



#### **Conference Paper**

# **Entrepreneurial Motivation in the Fourth Industrial Revolution**

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#### **Abstract**

This study aimed to analyze the entrepreneurial motivation of members of Pemberdayaan Kesejahteraan Keluarga (PKK) in the Trenggalek Regency during the fourth industrial revolution. A descriptive qualitative approach was used. Data collection involved interviews and triangulation techniques. The results indicated that people are motivated to start a business because there is the hope of making a profit to meet their needs. By being an entrepreneur, a person is free to carry out their affairs in their way, enjoy their profits, gain additional income, and be free of the rules of the organization/company, intervention or influence of others. Also, people want to be an entrepreneur because they have a sense of pride in being able to be independent in making capital, managing supervision and being a leader for themself, and trying to get out of the challenges of their life without expecting help from others. However, people who try to become entrepreneurs in the fourth industrial revolution face challenges. It is necessary to increase the government's participation in creating new entrepreneurs to face these challenges. One approach is providing training to equip the community with skills and abilities in utilizing the resources they have. It is important to change the mindset of the community to become entrepreneurs.

**Keywords:** entrepreneurship, industrial revolution, motivation

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## 1. Introduction

Entrepreneurship or also called an entrepreneur is defined as the characteristics of courage, virtue, exemplary in taking risks originating from one's abilities. Cheng (2019) said that entrepreneurship as someone brave in starting a business. The emergence of an entrepreneur is none other than as a result of the imbalance in the labor market. In other words, the workforce that is not accommodated in the formal sector will be faced with two problems, namely, they continue to be unemployed or they have to open their employment which is called entrepreneurship.

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Cuervo (2005) told the characteristics of individual actors are psychological aspects that influence an individual's decision to become an independent/entrepreneurial



worker. Motivation is one of the psychological processes that can explain a person's behavior so that it can lead to encouragement or high confidence in humans. The fourth industrial revolution requires people to think more productively because changes in the business world in achieving production are faster. Hati et al. (2018) suggest that the community must have a thought "capable of competence" because almost all human activities utilize technology that can change the order of life and human lifestyle.

On the other hand, concerns that engine power will one day take over human work, and society will be more likely to be consumptive. This development requires commitment from the government and the community to be more able to innovate and be creative as globalization flows more quickly. The problem of many unemployment and competitiveness of human resources is a real challenge for Indonesia. Indonesia is also predicted that in 2030-2040 the population will have a more productive age than the non-productive population. According to data from the Badan Pusat Statistik (BPS) in 2018 there were 7 million unemployed out of the total workforce of 131.01 million people. The large number of people of productive age who are unemployed must be followed by an increase in quality, and the need for human resource empowerment in Indonesia, one of which is skills in entrepreneurship.

Problems in the field show that the community, especially in Salamrejo Village, Karangan District, Trenggalek Regency, has very few entrepreneurs, one of them is a member of the Pemberdayaan Kesejahteraan Keluarga (PKK). The majority of PKK members work mainly as housewives and rely on income from the head of the family. In the fourth industrial revolution, requires PKK members to be able to provide additional income in the family, namely by utilizing technology or by entrepreneurship. Many of them think that starting a business requires a lot of funds so that the tendency for entrepreneurship is still very minimal. Entrepreneurship is one way to overcome the challenges of the community in entrepreneurship because of financial limitations, managerial capabilities, limited networks, and lack of government attention. Martono (2019) suggested that entrepreneurs should make the most of the fourth industrial revolution. Because of the many changes occurring in the digital age, people must be able to anticipate and adapt to the waves of the fourth industrial revolution. This change can be a challenge as well as a new opportunity for entrepreneurs.



## 2. Literature Review

## 2.1. Entrepreneurial

According to Ghasemi et al. (2011) entrepreneur is a process of implementing creativity and innovation in problems solving and finding opportunities to improve lives. According to Kasali (2011), an entrepreneur is someone who likes change, doing something that differentiates themselves with others, creating added value, provide benefits for their self and others, their work is built continuously (not a momentary blast) and institutionalized so that one day can work effectively by others. From the definition above there are some important things that are meant by entrepreneurship, that is to create/produce a value of new goods or services that generate value-added, ability and speed in reading business opportunities, dare and want to take risks, so that from the risk of making a profit, and have the skills in management and communication.

