

Creating Entrepreneurs through Vocational High School to Reduce Unemployment in Indonesia

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Abstract

In many nations, including Indonesia, unemployment is one of the key problems. The percentage rate of unemployment in Indonesia is still relatively high compared to other countries, although it has dropped every year. Vocational High School (VHS) graduates dominate the largest number of unemployed individuals in Indonesia. Creative entrepreneurs are one option since they can build their own work. But the entrepreneurial interest of VHS students in Indonesia is still low. The objective of this research is to develop strategies for creating entrepreneurship in conjunction with the skills needed to become entrepreneurs. Primary data was gathered with eleven headmasters of VHS in Indonesia through focus group discussion (FGD) and secondary data collected from literature research. The data analysis was processed through stakeholder analysis and the house model to create an effective strategy and decision. The study results indicate that synergistic cooperation from a quadruple helix consisting of universities, entrepreneurial societies, government, and industry is required in order to achieve 'one student, one business' mission as the output. Furthermore, organizing talent management to provide the mindset as CEO for vocational students and training school principals is a way out of this issue in order to create links and match VHS student interests and providing the growth of CEO mindset training for the VHS principals. Therefore, VHS Students can establish their own company and become entrepreneurs according to their interests and ambitions, both before and after graduating from VHS.

Keywords: *Entrepreneur; Stakeholder Analysis; The House Model; Unemployment; Vocational High School*



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INTRODUCTION

Vocational High Schools play an important role in helping people who need shortcuts to become decent workers with good work skills without having to continue their education to a higher level. But unfortunately, unemployment in Indonesia is dominated by Vocational High School graduates, with a percentage of 8.49% (Badan Pusat Statistik, 2020a). It is shown in Chart 1. Based on Chart 1, unemployment in Indonesia is dominated by Vocational High schools for the past five years. One of the causes is the mismatch between the provision of the right majors and the skills needed in the industry. It is suspected that many Vocational High School graduates are looking for jobs according to their fields of expertise. Meanwhile, job opportunities in accordance with their expertise are narrow, so they prefer to be unemployed. In fact, the majority of Vocational High School graduates work only as production workers, transportation equipment operators, and manual workers, amounting to 6,396,816 workers, while only 246,759 workers are in the

leadership and management staff in 2020 (Badan Pusat Statistik, 2020b). They are still unable to compete with graduates from high schools and universities for positions as leadership and management personnel.

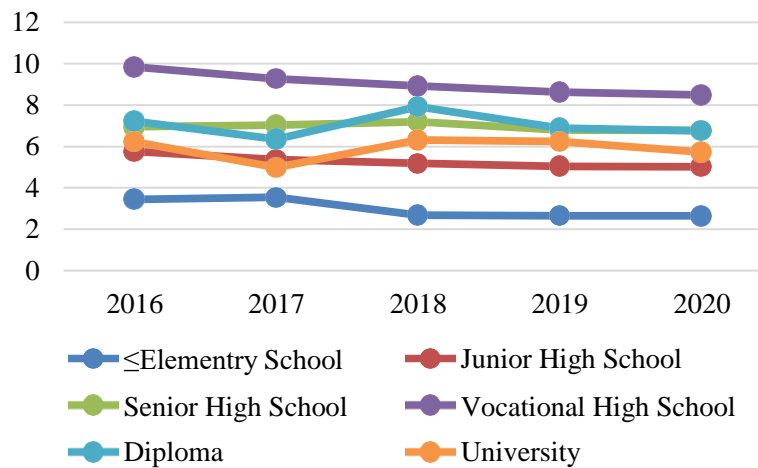


Chart 1. The Percentage of The Number of Unemployed Based on The Last Education Completes in 2016- 2020

Source: The data is processed from BPS (2021)

