Analysis of The Influence of Entrepreneurship Capability, Agility, Business Transformation, Opportunity on Start-Up Behavior In E-Commerce Companies In Indonesia During The Covid 19 Pandemic

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Abstract: - The purpose of this study is to analyze the influence of Entrepreneurship Capability, Agility, Business Transformation, Opportunity on Start-Up Behavior in E-Commerce Companies in Indonesia During the Covid 19 Pandemic. The quantitative method used in this study was applied to start-up companies in Greater Jakarta with a population of 522 start-ups. The sampling method in this study used a purposive sampling technique. Questionnaires were distributed using google form as many as 522 questionnaires, 200 questionnaires were returned. From the returned questionnaires, after sorting the completeness and fulfilling the requirements for testing, 187 questionnaires were obtained consisting of the founders. Primary data were collected through a questionnaire and then analyzed using statistical analysis methods using Partial Least Square SmartPLS version 3 program. The partial least square analysis results show that each of the factors: agility, entrepreneurship capability, business transformation and opportunity have a significant effect in increasing start-up behavior in Jabodetabek. This finding explains that in building a start-up, the founder must possess the agility entrepreneurship capability factor while still following business transformation and opportunities in developing the business. This study also found that the opportunity factor is the most dominant factor in increasing the start-up behavior of founders.

Key-Words: - Start-up Behavior, Agility, Entrepreneurship Capability, Business Transformation, Opportunity, start-up, Covid 19 Pandemic, E-Commerce

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Entrepreneurship plays important roles for the community, region, state, as well as the country and is seen as the solution for global competition, which also helps the problem of unemployment [5]. It helps create jobs for people, improve the standard of living of the people within the community, increase GDP and Per Capita income, and actively do exports, which will bring benefits for the country’s economic development then lead to community.

Each business group has different problems, the biggest challenge for the startup industry at the micro, small and medium scale is the aspects of capital and Human Resources (HR), in large-scale industries it lies in facilities, regulations and HR. The second problem faced by startups is the human resource (HR) factor. This factor can include aspects of agility and capability of an entrepreneur in developing a startup [6].

Agility is the ability to change direction quickly and accurately, and entrepreneurial capabilities to capture the company's capacity to perceive, select, shape, and synchronize to seize opportunities, and transform corporate business processes to embed an effective and efficient competitive business structure [7]. Entrepreneurship capability and strategy are important for resource allocation [8],[9].

Entrepreneurship capability is the ability of an entrepreneur to start a new organization or revitalize an organization that is already mature, especially new business in general, in the context of responding to identified opportunities. Furthermore, Muduli and Pandya [20] said that most workforce agility studies emphasize aspects of agility behavior such as flexibility and adaptability.

Business changing is the beginning of an entrepreneur in developing a digital-based business. The business transformation formula is about transforming the company's business processes to embed an effective and efficient competitive business structure. This impacts all of the business processes identified above, whether it is operating, managing or supporting efficient and effective processes through people, organizations, systems and infrastructure and transformational capacities that enable organizations to continuously learn, transform, and reinvent themselves with more effort and struggle [10].

Digital transformation has turned Indonesia into one of the countries with the fastest growing e-commerce in line with the increasing use of smartphones and internet telecommunication
Digital transformation is becoming a major topic for companies around the world. The opportunity is one of the reasons for entrepreneurs to have the intention to do business digitally, this opportunity is based on the projected number of internet users reaching 123 million in 2018 and becoming the fifth largest user in the world. Markides [14] found a positive association of perceived opportunity with intention or theoretical adoption of a new business model. Then entrepreneur decision making sees opportunity as a motive for making strategic decisions. Digital transformation has become a major topic for companies around the world.

This research is useful for e-commerce business beginners in Indonesia, especially during the current covid 19 pandemic, so that they have more agility and are able to read every opportunity so that their business can run in the midst of the current pandemic.

This study aims to examine the effect of agility, entrepreneurship capability, business transformation and opportunity on start-up behavior in Jabodetabek.

2. Literature Review

2.1 Theory of Planned Behavior (TPB)

The theory of planned behavior [15] states that when a person takes action it can be predicted and influenced by three variables, namely attitudes, subjective norms, and perceived behavioral control. This theory states that the decision to display certain behaviors is a rational process that is directed at a specific goal and follows a sequence of thinking. Behavior choices that are considered are the consequences and results of each behavior are evaluated, and a decision is made whether to act or vice versa [15]. The TPB theory developed by Ajzen [15] examines three antecedents that influence intention and behavior, namely:

- Attitude toward Behavior, refers to the extent to which individuals have personal judgments, be it positive or negative regarding their views on being an entrepreneur, in the context of attitudes towards digital entrepreneurship.