## 2.2. Entrepreneurial Motivation

According to Endang (2012), motivation is one of the deciding factors in achieving a goal. Motivation relates to strong encouragement or strength in humans and invisible from the outside. Entrepreneurial motivation is an encouragement in one's self to actualize the potential of creative and innovative thinking in the effort to create new products and has added value for mutual interest Ardiyanti & Mora (2019). According to Saiman (2009), the four motivations of one person to entrepreneurship are as follows:

- Profit. A person performs entrepreneurial activities to determine how much profit is desired, the profit received, and how much will be paid to the other party or its employees.
- Freedom. For someone who has started and is running a business, their motivation in the greatest entrepreneurial is the more free activity that people will feel freer when doing activities. So that people can carry out a more free business, and without the rules from others (such as working hours, layoffs, work shirts).
- Personal goals. Personal goals can realize one's ideals to obtain goals that will be
  achieved in the future to meet the needs of life. It is free to achieve the expected
  and better standards of life than before, free from repetitive and monotonous
  work routines, as it has to follow the vision, Mission, dreams of others. According
  to Venesaar et al. (2006), A personal dream is a self-realization consisting of (1)



- gaining a better position in the community; (2) feel the challenge; (3) continuing family traditions; (4) implementing ideas or innovating; and (5) follow others.
- Independence. A person doing entrepreneurial activity has a sense of pride because it can be independent in all respects, such as capital, self-reliance in management or management, self-supervision, and manager of himself.

Out of the four motivations, if a person becomes an entrepreneur, it will get the advantages when having their own business, which is explained in the table below:

TABLE 1: Advantages of Entrepreneurship

Motivation factors of entrepreneurship Profit	Advantages
Profit	Having a sense of pride because it can determine how much profit is desired, and how much will be paid to other parties or employees
Freedom	Freedom is free to set the time, free from the rules that suppress / bind and free from the rules of the culture of the organization/company
Personal goals	Can achieve the expected standard of living
Independence	having pride in being able to be independent in all matters, such as capital and management

Source: Data processed, 2020

#### 2.3. The Fourth Industrial Revolution

Prasetyo & Sutopo (2018) told that the fourth generation industry or known as the fourth industrial revolution is the impact of advances in technology that is growing rapidly. First characterized by the invention of steam engines and mechanization that began to replace human work. Both are characterized by production machines that work with electricity for mass production activities. The third is characterized by computer technology for manufacturing automation. And fourth, since the year 2011, characterized by the development of sensor technology, interconnection, and data analysis to integrate all these technologies into various fields of industry. The implementation of these changes is a more efficient and effective innovation and business model. The fourth industrial revolution is expected to achieve the development of a globally competitive manufacturing industry through the implementation of connectivity and digitization can improve the efficiency of manufacturing chains and product quality. But on the other hand, the negative impact of industrial digitization is the absorption of labor and disrupts the conventional business. The government should anticipate, lest the application of

this digital industrial system be a burden because it cannot be optimally utilized (Satya, 2018).

The fourth industrial revolution, the role of society is also indispensable to improve the competitiveness of countries in terms of the economy. Society should be able to answer the global challenge of one of them by entrepreneurial. With entrepreneurship can suppress the level of recruitment caused by the reduction of manpower that is diverted to the engine power to carry out operational and managerial tasks in a company.

### 3. Research Framework

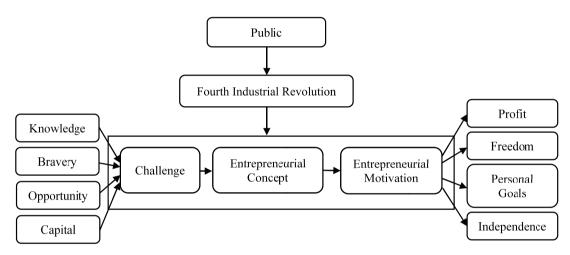


Figure 1: Research Framework (Source: Data processed, 2020)

#### 4. Method

This research method uses a qualitative descriptive approach. The focus of the election is because the researchers can present data in a descriptive scientific context in understanding the phenomena experienced by the research informant Moleong (2006). Descriptive research is a study aimed at exposing the symptoms, facts, or events systematically and accurately, recognizing the properties of certain populations or regions. The goal is to make the pension systematically, factual, and accurate on the facts and properties of the verses of the specific region (Wagiran, 2013).

This Sampling is purposive, Sugiyono (2015) explains that purposive is a sampling technique for certain considerations based on the fulfillment of information needed. Data collection in this study using interview techniques and Triangulation (combined), data analysis is inductive/qualitative, and the results of qualitative research emphasize the meaning of generalization. The Target of the interview or primary data source is



chairman of PKK and members of PKK in the Salamrejo Village, Karangan District, Trenggalek Regency as many as 26 people. The interview aims to explore the necessary information by asking questions related to the research. Interviews are not forced for members of Karang Taruna, for those who do not wish to do interviews.