Vocational High School graduates who are absorbed in the industry are still low compared to Senior High School, with a percentage of 11.82% compared to 18.34% (Badan Pusat Statistik, 2020a). Those who work are still getting low and improper wages. The average wage for Vocational High School graduate workers is only in the range of 2.83 million rupiahs, which is still below the national average wage of 2.92 million rupiahs for workers (Badan Pusat Statistik, 2020b). This unemployment problem can affect Indonesia in achieving the Sustainable Development Goals (SDGs), especially in point 4, "Quality Education" and point 8 "Decent Work and Economic Growth". Currently, Indonesia is only the 101st country out of 166, with a score of 65.3 in terms of SDGs (Sachs, J., Schmidt-Traub, G., Kroll, C., Lafortune, G., Fuller, G., Woelm, 2020). Therefore, one solution to overcome this is to become an entrepreneur, at least like MSMEs. That way, Vocational High School can be a tool to create entrepreneurs and be able to help reduce the number of unemployed in Indonesia. It can also increase the number of entrepreneurs as a whole in Indonesia, where currently Indonesia is still unable to compete with developing countries such as Malaysia, Vietnam, the Philippines and others. According to Ácsc and Szerb (2018) about Global Entrepreneurship Indeks (GEINDEX) that Indonesia ranks 7th in ASEAN and 94th in the world out of 137 countries. However, the entrepreneurial intention of Vocational High School students in Indonesia is still low. Sulistiono et al. (2019), in their research on the learning interest of the high school and VHS students in Bogor City, showed that only 15.23% were interested in registering for the entrepreneurship study program which means that students' interest in entrepreneurship is still low. Meanwhile, according to Wibowo (2011), his research showed that learning plays an important role in increasing student interest in entrepreneurship through subjects, work practices, and training on entrepreneurship. Therefore, the principal, as a leader in the school, has an important role in making policies in schools in determining effective and efficient learning or

strategies in managing the talents of their students, especially in the field of entrepreneurship, so that they can encourage students to become entrepreneurs.

To find out the right strategy in increasing the number of entrepreneurs from VHS, this study uses The House Model and Forced Field Analysis (FFA). The involvement of the head of VHS is needed to determine the right strategy for VHS students as leaders and policymakers in VHS so that the strategy is right on target by making the heads of VHS respondents in this study. Therefore, the objectives of this research are:

1. Identifying the causes of the lack of entrepreneurs from Vocational High Schools
2. Developing strategies for creating entrepreneurship in conjunction with the skills needed to become entrepreneurs

This paper emphasizes the importance of being concerned about the unemployment situation in Indonesia, which is dominantly contributed by VHS students and then moves on to what is currently being implemented to solve the problem.

LITERATURE REVIEW

According to Rieckhoff and Larsen (2012) that entrepreneurship is a passion that allows entrepreneurs to believe that what they are doing is the key to realizing dreams and overcoming difficulties. There are many kinds of entrepreneurs, such as technopreneur, solopreneur, entrepreneur, etc. Meanwhile, the entrepreneurial intention is a human attitude towards consequences of consequential decisions and their desirability of self-efficacy, trustworthiness, their response to future opportunities (Anwar and Abdullah, 2021). To find out the entrepreneurial behavior of students, the entrepreneurial intention has been shown to be the best predictor (Krueger and Casrud, 1993). To find out a person's entrepreneurial intentions, one of the tools that can be used is the Theory of Planned Behavior (TPB). According to Icek A (1991), TPB states a person's intention to carry out a behavior; the intention is an intermediate variable that causes the behavior of an attitude or other variables. There are three factors that influence a person's entrepreneurial intention, namely subjective norm, perceived behavior control, and attitude toward.

