

UDC 334

## ENTREPRENEURSHIP POTENTIALS IN SOUTH CENTRAL TIMOR REGENCY, EAST NUSA TENGGARA PROVINCE, INDONESIA

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### ABSTRACT

The aim of this research is to know and describe; (1) Motivation and Entrepreneurial Behavior of local communities in utilizing the Entrepreneurship Opportunities and Potential in South Central Timor Regency (Timor Tengah Selatan, abbreviated as TTS), East Nusa Tenggara Province, Indonesia. (2) To find out the values in Timorese culture that can be used to motivate local communities to take advantage of Entrepreneurship Opportunities and Potential in TTS Regency. This study used qualitative method and was implemented in TTS Regency, precisely at Kota Soe Subdistrict and its surrounding areas. The focus of this research is: (1) The young generations who have started entrepreneurship. (2) The young generations who are interested but do not have business capital. (3) The young generations who have completed Higher Education but have not yet received employment opportunities. (4) Are 19 years old and above. The research method used is descriptive qualitative analysis with Constant Comparative Method because it constantly compares the categories with other categories in the data analysis. On the other hand, the data validation technique used is the triangulation technique. The results showed that the interest and motivation of the local community, particularly the young generations, to take advantage of opportunities and potential of entrepreneurship in the area is still low. Moreover, the behavior and work ethic of local people in entrepreneurship also still low. Although there are socio-cultural values such as religious-spiritual values that can be exploited to increase entrepreneurship motivation for local communities, especially for young people in exploiting opportunities and potential for entrepreneurship, these have not been maximized by various parties to maximize the potential of entrepreneurship in TTS Regency.

### KEY WORDS

Potential, entrepreneurship, entrepreneurs, local communities.

In this globalization era, Indonesia is faced with a variety of social problems including employment. Difficulties in job employment are not only felt by the public in general but also felt by graduates of Higher Education (*Perguruan Tinggi*, abbreviated as PT) in Indonesia who reach almost 2,5 million graduates each year (Hendro, 2011).

In early 2018, the number of the workforce (within the productive age of 15-64 years who already have work but are temporarily not working or who currently looking for work) in Indonesia reached 133,94 million people. The number was increased by 2,39 million compared to the workforce in February 2017 which were 131,55 million people (0.98%). In February 2018, the Open Unemployment Rate (*Tingkat Pengangguran Terbuka*, abbreviated as TPT) which is the percentage of unemployed people to the total workforce in Indonesia reached 5.13%. The number was decreased compared to the number in August 2017 that is by 6.14%. However, there has been no significant reduction in unemployment by which it still becomes a common problem (Central Bureau of Statistics, 2017).

The gap between the demand and supply of labor needs to be taken into account by all parties, especially in concern with the uneducated, unskilled, and or low-educated workforce. If not accommodated in the formal employment field, these people need to be equipped with "entrepreneurship skills" so that after graduating or quitting from school/college, they will continue to earn income and achieve the expected welfare without having to rely on being a civil servant/employee in a company.

This employment problem should get serious attention from various parties, both the Government and Private sector. Therefore, the Government must embrace and encourage the private sector to jointly reduce and resolve these social problems by issuing policies related to employment, especially for the problems in East Nusa Tenggara. These policies are manifested in concrete efforts, namely expanding employment and employment opportunities and improving the quality of the workforce.

In East Nusa Tenggara Province, the Central Bureau of Statistics released data that showed difficult conditions in the province. The workforce in August 2017 was amounted to 2,39 million people with an average growth of 1.81% while the TPT was 78,540 people (with an accumulation of education level from Diploma I to Bachelor degree by 27.15% or 21,323 people in East Nusa Tenggara Province and 4.28% or 3,363 people in South Central Timor Regency (Timor Tengah Selatan, abbreviated as TTS).

This happens because the ratio between the number of job opportunities is not proportional to the number of graduates from Higher Education, General High School, and Vocational High School. In other words, the proportion of job opportunities and the new workforce from Higher Education is not balanced (Saiman, 2012).

This gap will certainly have a negative impact on the Government in its efforts to administer Unemployment and Poverty and to provide equitable employment opportunities that have been declared by the Central Government and Regional Government. The data of Open Unemployment Rate in East Nusa Tenggara Province based on each Regency/City (2014-2017) can be seen in the following table.

Table 1 – Open Unemployment Rate in East Nusa Tenggara Province by Regency/City (2014-2017)

REGENCY/CITY	2014		2015		2016		2017	
	People	%	People	%	People	%	People	%
West Sumba	1306	1.78	907	2.46	859	1.12	1759	2.24
East Sumba	1763	2.41	3547	9.63	2816	3.68	3469	4.42
Kupang	2868	3.92	6211	16.87	4734	6.18	6040	7.69
T T S	3846	5.25	7389	20.07	6176	8.06	3363	4.28
T T U	2334	3.19	2246	6.10	2399	3.13	741	0.94
Belu	5144	7.03	5031	13.67	4688	6.12	2414	3.07
Alor	3285	4.49	3349	9.10	2951	3.85	1904	2.42
Lembata	3746	5.12	1867	5.07	2448	3.20	2598	3.31
Flores timur	2749	3.75	4792	13.02	3646	4.75	5953	7.58
Sikka	6511	8.89	986	2.68	2539	3.32	36876	4.69
Ende	2596	3.55	4656	12.65	3368	4.40	4615	5.88
Ngada	621	0.85	943	2.56	855	1.12	2262	2.88
Manggarai	5260	7.18	5477	14.88	5094	6.65	5134	6.54
Rote ndao	3461	4.73	1647	4.47	2186	2.85	2071	2.64
West Manggarai	3039	4.15	2584	7.02	2161	2.82	1641	2.09
Central Sumba t	70	0.10	3676	9.99	2358	3.08	1049	1.34
S B D	3774	5.16	1010	2.74	2071	2.70	2245	2.86
Nagakeo	1630	2.23	1341	3.64	1129	1.47	2250	2.86
East Manggarai	455	0.62	2680	7.28	1167	1.52	756	0.96
Sabu rajjua	1108	1.51	2863	7.78	2057	2.69	2094	2.67
Malaka	-	-	3179	8.64	77	0.10	61	0.08
Kupang City	17644	24.10	22065	59.94	20813	27.18	22442	28.57
Total	73,210	100	88,446	100	76,592	100	111,737	100

Source: Central Bureau of Statistics, National Labor Force Survey, Department of Labor Force and Transmigration of East Nusa Tenggara Province, 2017.