## 5. Result and Discussion

## 5.1. The Challenge in The Fourth Industrial Revolution

The fourth industrial revolution was the development of three previous eras characterized by the growth of various digital technologies. The development of digital technology today is very rapidly characterized by the development of communication technology made in Korea with Samsung Android products that ramp the world market. People can easily access information anywhere and anytime in realtime. Such developments can enable individuals from different countries can work in the digital world together (Giones & Brem, 2017). In that era very much influence, especially to the people of Indonesia, people can easily access all activities just by relying on their smartphones such as marketplace, e-commerce, social media, and others.

With such developments will arise new problems, one in the field of economics. Economic activities such as buying and selling, bargain prices, promotions, marketing that previously done physically now much done online. So that the activity will create a new mobilize, which by the existence of physical activities such as offline stores that require human resources now such activities can be done online that does not require many human resources.

Therefore, before the emergence of a more advanced era, people must read the opportunity to avoid being buried in the vortex of poverty. People can answer the challenge of one of them by becoming an entrepreneur. To be an entrepreneur must have an entrepreneurial spirit. Such entrepreneur souls can be encouraged by entrepreneurial motivation. Based on the results of interviews with one of PKK members in the Salamrejo Village, Karangan District, Trenggalek Regency challenge to become an entrepreneur in the fourth industrial revolution namely:

"The challenges we face become entrepreneurial or start a new business in the fourth industrial revolution or that we know the digital era, among others, the majority of us lack knowledge in utilizing digital devices for entrepreneurship, also, the absence of courage to start the business, less careful reading opportunities, and lack of capital".



Based on the interview, it is known that the main challenge faced by PKK members to start a business is their lack of knowledge in utilizing digital devices and features. To have this skill takes time especially for members of PKK whose entire members are housewives. Also, they are constrained by the courage factor to start the business, less careful in reading opportunities, and the absence of capital. Starting a business also does not appear suddenly, it takes strong courage to start it, usually because of fear when the established business failed. It is in line with the research of Malik (2019) under the title Creating Competitive Advantage through Source Basic Capital Strategic Humanity in the fourth industrial revolution. So it takes motivation to start entrepreneurial to face these challenges.

## 5.2. Entrepreneurial Concept

Entrepreneurship is the spirit, attitude, behavior, and ability of a person in creating an item or service that has value added at the expense of time, finances, Psychologist and social aspects by receiving the outcome of rewards money/profit even personal satisfaction. Characteristics of an entrepreneurial concept (Suryana, 2009) as follows:

• Independent or not dependent. One is said to be "self-reliant" if it can be selfemployed without having to depend on other people in making decisions, acting, or for adequate needs. Here are the interviews with one of PKK members, namely:

"I want to start entrepreneurial because to help the finances of the family so that it does not always depend on the income of husbands, because most of the household head income is still not enough to need. So I want to try to do business from the training experience that I follow as a member of the PKK."

Dare to take risks. In the entrepreneurial activity, one is required to have the ability
to take reasonable risks and like challenges. Because the possibility of failure is
the risk that must be received then the need for hard work, commitment, and
hope of earning rewards. Here are the interviews with one of the members of
PKK, namely:

"I have not had a business until now, because I am afraid of loss. Because I have not had the experience of selling and in my family the average of farmers and employees. But one time I still wanted to have my own business".



 Always looking for opportunities, jellies seeing opportunities that arise around us as an idea of business is quite worthy of work. Here are the interviews with one of the members of PKK, namely:

"I do not understand the opportunity to start selling, especially now many people who sell online, while I operate features that have no mobile phone too."

The interviews proved that there was their desire for entrepreneurship so as not to rely on the husband's income, the added income, and from observations about entrepreneurship. This is in line with the results of Kirkley (2016) research that three specific values are believed to be critical for entrepreneurial behavior motivation, namely, independence, courage, and creativity in gaining opportunities.

## 5.3. Entrepreneurial Motivation

Motivation to start a business, among others, because to answer the challenges such as the courage factor to start the business, less careful in reading opportunities, absence of capital, and lack of knowledge in the use of digital devices and the features contained therein. The following interview with PKK chairman of Salamrejo Village, the Karangan District, Trenggalek Regency:

"The majority of members do not have their own business. By becoming a member of PKK they are expected to be able to establish an independent business because in every activity conducted PKK directs its members even the community involved to be able to be economically independent. It is supported by the training held every month such as cooking training, table manner, makeup, and one of them".