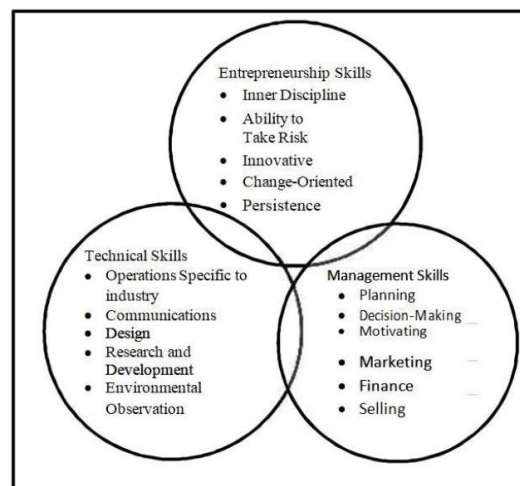


Figure 1. Entrepreneurial Skill-Sets Source: Kusmintarti et al. (2018)
Source: Kusmintarti et al. (2018)

Not only entrepreneurial intention is needed to become an entrepreneur, but skills are also needed. Self-concept, intention, and personal characteristics shape one's skills and knowledge, and there are differences in competencies between someone who has superior performance and someone who has mediocre performance; this is identified as differentiating competencies between "superior performers" and "average performers" (Spencer & Spencer, 1993). We can distinguish students who have the potential to become entrepreneurs from those who do not through the skills they have, especially skills in entrepreneurship. An illustration of the skills students need to become an entrepreneur is shown in Figure 1.

Based on Figure 1, it shows that to become an entrepreneur, not only entrepreneurial skills are needed, but also technical skills and management skills (Kusmintarti et al., 2018). Not all departments at Vocational High School accept learning materials about management skills or entrepreneurial skills, such as engineering majors. Therefore, for Vocational High School students who have the desire to enter a career path as an entrepreneur, these skills must be trained and given to these students by the school. Apart from skills, another important thing that an entrepreneur must have is personal characteristics that reflect an entrepreneur; these characteristics must be built from now on. Some of these characteristics will form the foundation of a strategy in overcoming unemployment problems. Some of these characteristics are:

Creativity

Creativity is important for an entrepreneur (Birdthistle, 2008). An entrepreneur must be able to seize opportunities and create new business ideas so as to produce a new and innovative product that differentiates from other products and is able to compete.

Internal Locus of Control

People who have an internal locus of control believe that failure and success in entrepreneurship are determined by their own abilities and efforts. The research results state that students who tend to have an internal locus of the control value their entrepreneurial activities more (Lüthje and Franke, 2003). This can also be used to encourage a student to continue his career as an entrepreneur after graduating (Kusmintarti et al., 2018)

Risk-Taking Propensity

Risk-taking propensity is a characteristic that distinguishes entrepreneurs from non-entrepreneurs (Begley, 1995). When running a business, you will definitely face uncertain business conditions; therefore, the tendency to take risks greatly influences a person to become an entrepreneur.

Tolerance for Ambiguity

According to Yusof, Sandhu and Jain (2007), tolerance for ambiguity is related to individual tendencies in entrepreneurship. When doing business, you will be faced with challenges and unpredictable potential for success. Therefore, an entrepreneur must have tolerance in dealing with ambiguous situations.

RESEARCH METHOD

This research uses primary data gathered with the eleven headmasters of Vocational High Schools in Indonesia through Focus Group Discussion (FGD). The eleven headmasters are from West Jawa, East Jawa, Central Jawa, East Kalimantan, South Kalimantan, Riau, South Sulawesi, West Nusa Tenggara, and Papua which they represent the five major islands in Indonesia. Meanwhile, the secondary data was collected from literature research. The data analysis was processed through the house model, PDCA cycle, and stakeholder analysis that was combined with Forced Field Analysis to create an effective strategy and decision.

The data analysis method used is fishbone analysis to identify problems. According to Hamid, Baba and Sani (2017) that causal analysis using fishbone diagrams in practice can be used as a graphical representation of the root of the problems. This research used fishbone analysis to identify the factors that cause students' low entrepreneurial interest.

This study also uses Quadruple Helix to perform stakeholder analysis as a solution. According to Setyanti (2018), Quadruple Helix is a concept that integrates all stakeholders, namely Academic, Business, Government, and Community. Each actor or stakeholder has their own role, which works together to encourage innovation and creativity in entrepreneurship (Hunadi and Dhewanto, 2015). Therefore, each stakeholder is very influential on the success of the strategy to increase the number of entrepreneurs from VHS. This research uses quadruple helix to describe actors and roles of Academic, Business, Government, and Community components which can help achieve the strategy in reducing unemployment in Indonesia.

