The Impact of Entrepreneurial Interest and Knowledge on the Pharmaceutical Business Success in Medan Pestisah Subdistrict, North Sumatera, Indonesia

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ABSTRACT

The objective of this study is to find out the impact of Entrepreneurial Interest and Knowledge on Business Success of Pharmaceutical Business in Medan Petisah Subdistrict, North Sumatera, Indonesia. The population used in this study is the owner of Pharmacy Business in Medan Petisah Subdistrict as many as 40 respondents by adopting a saturated sample. The results showed that Entrepreneurial Interest and Knowledge have a positive and significant impact partially on the Business Succes of Pharmaceutical Business in Medan Petisah subdistrict. The results also showed that Entrepreneurial Interest and Knowledge have a positive and significant effect simultaneously on the Business Success of Pharmaceutical Business in Medan Petisah Subdistrict. The results of this study are supported by the R square (R_2) value which means that Entrepreneurial Interest and Knowledge have an impact on Business Success, and the remaining is affected by another factor which is not included in the research model such as Business Ability and Entrepreneurial Characteristics.

Keywords*: Entrepreneurial Interestt, Entrepreneurial Knowledge, Business Success*

1. INTRODUCTION

Human beings as economic beings have an instinct in meeting their needs to survive ambitiously and encourage the development of science and technology as a tool or medium to meet the life needs. This thing encourages the improvement of business ventures among the general public. One of the growing business sectors in Indonesia is the pharmaceutical industry. The word Pharmacy comes from Pharmacon which is a Greek meaning poison or medicine. Pharmacy is a health profession that includes the activities of discovery, development, production, processing, compounding, drug information, and drug distribution. The pharmaceutical industry plays a role in producing and distributing drugs to be able to meet the market and society's needs. Because health is the main thing, the development of the pharmaceutical industry in Indonesia is still quite prospectively driven by the National Health Insurance (JKN) program. Some foreign pharmaceutical industries, such as the Netherlands, Germany, South Korea, China, and India are partnering with the national pharmaceutical industry to produce raw materials as well as medicinal products. Through joint-venture, technology transfer is expected to reduce import dependence. This proves that the pharmaceutical industry in Indonesia grows continuously and become an interesting business field.

Business success and activeness are now the primary sources of economic growth and development. The low level of active business or entrepreneurship in Indonesia is one of the unemployment and poverty causative factors. The entrepreneurship growth in a country is affected by the role of universities in the implementation of entrepreneurial education. The university is responsible for educating and providing entrepreneurial skills to students and motivating them to start a business as their career. Therefore, students as the intellectuals who are expected to be the future leaders of the nation and agent of change should be a pioneer in developing the entrepreneurship spirit. The best way to reduce unemployment is to equip ourselves with entrepreneurial education, improve education quality, and develop entrepreneurial skills training. If successful businesses increase, then it is expected to reduce the number of unemployed, create independence, and increase the number of jobs.

One of the causative factors affecting Pharmaceutical Business Success is Entrepreneurial Interest. Interest is an attitude that makes people happy with certain objects, situations, or ideas, this is followed by a sense of pleasure and a tendency to look for the object they like [2]. Interest indicates a happy attitude towards something. Entrepreneurial Interest is something that can influence or encourage a person to achieve the expected goals. A high interest must be in someone who wants to be a successful entrepreneur because a high entrepreneurial interest is able to create a mind to be motivated in doing something. Entrepreneurial Interest in the pharmaceutical business will encourage the entrepreneur to start a business, make the most profit, achieve the targets, successful desired, expand his business by having many new branches, or wanna be the best drug distributor with quality products in Indonesia.

Entrepreneurial education has been considered as one of the urgent factors. High resources of Indonesia should be managed into useful products and be able to compete with other countries. It also needs high science human resources, high skill, creativity, and innovation. A pharmaceutical business entrepreneur should understand business pioneered. In conducting a business, an entrepreneur must clearly understand how his business prospects in the future. As a person who will be called a neurologist, it is a must to expand the knowledge about drugs by attending some scientific activity such as seminars conducted by either pharmaceutical institutions or universities.

2. LITERATURE REVIEW

2.1. Business Success

According to [1], Business Success is a reality of adjustment between the plan and the implementation process and the results achieved. There are four methods to measure Business Success: 1) Self-Conforming Ability, 2) Productivity, 3) Job Satisfaction, 4) The Ability to Earn Profit and Resources Finding.