The graph from the table above can be seen in this following section to see the growth and decline of Open Unemployment Rate in East Nusa Tenggara Province and South Central Timor Regency in the past 4 years.

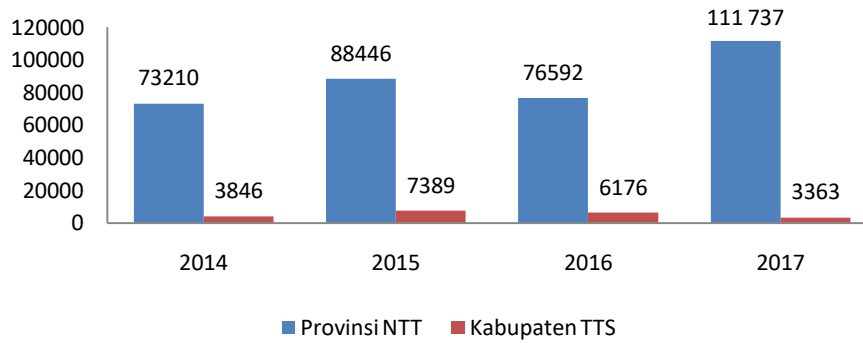


Figure 1 – The Graph of Open Unemployment Rate in East Nusa Tenggara Province and South Central Timor Regency (2015-2017)

The graph above shows that the overall Open Unemployment Rate in East Nusa Tenggara Province has fluctuated from year to year. In 2014 and 2015, the unemployment rate was increased. Then, there was a decrease in 2016 but it rose very rapidly in 2017. In contrast to the East Nusa Tenggara Province, the South Central Timor Regency in 2014 to 2017 did not experience significant changes although there was a trend of decrease in the unemployment rate. It is reported that there was an increase in unemployment in 2015 and 2016 before returning to the number of 3000 in 2017. In 2015, unemployment in the South Central Timor Regency increased dramatically and did not decline significantly in 2016. It experienced a decrease dramatically in 2017.

Quantitatively, the number of Higher Education graduates (both from the Public and Private Universities) is increasing every year. This is very beneficial because the availability of Human Resources (HR) is getting better. However, the availability and absorption of the workforce is still very lacking and even said to increase the number of open unemployment. Higher education does not appear to be positively correlated with the ability to get a job which means that the unemployment status not only becomes the problem of those with low education but also many of those with a higher level of education. This can be seen from the high Open Unemployment Rate in East Nusa Tenggara Province based on the level of education as shown in the table below.

Table 2 – Open Unemployment Rate in East Nusa Tenggara Province based on the Level of Education in 2014 – 2017

Level of Education	Year							
	2014		2015		2016		2017	
	People	%	People	%	People	%	People	%
Primary School	17,924	24.48	15,146	17.12	13,401	17.50	14,985	19.08
Middle School	8,205	11.21	9,264	10.47	8,873	11.59	7,116	9.06
General High School	21,587	29.49	30,644	34.65	17,021	22.23	24,513	31.21
Vocational High School	8,675	11.85	12,210	13.81	14,134	18.46	10,511	13.51
Diploma I,II,III	3,644	4.98	3,257	3.68	2,648	3.46	4,246	5.41
College	13,175	18.00	17,925	20.27	20,503	27.77	17,077	21.74
TOTAL	73,210	100.00	88,446	100.00	76,580	100.0	78,448	100.0

Source: Central Bureau of Statistics, National Labor Force Survey, Department of Labor Force and Transmigration of East Nusa Tenggara Province, August 2011 – 2017.

It can be seen in the table above that open unemployment with college-level education (S1, S2, S3) still ranks first in the 2017 Open Unemployment Rate while in the last place, there is diploma level. However, if the number between diploma and college-level is combined, it will reach the number of 21,323 which actually is the biggest contribution of unemployment from education level. The Open Unemployment Rate continues to fluctuate but with an increasing trend in unemployment.

To overcome this problem, the government is expected to take various actions and transformations in the education field by requiring entrepreneurship education in various

universities (Saiman, 2009). Furthermore, Saiman (2009) said that in Indonesia, Entrepreneurship courses have been taught in various universities and even made as a compulsory curriculum. The goal is that the thinking paradigm of students after graduating can change, from applying for a job and be an employee to become an entrepreneur/interested in entrepreneurship.

Mc Clelland (1961) believed that a State could be prosperous if at least 2% of the population are entrepreneurs. Based on the observations made by the researcher on business actors both the adult and young generations who have completed education at various universities, the researcher found that (1) there is a lack of interest in parents or children to enter the entrepreneurial world after completing the college-level education. Entrepreneurship will be chosen after they apply for a job as Civil Servants or various other professions. In other words, this field is chosen after they failed on other fields; (2) the creativity and courage of the young generations to start and develop businesses is weak due to the lack of support for venture capital; (3) due to a consumptive behavior, the local culture of Timor does not pay enough attention to the young generations in growing the interest of entrepreneurship. Some of these things are very contrary to the soul and spirit or economic principles (entrepreneurship).

The purpose of this study is (1) to find out the Motivation and Entrepreneurial Behavior of the local community in utilizing the Opportunities and Potential of Entrepreneurship in South Central Timor Regency; (2) to know the values that exist in Timorese culture that can be used to motivate local community to take advantage of Entrepreneurship Opportunities and Potential in South Central Timor Regency.