- Subjective Norm, measures the social pressure that is felt to be done or not, related to entrepreneurial behavior or entrepreneurial behavior.

- Perceived Behavioral Control as a perception of the ease or difficulty of becoming a digital entrepreneur.
2.2 Startup

Secundo et al.,[16] defines a business startup as an organization that is formed to seek repeatable and scalable business models. According to Ronald Widha from TemanMacet.com, startups are not just new companies that take advantage of technology but also about services and people's economic movements that can be independent without the help of larger companies. Some of the characteristics of a company that can be classified as a startup company include ("What is a Startup? How is the Development of the Startup Business World in Indonesia ?") and: (1) the age of the company is less than 3 years, (2) the number of employees is less than 20 people, (3) income of less than $100,000/year, (4) still in the developing stage, (5) generally operating in the technology sector, (6) products made in the form of digital applications, (7) usually operating through websites.

Remane et al., [17] in his book classifies digital company business models that are very good for startups to develop into 5 categories, namely:

a. Game apps like Angry Birds, Clash of Clan, and Candy Crush Saga.
b. E-commerce / marketplace applications such as Amazon and eBay
c. Consumer audience / advertising applications such as Instagram and Snapchat
d. Software As A Service (SAAS) such as Evernote, Dropbox, and Box
e. Enterprise including Workday, FireEye, Splunk, Palantir, and Tableau Software.

Growth is considered a measure of the success of a small business. Taylor and Cosenza [18] suggest that growth is the fundamental goal of every company and necessary for survival. In addition, Storey and Greene [19] also mentioned that growing fast is very important for the survival of some startups. This study considers financial growth and the number of users as the roots of startup growth.

2.3 Agility and Start-up Behavior

Start-up behavior as a result of one's evaluation of intentions, attitudes, subjective norms, and perceptions of behavioral control regarding digital-based enterprises [15]. Based on the TPB concept, start-up behavior is influenced by several factors that increase the intention to build a startup. In the business, agility is a major factor in determining the success of a business. Muduli, and Pandya, [20] developed an agility model based on the Theory of Planned Behavior, with the result that one's intention to agility is a direct cause of agility behavior, so that this intention is also influenced by other factors such as attitudes, subjective norms and environmental controls that make workers have more capabilities. In an entrepreneurial perspective, agility becomes important for entrepreneurial-oriented organizations to resolve effectively with their resource-rich peers [21].

H1: Agility has a significant effect on start-up behavior

2.4 Entrepreneurship Capability and Start-up Behavior

Entrepreneurial capability is a means of capturing the company's capacity to perceive, select, shape, and synchronize the pursuit of opportunities [7]. Hien and Cho's research [22] states that entrepreneurship capabilities positively affect innovative start-up intentions. Right in this process, entrepreneurs and start-up founders recognize and seize new opportunities; and because of various experiential and cognitive processes, they acquire and use entrepreneurial knowledge [23]. Yasil et al. [24] found that entrepreneurial knowledge has a significant correlation with start-up behavior, further explaining that entrepreneurial knowledge can also strengthen intention towards entrepreneurship towards start-up behavior.

H2: Entrepreneurship capability has a significant effect on start-up behavior

2.5 Business Transformation and Start-up Behavior

In this case, business transformation is related to the change in doing business traditionally to a digital-based business. The most important managerial recommendation that was generated by the previous research phases was that the business transformation manager must be an architect of adaptive business systems[46]. Ibrahim, Boerhannoeddin, and Kayode [25] mention cultural differences in labor, commercial, operational, and leadership aspects. Digital startups must overcome environmental dynamics that compel them to adapt their business models to the volatile environment in which they operate, or offer them the opportunity to innovate their business models and thereby trigger more dynamic phenomena [26]. Business transformation from conventional to digital can generate new ideas and ideas that can be developed from start-ups. Furthermore, Yasil et al. [24], the turmoil that occurs in the business environment has a significant relationship with start-up behavior.