2.2. Entrepreneurial Interest

According to [5], Entrepreneurial Interests are desire, interest, and willingness to work hard or strong-willed to meet their needs without fear of the risks that may happen, as well as strong-willed to learn from failure. Entrepreneurial Interest Indicators consist of 1) Business rather than working for others, 2) Freedom, 3) Entrepreneurial Career, 4) Business Plan.

2.3. Entrepreneurial Knowledge

According to [7], Entrepreneurial Knowledge is a must-have capital as a piece of basic knowledge. There are several indicators of Entrepreneurial Knowledge: 1) Knowledge of the business to be entered or pioneered, 2) Knowledge of the existing business environment, 3) Knowledge of roles and responsibilities, 4) Knowledge of management and business organization.

Hypothetical testing in this study are:

H1: Entrepreneurial Interest has a positive impact on Business Succes of Pharmaceutical Business in Medan Petisah District.

H2: Entrepreneurial Knowledge has a positive impact on Business Succes of Pharmaceutical Business in Medan Petisah District.

H3: Entrepreneurial Interest and Knowledge have a positive impact on Business Success of Pharmaceutical Business in Medan Petisah District.

The theoretical framework in this study will explain the relationship between each variable as shown below:
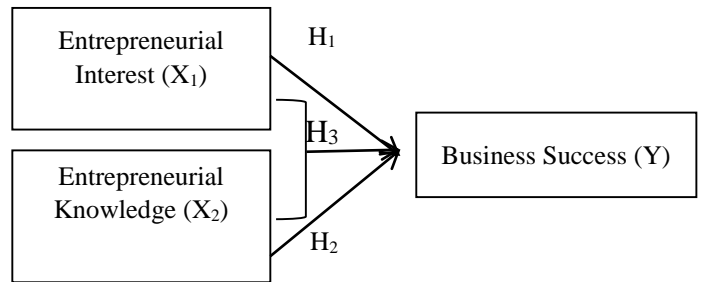

Figure 1. Theoretical Framework

3. RESEARCH METHODOLOGY

3.1. Data Types

This research is quantitative research. Quantitative data is a number data whose characteristics are in numerical form such as income data, population, consumption rate, bank interest and so on.

3.2. Population and Sample

The research population used in the research is 40 pharmaceutical businesses in Medan Petisah Subdistrict. Based on the population data, the sample is determined using saturated sample techniques. The sample used in this study was 40 respondents.

3.3. Data Collection Techniques

The data collection techniques used in this study are interviews and questionnaires. Besides, the data collection techniques used are direct observation and literature studies. Data collection techniques through questionnaires are done by asking questions to parties related to the problems studied. To assess respondents' responses, the authors used a Likert scale.

3.4. Operational Definition of Research Variables

The operational definitions of variables used in this study are:

Table 1. Operational Definition of Research Variables

Variable	Indicator
Dependent Variable:	
Business Succes (Y)	1. Self-Conforming Ability 2. Productivity 3. Job Satisfaction 4. Ability to Earn Profit and Find Resources
Independent Variable:	
Entrepreneurial Interest (X_1)	1. Business Rather Than Working for Others 2. Freedom 3. Entrepreneurial Career 4. Planning to Start a Business
Entrepreneurial Knowledge (X_2)	1. Knowledge of the Pioneered Business 2. Knowledge of the Existing Business Environment. 3. Knowledge of Roles and Responsibilities 4. Knowledge of Management and Business Oganization.

3.5. Data Analysis Techniques

The data analysis model used in this study is the multiple regression analysis model. Multiple linear regression analysis is used because this model aims to find the impact between two or more independent variables on existing dependent variables. The models of multiple regression equations are:

$$Y = a + b1X1 + b2X2 + e \quad (1)$$

Description:
Y = Business Success
a = Constant
b1-2 = Independent variable regression coefficient
X1 = Entrepreneurial Interest Variable
X2 = Entrepreneurial Knowledge Variable
e = Standard Error

4. RESULTS AND DISCUSSION

4.1. The Characteristics of Respondents

The respondent's description is a description of the observation unit, including the characteristics of respondents obtained from the questionnaire data. Based on observations made on 40 pharmaceutical businesses, the dominant respondents were > 15 years old.

4.2. Validity and Reliability Test

Validity and Reliability test results are presented in table 2 and table 3 as follows.