This research is expected to have a theoretical benefit that is to broaden the knowledge and information of Entrepreneurship for economic/business scientists so as to enrich and develop the treasury of science. On the one hand, this study also expected to have practical benefits including (1) the Institute of Science can add and enrich the research results especially those related to behavioral aspects, motivation, and entrepreneurship; (2) the researcher can increase the knowledge, insight, and experience in pouring knowledge into a scientific paper; (3) the young generations are able to provide an overview of the enormous opportunities for entrepreneurship, especially those relating to the factors that can motivate young generations to become entrepreneurs; (4) the community, in general, can recognize the potential of the area so that it becomes a driving force for the growth and development of entrepreneurial climate in South Central Timor Regency; (5) further research is expected to use this research as a discourse and knowledge about the factors that can motivate young generations who have graduated from Higher Education (Bachelor/Diploma) to become Entrepreneurs.

Previous research is used as a basis for the research preparation and illustration. Besides that, previous research is a useful tool that can be used as a comparison or reference. In Table 3 below, the researchers list the previous researches that are related to the Entrepreneurial behavior of the local community in relation to the Regional Potential.

From the research above, the researchers made some notes including to find some other indicators besides those already discovered by previous researchers that are the influence of local culture and spirit of religious spiritualism in building entrepreneurship potential in South Central Timor Regency.

Table 3 - Previous Research

No	Author's Name, Year, and Title of Research	Research Results	Similarities	Differences
1	Dian Mega Maharani, 2013, Faculty of Education, Universitas Negeri Semarang, " <i>Perilaku Kewirausahaan Pedagang Etnis China and Pedagang Etnis</i> "	1) The entrepreneurial behavior of Chinese traders is in the high category while the entrepreneurial behavior of Javanese traders is in the moderate category.	1) Research Method: Qualitative 2) There are differences in the entrepreneurial behavior of Chinese traders and Javanese traders.	1) This study took place in South Central Timor Regency 2) There are differences in the entrepreneurial behavior of Chinese traders and Javanese traders. This happens

	<i>Jawa di Pasar Yaik Permai Semarang</i>	2) There are differences in the entrepreneurial behavior of Chinese traders and Javanese traders. This happens possibly because Chinese people are disciplined and have a high work ethic.	This happens possibly because Chinese people are disciplined and have a high work ethic.	possibly because Chinese people are discipline and have high work ethic added with the influence of local culture
2	Putri Wisnu Wardani, 2008, Faculty of Psychology, Universitas Indonesia – Depok, “ <i>Hubungan antara Budaya and Kewirausahaan</i> ”	1) there is a positive and significant relationship between the spirit of entrepreneurship and the interest in entrepreneurship with the occupation of the parents 2) there is a positive and significant relationship between the spirit of entrepreneurship and the interest in entrepreneurship with the income of the parents 3) there is a positive and significant relationship between the spirit of entrepreneurship and the interest in entrepreneurship with the education of the parents	There is a positive and significant relationship between the spirit of entrepreneurship and the interest in entrepreneurship with the occupation, income, and education of the parents	1) Research Method: Qualitative 2) Research Location 3) there is a positive and significant relationship between the spirit of entrepreneurship and the interest in entrepreneurship with the occupation, income, and education of the parents added with socio-cultural influences
3	Bayu Andri Nugraha, 2014, Faculty of Teacher Training and Education, Universitas Muhammadiyah Surakarta, “ <i>Pengaruh Jiwa Kewirausahaan and Budaya Keluarga terhadap Minat Berwirausaha</i> ” (Studi Kasus pada Mahasiswa UMS Program Pendidikan PKn Angkatan 2012”	1) The spirit of entrepreneurship has a positive and significant influence on the entrepreneurship interest in students 2) Family culture has a positive and significant influence on the entrepreneurship interest 3) Entrepreneurship spirit and family culture together have a positive and significant effect on entrepreneurship interest	1) The spirit of entrepreneurship has a positive and significant influence on the entrepreneurship interest in students 2) Family culture has a positive and significant influence on the entrepreneurship interest 3) Entrepreneurship spirit and family culture together have a positive and significant effect on entrepreneurship interest	1) Research Method: Quantitative 2) Research Location 3) The spirit of entrepreneurship, local culture, and family influence the entrepreneurship interest of a young generation 3) Entrepreneurship spirit and family culture together have a positive and significant effect on entrepreneurship interest

## LITERATURE REVIEW

### The Concept of Entrepreneurship

#### Definition of Entrepreneurship

In the Indonesian term, the word *kewirausahaan* is derived from the basic words of *wira* and *usaha* which get the prefix “*ke*” and the suffix “*an*”. *Kewirausahaan* in English term is known as the word “entrepreneur”. The word entrepreneur comes from the French word of *entreprendre* which has been known since the 17th century. The Concise Oxford French

Dictionary defines entrepreneur as to undertake (operate, do, try), to begin (start), and to attempt (try, make effort). The word entrepreneur in Indonesian is called *wirausaha* (entrepreneurship) which is a combination of *wira* (strong, brave, mighty) and *usaha* (business) so that the term entrepreneur can be interpreted as someone who is brave or mighty in business (Riyanti, 2003: 2). According to Siswanto Sudomo (in Anoraga, 2002: 138), entrepreneurship is everything that is important about an entrepreneur and can therefore be interpreted as special qualities and abilities owned by an entrepreneur, actions or activities carried out by an entrepreneur, and the results of the work or impact of actions taken by an entrepreneur. Entrepreneurship is the nature, characteristics, and character of someone who has the will to realize innovative ideas into the real world creatively (Suryana, 2013). Creativity is to think something new while innovation is doing something new.

Entrepreneurship is the enthusiasm, behavior, and ability to build or give a better service to customers or the community by always trying to provide a positive response to the opportunity, to obtain profits, to serve more customer in better ways, to create and provide products that are more useful, and to implement more efficient ways of working through the risk-taking, creativity, innovation, and management capabilities (Salim Siagian in Anoraga, 2002: 138). Meanwhile, according to Zimmerer and Scarborough (2008), an entrepreneur is someone who creates new business by taking risks and uncertainties in order to achieve profit and growth by identifying significant opportunities and combining the necessary resources to be capitalized.

