THE INFLUENCE OF MOTIVATION ON THE DECISION MAKING OF STARTING A SMALL BUSINESS (CASE STUDY OF COMMUNITIES IN BELOPA UTARA DISTRICT, LUWU DISTRICT)

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Abstract

This study discusses motivation and decision-making to start a small business (a case study of a community in North Belopa District, Luwu Regency). The purpose of this research is to know does motivation affect the decision making of starting a small business in North Belopa District, Luwu Regency. The type of research used is quantitative research. The population is small business actors in North Belopa District, totaling 450 people. Part of the population is used as a sample. Data analysis using simple linear regression analysis with the help of SPSS Version 15. The results of this study indicate that there is a significant influence between motivation in decision making. This is evidenced by the value tcount =5.605> ttable = 1.664 and a significance value of 0.000 <0.05. These results are consistent with the hypothesis (H1) which states that there is an influence between motivation and decision making. The effect of motivation on decision making is 21.5%. The implications based on the research results obtained in the community in North Belopa District, Luwu Regency in this study are for the people of North Belopa District to always increase their business motivation.

Keywords: Motivation, Decision Making

to Start a Small Business

Abstrak

INTRODUCTION

The economic crisis experienced by the Indonesian nation since 1997 when large companies experienced difficulties in developing their businesses, they were unable to survive in the face of this monetary crisis. The unemployment rate is very high and until now the Indonesian people are still accommodating millions of people living below the poverty line who are still in the category of unemployed.

Apart from poverty, unemployment is a problem for the Indonesian economy. Prolonged unemployment will have a bad psychological effect on the unemployed and their families. When the number of unemployed is large, there will definitely be social and political chaos, perhaps even crime. Production levels that could actually be achieved were not achieved, economic growth was hampered and the level of social welfare declined.¹

One way that can be done for individuals to face the current era is to work alone and not depend on the government or other agencies, namely by creating their own jobs or entrepreneurship. Because in addition to being able to help the development of a nation, entrepreneurship is also useful for reducing unemployment, as well as increasing people’s income. It can be said that entrepreneurs are national fighters in the economic field because they can increase national security and reduce dependence on foreign nations.

In every small or large business, development factors in the economic field are the key to success in achieving the goals desired by a country, in achieving these goals the role of an entrepreneurial community is an important asset compared to other resources because it requires people who have reliable resources.

Seeing the large number of unemployed and the needs that must be met, many people think that working in government agencies or private companies is a safe way to make ends meet. But in reality, there are many people who cannot meet these needs above their permanent jobs as employees. On the other hand,

there are other ways to fulfill these needs, namely by becoming an entrepreneur or opening your own business.

By opening your own business, various needs can be met if the business can be run properly and successfully. Not only basic needs, the need for achievement and power can be fulfilled. The need for achievement is closely related to the entrepreneurial spirit.

Basically everyone has an entrepreneurial spirit and talent within him, but some are developed and some are not. Someone who wants to think and act innovatively both among entrepreneurs and the general public such as farmers, employees, government employees, students, teachers, and so on has an entrepreneurial spirit and attitude (entrepreneurship). With his entrepreneurial spirit and talent, a person will be more motivated and dare to make the decision to set up a small business.

Making a decision is a normal thing that is often experienced by every human being. In their lifetime, humans are never separated from decision-making activities. In every part of the development of life, humans have certain goals that must be achieved. To achieve this goal, a decision-making process is needed. Decision-making activities are often carried out by people, whether consciously or unconsciously, because in everyday life a person will encounter many uncertain situations (uncertainty).

Making a decision is a normal thing that is often experienced by every human being. Humans are never separated from decision-making activities. In every part of the development of life, humans have certain goals that must be achieved. To achieve this goal requires a decision-making process. Decision-making activities are often carried out by people, whether consciously or unconsciously, because in everyday life a person will encounter many uncertain situations.

In decision making there are stages before making a decision, namely determining the problem, checking the facts, considering various alternatives, incorporating the opinions of others, determining the course of action, and then assessing the results. If someone makes a decision without going through these stages, they are worried that the decision taken is not the right decision. The same goes for making a decision to start a business.