H3: Business transformation has a significant effect on start-up behavior

2.6 Opportunity and Start-up Behavior

The opportunity concept is often used to signify the relevant aspects of the external environment of entrepreneurial activity [27]. Markides [14] argue
that opportunity discovery is not an act of individual surrender, but is a social and relational process. Korsgaard [28] emphasizes that discovery related to opportunity is an individual action, it also involves other elements, so that initial insights require development before becoming a business venture. Sanz-Velasco [29] shows how entrepreneurs only recognize opportunities that are not yet perfect, and before the opportunity can become a guide for entrepreneurial actions, a development process is needed. Markides [14] found a positive association of perceived opportunity with intention or theoretical adoption of a new business model. Yasil et al. [15] revealed that entrepreneurial decision-making saw opportunity as a motive for making strategic decisions. Markides [14] found a positive association of perceived opportunity with intention or theoretical adoption of a new business model. A qualitative study conducted by Yasil et al. [15] reveals that entrepreneurial decision making sees opportunity as a motive for making strategic decisions. Yasil et al. [15] found that entrepreneurial opportunities had a significant impact on intention towards entrepreneurship, which in turn increased start-up behavior.

H4: Opportunity has a significant effect on start-up behavior

3. Methodology

This study uses a quantitative method. The quantitative method used in this study was applied to start-up companies in Greater Jakarta with a population of 522 start-ups. The sampling method in this study used a purposive sampling technique. Questionnaires were distributed using google form as many as 522 questionnaires, 200 questionnaires were returned. From the returned questionnaires, after sorting the completeness and fulfilling the requirements for testing, 187 questionnaires were obtained consisting of the founders. Agility variables are measured through 9 indicators developed from the dimensions of knowledge, skills and abilities [20]. 12 indicators measure the entrepreneurship capability variable developed from the dimensions of sensing, selecting, shaping and synchronizing [7] Business transformation variables are measured through 12 indicators developed from the dimensions of re-engineering, restructuring, renewing and regeneration. The opportunity variable is measured through 9 indicators developed from the dimensions of technological opportunities, perceived industry growth, and demand of new products [15]. The start-up behavior variable is measured through 10 indicators developed from the dimensions of behavioral beliefs and evaluation of the results of the behavior, normative beliefs and motivation to meet expectations, control beliefs and the influence of control factors [15]. Primary data were collected through a questionnaire and then analyzed statistically using Partial Least Square.

4. Result and Discussion

Jabodetabek is the region with the highest number of start-ups, reaching 52.62%. Start-ups used in this study are limited to start-ups in the micro and small business category with an initial capital of under IDR 500 million. The research subjects were determined by purposive sampling technique in order to obtain a sample of 187 Start-up founders. Analysis with partial Least Square provides the model output:

4.1. Demographic respondent

Table 1: Characteristics of respondents in this study

<table>
<thead>
<tr>
<th>Respondents by gender</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>98</td>
<td>52.4%</td>
</tr>
<tr>
<td>Women</td>
<td>89</td>
<td>47.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Respondents by type of business</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online store</td>
<td>46</td>
<td>24.6%</td>
</tr>
<tr>
<td>Online clothing</td>
<td>34</td>
<td>18.2%</td>
</tr>
<tr>
<td>Shoes online</td>
<td>30</td>
<td>16%</td>
</tr>
<tr>
<td>Online snacks</td>
<td>28</td>
<td>15%</td>
</tr>
<tr>
<td>Vegetables online</td>
<td>25</td>
<td>13.4%</td>
</tr>
<tr>
<td>Electronics and handphone online</td>
<td>24</td>
<td>12.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Respondents by age</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-30 years</td>
<td>56</td>
<td>29.9%</td>
</tr>
<tr>
<td>30-35 years</td>
<td>73</td>
<td>39%</td>
</tr>
<tr>
<td>35-40 years</td>
<td>58</td>
<td>31%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Respondents based on education level</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>High (D3, S1)</td>
<td>150</td>
<td>80.2%</td>
</tr>
<tr>
<td>S2</td>
<td>37</td>
<td>19.8%</td>
</tr>
</tbody>
</table>

Source: interview

Based on the data above, it was found that the number of male respondents was 98 people (52.4%), and women were 89 people (47.6%). Based on the type of business, there are 46 people (24.6%) online shop, 34 people (18.2%) online clothes, 28 online snacks (15%), 25 online vegetables (13.4 %), and Electronic and online cellphones as many as 24 people (12.8%). Respondents also asked their age and education. The age group of 25-30 years was 56 people (29.9%), 30-35 years as many as 73 people (39%), and 35-40 as many as 58 people (31%). Meanwhile, based on the level of education, respondents admitted that there were 150 people...
(80.2%) for undergraduate (D3, S1) and 37 people (19.8%) for S2.

