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## THE EFFECT OF HUMAN CAPITAL AND ENTREPRENEURSHIP ON LECTURE PERFORMANCE (UNIVERSITY ENTREPRENEURSHIP SUPPORTING LECTURER IN INDONESIA)

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**Abstract:** The purpose of this study was to determine the effect of human capital and entrepreneurship on the performance of lecturers (study of entrepreneurship lecturers at universities in Indonesia). The research was conducted at colleges or universities in Indonesia, the research period was October–to December 2021. The research population was lecturers who taught entrepreneurship courses at universities in Indonesia, where the exact number cannot be known. This study used a non-probability purposive sampling technique and for the sample, 156 respondents participated, but only 100 complete questionnaires were deemed usable. The results of the study indicate that human capital has an effect on entrepreneurship for university entrepreneurship lecturers in Indonesia, meaning that competent human capital provides quality and increased entrepreneurship for university lecturers in Indonesia. Human capital owned by entrepreneurship lecturers in Indonesia can create, transfer, and implement knowledge to their students, thereby improving lecturer performance.

**Keywords:** Entrepreneurship, Human Capital, Lecturer Performance

**Abstrak:** Tujuan dari penelitian ini adalah untuk mengetahui pengaruh *human capital* dan *entrepreneurship* terhadap kinerja dosen (studi dosen kewirausahaan pada perguruan tinggi di Indonesia). Penelitian dilakukan di perguruan tinggi atau universitas di Indonesia, periode penelitian Oktober–Desember 2021. Populasi penelitian adalah dosen yang mengajar mata kuliah kewirausahaan di perguruan tinggi di Indonesia, yang belum dapat diketahui jumlah pastinya. Penelitian ini menggunakan teknik Non-probability Purposive Sampling dan untuk sampel sebanyak 156 responden, namun hanya 100 kuesioner yang lengkap yang dianggap dapat digunakan. Hasil penelitian menunjukkan bahwa *human capital* berpengaruh terhadap kewirausahaan bagi dosen kewirausahaan perguruan tinggi di Indonesia, artinya modal manusia yang kompeten memberikan kualitas dan peningkatan kewirausahaan bagi dosen perguruan tinggi di Indonesia. Modal manusia yang dimiliki dosen kewirausahaan di Indonesia dapat menciptakan, mentransfer, dan mengimplementasikan ilmu kepada mahasiswanya, sehingga meningkatkan kinerja dosen.

**Kata Kunci:** Kewirausahaan, *Human Capital*, Kinerja Dosen

### INTRODUCTION

Higher education is a forum for the younger generation to start entrepreneurship innovatively and creatively as a source of thought to support the progress of the Indonesian economy. However, being a young and successful entrepreneur requires training and

motivation as early as possible. This provision is now available in universities. As applied in colleges or universities in Indonesia. Aims to train students to become young entrepreneurs. Equipping students with entrepreneurial knowledge is expected to be capitalized on so that in the future, these students can open job vacancies for the Indonesian people and help the nation's economy. Entrepreneurship education in universities is packaged with various programs, such as the provision of KBMI (Indonesian Student Entrepreneurial Activities) Grants by Belmawa, Entrepreneurship Student Creativity Program (PKM-K), seminars, and entrepreneurial training. Apart from these programs, entrepreneurship education is also provided through lecture activities, namely in the form of entrepreneurship courses. Entrepreneurship courses are given in various study programs, both economic-based and other study programs, which are MKDU (generally basic courses) which are mandatory. However, the determinant of student entrepreneurship learning achievement, as an effort to motivate entrepreneurship for students is the lecturer who is in charge of entrepreneurship courses. This study aims to determine the effect of human capital and entrepreneurship on lecturer performance for lecturers in entrepreneurship courses at Indonesian state universities or universities.

## **LITERATURE REVIEW**

### **Lecturer Performance**

Lecturer performance is one component in student evaluations and significantly contributes to student satisfaction which in turn affects the university image and student loyalty (Helgesen & Nettet, 2007). In addition, university image is frequently related to the selection of educational institutions among students. The findings from this study were consistent with Helgesen and Nettet (2007), which indicated that lecturer and tutor characteristics remained the most important indicator explaining the variance of overall lecturer performance. In other words, the characteristics or qualities of the lecturers played an important role in determining lecturer performance. This will eventually lead to improved student satisfaction and the related university image, which affects student loyalty. There is a growing call for teacher evaluation to focus not only on teacher-related behaviors but also to translate them into student outcomes (Ellett & Teddlie, 2003). The study showed that it is not merely the use of learner-centeredness in teaching that enables teachers to perform better but more so his or her personality and efficacy (Magno & Sembrano, 2008). To maintain a lecturer's performance, it is always preferable for lecturers to stay in their area of expertise and not to be given too many new subjects too often. It is urged that the university allocates monetary resources to focus on human capital development (Sok-Foon et al., 2012).