According to Kartika and Muzayanah (2015) that there are three components in the house model to building a good vision as the main dream place, pillars consisting of methods to achieve the vision as the main key, and the foundation as the main indicator of work improvement and the behaviour of the supporting factors of the vision. The House model is used to illustrate the strategy, the keyway, the action miles, and the supporting behaviour to achieve the goal, which is reducing unemployment in Indonesia.

PDCA (Plan, Do, Check, Act) cycle is used to illustrate the business incubator strategy so it can work in a sustainable manner. According to Realyvásquez-Vargas et al. (2018), the PDCA Cycle is commonly used in quality management, which describes a project that is continuous improvement through four phases, namely Plan, Do, Check, and Act.

Force Field Analysis (FFA) is also used as a tool to consider and make the right decision to solve the problem, which means to find out the decision on whether the proposed strategy can be implemented or not. According to Raharto (2016) that FFA can be used to determine effective policy recommendations to be implemented through reducing the main barriers and optimizing the main drivers towards the goals to be achieved.

FINDINGS AND DISCUSSION

The cause of the lack of entrepreneurs in Vocational High School is caused by various factors. Therefore, we need to identify the most influential factor that causes the lack of entrepreneurs from Vocational High School. Analysis of the problem is carried out using Fishbone Analysis, as shown in Figure 2. Based on Figure 2 shows that the factor that greatly influences the lack of entrepreneurs from Vocational High School is the school environment factor. The results of the FGD with the Vocational High School principals stated that many entrepreneurship subject

teachers were still less competent and even had their educational background and experience not suitable. The limited availability of teachers who teach entrepreneurship is a problem in Vocational High School. The curriculum applied in Vocational High School is also generalized for all students who focus students on becoming a workforce in the company when graduating from Vocational High School. This causes a curriculum mismatch that is needed by students to become entrepreneurs.

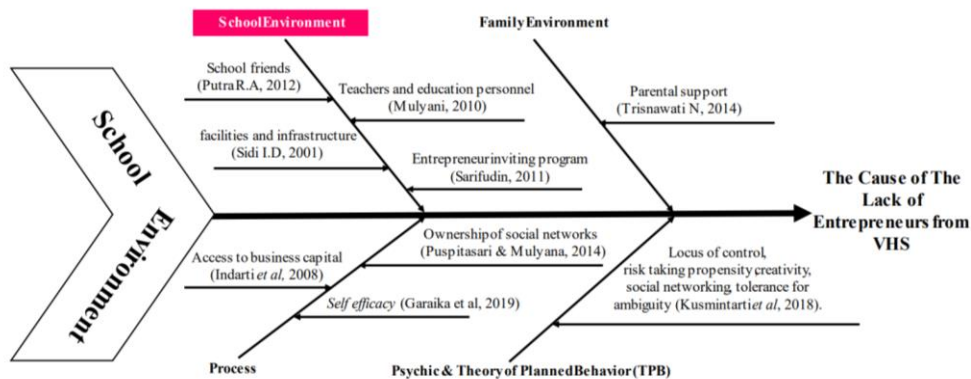


Figure 2. Fishbone Analysis for The Cause of The Lack of Entrepreneurs from Vocational High School

The perspective in schools that considers being an entrepreneur is difficult, so that it reduces asking students to choose a career to become an entrepreneur. In fact, the support from the closest people, such as family, school friends, and the surrounding environment, is very much needed by students. This is in line with the Theory of Planned Behavior (TPB), namely subjective norm factor that increase students' entrepreneurial intentions so as to encourage entrepreneurial behavior. School facilities that provide entrepreneurship laboratories for students to run their businesses are still limited. Not all schools have sufficient funds to build these laboratories and other facilities students need. Subsidies from the government are especially needed and the distribution of budgets for schools throughout Indonesia, especially in remote areas, so that all students can have equal access and do not create disparities between schools. To prove that study literature that school environment factor is the most influential factor that affects the lack of entrepreneur from Vocational High School, Focus Group Discussion (FGD) with headmasters of Vocational High School is needed to obtain some perspectives about this problem and find the solutions by focusing on the school environment factor. There were three solutions obtained from the results of the FGD together with the Vocational High School principals. This is shown in Table 1.