#### *Entrepreneurship Process*

Barringer and Ireland (in Anoraga, 2002: 47) stated that in entrepreneurship there are four stages of the process that must be passed, including; (1) Deciding to become an entrepreneur. (2) Developing ideas that have been successful. (3) Realizing ideas to establish entrepreneurship.

The right marketing will ease entrepreneurs to do various efforts in the business. Given that the current entrepreneurial environment is increasingly competitive, all entrepreneurs must be able to properly manage and adjust their strategies to ensure their success. Managing and establishing entrepreneurship is the final stage of the entrepreneurial process. At this stage, the attitude and hard work of the entrepreneur is needed. In the process of establishing and managing a business, entrepreneurs will find various obstacles and challenges.

Based on the process of the formation of entrepreneurial behavior that has been described above, it can be concluded that there are four main stages that must be passed in entrepreneurship, among others: (1) immediately make the decision to become an entrepreneur; (2) develop ideas that have been successful; (3) realize the ideas to establish entrepreneurship; (4) manage and grow entrepreneurship. If these stages can be done well by the entrepreneurs, then the entrepreneurship will run well.

#### *Objectives and Benefits of Entrepreneurship*

Basically, the people who plan and make strategies have a goal to achieve certain benefits including in entrepreneurship. An entrepreneur is able to see and use an opportunity to achieve profit or benefit for him/herself and the surroundings as well as for the business. According to Anoraga (2002: 145), entrepreneurial goals include (1) the need to achieve something better (achievement), (2) the need for independence or freedom, (3) the need for renewal, (4) the need to achieve a better income, and (5) the need to prosper the family.

In addition, Anoraga (2002: 146) also said that entrepreneurship provides several benefits or significance such as (1) increasing productivity; (2) increasing economic growth and providing quite large job opportunities so that it can contribute to economic growth; (3) creating new technologies, products, and services. Many entrepreneurs take advantage of opportunities by creating new products or services to develop their businesses; (4) encouraging innovation. Usually, entrepreneurs do not invent anything new but they still able

to develop innovative methods or products; (5) helping large business organizations. Large businesses often obtain components from small companies.

Zimmerer and Scarborough (2008: 12) pointed out several benefits of entrepreneurship, among others: (1) the opportunities for self-determination; (2) the opportunities to make changes; (3) the opportunities to reach full potential; (4) the opportunities for amazing profits; (5) the opportunities to play a role in society and gain recognition from the business and creativities; and (6) the opportunities to work happily based on passion. Most successful entrepreneurs choose to enter a business that they think is interesting and they passionate about so that they are happy to do it.

### **Factors of Failure in Entrepreneurship**

When starting a new business, an entrepreneur usually faces a big business risk. Referring to the research of Anoraga (2002: 151), there are several reasons or causes of failure in entrepreneurship such as (1) they enter the world of entrepreneurship too quickly, (2) they run out of money or capital, (3) they fail in the planning. The failure rate of new businesses is greater than in large and well-established businesses. It happens due to limited resources, lack of management experience, and lack of financial stability.

Zimmerer and Scarborough (2008: 39) also wrote the factors of failure in entrepreneurship including (1) the inability to manage, (2) the lack of entrepreneurial experience, (3) the poor financial control, (4) the weak marketing efforts, (5) the failure to develop business plans, (6) the uncontrolled growth, (7) the poor location of the business, (8) the improper inventory control, and (9) the wrong pricing.

Based on the factors stated above, it can be concluded that the main factors of failure in entrepreneurship usually arise from things as follows: (a) Internal Factors which include the lack of individual skills (the inability to manage, the lack of entrepreneurial experience, the poor financial control, the weak marketing efforts, the failure to develop business plans, the uncontrolled growth, the improper inventory control, the wrong pricing, and the inability to make entrepreneurial transition. (b) External Factors from the outside environment such as the poor location of the business will cause discomfort.

### **Definition of Entrepreneurial Behavior**

Based on the research of Suryana (2003: 1), behavior in relation to entrepreneurship is the creative and innovative ability that becomes the base, tips, and resources to find opportunities for success in doing business. Entrepreneurship is the ability to create something new and different through creative thinking and innovative action to create opportunities. Every action has a purpose, whether it is realized or not. One of which is entrepreneurial behavior where someone is encouraged to continue to think creatively and innovatively to achieve success in entrepreneurship. Based on some of the above opinions, it can be said that entrepreneurial behavior is the creative and innovative ability used as a broad base to cover everything that is done or experienced by someone to create a new form of business (both in the form of goods and services) through independent, creative, innovative, hard-working, and even risky ways to obtain maximum profit to meet all economic needs.

### **Factors affecting Entrepreneurial Behavior.**

Broadly speaking, there are two important factors that influence entrepreneurship. The first is external factors which consist of family, community, environment, education system. Secondly, there are internal factors that come from within the individual such as physical factors and psychological factors (personality) (Maharani: 2012).

Burgess and Steinhof (in Suryana, 2013: 27) mentioned that successful entrepreneurs generally have these following personality traits: (1) the confidence to work hard independently and face risks; (2) the ability to organize, set goals, be oriented in results, and be responsible; (3) are creative and able to see the opportunities in entrepreneurship; (4) are enjoying challenges and seeking personal satisfaction in getting ideas.

Furthermore, Steinhof and Burgess (in Suryana, 2013: 16) suggested several factors needed to be successful entrepreneurs such as (1) having a clear vision and business goals; (2) willing to bear the risk of time and money; (3) planning and organizing; (4) working hard according to the level of importance; (5) developing relationships with customers, suppliers, and workers; (6) being responsible for both success and failure.