### **Human Capital**

Empirical research on the relationship between human capital and growth has developed in recent years. It was found that Indonesia needs to use existing resources (human capital) to be more efficient in building a strong economy (Rabia & Elliyana, 2019). Human capital in entrepreneurship has become the center of research on entrepreneurial characteristics in the organization of human capital which has developed significantly. The results of economic growth regarding human capital show that promoting the level of human capital can increase economic growth (Mozaffari, 2021). Human capital in entrepreneurship not only increases the ability of individuals to pursue entrepreneurial opportunities but can create businesses (Lee, 2019). General measures of human capital include education level, work experience, upbringing by entrepreneurial parents, and other life experiences, human capital theory predicts that individuals or groups with greater levels of knowledge, skills, and other competencies will achieve greater performance outcomes than those with lower levels. Entrepreneurship research suggests that human capital can enhance business success in several ways. First, entrepreneurial knowledge and skills, which can be acquired through industrial experience or general education, can make up for the lack of financial resources, which is a major constraint for businesses (Kato et al., 2015). In short, human capital can affect the success of one's business.

H<sub>1</sub> : Human Capital has a positive and significant effect on Entrepreneurship.

H<sub>2</sub> : Human Capital has a positive and significant effect on Lecturer Performance

### Entrepreneurship

The relationship between entrepreneurship and sustainable development is very positive with a high level of innovation and institutional quality (Youssef et al., 2018). Universities play an important role in the economic and social development of knowledge-based human capital and have a positive and significant impact on the performance of economics lecturers and lecturers at the Center for Agricultural Jihad in the academic field (Namini & Irajirad, 2019). Human capital in the field of entrepreneurship, by examining the results of educational activities specifically for entrepreneurship, the formation of effective human capital through educational media, and entrepreneurship training (Butler-Henderson et al., 2020). Entrepreneurship creates new businesses or at least reorients existing businesses. Interest in entrepreneurship is the desire to create a business with the ability and the courage to take risks (Farinloye et al., 2020). In other words, entrepreneurship has a relationship with the performance of lecturers in universities.

H<sub>3</sub> : Entrepreneurship has a positive and significant effect on Lecturer Performance.

## RESEARCH METHODOLOGY

The approach used to conduct this research is quantitative. Respondents consist of lecturers who teach Entrepreneurship courses at universities/colleges in Indonesia. To ensure that the data were collected from the right sources, this study used a non-probability purposive sampling technique. As for the measurements using a 5-point Likert scale including: 'strongly disagree' (1) to 'strongly agree' (5) applied to measure the independent and dependent variables. Therefore, the minimum sample for this study was 30-100 respondents. 156 respondents participated, but only 100 complete questionnaires were deemed usable. The data were then analyzed using SmartPLS 3.0 (Ringle et al., 2020) to assess the hypothesis.

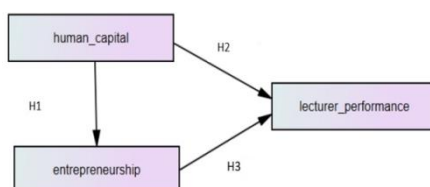
### Research Model

Research models are about how theory relates to various factors that have been defined as important. Then the model can be described as follows:

**Figure 1**

#### Research Model

Source: Data Processed, 2022



### Operational Variables

The operational variables in this study include: Human Capital has indicators in the form of Knowledge (HC1), Skills (HC2), Innovation (HC3), Creativities (HC4), Adaptability (HC5), Behavior Pattern (HC6), and Flexibility (HC7). Entrepreneurship has indicators in the form of Achievement Motivation (KW1), Future Orientation (KW2), Entrepreneurial Leadership (KW3), Business Network (KW4), Responsive (KW5), and Creative to Face Change (KW6). Lecturer Performance has indicators in the form of Work Ability (LP1), Quality of Work (LP2), Work Accuracy (LP3), Communication (LP4), Lecture Behavior (LP5), and Technology-Information (LP6).

## RESULTS AND FINDINGS

### The Measurement Model

Table 1 reveals the results of constructs' composite reliability (CR) and convergent validity testing. The results confirm that the constructs have high internal consistency and

sufficient average variance extracted (AVE) to validate the convergent validity (Hair et al., 2017). Most indicators that measure each construct achieved satisfactory loadings values that were higher than the threshold value of 0.708, as supported by Hair et al. (2017). The composite reliability (CR) value of human capital was 0.976, entrepreneurship was 0.931, and lecturer performance was 0.924, respectively, implying that these constructs possess high internal consistency. Moreover, these constructs also show satisfactory convergent validity with the average variance extracted (AVE) value for the respective construct higher than the threshold value of 0.500, which demonstrates that the indicators describe more than 50% of the constructs' variances.

**Table 1**  
**Reflective Measurement Model**

Dimension	Item	Loadings	CR	AVE
<i>Human Capital</i>	HC1	0.918	0.976	0.854
	HC2	0.952		
	HC3	0.931		
	HC4	0.917		
	HC5	0.928		
	HC6	0.931		
	HC7	0.889		
<i>Entrepreneurship</i>	KW1	0.874	0.931	0.692
	KW2	0.775		
	KW3	0.874		
	KW4	0.815		
	KW5	0.748		
	KW6	0.894		
<i>Lecturer Performance</i>	LP1	0.772	0.924	0.669
	LP2	0.830		
	LP3	0.838		
	LP4	0.842		
	LP5	0.827		
	LP6	0.797		

Source: Data Processed, 2022

Table 2 presents the HTMT criterion to evaluate discriminant validity, whereby the square root of the AVE values for each latent variable was found to be higher than the correlation values between all variables (Ringle et al., 2020).