Table 1. Results of FGD with the principal of the Vocational High School on Solutions to Unemployment Problems from Vocational High School in Indonesia

No.	Solutions	Taurus	Frequency
1	Business incubator (One Student One Business)	III I	6
2	The curriculum is aligned with industry needs	III	3

3	Teacher competency improvement	II	2
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Based on Table 1, it shows that the majority of Vocational High School principals support the business incubator strategy with the motto "One Student One Business" with a total of six votes. Through this business incubator, it is hoped that students can create their own business according to their ideas.

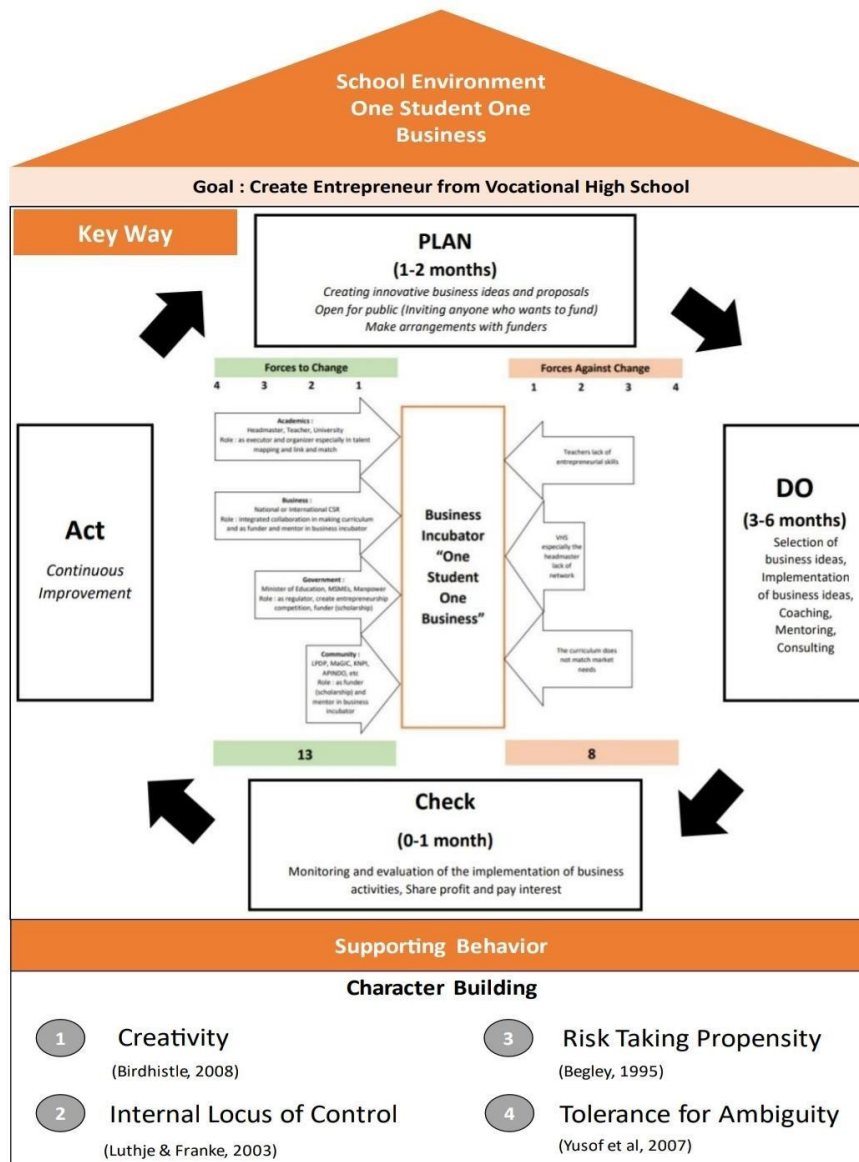


Figure 3. The House Model for Business Incubator

Students can also get training to improve their skills, not only entrepreneur skills but also technical skills and management skills. They can choose to be an entrepreneur, solopreneur, technopreneur, etc. However, before implementing the business incubator strategy, it is necessary