Whereas, according to Timmons (in Suryana, 2013) factors that must be possessed by every entrepreneur to achieve success in entrepreneurship are commitment and determination, leadership skill, the ambition to look for opportunities, the ability to accept risk and uncertainty, creativity, confidence, the ability to adapt, and the motivation for become superior.

### **Local Cultural Values**

Culture in daily life is referred to as habit, tradition, or custom. Culture (*budaya*) is derived from the word “*buddhayah*” (sanskrit) which is a plural form of *buddhi* (mind or reason) and is interpreted as matters relating to the human mind. In English term, culture is derived from the Latin word “*colere*” which means processing or working (Laming and Kuehl, 2007). According to Laming and Kuehl (2007), in relation to entrepreneurship, culture affects a person's level of entrepreneurship.

Some previous studies explained that there is a relationship between culture and entrepreneurship. The cultural aspects in question are local cultures based on the research of Gamage, Cameron, and Woods (2003). Saffu (2003) conducted a research on the role of culture in entrepreneurship where culture has an important role in shaping entrepreneurship, both local culture and national culture.

Jonnius (2010) said that Indonesian society at this time tends to not choose the field of entrepreneurship in the first place so that compared to developed countries, it is still underdeveloped. The culture of entrepreneurship must be developed in the community as early as possible starting from the family environment to formal educations or institutions ranging from primary school to college. Entrepreneurial activities must be well implemented in the community so that they can be directly observed. The activities will become a habit of the community so that it becomes a learning process that will shape habits or culture. To make it an “Entrepreneurship Culture”, the habits must be shared by involving all components in the community.

In general, entrepreneurial culture or “*Budaya Dagang*” for Timorese people has been known since ancient days but it does not receive much attention from the Timorese people. Nowadays, the most well-known culture in South Central Timor Regency is human trafficking that the people are used as commodity to gain profits in all its forms. People started to be sold like goats and cattle. By looking at the historical records (Government of East Nusa Tenggara Province, 2006 *Sejarah Daerah NTT*), Chinese traders who came to visit Timor back then had the intention to do buying and selling transactions. One of the Chinese cultures adapted by Timorese people is how to count using string knots and darts. To date, the culture is still preserved in the inland areas of Timor. In Timorese legend and poetry, it is stated that the ancestors of the Timorese who spoke Tetun came from “*Sina Mutin Malacca*” (White Chinese Malacca) which means that they were white Chinese who came from the Malacca peninsula. This also indicates that the ancestors of the Timorese had gotten along and knew the merchant people from China.

Through the research observation, researchers can understand the mindset of the indigenous people (*atoni meto*) including the education system which shapes the people to become civil servants or reputable persons because reputable in this case is only those who work as civil servants. This view is engraved so strongly in the mindset of the young generations that the motivation to pursue higher education is to become a civil servant.

### **The Concept of Potential**

The word potential comes from the English word “*to potent*” which means solid or strong. Etymologically, potential means power, strength, and ability that are not yet optimal,



whether it has been realized or not. In general, the potential is the basic ability of every person that is very likely to be developed (Prihadhi, 2004)

Therefore, it can be said that self-potential is the ability and strength, whether has been realized or not, owned by someone but not yet fully detected or used.

### Self-potential

In relation to entrepreneurship, potential means the ability and strength possessed by someone in trying or doing business. Potential, in general, can be classified as follows: (Nashori, 2003); (a) Basic abilities which include the level of intelligence, the ability of abstraction, logic, and comprehension. Work ethics, such as persistence, accuracy, work efficiency, and resistance to pressure; (b) Personality, which is the overall pattern of one's abilities, actions, and habits whether physical, spiritual, emotional or social, arranged in a unique way under various external influences.

Howard Gardner (in Prihadhi, Endra K, 2004) mentioned that the most important human's potential is intelligence. This includes (1) *Linguistic intelligence*. This intelligence uses and processes words, both oral and written, effectively. Linguistic intelligence is owned by writers, editors, and journalists to name a few. (2) *Mathematical-logical intelligence*, the ability that is related to the use of numbers in the sensitivity of logic and calculation patterns. (3) *Space*, the ability to deal with sensitivity to recognize shapes and objects precisely and the ability to capture the visual world quickly. This intelligence is usually mastered by architects, decorators, and hunters. (4) *bodily-kinesthetic intelligence*, the ability to use gestures to express ideas and feelings. Actors, dancers, sculptors, athletes, and surgeons usually have this ability. (5) *Musical intelligence*, that is the ability to develop, express, and enjoy forms of music and sound. This ability is found in songwriters and singers. (6) *Interpersonal intelligence*, one's ability to understand and be sensitive to the feelings, motivations, and temperaments of others. This intelligence is generally possessed by a motivator and facilitator. (7) *Intrapersonal intelligence*. This is in concern to one's ability to recognize oneself, reflect, and do a self-balance. (8) *Naturalist intelligence*, that is one's ability to know the nature, flora, and fauna well. (9) *Existential intelligence*. This intelligence is in regard to the sensitivity to answer the deepest problems of human existence such as what is the meaning of life, why humans must be created, and why we live and die.

### Natural Potential

Besides having a cool climate, South Central Timor Regency also has a number of natural resources potentials that have not been fully utilized. The agricultural and horticultural sector, service sector (both construction and general trade), tourism sector, business sector especially small and medium enterprises groups, as well as others sectors are referred to as opportunities or potentials (strength) as stated by the Central Bureau of Statistics, South Central Timor Regency in 2017.

The management of an area is always based on the utilization of a natural resource. The more an area has natural resources, the more efficient the utilization of these natural resources. This means that the economic level in the area will also be better in the long run. Based on the ability to renew after experiencing a disturbance, natural resources are divided into two groups, renewable natural resources and non-renewable natural resources (Ciputra, 2009). Non-renewable natural resources are minerals, petroleum, natural gas, and others. A natural resource can be used for various purposes so that the selection of allotment is very important to be carried out.