Figure 1: Model PLS Algorithm

The results of partial least square analysis with the PLS Algorithm method provide the output as shown in Figure 1, the following evaluation can be carried out.

4.2. Discriminant Validity Test

The Fornell-Larcker criterion is the second approach to assessing discriminant validity. It compares the square root of the √AVE value with the correlation of the latent variables. In particular, the square root of each √AVE construct must be greater than the highest correlation with the other constructs. An alternative approach to evaluating the results of the Fornell-Larcker criterion is to determine whether the √AVE is greater than the squared correlation with other constructs. The logic of the Fornell-Larcker method is based on the idea that the constructs share more variance with the related indicators than with other constructs.

Table 2: Fornell Larcker Criterion

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach’s Alpha</th>
<th>Composite Reliability</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agility</td>
<td>0.946</td>
<td>0.954</td>
<td>Reliable</td>
</tr>
<tr>
<td>Business Trans</td>
<td>0.950</td>
<td>0.956</td>
<td>Reliable</td>
</tr>
<tr>
<td>Opportunity</td>
<td>0.943</td>
<td>0.951</td>
<td>Reliable</td>
</tr>
<tr>
<td>Start-up Behavior</td>
<td>0.941</td>
<td>0.950</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

4.3. Outer Model Analysis

Outer model evaluates the relationship between indicators and constructs that constructed through validity and reliability. The indicators in each construct have been declared valid with a loading factor > 0.7 and AVE > 0.5 and the reliability test has also been fulfilled with Composite Reliability and Cronbach's Alpha > 0.7.

Table 3: Reliability Test

In the Fornell-Larcker Criteria table 2., it can be seen that the AVE value of the Agility correlation variable is 0.911. This value is greater than the correlation value of the Entrepreneurship Capability variable with Business Trans and other variables. This also applies to other variables, the AVE value on the variable itself shows a higher number than the correlation between variables. Thus the discriminant validity conditions with √AVE have been fulfilled.

4.4. Inner Model Analysis

The inner model analyzes the relationship between constructs in the model and evaluation according to the values:

- R Square

R Square is defined as the number of variants described by endogenous latent variables in the structural model, the higher the value of R Square, the better the construct, explained by the latent variables in the structural model. The point is through the structural model path relationships [30]. The PLS analysis results provide an R Square value of 0.940. In general, the R² value is 0.75; 0.50; or 0.25 for endogenous constructs can be described as substantial, moderate, and weak [30]. The variance of start-up behavior variable has been able to be explained by the variance of agility, entrepreneurship capability, business transformation and opportunity variables by 94%, although there...
are still 6% explained by variables outside the model.

- Goodness of Fit Model (GoF)

GoF value can be found with the formula:

$$\text{GoF} = \sqrt{\text{Cumulativity} \times R^2} = \sqrt{0.577 \times 0.940} = 0.798$$

(1)

The goodness of fit model (GoF) value of more than 0.36 is large [31]. The calculation results obtained GoF results of 0.798, meaning that the research model can capture real phenomena regarding the influence of agility factors, entrepreneurship capability, business transformation and opportunity on start-up behavior in Jabodetabek.

4.5. Hypothesis Test

Interpretation of the partial least square analysis results follows the provisions if the t-value > 1.96 then Ha is supported and H0 is rejected, which means that there is a significant effect of the independent variable on the dependent variable. The results of the study are in accordance with the following part coefficient table.

The results of partial least square analysis through the bootstrapping method provide the results of the t statistical value of each hypothesis as in Figure 2, and more fully presented in the following path coefficient table.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Sample Statistics</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Agility -&gt; Start-up Behavior</td>
<td>0.231</td>
<td>3.578</td>
</tr>
<tr>
<td>H2: Entrepreneurship Capability -&gt; Start-up Behavior</td>
<td>0.242</td>
<td>2.215</td>
</tr>
<tr>
<td>H3: Business Transformation -&gt; Start-up Behavior</td>
<td>0.211</td>
<td>2.045</td>
</tr>
<tr>
<td>H4: Opportunity -&gt; Start-up Behavior</td>
<td>0.327</td>
<td>2.467</td>
</tr>
</tbody>
</table>

Based on the table above, it is known that the Agility variable has a significant effect on Start-up Behavior with a P value of 0.001, the Entrepreneurship Capability variable has a significant effect on Start-up Behavior with a P value of 0.029, the Business Transformation variable has a significant effect on Start-up Behavior with a P value of 0.044, the Opportunity variable has a significant effect on Start-up Behavior with a P value of 0.015.