to have a talent mapping of students, especially their intention to become entrepreneurs or what career they want to choose when they graduate from Vocational High School.

Schools, especially the principal and teachers, are responsible for making talent mapping and link and match between their skills and their performance. Therefore, this strategy can be implemented in accordance with the target. This is because not all students will choose a career to become an entrepreneur. There are those who choose to become a worker in a company or continue their education to a higher level of education such as university. After mapping the student interests, the business incubator strategy can be implemented. The description of this strategy design is illustrated by the house model shown in Figure 3.

Based on Figure 3 shows that to overcome the problems, especially those arising from school environmental factors, a business incubator is the best alternative solution. Therefore, to make it happen so that entrepreneurs are created among Vocational High School students, namely with the first stage, "Plan", where students can design ideas, submit proposals, collaborate with investors and make contract agreements. Then in the next stage, namely "Do", where students carry out their business ideas for three to six months, get mentoring, coaching, and consultation from the mentor. After running the business for several months, it is necessary to have a "Check" stage to evaluate whether the business is running smoothly, the obstacles faced, the profits generated, and profit-sharing with investors. Then the next stage is "Act", in which students make improvements to their business based on the evaluation results obtained previously. This process runs continuously so that the business that is being run can also run in a sustainable manner. That way, students are required to continue to learn and evaluate the business they are running. Of course, carrying out it requires support from various stakeholders, namely Academic, Business, Government, and Community. Of course, all stakeholders must work together so that this business incubator can be realized and can run sustainably. And of course, in carrying out these strategies, there is the main foundation that supports the sustainability of this strategy, namely character building that must be instilled in students to become an entrepreneur, namely creativity, internal locus of control, risk-taking propensity, and tolerance for ambiguity. To decide if this strategy is appropriate or not in dealing with the number of unemployed in Indonesia, a Forced Field Analysis (FFA) is carried out as consideration for decisions to implement this strategy in the future. FFA is illustrated in Figure 3.

Based on Figure 4, the implementation of a business incubator is possible with various considerations, both from the side of the forces to change and the forces against this strategy. The results of the Forced Field Analysis show that the incubator business strategy provides the value of 13. Therefore, this strategy should be implemented to help overcome the problem of unemployment in Indonesia through the creation of entrepreneurs from the Vocational High School circles. But absolutely collaboration from all stakeholders from Academics, Business, Government, and Community is needed so that this strategy can run effectively and efficiently in accordance with their respective roles. Some of the pressures that hinder this strategy, such as lack of teacher skills, lack of networks owned by school principals, and a curriculum that is not suitable for market needs, can be overcome by providing entrepreneurship training to teachers or working with companies or MSMEs to become additional mentors for students other than teachers, holding various inter-school business exhibitions or meetings with several school principals so that they can collaborate

and increase networks, cooperate with the government and companies or MSMEs in preparing curricula to suit existing market needs.