From the opinions of experts explained above, it can be concluded that the potential of natural resources is the ability or basic strength possessed by a particular area or region that is still not explored and has the possibility to be developed if supported by adequate training and facilities. Training and facilities are needed in order to utilize the knowledge (human), nature, and culture (traditions or habits) to meet the needs of the people without thinking about the risks that will occur and always learning from the failures experienced.

## METHODS OF RESEARCH

This study used qualitative methods. The research locations of this study were spread throughout the South Central Timor Regency namely Kota Soe Subdistrict and its surrounding areas. The focus of this research was: (1) The young generations who have started entrepreneurship. (2) The young generations who are interested but do not have business capital. (3) The young generations who have completed Higher Education but have not yet received employment opportunities. (4) Are 19 years old and above. The selection of the informant was based on the uniqueness of the case. There were 11 people used as research subjects. These research subject were young people who have finished High School or Higher Education, either those who have started a business or those who are just interested in business. Whereas, the data collection technique used was interview done by asking questions related to the research objectives such as the motivation and entrepreneurial behavior of the local community in utilizing the Opportunities and Potential of Entrepreneurship in South Central Timor Regency as well as the values that exist in Timorese culture that can be exploited to motivate local community in utilizing the Opportunities and Potential of Entrepreneurship in the South Central Timor Regency. In addition to that, the technique of documentation was also used in this study. Documentation was performed on supporting data such as unemployment rate and the general description of the research location. The research method used was descriptive qualitative analysis with Constant Comparative Method because it constantly compares the categories with other categories in the data analysis. On the other hand, the data validation technique used was the triangulation technique.

## RESULTS AND DISCUSSION

### The Relationship between Entrepreneurial Motivation and Behavior

The motivation to become a business actor to take advantage of the Potential and Business Opportunities in South Central Timor Regency in relation to the Entrepreneurial Behavior of young generation. The results of the research found that there is a perception in the community that being an entrepreneur is someone else's business and "being an entrepreneur is a hereditary factor". Many people do not immediately start a business as they got the chance even though they have aspired to become entrepreneurs because they are always overshadowed by several things such as failure. They also tend to only want ease in the process.

The researchers interviewed SBL, a Law Scholar, who works as a business actor in the field of Forest Product Delivery Services (charcoal) regarding the motivation to be a business actor to utilize the Potential and Business Opportunities in the South Central Timor Regency that is related to Entrepreneurial Behavior. The excerpts of the interview are presented in this following section:

*"Ya,, memang yang saya tahu itu, namun sumber daya manusia terutama yang sarjana kita di Kab TTS ini sangat banyak namun masih pasif atau pasrah dengan keadaan yang ada padahal sumber daya alam yang ada kalau dapat di kelola dengan baik mungkin akan menjadi berkah bagi masyarakat TTS".*

*"Yes, I do know that. Human resources, especially the scholars in the South Central Timor Regency are very numerous but they tend to be passive or just surrender to the existing conditions. If managed properly, the natural resources in South Central Timor Regency may be a blessing for the community."*

Besides that, still in regards of the motivation of someone to be a business actor to utilize the Potential and Business Opportunities in the South Central Timor Regency that is related to Entrepreneurial Behavior, another informant named FL is a Bachelor of Engineering who works as a business actor in the field of Construction Services said that:

*"Ya, menurut saya TTS memiliki sumber daya manusia yang cukup memenuhi standar yah...Cuma belum atau tidak di manfaatkan dengan baik oleh Pemerintah setempat di tambah lagi kesadaran yang kurang dari masyarakat pelaku usaha".*

*"In my opinion, South Central Timor Regency has enough human resources to meet the standards but it is just not utilized properly by the local government. Besides that, the local business community also seems to lack of awareness."*

The data from the Central Bureau of Statistics shows that South Central Timor Regency has sufficient human resources with a number of productive age populations by 264,382. So far, the factors causing unemployment are the limitations and availability of job opportunities in the area. It is classified as the culprit of the social problems (employment) in this country so that must be turned into Human Resources Potential by all components of the nation. If the people want to enter the world of entrepreneurship and become an entrepreneur that is reliable and professional, they need to prepare a number of tips and strategies. The strategies in this matter are strongly influenced by the mindset, culture, and ethic of the people in South Central Timor Regency. There is a regional expression that reads "*Klutab is nane kaie muti in lasi* (trading is the business of foreign people)".

There are still many other promising potentials and opportunities that can be developed into economic potentials such as livestock, fisheries, tourism, general trading, services, and others. Still in correlation with the motivation of someone to be a business actor to utilize the Potential and Business Opportunities in the South Central Timor Regency that is related to Entrepreneurial Behavior, SBL, a Law Scholar, who works as a business actor in the field of Forest Product Delivery Services (charcoal) stated in the interview that:

*"Ya,, memang benar itu luas lahan pertanian and peternakan yang masih belum diolah, sejumlah besar obyek wisata yang belum dikelola secara profesional and masih banyak yang lain, namun sumber daya manusia kita di Kab TTS ini sangat masih kurang berpikir atau berorientasi ke arah sana, masih lebih banyak yang menghabiskan waktu menunggu formasi penerimaan CPNSD"*

*"It is true that the area for agriculture and livestock is still not yet processed broadly. There are a large number of tourist objects that have not been professionally managed. The human resources in this South Central Timor Regency also still not into business. They tend to spend time waiting for Civil Servant vacancies"*

From the description and the context of Entrepreneurial Motivation in the regency, the researchers used several indicators which also act as a measuring tool to measure the entrepreneurial behavior and motivation in relation to the utilization of potential resources in South Central Timor Regency such as 1) the willingness and love to work hard, 2) the bravery to take calculated risks, 3) the confidence and independence, 4) the responsibility, and 5) the hospitality and warmth in communication. These five aspects will be used by researchers to measure the level of motivation and entrepreneurial behavior in relation to Entrepreneurship in the South Central Timor Regency.

