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Trends and Future of Corporate Entrepreneurship in Indonesia in the Post-Pandemic Era by Using Descriptive Quantitative and Cross-sectional Study

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ABSTRACT:

Objectives: The main driving objective of this research is focused on revealing entrepreneurship trends that businesses can utilize to remain competitive in the market and grow toward achieving their goals in Indonesia. Also, this research

explains the entrepreneurship future, what to do, and how to offset the prevalent challenges.

Methodology: The best method of research used in this study is the descriptive quantitative and cross-sectional study based on the available trends which are believed to occur in the future. The methodologies used in this research give it more accuracy on how to achieve all the set targets. Secondary sources of data enable the researcher to acquire the skills through which they will be used as the bridge recognizing the trends available in the realm of entrepreneurship. The data was collected from the BPS-Indonesian Central Statistics Agency.

Findings: This study reveals the significant factors that can be used to sustain corporate entrepreneurship in the post-pandemic era. Utilizing the descriptive quantitative and cross-sectional study in the research, the study collected the relevant information on entrepreneurship and how the future trends will affect the need for the advancement in technology, therefore creating more job opportunities.

Limitation: The main limitation to this research was finding substantive information that suits the identified time frame with relevant data. The research requires the incorporation of various studies and surveys. Moreover, some of the entrepreneurship publications relevant to be used in this study were not written in English. Also, this study used mapping of reviews, which have some weaknesses since some of them are limited to time.

Value Added and Recommendations: This research significantly contributes to essential areas in business in Indonesia since there are scarce studies like this regarding entrepreneurship in the post-pandemic era. The research has indicated that it is necessary to treat entrepreneurship education as a priority by policymakers, governments, and educators.

Key words: corporate entrepreneurship, entrepreneurship education, economic recovery, COVID-19 pandemic, PESTEL, digital nomadism

JEL codes: L26 Entrepreneurship

Introduction

Currently, organizations are existing in a highly competitive and exponentially changing business climate after COVID-19 hit the world. Established organizations are under constant pressure to develop new strategies that will enable them to adapt to increasing changes and pressure from faster, smaller, and more active organizations. These new companies are identifying and exploiting the available opportunities by taking considerable market share, disrupting markets, and endangering the existence of established companies (Kuratko, 2017). Besides, corporate entrepreneurship is not a new concept in Indonesia, but it is gaining momentum and is relatively embraced as the most ideal answer to organizational challenges in the current ever-changing business world. Every organization desire to have organic growth; however, a few companies do not have a sustainable and supportive process for organizational growth over time. Corporate entrepreneurship (intrapreneurship) is the best solution since startups use it to develop their businesses, services, products, and activities within established organizations to create value and new revenue growth by utilizing entrepreneurial thinking and action.

Conversely, entrepreneurship encompasses three dimensions, including proactiveness, innovativeness, and risk-taking (Cahanar & Hamsal, 2021). Corporate entrepreneurship (CE) programs naturally generate disruptive ideas, rather than meagre, incremental changes. The innovativeness dimensions are considerably led by employees rather than management implementations. Companies significantly need corporate entrepreneurship programs to be able to improve and promote their innovation capabilities and other essential benefits, including growth, increased employee morale and productivity, promote competitive advantage, as well as employee retention and recruitment (Astrini, 2020). Moreover, action-oriented competent leaders, a conducive environment, and processes and systems that enable entrepreneurial actions to form

the basic components for implementing corporate entrepreneurship in an organization. Further, CE is focused on building capabilities that support organizations to facilitate the accelerated growth of new businesses. Notably, businesses of all sizes and sectors leverage technological advancements to improve the overall performance of their businesses.

Indonesian government focus on developing and encouraging entrepreneurship by offering its support to the development of SMEs (small and medium enterprises). Notably, these enterprises create an avenue for the development and testing of entrepreneurial capability. Thus, this paper researches the entrepreneurship trends and future to support the development of SMEs and established companies. Additionally, the paper researches the factors that will enable the sustainability of corporate entrepreneurship since it has considerable benefits to the development of small and medium enterprises.