Table 2. Validity Test Results

Variable	Question	R_{count}
Entrepreneurial Interest (X_1)	Question – 1	0,803
	Question – 2	0,739
	Question – 3	0,766
	Question – 4	0,718
	Question – 5	0,702
	Question – 6	0,759
	Question – 7	0,813
	Question – 8	0,819
Entrepreneurial Knowledge (X_2)	Question – 1	0,855
	Question – 2	0,749
	Question – 3	0,615
	Question – 4	0,762
	Question – 5	0,686
	Question – 6	0,813
	Question – 7	0,751
	Question – 8	0,735
Business Succes (Y)	Question – 1	0,780
	Question – 2	0,634
	Question – 3	0,853
	Question – 4	0,722
	Question – 5	0,743
	Question – 6	0,683

Source: Research Results, 2020 (Processed Data)

From Table 2, the $r_{calculate}$ value of each item is obtained. The $r_{calculate}$ value is above the t_{ttabel} value (0.361) so it can be concluded that the the questionnaires are valid.

Table 3. Reliability Test Results

Variable	Number of Items	Cronbach's Alpha
Entrepreneurial Interest (X_1)	8	0,893
Entrepreneurial Knowledge (X_2)	8	0,871
Business Success (Y)	6	0,818

Source : Research Results, 2020 (Processed Data)

Based on Table 3 obtained from each variable, Cronbach's alpha value is above 0.6 so that it can be concluded that all questions of each variable are reliable.

4.3. Multiple Linear Regression Analysis Results

The results for the multiple linear regression analysis tests can be seen in Table 4 as follows:

Table 4. Multiple Linear Regression Analysis Test Results

Coefficients[a]

Model		Unstandardized Coefficients	
		B	Std. Error
1	(Constant)	.124	1.196
	Entrepreneurial Interest	.205	.069
	Entrepreneurial Knowledge	.528	.079

Dependent Variables: Business Success
Source: Research Results, 2020 (Processed Data)

Based on table 4, the equation of multiple linear analysis is: Business Success = 0.124 + 0.205 Entrepreneurial Interest + 0.528 Entrepreneurial Knowledge + e. If the independent variable Entrepreneurial Interest (X1) value and Entrepreneurial Knowledge (X2) is 0, then the Business Success is 0.124. An increase of Entrepreneurial Interest (X1) increases by

1 unit, Business Success (Y) will increase by 0.205. The same, an increase of Entrepreneurship Knowledge (X2) increases by 1 unit, Business Success will increase by 0.528.

4.4. Hypothetical Test Results

4.4.1. Partial Test (T-test)

Partial hypothetical test results (t-test) can be seen in table 5 below as follows:

Table 5. Partial Test
Coefficients^a

		t	Sig.
1	(Constant)	.104	.918
	Entrepreneurial Interest	2.988	.005
	Entrepreneurial Knowledge	6.689	.000

a. Dependent Variable: Business Success
   Source: Research Results, 2020 (Processed Data)

Entrepreneurial Interest Variable (X1) has a $t_{calculate}$ value (2,988) > t_{table}(2,026) with a significant value of 0.005 < 0.05 and Entrepreneurial Knowledge Variable (X2) has a $t_{calculate}$ value (6,689) > t_{table} (2,026) with a significant level of 0.000 < 0.05 so it can be concluded that there is a positive and significant impact partially between the Entrepreneurial Interest and Knowledge on Business Success of Pharmaceutical Business in Medan Petisah Subdistrict.

4.4.2. Simultaneous Test (F-Test)

The results of simultaneous hypothesis testing (F-test) can be seen in the table 6 below as follows:

Table 6. Simultaneous Test

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	728.061	2	364.031	181.186	.000^a
	Residual	74.339	37	2.009		
	Total	802.400	39			

a. Predictors: (Constant), Entrepreneurial Knowledge, Entrepreneurial Interest

b. Dependent Variable: Business Success
Source: Research Results, 2020 (Processed Data)

Based on Table 6 can be seen the value of $F_{calculate}$ (181,186) > F_{table}l (3.25) with a significance level 0.000 < 0.05 then it concluded that there is a significant and positive impact between Entrepreneurial Interest and Entrepreneurial Knowledge simultaneously to the Business Success of Pharmaceutical Business in Medan Petisah Subdistrict.

4.4.3. Determination Coefficient (R2)

The results of the determination coefficient (R2) test can be seen in the table below as follows:

Table 7. Determination Coefficient Test

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.953^a	.907	.902	1.417

a. Predictors: (Constant), Entrepreneurial Knowledge, Entrepreneurial Interest

b. Dependent Variable: Business Success

Source: Research Results, 2020 (Processed Data)

Based on Table 7, it can be seen that R Square Value (R2) or determinant coefficient is 0.907 meaning that the Business Success variable can be explained by the Entrepreneurship Interest variable and Entrepreneurial Knowledge by 90.7% while the remaining 9.3% is affected by other factors outside this research model such as Business Ability and Entrepreneurial Characteristics.