From the research observation, the researchers discovered that the public especially the young generation has a big interest to enter the entrepreneurial world because they have the expertise and experience. This is according to the statistics that the number of workers in urban areas largely came from this region. Some of them also become migrant workers in several countries by successfully accumulating a large amount of cash and goods. Thus, the classic question in the formulation of the problem in this study is "why there are only a few numbers of local entrepreneur and, if any, are still unsuccessful?" Successful entrepreneurs are those who have high achievement motivation. The distinctive nature of achievement motive is persistence, is keen to take advantage of opportunities, is profit-oriented, is hard-working, and is optimistic in disadvantaged situations. People with achievement motive also always require feedback from planning that has been prepared, have commitment and responsibility for work, and have the ability to manage proactively.

In fact, the most basic capital such as money can be obtained through personal properties or loans (credit) as quoted from an interview with SBL in this following section:

*"Ya menurut saya modal tunai itu sangat penting bagi seorang wirausaha.karena bagaimanapun modal merupakan sumber utama untuk memulai sebuah usaha baru namun lebih dari itu minat and motivasi itu jauh lebih penting.*

*"For me, money capital is very important for an entrepreneur. Somehow, capital is the main source for starting a new business but more than that, there is interest and motivation"*

The statement above is reinforced by AB who said that;

*"Ya jika kita berbicara tentang modal tentunya kita berbicara tentang uang, dimana uang adalah penggerak utama perekonomian manusia. tanpa uang seseorang tidak akan berbuat apa-apa,namun bagi saya modal ini bukan hanya uang, yang lebih diperlukan oleh seorang wirausaha,semangat berwirausaha and keberaan mengambil resiko".*

*"If we talk about capital, of course, we are talking about money. Money is the main driver of the people's economy. Without money, someone will not be capable to do anything. But for me, capital is not just money. An entrepreneur needs an entrepreneurial spirit and willingness to take risks"*

### **The Relationship between Culture and Entrepreneurial Behavior**

It has been explained before that the people of South Central Timor Regency live mostly in inland areas with a mindset that is still very limited in interpreting entrepreneurship.

### **Culture and Work Ethic**

From the results of the study, it is found that future-oriented aspects still not become the concern of the community because the people of South Central Timor Regency is still bounded by the philosophy "*makan itu sakral and tidak dapat diperjual-belikan*" which means that eating is a sacred thing and cannot be traded. One of the most common misconceptions of the local community regarding entrepreneurs is that they are completely driven by the desire to make money. Conversely, achievement appears to be the primary motivation of entrepreneurs, money is just a simple way to calculate scores or symbols of achievement. The people of South Central Timor Regency also still consider entrepreneurship as the last choice after they failed to apply as a Civil Servant. For them, education is the way to become a reputable person that is a Civil Servant.

People in this area are religious communities but they also still believe in myths and legends. On the one hand, they believe in God (*Uis Neno/Lord of the heavens*) but on the other hand, they believe in the Lord of the earth and myths (*uis pah ma nitu*).

This is a statement from FL recorded in the interview of the research:

*"Ya memang budaya berpengaruh karena jika memperhatikan jumlah pengusaha kita yang anak "pribumi" di TTS masih tertinggal jauh dari dari etnis China, Bugis, and para pedagang dari Sulawesi, Padang, Jawa and lain-lain, salah satu faktor yang mempengaruhi ketertinggalan kita ini adalah faktor budaya.*

*"I agree that culture is influential because if you pay attention to the number of the business actors in South Central Timor Regency, it is still dominated by the Chinese and Bugis and traders from Sulawesi, Padang, Java, and other areas. One of the factors that affect our deficiency is a cultural factor"*

The same opinion was also expressed by SBL that:

*"Sebagian besar masyarakat Kab.TTS lebih memilih pekerjaan dibidang lain daripada berwirausaha salah satu hal yang menyebabkan kondisi tersebut dilakukan karena budaya, rata-rata budaya masyarakat TTS itu sama saja dengan daerah-daerah lain."*

*"Most of the people of South Central Timor Regency prefer jobs in other fields rather than entrepreneurship. One of the things that causes these conditions is because of the culture. In general, the culture of South Central Timor Regency community is the same as other regions"*

From the interviews with informants, some unique things were illustrated such as the opinion of MN who sees trading as a foreigner profession:

*"It is true that the "natives" in South Central Timor Regency do not take the issue of trading as their concern "Klutab lakan nane kaie muti in lasi". This makes the people of South Central Timor Regency far behind the migrants from Sulawesi, Padang, Java, and others"*

Some cultural traditions can encourage or prevent someone from entering the entrepreneurial world. Thus, to build entrepreneurship in South Central Timor Regency, it is suggested to know the extent to which the culture and characteristics of the local community can convince (or even reject) a business to be built in the area. Timorese culture in relation to entrepreneurship has several values that can be developed as potentials for entrepreneurship.

### **Religious Spiritual Values.**

Based on the data in 2017, the population in South Central Timor Regency was 461,887 people. The people in the region could be categorized as a religious community because almost 97.63% of the population were Protestant and the remaining 10.25% were Catholics (Central Bureau of Statistics of South Central Timor Regency in 2017, the Ministry of Religion, South Central Timor Regency). However, the facts also show that Christianity has not yet had a significant influence on the everyday life of the people. It is known that Christianity has not yet been a driving force for change in Timorese society towards a developed and prosperous society (Manuu, Yosafat 2010 in the Holistic Seminar in Soe).

Based on the understanding above, an entrepreneur has the characteristics of superior thinking, bravery, and acting in an advanced way in handling independent business (in various forms) to be success. In this study (see Table 3), the researchers found that religion has a relationship with entrepreneurial decisions. In particular, Christianity in South Central Timor Regency is very conducive to motivate the people to become entrepreneurs. Thus, empirical evidence shows that religion influences economic behavior by which it also has a relationship with entrepreneurial behavior. The church's view of entrepreneurship must lead to the reality of people's lives that need changes.