Making these decisions can be easy when it only concerns a matter of daily routine. However, sometimes there are situations where making a decision becomes a difficult matter regarding self-esteem, risk, personal ability and others. Every decision always carries the risk of failure in achieving it, but on the other hand, if it is successful, subjective satisfaction will be obtained. Here it appears that achieving goals requires sacrifice of all things that have been considered, and
humans are ready to face them. This reflects that in decision making, influencing risk plays an important role.

The motivation to seek profit plays a very important role in developing various business activities. Profits from every effort will not be obtained as soon as possible. Profits will only be enjoyed in the future. To set up a business usually requires capital. Therefore, in every activity you can develop a business that is always faced with problems which are expressed in terms of risk.

One of the main motivations for someone to become an entrepreneur is because of the desire to be more independent or not wanting to work for other people. Generally, someone decides to become an entrepreneur because of the desire to change their life so that they have a better quality of life than before. As revealed by Masitho, an entrepreneur has the possibility of having a better quality of life, such as being able to meet family needs, have a good income, have the ability to send their children to higher education, and be able to have a decent home for the family. According to Yuan, quality of life is an increase in the degree of well-being, satisfaction, and standard of living that a person has.

Everyone, in their daily lives, will always see or be directly related to various types of activities. In small towns and big cities, we can clearly see various types of shops that sell goods to meet people's needs, such as clothing stores, shoe shops, stationery shops, and others. The activities of producing, distributing and marketing goods are quite complex activities. Therefore, various parties who want to know the ins and outs of economic activity, and how modern companies carry out their various activities, need to study the outline of the forms of activities carried out by various companies.

This will be resolved if the person has an interest in creating their own jobs, namely by working according to the skills and knowledge they have, not having to rely on getting jobs from other people or working in government agencies.

Based on the observations that have been made by researchers, there is a lot of unemployment in North Belopha District where this has resulted in a lack of jobs in the area so that the people there are motivated and make the choice to open their own business.

LITERATURE REVIEW

A. Motivation

Motive is often interpreted by the term encouragement. This encouragement or energy is the movement of the soul and body to act. So the motive is a driving force that moves humans to behave, and in their actions has a specific purpose.
Every action taken by humans always begins with motivation (intention). Motivation (motivation) as a process that explains the intensity, direction, and persistence of an individual to achieve goals.

The theory of motivation was first put forward by Maslow. He put forward a hierarchy of needs that underlies motivation. According to him, these needs are stratified according to the level of satisfaction, namely physical needs (physiological needs), security needs (security needs), social needs (social needs), esteem needs (esteem needs), and needs for self-actualization (self-actualization).

Maslow’s theory was then grouped by Clayton Alderfer into three groups, known as the theory of existence, relatedness, and growth (ERG).

First, the need for existence (existence) namely regarding material needs that must exist (including physiological needs and security needs from Maslow).

Second, dependency (relatedness), namely the need to maintain interpersonal relationships (including social and esteem needs from Maslow).

Third, developmental needs (growth), which are intrinsic needs for personal development (including Maslow’s self-actualization and esteem needs).

The success of industrial businesses is influenced by various factors. The company’s business performance is one of the goals of every entrepreneur. The performance of small industrial businesses can be interpreted as the level of success in achieving the expected goals or objectives. As a measure of the success of a company’s business can be seen from various aspects, such as: financial performance, company image, and others. Success or success, in measuring success for entrepreneurs, can be proven by the achievements achieved, namely the growth of the company they manage.

According to Merie J. Moskowits, motivation is generally defined as the initiation and direction of behavior and motivational learning is actually a behavioral lesson. Meanwhile, according to Edwin B. Flippo, motivation is a skill, in directing employees and organizations to want to work successfully so that the wishes of employees and organizational goals are simultaneously achieved.

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4 Dwi Gemina, Endang Silaningsih, and Erni Yuningsih, The Effect of Business Motivation on Success with Business Ability as a Mediation Variable in the East-Indonesian Priangan Snack Food Industry, (Journal: Faculty of Economics, University of Djuanda Bogor, 2016)
5 Nugroho J. Setiadi, Consumer Behavior Concepts and Applications for Marketing Strategy and Research, (Cet, I; Bogor: Kencana, 2003), h. 94
Motivation is a suggestion or encouragement that arises because it is given by someone to another person or from oneself, this encouragement intends for that person to become a better person than before.