This research is motivated by how businesses are recovering in the post-pandemic era; how they can leverage the entrepreneurship trends to remain at a competitive edge. Corporate entrepreneurship by itself is a significant trend that is helping companies to improve their financial performance. Every business needs to recover; thus, this paper will provide substantive information on current trends that can be used by established companies as well as SMEs in Indonesia to grow and be able to achieve their business goals. Several studies have portrayed how capable corporate entrepreneurship is to create opportunities in technological advances, value creation, employment, cultural transformation for governments, entrepreneurs, society, and economies (Muafi et al., 2021). Thus, the results of this research will identify the factors that can be used to sustain corporate entrepreneurship to enable SMEs in Indonesia to be more innovative, proactive, and willing to take risks adopting new technologies that will support the growth of their businesses. The paper will involve data analysis to provide in-depth insights into corporate entrepreneurship.

Literature Review

According to a study titled “Trends and Developments,” the economy of Indonesia continued to face contraction in the first quarter of 2021 because of the ongoing global public health crisis. However, there were prospects of GDP growth of the country as businesses were endeavouring to recover, especially when compared to the previous quarter of 2020. Economic recovering is owed to several factors, including the enactment of the government's policies and regulations and the ongoing COVID-19 vaccination programmes. The regulatory reforms supported by the government will enhance ease of doing business, support economic growth, and encourage foreign direct investment (FDI) in the country. Besides, Lee (2019), refers to Indonesia as one of the richest countries in the world. thus, SMEs have great significance to the country, since they make up to 90% of all firms apart from the agricultural sector and serve as a great source of employment opportunities (Tambunan, 2007). Therefore, it is imperative to support the existence of these SMEs by identifying the current entrepreneurship trends and future as well as factors that sustain corporate entrepreneurship.

Research Methodology

This research aims to identify the entrepreneurship trends post-pandemic that Indonesian businesses use to have a competitive edge in the market. The best method of research used in this study is the descriptive quantitative and cross-sectional study based on the available trends which are believed to occur in the future. The target population for this study was the owners of medium and small businesses and big enterprises from across the country. A sample from the businesses was taken to represent the rest of the target population. The researchers collected 31 samples of the total enterprise population. In the 31 samples, the researcher used

the descriptive quantitative method while for the rest the researcher used the mapping literature method.

The collection of the data was mainly based on secondary data. The data was collected through reading the statistics of the BPS-Indonesian Central Statistics Agency. To obtain the sources from the agency, the researcher headed to the headquarters of the Indonesian Agency and found their research data. In this study, the data needed no interpretation because it had already been interpreted and presented. Ethics was observed in this study by mentioning that the data came from a secondary source. The data collected was placed in variables in relation to the study being done. The variables include working remotely, e-commerce and education on entrepreneurship skills. The dependent variable is the entrepreneurship trends, and the independent variables are e-commerce, education and working remotely.

The methods of data sourcing have been discussed, the target population and the interpretation. The paper has also discussed the sample size and the methods for data collection.

Entrepreneurship Trends

Petrunenko et al. (2021) urge that evolving demands of customers, new technologies, societal shifts, and COVID-19 outbreak are significant factors that have contributed to changes in the business world. Thus, there are potential changes that have a significant influence on entrepreneurial thinking and actions. As Purbasari et al. (2021) state understanding the current entrepreneurship trends help in adapting to the new business changes and enable businesses to last longer in the evolutionary path of the market. According to Pramono et al. (2021), one of the entrepreneurship trends is business from home due to digital nomadism. These trends enable entrepreneurs and employees to work from home and enjoy a variety of employment options. Notably, digital nomadism allows them to save travel costs, electricity bills, and expenditure on equipment upkeep. This trend reached its peak dur-

ing the outbreak of coronavirus disease when people were forced to stay at home in 2020. Chatzinikolaou, et al. (2021) states that this is a golden opportunity that businesses should leverage in Indonesia. Additionally, working from home has engineered globalized business that involves international teams working together. Therefore, globalized business is a trend that will be overwhelmingly embraced (Pertunen et al., 2021). Pramono et al. (2021), argues that globalism serves the interests of both big companies and SMEs in Indonesia. This trend is doing quite well for software developers, IT consultants, media, and professional services.