By looking at the results of research, Christianity has not been able to replace the original beliefs of the local people in Neno, Uis Pah, da nitu (sacred things worshiped by ancestors in South Central Timor Regency). This is clearly illustrated in the phrase *"maski fatu fua ai hau fua ma se'ak nako pah pinan I, mes fe ka ma se'ak fa nako hai nek mini"* (although the worship stone and wood have been removed from the face of the earth, it still strongly attached our heart).

This is similar with the statement from SBL that:

*"Sebagian besar masyarakat tradisional di TTS itu sudah sejak nenek moyang atau beribu-ribu tahun yang lalu yang meyakini Uis neno and uis pah hingga kini and terus di lakukan secara sakral apabila pada waktu tertentu, tetapi itu kepercayaan bukan penyembahan berhala kata petuah – petuah orang TTS."*

*"Since thousands of years ago, most of the traditional people in South Central Timor Regency believe in Uis neno and uis pah and they continue to worship them sacredly at a certain time. They say that this is only their beliefs, they do not worship statues"*

SBL also argued that:

*"Ya memang benar, sangat menolong and berpengaruh karena jika dibandingkan , harusnya gereja bisa membantu kami sebagai jemaat karena gereja memiliki sejumlah lembaga and aset yang dapat dimanfaatkan untuk kegiatan pendidikan and pelatihan kreatifitas, manusia "gereja" di TTS masih tertinggal jauh dari pendatang karna salah satu faktor yang mempengaruhi ketertinggalan kita ini adalah faktor etos kerja and kurang keahlian."*

*"Yes, the church is very helpful and influential. The church should be able to help us as a congregation because the church has a number of institutions and assets that can be utilized for educational activities and creativity training. The "church" people in South Central Timor Regency are still far behind from migrants because of the work ethic and expertise that still lacking"*

Another similar statement was delivered by PON in the interview as follows:

*"Ya menurut saya, inilah yang tepat untu gereja membuat sesuatu mempengaruhi kemajuan di daerah kita, padahal potensi kita lebih bagus di banding daerah-daerah lain. Namun... itulah salah satu di daerah kita ini yang membuat kita tertinggal jauh dari daerah lain."*

*"I think that it is the right thing for the church to make changes in our area because our potential is better than in other regions. However, there is one reason that makes us left behind compared to other regions"*

Gereja Masehi Injil Timor (GMIT) has its own concept to overcome a number of social and economic problems that occur in East Nusa Tenggara such as poverty, poor quality of education, and health and ecological damage. Another impact which is the reality in the community is the breaking of the poverty cycle, disease, environmental destruction, and others. In such context, GMIT seeks to make its services beneficial for the strengthening of spiritual power that is correlated with the improvement of human life and nature (Eka Darmaputera, 2002). From some of these positive values, researchers offer a concept to encourage the economy of the community.

### **The Role of Government and Other Institutions**

Cultural values, spiritualism, sociology, and entrepreneurial mindset must be built as early as possible by all components especially the Government, both Central and Regional. Education and motivation to foster entrepreneurial behavior must be strongly instilled and adhered to in the personality of each young generation. This will provide a meaningful contribution to the development of entrepreneurship especially in empowering local communities in the South Central Timor Regency. In other words, to which the extent of the efforts of the Government, prominent figures (church figure), and traditional figure (cultural values) in the region to make it work together. Therefore, some of these components are expected to be able to make a positive contribution in shaping the entrepreneurial behavior

and motivation of the young generation through facilities and infrastructure in relation to the utilization of the existing potential.

Referring to previous research from Maharani (2013) on the Aspects of Entrepreneurial Behavior, the researchers explore the factors that influence Entrepreneurial Behavior and Motivation in utilizing the existing Potential Resources (Human Resources, Natural Resources, and Business Capital) such as (a) the willingness and love to work hard, (b) the bravery to take calculated risks, (c) the confidence and independence, (d) the responsibility, (e) the hospitality and warmth in communication, (f) the orientation for the future, and (g) the mindset that achievement is more important than money. It is found that all factors mentioned above have a low level on average.

## **CONCLUSION**

Based on the results and discussion of the study, there is a mutually influential relationship between Entrepreneurial Motivation and Behavior of the local community with the opportunity to utilize the Entrepreneurship Potential owned by the region (both in terms of Human Resources, Natural Resources, and the ease to obtain Business Capital and Credit Facilities) with Religious and Socio-Cultural Values. The researchers conclude that;

- (1) The interest and Entrepreneurial Motivation of the local community especially the young generations in utilizing the Opportunities and Potential of Entrepreneurship in the Region are quite high. However, the Behavior and Work Ethics of the local community are still low including (a) the willingness and love to work hard, (b) the bravery to take calculated risks, (c) the confidence and independence, (d) the responsibility, (e) the hospitality and warmth in communication, (f) the orientation for the future, and (g) the mindset that achievement is more important than money.
- (2) The Behavior and Work Ethics of local people in entrepreneurship are also still low. Although there are socio-cultural values and religious values that can be exploited to increase entrepreneurial motivation for local communities especially the young ones, this has not been maximized by various parties to maximize entrepreneurial potential in South Central Timor Regency.

## **Suggestion**

Based on the conclusions above, the researchers recommend several things as follows:

- 1) The young generation needs changes in the Entrepreneurial Mindset and Behavior to foster Entrepreneurial Interest and Motivation in an effort to utilize Entrepreneurship Opportunities and Potentials. This effort must be done immediately through various means including a) Entrepreneurship Education and Training; b) Harmonious relationships with institutions which provide Business Capital and Credit Facilities (Banking) so that there will be no difficulties in financing the business; c) The Spirit and Courage to Start a Business without thinking about failure because failure is delayed success.
- 2) The public in general, government, and religious leaders are necessary to preserve the cultural values of the local community (Timor) which can be explored as an Entrepreneurial Motivation in exploiting the Potential in the "Cendana Regency" of South Central Timor Regency.

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