4.6. Discussion

Agility has a significant effect on start-up behavior (t statistic 3.578 > 1.96 and p value 0.001). From an entrepreneurial perspective, agility becomes important for entrepreneurial-oriented organizations to resolve effectively with their resource-rich peers [32]. Entrepreneurs need to have the ability to detect and respond to any changes that occur to meet market demand[33]. This ability is needed for entrepreneurs to start digital-based businesses in response to changes in business models and the development of information and communication technology. These results are in line with the concept of Theory of Planned Behavior, a person's intention to agility is a direct cause of agility behavior [34].

Entrepreneurship capability has a significant effect on start-up behavior (t statistic 2.215 > 1.96 and p value 0.029). The capabilities of entrepreneurship are needed to achieve competitiveness[35]. Entrepreneurial capability is a means of capturing a company's capacity to perceive, select, shape, and synchronize the pursuit of opportunities [7]. Entrepreneurship capability includes a process of experimenting with promising new technologies, a desire to increase market opportunities for new products and a predisposition to take risky opportunities[43]. Strong entrepreneurship capability has the ability to turn environmental uncertainty into a benefit for the
company[36]. Entrepreneurship capability is a way of looking at entrepreneurship as an exploitation of opportunities to renew and improve[45]. Entrepreneurs who have the ability to see opportunities are then able to choose the most potential opportunities and map them while staying in sync with the company’s vision, thus encouraging these entrepreneurs to behave in digital-based business in line with current business model changes[38]. In addition, the knowledge and abilities of entrepreneurs are able to strengthen the intention of entrepreneurship towards start-up behavior [15].

Business transformation significantly affects start-up behavior (t statistic 2.045> 1.96 and p value 0.044). Business development continues to change along with market demand, entrepreneurs must continue to innovate in transforming their business along with technological developments to take advantage of digital-based business models or start-ups[37]. Digital start-ups must overcome environmental dynamics that compel them to adapt business models to the volatile environment in which they operate, or offer them the opportunity to innovate their business models and thereby trigger more dynamic phenomena [26]. The transformation of the conventional business model to digital makes entrepreneurs want to develop start-ups to fulfill their business. Jogaratnam and Kevin. [42] the turmoil that occurs in the business environment has a significant relationship with start-up behavior. Thus, business transformation is the cause of the emergence of start-up behavior in entrepreneurs.

Opportunity significantly affects start-up behavior (t statistic 2.467> 1.96 and p value 0.015). Every business activity, the opportunity factor is the main concern of entrepreneurs[39]. Every business will always have an opportunity, but not many can see these opportunities in detail to run. Finding opportunities is not an act of individual submission, but is a social and relational process[40]. Although discovery related to opportunity is an individual action, it also involves other elements so that initial insights require development before becoming a business venture [28]. Through opportunities that are wide open, business models by utilizing technology make entrepreneurs eager to build start-ups[44]. This is in line with the findings of Rauch et al. [41], entrepreneurial opportunities have a significant impact on intention to entrepreneurship, thereby increasing start-up behavior.

5. Conclusion
The partial least square analysis results show that each of the factors: agility, entrepreneurship capability, business transformation and opportunity have a significant effect in increasing start-up behavior in Jabodetabek. This finding explains that in building a start-up, the founder must possess the agility entrepreneurship capability factor while still following business transformation and opportunities in developing the business. Agility contributes and benefits to high revenue levels, customer satisfaction, market share and rapid adaptation to the market. In the company concept, agility means the company’s main ability to adapt to changes that occur continuously. Agile companies consider adaptation to the environment not only temporary, but as a continuous process. Agility is the ability to move quickly, flexibly, and determinedly to initiate, seize, and take advantage of opportunities and avoid the negative effects of change. Agility is the ability to identify and capture business opportunities continuously and faster than competitors. This study also found that the opportunity factor is the most dominant factor in increasing the start-up behavior of founders. So an e-commerce founder needs to be observant to see what opportunities are right for making products and marketing their products so that they can survive in the midst of the covid 19 pandemic as it is today.

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