Chatzinikolaou et al. (2021) state that there is a surge in the way people are utilizing the Internet of Things (IoT) and its ecosystem is developing at a fast clip. The Internet of Things will grow up to USD 1.4 trillion by 2027. Earlier on, IoT projects were only for the established companies that had resources and time to build systems. However, according to Lee (2019), there is a batch of new IoT startups that can be afforded by many SMEs. Further, Petrunenko et al. (2021) show how on-demand services are becoming popular and significantly influencing consumer behaviour. Online shopping and home delivery have become prevalent in today's business world. Thus, a business should leverage on-demand economy shifts for growth and survival. Tambunan (2007) states that businesses have developed an overarching tenet of getting potential customers from where they are owed to the current customer-centric trend. Today, many potential customers spend considerable time on the Internet, specifically on social media. According to Sakhdari & Farsi (2016), e-commerce industries are rapidly growing in Indonesia, and e-commerce is estimated to reach USD53 billion by 2025. They state that this estimation is owed to unlimited government support, participation of MSMEs, increasing disposable income, and digital-savvy consumers. Additionally, Indonesia is made up of many islands; thus, on-ground delivery services have increased and will increase due to the prevalent public health crisis. Organizations like Go-jek and Grab have already embraced this opportunity.

Entrepreneurship Future

Suhartanto and Leo (2018) state that entrepreneurship significantly supports the growth of the country's economy. According to Setiawan and Erdogan (2020), the future of entrepreneurship anchors on entrepreneurship education, which is becoming an essential and fast-growing research area that significantly contributes to the acknowledgement and understanding of national and global trends. Entrepreneurship education has developed in the recent past in Indonesia (Hosseinia & Ramezani, 2016). Therefore, the implementation of programs is being carried out to incorporate modern practices in learning and teaching entrepreneurship in institutions of higher learning countrywide to promote entrepreneurship development in Indonesia. Considerably, according to Ghina 2016, youth unemployment in Indonesia is leading in the region. According to Ben et al. (2021), the workforce suffers from less experience, poor quality jobs, and poor working conditions and the youth unemployment rate increased due to the COVID-19 outbreak. Thus, as means to reduce this increasing rate, Indonesia is encouraging young entrepreneurs to support economic growth towards the future. Thus, these young entrepreneurs need to acquire entrepreneurship education, competencies, networks, resources, and experience. All of this has been portrayed to be achieved by supporting corporate entrepreneurship (Ghina, 2016). Moreover, a more inclusive entrepreneurship future in Indonesia will be achieved by ensuring the digital economy is shared by all Indonesians. "While Indonesia has one of the fastest-growing digital economies in South East Asia, action is needed to ensure that all Indonesians, especially the most vulnerable, can access various digital technologies and services and realize the benefits".