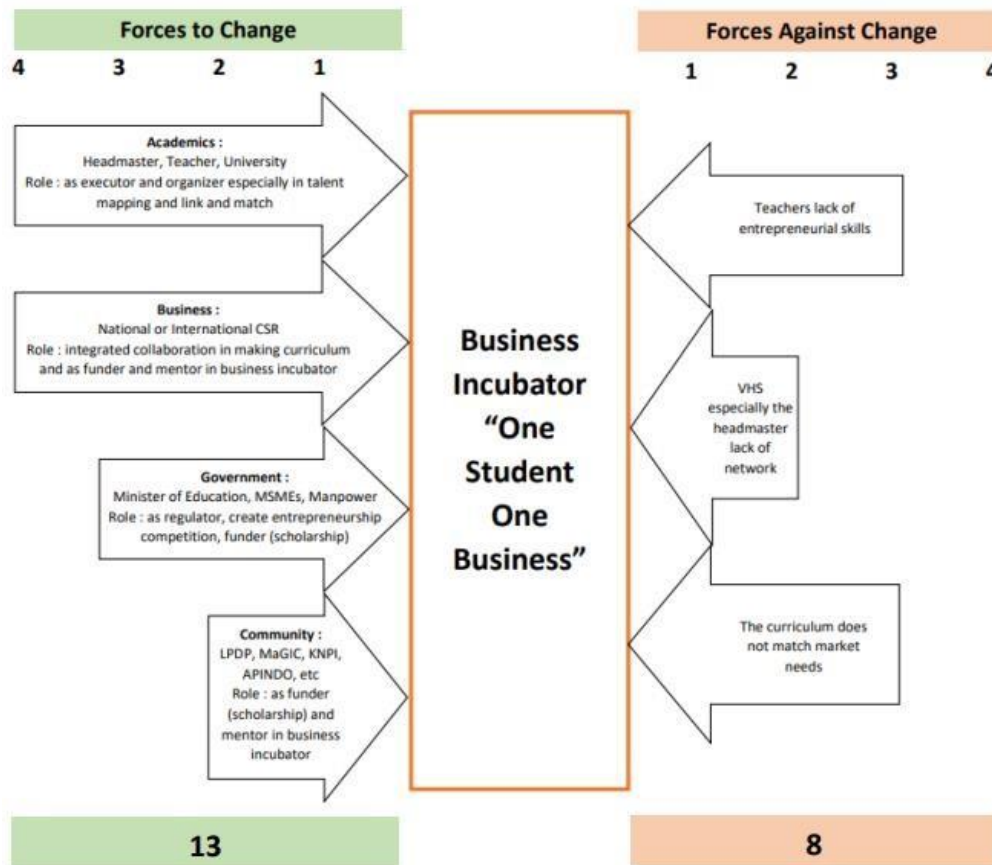


Figure 4. Forced Field Analysis for Incubator Business Program in Vocational High School

CONCLUSION

The high level of unemployment in Indonesia, which is dominated by vocational students, is one of the main problems in Indonesia. But through the skills of Vocational High School students, both theoretically and practically in accordance with their respective fields, it can become a potential for Vocational High School students to become entrepreneurs. Unfortunately, the entrepreneurial intention of vocational high school students in Indonesia is still low. The most influential factor is the school environment. There are many Vocational High School students who prefer to work rather than become entrepreneurs, so that the school focuses its students on working when they graduate. This causes Vocational High School students who are interested in entrepreneurship to be less optimized so that a strategy is needed to optimize it. Lack of facilities, knowledge, teachers' competencies, etc., are the causes of the lack of entrepreneurs from Vocational High School, especially in the school environment. Based on FGD with the principals, the best solution, especially to solve this problem that was caused by school environment factor, is a business incubator program for Vocational High School students with the motto "One Student One Business". That solution is also considered with Forced Field Analysis (FFA), and the result is this strategy can be implemented. But for sure, the foundation of this strategy is character building for

the students, which represents the character of an entrepreneur. That way, this business incubator can help to overcome the problem of unemployment in Indonesia.

LIMITATION & FURTHER RESEARCH

The limitation of this study is the data obtained from the FGD. The data obtained through FGD has a high level of difficulty to be analyzed and requires a lot of time. The activities of the individuals in the FGD in asking questions and expressing opinions were quite varied. The FGD involved Vocational High School principals whose participation was voluntary so that all school principals still did not represent every province in Indonesia.

For further research can carry out more reproductive research from a Business and Community perspective because this research uses more academic and government perspectives, especially from public and private Vocational High Schools. There might be more alternative solutions with different perspectives.

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