The interviews proved that the majority of PKK members did not have their own business, so hopefully from the PKK activities are also able to motivate their members for entrepreneurship. Also, the Chairman of PKK expressed motivation in entrepreneurial less because of difficulty changing the mindset of society, especially members of PKK to be financially independent. The motivation for entrepreneurship will arise when there is a psychological view of the importance of entrepreneurship that is influenced by four factors (Saiman, 2009), namely:

First, profit factor, one will do business in hopes of obtaining profit. So it will encourage the person to continue doing the business so that the profit gained more and more. Here are the interviews with one of PKK members, namely:



"We want to open a business because we see people who have a lot of profit, so they can fulfill their needs well, buy their needs, and their efforts are getting more advanced".

From the interview profit or profit can encourage a person to entrepreneurship. This is by the research conducted by (Mariati et al., 2019) that a business person can determine how much income they want to gain even they believe that even though they are not working they still earn a profit-oriented income.

Second, the freedom factor, entrepreneurship cannot be confused with the person working in the organization/company. Entrepreneurship has the freedom to organize the life and behavior of his work flexibly, not tied to working hours such as in an organization/company. Free when to start and end in work, because they are set up as bosses in his own company. Here is one of the results of interviews with members of PKK, namely:

"One of our desires to be an entrepreneur is that we could have a flexible time, no office hours, nothing to arrange to leave and go home what. We are also not bound to use the official uniforms and the rules that are in the office"

The motivation of a person is entrepreneurial because it has the freedom and no binding organization/company rules. This is in line with research Mahesa et al. (2012) showing that one is motivated to be an entrepreneur because they are free in determining entrepreneurial careers, such as doing their business in their way, enjoying their earnings, and arranging their schedules.

Third, the personal dream factor, one is motivated to be an entrepreneur because they have personal dreams or personal dreams. Dreams are ideas that want to be achieved like success with entrepreneurship without the intervention or influence of other people so that they are motivated to realize the personal dream. Here are the results of interviews with members of PKK, namely:

"We want to have a business and will develop in the day, because so we can create jobs for others, see the more the day of the addition of more and more, besides I can also put a position in the community".

Goals are needed in one's self for being able to encourage someone to do something and realize their goals. As for the various understanding of entrepreneurship and entrepreneurs that have been raised above can be known motivation that encourages

a person to entrepreneurial namely personal dreams: creating work, overcoming Unemployment, resource utilization, have a capital, more and more innovative, opportunities, want to increase the value-added, overcoming poverty, motive achievement, courage and have experience. This is by the research conducted by Saputri (2019) on the students concerning their encouragement to entrepreneurial so that the business is more advanced.

Fourth, self-reliance factor, a person who chooses to be an entrepreneur because it has a sense of pride to be independent in the capital, management of supervision, and become a leader for itself. Here is one of the results of interviews with members of PKK, namely: "By having a business later I can manage my efforts, no boss that ruled me, so I can determine for myself how much capital I will use and how my efforts can run".

The interview explains that this self-reliance factor also relates to someone trying to get out of the challenge of his life without expecting help from others. This is by the research conducted by (Austhi, 2017) that the experience experienced by a person has pushed himself financially independent as an adult.

### 6. Conclusion

Conclusions derived from the results of this research, among others, are as follows:

- A person has the motivation to start an effort because there is hope to gain profit to meet their needs.
- By being a free entrepreneur in determining an entrepreneurial career, such as
  doing their business in their way, enjoying their earnings and organizing their
  schedules, and not tied to the rules of the organization/company.
- Factors of personal dreams can motivate a person to be an entrepreneur because dreams are ideals that want to be achieved, such as wanting to succeed with entrepreneurship without the intervention or influence of others.
- One wants to be entrepreneurial because it has a sense of pride to be independent in the capital, management of supervision and being a leader for himself, and trying to get out of the challenge of his life without expecting help from others.
- The challenge faced by one to become an entrepreneur in the fourth industrial revolution is lack of knowledge in the use of digital devices and features in it, the courage to start the business, less careful in reading opportunities, and the absence of capital.



## 7. Recommendation

Recommendations based on the results of the fourth industrial revolution research include the following:

- The recommendations that can be given to this article include the following: improving the participation of the Government in creating new entrepreneurs. One of them provides training to equip the skills and abilities of the community by utilizing the resources owned. Entrepreneurship can be developed as one of the ways to empower people, especially members of PKK in the Salamrejo Village, Karangan District, Trenggalek Regency in the fourth industrial revolution.
- A growing entrepreneurial character to change the mindset to be more creative in producing products or services that can provide additional income for the family can even be a major income.

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