Factors to Sustain Corporate Entrepreneurship

Setiawan and Erdogan (2020) argue that corporate entrepreneurship is an effective means to enable businesses to succeed in a competitive market. However, with the benefits that come with corporate entrepreneurship, there are factors necessary to sustain the concept of corporate entrepreneurship. Afriza (2021) states that the survival of the SMEs in post-pandemic era depends on the usage of resources. Additionally, he argues that corporate entrepreneurship can be sustained by factors such as: political, economic, social, technological, environmental, and legal summarized as PESTEL (Sakhdari & Farsi, 2016). These are external factors that will support and sustain the development of corporate entrepreneurship in Indonesia (Afriza, 2021). PESTEL is significant to explore the micro-environment that will enable businesses endorsing corporate entrepreneurship to survive and recover in the post-pandemic era. Moreover, PESTEL dimensions enable businesses to model factors that are essential in sustaining and supporting the continuity of corporate entrepreneurship. Further, Afriza (2021) states that staying updated on the changes taking place in the business world will help a business to strategize on how to move on and remain competitive in the post-pandemic era. Entrepreneurship motivates people to begin new businesses that eventually facilitate innovation in companies, which play a significant role in promoting national economic growth (Lee, 2019). Therefore, as Afriza (2021) points out, government policies and financial support are factors that sustain the development of entrepreneurship.

Research Findings

This research used the descriptive qualitative and cross-sectional study as a methodological approach using secondary data from

BPS – Indonesian Central Statistics Agency. Early in 2021, BPS conducted a national survey to assess how businesses are recovering after the impacts of the COVID-19 outbreak on the business world. This national agency conducts surveys locally and nationally. The business world incorporates players from medium, small, and big companies. The collected data were categorized into various variables. For instance, under entrepreneurship trends, entrepreneurs and employees indicated they had reasons to support working remotely, i.e., working from home. Many chose to work remotely because this trend offers flexibility and freedom (59%). Others support this trend because they are flexible for family obligations (17%), and some were uncomfortable combining travel and work (10%). According to Emerging Markets Information Service (EMIS) database, e-commerce showed a significant increase in 2021 with most customers purchasing commodities that are marketed by social media (52.9%) (Prmono et al., 2021). Also, mapping literature review methodology was used, which enables the contextualization of reviews with in-depth literature and acknowledgement of research gaps and needs. This mapping intends to showcase the states of entrepreneurship education within Indonesian institutions of higher learning based on their perspective (Munir, 2021). Mapping for the literature revealed that entrepreneurship education programs regarding the method of teaching in entrepreneurship higher education were of major concern in Indonesia (51.6%) to provide people with entrepreneurship skills and competencies that will help in sustaining corporate entrepreneurship.

Limitations and Recommendations

This research portrays possible limitations that should be considered in future studies. The main limitation to this research was finding substantive information that suits the identified time frame with relevant data. The research requires the incorporation of various studies and surveys. Moreover, some of the entrepreneurship publications relevant to be used in this study were not written in

English. Also, this study used mapping of reviews, which have some weaknesses since some of them are limited to time. Another limitation was concerning access to financial information of companies within Indonesia and this paper required considerable secondary data. However, these limitations enabled broad exploration of corporate entrepreneurship in Indonesia in the post-pandemic era. This research enabled gathering the information that was consolidated to strengthen the development of corporate entrepreneurship projects in Indonesia (Kuratko, 2017).

The research has indicated that it is necessary to treat entrepreneurship education as a priority by policymakers, governments, and educators. Additionally, after establishing educational policies regarding entrepreneurship, all related stakeholders must collaborate to create programs that will equip young entrepreneurs with relevant skills and competencies for the entrepreneurship future and to deal with the ever-changing and unpredictable business world. Also, there are plenty of business trends from 2021 to 2022 that entrepreneurs can leverage to grow their businesses (Cahanar & Hamsal, 2021).

Conclusion

To sum up, this journal has focused on the current entrepreneurship trends, future of entrepreneurship, and factors necessary to sustain corporate entrepreneurship in 2021 to 2022 – the period referred to as the post-pandemic era. Businesses not only in Indonesia are recovering after being hit hard by the COVID-19 outbreak. However, the pandemic opened new ways for business operations. Entrepreneurs must embrace the change and act accordingly to survive in the business world by leveraging the available opportunities, especially those created by corporate entrepreneurship. Moreover, young entrepreneurs are encouraged to step up and start new businesses considering the available opportunities due to advanced technology and corporate entrepreneurship benefits.

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