The driving elements of motivation in his book Sagir put forward the driving elements of motivation, namely performance, rewards, challenges, responsibilities, development, involvement, and opportunities.\(^6\)

**B. Decision Making Theory**

The development of decision-making theory is very broad and has become an area of study in various fields of knowledge, both business and psychology in the financial sector, for two types of decisions, namely investment decisions and funding decisions. Decision making from the point of view of behavioral theory is in response to a problem and is done by choosing the most acceptable alternative in achieving goals.

Behavioral finance appeared in the early 1980s initiated by financial experts such as DeBondt and Thaler together with psychologists including Andersen and Kahneman, who concluded that in decision making, in addition to quantitative calculation aspects to get the highest expected utility, emotional and behavioral aspects are also things that are considered to greatly influence investment decision making. In this case, decision-making behavior is generally influenced by situational factors and individual decision-making factors.

Decision making is the process of having or determining various possibilities among uncertain situations. Decision making occurs in situations that require a person to: a) make future predictions, b) choose one of two or more options, or c) make estimates (estimates) regarding the frequency of events based on limited evidence.

**C. Definition of Small Business**

Small business is a business activity that has a small initial capital, or a small value of wealth (assets) which is also small. The value of the initial capital, assets or the number of workers depends on the definition given by the government or other institutions with certain goals. For example, Indonesia defines a small business as a company that has less than 20 employees or an asset value of less than IDR 200 million. Businesses that are too small with fewer than 5 workers are said to be micro-level small businesses.\(^7\)

Small business is a small-scale people’s economic activity, and meets the criteria for net worth or annual sales and ownership as stipulated in the law. Small-scale people’s economic activities are economic activities that are owned and revived by the majority of the people.\(^8\) Meanwhile, according to Law No. 9 of 1995 concerning small businesses, the

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\(^6\) Siswanto Sastrohadiwiryo, Indonesian Manpower Management with Administrative and Operational Approaches, (Cet. I; Jakarta: Bumi Aksara: 2002), h. 269-270

\(^7\) Sadono Sukirno, et.al., Introduction to Business, p.365

\(^8\) M. Tohar, Opening a Small Business, (Yogyakarta. Kanisius. 2000), h. 1
limits of small businesses/industries are defined as follows: "small industry is an economic activity carried out by individuals or households or an entity, aiming to produce goods or services for trade. commercially, those with the net worth of Rp. 200,000.00, and have an annual sales value of 1 billion or less.\footnote{Andi Irawan and Bayu Airlangga Putra, UKM Entrepreneurship Thought and Experience, (Yogyakarta; Graha Ilmu, 2007), h. 8.}

**CONCEPTUAL FRAMEWORK**

![Conceptual Framework](image)

Figure 1: Conceptual Framework

**HYPOTHESIS**

H1: There is a motivational influence on decision making to start a small business in North Belopa District, Luwu Regency.

H0: There is no influence of motivation on decision making to start a small business in North Belopa District, Luwu Regency.

**METHODS**

The type of research used in this study is a quantitative method. Quantitative research is research that is based more on data that can be calculated to produce an interpretation. The contents of the data analysis plan are always based on the research plan that has been formulated and the data that has been processed.\footnote{Nugroho J. Setiadi, Consumer Behavior (Concepts and Implications for Marketing Strategy and Research), (Ed. I. Cet. I; Jakarta: Kencana, 2003), h. 28.} The location of this research was conducted in North Belopa District, Luwu Regency. The population in this study were small business actors in North Belopa District, Luwu Regency, totaling 450 people. The technique used in sampling is simple random technique with a sample size of 81 using the slovin formula with a standard error of 10%.

