.834 and 0.984.

Based on PLS Algorithm calculation, an indicator can be said reliable if it has a loading value of more than 0.50. Since educational factor (X13) has a loading value below 0.50, this indicator should be removed from the PLS modeling.

SmartPLS data processing also resulted in the construct reliability and validity as shown in Table 2.

Table 2 Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Entrepreneurial Decision	1.000	1.000	1.000	1.000
Entrepreneurial motivation	0.749	0.936	0.857	0.688
Family environment	0.837	0.871	0.903	0.758
Technology	0.771	0.921	0.891	0.805

Table 2 shows that all variables can be said to be valid because their AVE values are more than 0.50. All variables can also be said to be reliable as their Cronbach's alpha and composite reliability values are more than 0.7.

Table 3 presents the result of structural model testing. The R-squared value shows that the studied variables contribute to entrepreneurial decision as much as 85%.

Table 3. R Square

	R Square	R Square Adjusted
Entrepreneurial Decision	0,858	0,843

Table 4 summarizes the results of bootstrapping. It shows that the relationships between all studied variables and entrepreneurial decision are positive because their original sample values are all positive.

Table 4. Mean, STDEV, T-Values, P-Values

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Entrepreneurial motivation -> Entrepreneurial Decision	0.800	0.800	0.077	10.425	0.000
Family environment -> Entrepreneurial Decision	0.213	0.220	0.074	2.863	0.004
Technology -> Entrepreneurial Decision	0.074	0.071	0.093	0.800	0.424

The influence of each variable on entrepreneurial decision can be said significant if their t statistics values are more than the critical t of 1.96. Therefore, it can be concluded that entrepreneurial motivation and family environment has significant influence on entrepreneurial decision of barbers in Garut because their t statistics values are more than 1.96; i.e., 10.425 and 2.863. And the other variable, technology, has no significant influence on entrepreneurial decision since its t statistics is 0.800 or below 1.96.

V. CONCLUSION

Entrepreneurial culture in Garut has been established by several factors such as social and emotional factors. In addition, the establishment of entrepreneurial culture can also be facilitated by family

and kinship factors. Therefore, it can be concluded that the decision of people in Garut to choose a career path as barbers is mostly down to family factor and social and emotional motivation.

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