4.5. Discussion

4.5.1. The Impact of Entrepreneurial Interest on Business Success

Based on the partial hypothesis testing results using t-test, it is known that Entrepreneurial Interest variables have a positive and significant impact on the Pharmaceutical Business Success in Medan Petisah Subdistrict.

The results of this study are similar to [3] with the research title "Influence of Business Interest and Business Motivation on The Success of Young Entrepreneurs in Langsa City" which proves that partially, Entrepreneurial Interest has a positive and significant effect on Business Succes.

4.5.2. The Impact of Entrepreneurial Knowledge on Business Success

Based on the results of partial hypothesis testing using t-test, it is known that Eentrepreneurial Kknowledge variables have a positive and significant effect on the Business Ssuccess of pharmaceutical businesses in Medan Petisah subdistrict.

The results of this study are similar to [4] with the research title "The Influence of Entrepreneurial Knowledge and Entrepreneurial Characteristics on Business Success in Micro-Entrepreneurs in Madras Hulu Medan Polonia Village" which proves that partially, Entrepreneurial Knowledge has a positive and significant effect on Business Success.

4.5.3. The Impact of Entrepreneurial Interest And Entrepreneurial Knowledge on Business Success

Based on the results of simultaneous hypothesis testing using F-test, it is known that the Entrepreneurial Interest variable and Entrepreneurial Knowledge variable have a positive and significant effect on the Business Success of Pharmaceutical Business in Medan Petisah District.

The results of this study are similar to [6] with the research title "The Influence of Characteristics, Interests, and Entrepreneurial Motivation on Business Success of UMKM In Jarak Villages, Plosoklaten District, Kediri regency" which proves that simultaneously, Entrepreneurial Interest has a positive and significant effect on Business Success.

The results of this study are similar to [4] with the research title "The Influence of Entrepreneurial Knowledge and Entrepreneurial Characteristics on Business Success in Micro-Entrepreneurs in Madras Hulu Medan Polonia Village" which proves that simultaneously, Entrepreneurial Knowledge has a positive and significant effect on Business Success.

5. CONCLUSIONS AND RECOMMENDATIONS

5.1. Conclusion

Based on the results and discussion, some conclusions in this study are:

1. The results of this study stated the impact of Entrepreneurial Interest and Knowledge on Business Success indicated from the multiple linear regression analysis results, gives the meaning that an increase on the Entrepreneurial Interest and Knowledge variable by one-unit, then the Business Success will increase.

2. Entrepreneurship Interest has a positive and significant impact partially on the Business Succes of the Pharmaceutical Business in Medan Petisah Subdistrict.

3. Entrepreneurship Knowledge has a positive and significant impact partially on the Business Success of the Pharmaceutical Business in Medan Petisah Subdistrict.

4. Entrepreneurial Interest and Knowledge have a positive and significant impact simultaneously on the Business Success of the Pharmaceutical Business in Medan Petisah Subdistrict.

5. Entrepreneurial Interest and Knowledge can explain its relationship with Business Success in Pharmaceutical Business in Medan Petisah District.

5.1. Managerial Implications

Based on the analysis, the implications of research for the companies are:

1. Entrepreneurial Interest of Pharmaceutical Business in Medan Petisah Subdistrict needs to be considered, because:

    a. An entrepreneur has a vision and mission of his business. If the vision and mission given are clear, then an entrepreneur will be motivated to run his business well.

    b. An entrepreneur must have a high spirit to advance his business such as the spirit in exploring creativity, innovating, and providing the best breakthroughs.

2. Pharmaceutical Business in Medan Petisah district needs to maintain the Entrepreneurial Knowledge in increasing Business Success, which means:

    a. Understanding the products liked by consumers, offer some variety of products with good quality so that consumers feel satisfied with the products purchased.

    b. Expand the insights and understand the business area consistently.

5.2. Academic Recommendations

The ssuggestions given to the academic parties are:

1. Adding Research Variables.

    For further researchers who want to do similar research, it is suggested to add other variables that may affect Business Success.

2. Increase the number of respondents.

    For further research, it is suggested to increase the number of respondents by choosing a wider coverage area for represent the actual circumstances.

3. Geographic Coverage Expansion.

    The limitation in this study was the less diverse of respondents, the sample was only from one place, Pharmaceutical Business in Medan Petisah District. Furthermore, to the next researcher, it is suggested to expand the coverage of its territory. For example, research in several subdistricts in Medan.

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