a. In this study, a questionnaire was used for primary data collection. The data analysis technique used is Validity Test, Reliability Test, Classical Assumption Test, Simple and Linear Regression Analysis Test $R^2$.
RESULT: Validity Test and Reliability Test

a. Validity test

Validity test is used to measure whether a questionnaire is valid or not. To test the accuracy of the questionnaire, the IBM SPSS Statistics 15 program was used. The standard error used was 5%, so the criticism for the validity of the instrument items was 0.213. This means that the instrument is said to be valid if the coefficient is > 0.213. The validity test is calculated by comparing the $r$ count value (correlated item total correlation) with the $r$ table value, if $r$ count > $r$ table (at a significant level of 5%) then the statement is declared valid.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Statement Items</th>
<th>Mark</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation</td>
<td>Item 1</td>
<td>0.690</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Item 2</td>
<td>0.605</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Item 3</td>
<td>0.395</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Item 4</td>
<td>0.417</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Item 5</td>
<td>0.472</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Based on table 1 above the results of testing the validity of the motivational variable with 5 statement items, all statements in the study were declared valid as stated because they already had a correlation value above 0.213.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Statement Items</th>
<th>Mark</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision-making</td>
<td>Item 1</td>
<td>0.395</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Item 2</td>
<td>0.656</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Item 3</td>
<td>0.508</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Item 4</td>
<td>0.537</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Item 5</td>
<td>0.422</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Item 6</td>
<td>0.441</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Based on table 1.2 above the results of testing the validity of the decision-making variables with 6 statement items, all statements in the study were declared valid as stated because they already had a correlation value above 0.213.
b. Reliability Test

The reliability test is a study to determine the extent to which the measurement results remain consistent, if the measurement is carried out twice or more for the same symptoms using the same measuring device. The reliability test is used to measure the reliability of the questionnaire that we use. In this study the reliability test uses the alpha formula with the help of IBM SPSS Statistics 15. The variable will be said to be reliable if the result α (cronbach alpha) > 0.60.

Table 3 Reliability Statistics

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.786</td>
<td>11</td>
</tr>
</tbody>
</table>

Based on the table above, the SPSS test results on motivation and decision-making variables are said to be reliable because the value of α (Cronbach alpha) > 0.60.

c. Classic assumption test

Normality test

Table 4 Normality Test Results

<table>
<thead>
<tr>
<th>Normal Parameters(a,b)</th>
<th>Unstandardized Residuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>82</td>
</tr>
<tr>
<td>Normal Means</td>
<td>.0000000</td>
</tr>
<tr>
<td>std. Deviation</td>
<td>1.89934083</td>
</tr>
<tr>
<td>Most Extreme absolute</td>
<td>082</td>
</tr>
<tr>
<td>Positive</td>
<td>.073</td>
</tr>
<tr>
<td>Negative</td>
<td>-.082</td>
</tr>
<tr>
<td>Kolmogorov-Smirnov Z</td>
<td>.746</td>
</tr>
<tr>
<td>asymp. Sig. (2-tailed)</td>
<td>.706</td>
</tr>
</tbody>
</table>

a Test distribution is Normal.

b Calculated from data.

Processed Spss Output Source

The basis for decision making is:

1. if the significant value is > 0.05, then the residual value is normally distributed
2. If the significant value is <0.05, then the residual value is not normally distributed.

Based on the results of the Normality Test, it is known that the significant value is 0.706 > 0.05, so it can be concluded that the residual values are normally distributed.

**Linearity Test**

**Table 5 ANOVA Table**

<table>
<thead>
<tr>
<th>Source: Processed Spss Output</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Decision making</strong></td>
</tr>
<tr>
<td>----------------------</td>
</tr>
<tr>
<td><strong>Deviation from Linearity</strong></td>
</tr>
<tr>
<td>85.923</td>
</tr>
<tr>
<td>25.05</td>
</tr>
<tr>
<td>193.714</td>
</tr>
<tr>
<td>304.695</td>
</tr>
</tbody>
</table>

The basis for decision making is:

1. If the Sig. deviation from linearity value is > 0.05, then there is a linear relationship between the independent variable and the dependent variable.

2. If the Sig. deviation from linearity < 0.05, so there is no linear relationship between the independent variable and the dependent variable.

Based on the results of the linearity test, it is known that the sig. deviation from linearity of 0.160 > 0.05, it can be concluded that there is a linear relationship between motivation and decision making. Meanwhile, based on the value of F, it
can be seen that the value of Fcount = 1.595 < Ftable = 1.990, so it can be concluded that there is a linear relationship between motivation and decision making.