**Table 2**  
**Discriminant Validity**

	HC	KW	LP
HC	-		
KW	0.580	-	
LP	0.680	0.807	-

Source: Data Processed, 2022

**The Structural Model**

This section discusses the testing of the structural model to determine the proposed relationship between variables in the research framework. Next, a 5000-bootstrap resampling of data is conducted to examine the hypotheses of this study (Hair et al., 2017). Table 3 demonstrates the assessment of the path coefficient, which is represented by Beta values for each path relationship. The results show that three hypotheses were indeed supported.

**Table 3**  
**Hypothesis Testing for Direct Effect**

HYPOTHESES	BETA	STD. ERROR	T-VALUES	P-VALUES	LLCI	ULCI	DECISION
H1: HC → KW	0.552	0.131	4.225	0.000	0.608	0.815	Supported
H2: HC → LP	0.342	0.071	4.792	0.000	0.057	0.266	Supported
H3: KW → LP	0.562	0.085	6.595	0.000	0.545	0.790	Supported

Source: Data processed, 2022

### Model Quality Assessment

Table 4 displays the quality of the model. We assessed the effect size ( $f^2$ ), the coefficient of determination ( $R^2$ ), multicollinearity issues (VIF values), and the predictive relevance ( $Q^2$ ) of exogenous variables on the endogenous variable in this study.

**Table 4**  
**Model Quality Assessment**

HYPOTHESIS	DIRECT EFFECT	F <sup>2</sup>	R <sup>2</sup>	VIF	Q <sup>2</sup>
H1	HC → KW	0.941	0.305	1.439	0.380
H2	HC → LP	0.391	0.645	1.439	0.549
H3	KW → LP	0.518		1.439	

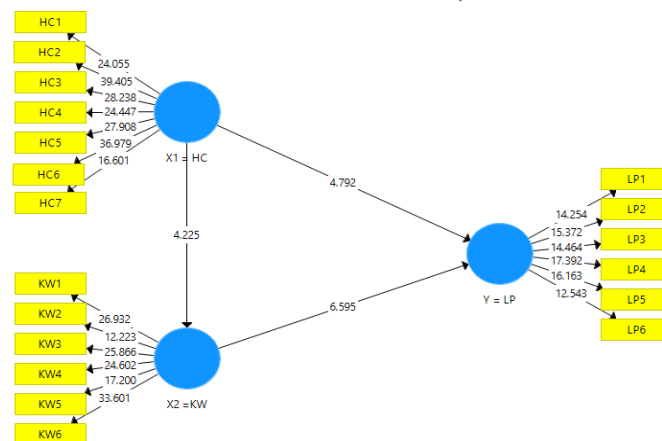
Source: Data Processed, 2022

### Analisa Data dengan PLS

The test results from outer loadings on software SmartPLS can be seen in the image below.

**Figure 4**  
**Konstruksi Diagram Jalur Hasil Pemodelan PLS (Outer Loadings)**

Source: Data Processed, 2022



Based on the path diagram construction, the results of PLS modeling can be seen that the outer loadings of entrepreneurship on Lecturer Performance are greater than human capital on Lecturer Performance, and human capital on entrepreneurship is 6.595. In the latent variable of Human Capital, it can be seen in the indicator variable that the highest outer loadings value is Skill (HC2), which is 39,405. In the latent variable of entrepreneurship, it can be seen in the indicator variable the highest value of outer loading is Creative to face change (KW6), which is 33,601.

### DISCUSSION AND CONTRIBUTION

The purpose of this study was to examine the relationship of human capital to entrepreneurship, human capital to lecturer performance, and entrepreneurship to lecturer performance involving 100 entrepreneurship lecturers at universities in Indonesia. The findings show that human capital has a positive and significant effect on entrepreneurship in entrepreneurship lecturers at universities in Indonesia. This means that the presence of competent human resources will provide good quality and increase entrepreneurship carried out by lecturers at universities in Indonesia. Human capital has a positive and significant effect on the performance of lecturers on entrepreneurship lecturers at universities in Indonesia. This means that the presence of human capital owned by entrepreneurship lecturers makes the lecturer's performance increase. that the human capital owned by entrepreneurship lecturers in Indonesia is good so that lecturers can create, transfer, and implement knowledge to their students, this is what makes lecturer performance increase. Entrepreneurship has a positive and significant effect on the performance of entrepreneurship lecturers at universities in Indonesia. This shows that by implementing entrepreneurship owned by university lecturers, the

performance of lecturers will increase. As for the contribution to this research, it is a consideration for lecturers at universities, especially entrepreneurship lecturers in improving the performance of their lecturers.

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