### d. Simple Linear Regression Test

Table 6 Significant Value

<table>
<thead>
<tr>
<th>Mode</th>
<th>Sum of Squares</th>
<th>df</th>
<th>MeanSquare</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td></td>
<td>85,923</td>
<td>31,420</td>
<td>.000(a)</td>
</tr>
<tr>
<td></td>
<td>residual</td>
<td></td>
<td>2,735</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>81</td>
<td>304,695</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a Predictors: (Constant), Motivation

b Dependent Variable: Decision Making

processed spss output source

From the output it is known that the calculated F value = 31,420 with a significant level of 0.000 < 0.05, so the regression model can be used to predict motivational variables or in other words there is an influence of motivational variables (X) on decision making (Y).

Table 7 Regression Coefficient

<table>
<thead>
<tr>
<th>Mode</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>std. Error</td>
<td>B</td>
<td>std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>10,356</td>
<td>2,608</td>
<td>3,971</td>
</tr>
<tr>
<td></td>
<td>Motivation</td>
<td>.685</td>
<td>.122</td>
<td>.531</td>
</tr>
</tbody>
</table>

a Dependent Variable: Decision Making

source: processed spss output
From the table above it can be seen that the constant value (a) is 10,356, while the motivational value (b or regression coefficient) is 0.685, so the regression equation can be written:

\[ Y = a + Bx \]

\[ Y = 10.356 + 0.685X \]

This equation can be translated:

a. A constant of 10.356 means that the consistent value of the decision-making variable is 10.356

b. The regression coefficient X of 0.685 states that for every 1% addition of motivation, the value of decision making increases by 0.685. The regression coefficient is positive, so it can be said that the direction of the influence of variable X on variable Y is positive.

4. Hypothesis Test

Basis for decision making:

a. If the value of tcount < ttable, then H1 is rejected and H0 is accepted

b. If tcount > ttable, then H1 is accepted and H0 is rejected.

e. R Squere test

Table 8 Determination Coefficient Value

<table>
<thead>
<tr>
<th>Model Summary(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mode 1</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

a Predictors: (Constant), Motivation
b Dependent Variable: Decision Making

The table above explains the value of the correlation or relationship (R) which is equal to 0.463. From the output, the coefficient of determination (R Square) is 0.215,
which implies that the influence of the independent variable (motivation) on the dependent variable (decision making) is 21.5%.

Guidelines for providing interpretation of the coefficient of determination as follows:

<table>
<thead>
<tr>
<th>Coefficient of Determination</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00 – 0.199</td>
<td>Very low</td>
</tr>
<tr>
<td>0.20 – 0.399</td>
<td>Low</td>
</tr>
<tr>
<td>0.40 – 0.599</td>
<td>Currently</td>
</tr>
<tr>
<td>0.60 – 0.799</td>
<td>Strong</td>
</tr>
<tr>
<td>0.80 – 1.00</td>
<td>Very strong</td>
</tr>
</tbody>
</table>

The coefficient of determination from the test results is 0.215, so the effect motivation in decision making is low.

RESULT : DISCUSSION

Based on the results of multiple linear regression tests, it is known that the linear regression coefficient of motivation factors has a significant effect on the decision making of starting a business. There are events that have occurred related to the business they have, so entrepreneurs will make the best decisions for the future of their business. Motivation tries to get a lot of learning about what information is needed and used in decision making. Entrepreneurs will need more motivation to be prepared and used for decision making if the level of business complexity and competition is getting tougher. Motivation in the company's operations or the length of time the company has been operating based on the business that has been carried out will indicate the need for accounting information is very necessary. However, in reality, MSEs who have been running their business for a long time still sideline the use of accounting information that should be used to help progress their business. According to them, as long as the capital can still be used for tomorrow's production and some can be used for personal needs, it is enough. The results of this study consistently support the results of research conducted by Riadi which states that motivation influences the decision making of starting a MSME business. In addition, Neni Marlina Purba and Khadijah also stated that motivation influences decision making to start a MSME business. However, in reality, MSEs who have been running their business for a long time still sideline the use of accounting information that should be used to help progress their business. According to
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CONCLUSION
Based on the tests that have been carried out, motivation has a significant influence on the decision-making variable for starting a small business in North Belopa District, Luwu Regency. These results are consistent with the hypothesis (H1) which states that there is an influence between motivation and decision making. Based on the research results obtained in the community in the North Belopa sub-district, Luwu district, in this study, namely the people of the North Belopa sub-district to always increase their business motivation.

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