



The Relation of Adversity Quotient with Managerial Skill on Young Entrepreneurs of Cafés in Malang

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Abstract

The appearance and development of various new cafes in Malang led to increasing competition in the culinary business. This competition was one of the challenges that must be faced by young entrepreneurs. To face the challenges that arise, Entrepreneurs were expected to have adversity quotient; that was the extent that a person can face challenges and solve the problems they have. Planning and making these strategies were related to the managerial skill of each entrepreneur, so if an entrepreneur has a high level of adversity quotient and good managerial skill, the possibility to survive in the culinary business competition will increase, and vice versa. This study aims to determine the ability of entrepreneurs to deal with business problems so that their ability can continue to be improved to maintain their business. This study uses a quantitative approach with descriptive correlational methods and uses a purposive sampling technique. The data were collected using adversity quotient instruments and managerial skill performance assessment. The collected data was analyzed using product moment analysis. The subject of this study was young entrepreneurs in Malang. The results of this study indicate that young café entrepreneurs in Malang who have high adversity quotient also have high managerial skills. So that it can be concluded that young entrepreneurs were able to face challenges and solve existing business problems, suggestions from this study were addressed to young entrepreneurs to understand their ability to deal with business problems, so their abilities can be continuously improved. One of the ways to improve this capability was to take part in the training provided by various related agencies.

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INTRODUCTION

Entrepreneurship is currently growing quite rapidly, and this is shown by the appear and expand of various kinds of cafes in the city of Malang. Predicate Malang of the city of education and becomes a tourist destination, making the opportunity for entrepreneurship in the city of Malang increased, from office-based businesses to entrepreneurship. Thomas (in Suryana, 2010) defines entrepreneurship as a result of discipline, the implementation process of application, creativity, and innovation in satisfy market needs and opportunities.

In Indonesia, almost 70% of employment opportunities are in the form of informal, for example, being entrepreneurs. This is following the statement of the Head of Sub Directorate of Labor Market Analyst of the Ministry of Manpower and Transmigration, Sri Indarti, that the employment opportunities of the informal sector in Indonesia reach 70% higher than the formal sector. The government hopes that in 2016, creative industries can contribute 10% of the country's income each year. Based on data from Kompas (Gianie, 2015), data from BPS shows that the number of people who work as entrepreneurs is more than those who work as laborers or employees. In August 2014, the population was self-employed, both self-employed and with the help of others 38.3% or more than 41.12 million people. While those who work as laborers or employees are smaller, which is 37% or equivalent to more than 41.12%

Suryana (2009) defines entrepreneurs as people who create prosperity for others, find new ways to use resources, reduce improvidence, and open employment opportunities that are liked by society. Based on data quoted from SWA magazine (2015), the number of entrepreneurs in Indonesia is around 0.43% of the total productive age population. This can illustrate that entrepreneurs in Indonesia are at a relatively

young age, namely at a productive age. At present, the view of young entrepreneurs is that success does not need to wait old, and do not delay to realizing dreams. One example of entrepreneurs in Indonesia who achieved success at a young age, namely the founder of Tela krezz and the Turkish Kebab. At a relatively young age, these entrepreneurs have developed their business very well. This is an example that can make students or young people more motivated to become entrepreneurs.

The rapid development of entrepreneurship in Indonesia today also takes place in the city of Malang, which is also in the spotlight of contributors to entrepreneurship in Indonesia. Predicate cities of education and tourist destinations make business opportunities in Malang City increase, especially in the culinary business. If sorted in 3 years starting from 2011 until 2013, the growth of cafes and restaurants in Malang showed a positive trend. This can be seen from the data quoted from Malang Post (2014), in 2011, there were 567 taxpayers of restaurants, cafes, and restaurants. The following year increased to 671 until 2013. There were 703 related taxpayers. Besides, data from the Malang City Government quoted the daily. The majority of entrepreneurial restaurants and cafes in Malang are still young, this can be seen in the number of young entrepreneurs who are even still undergraduate students. A large number of cafes in Malang makes the culinary business competition increasingly tight. The tight competition in the culinary business field or can be said as a challenge that must be faced by entrepreneurs. This thing that entrepreneurs must be responsive to the conditions to maintain the viability of the cafe and restaurant. Entrepreneurs must try to improve quality, service, taste and think of ways to keep attracting customers amid tight competition from other competitors.

Entrepreneurs are required to have their way of solving problems. One way to overcome these problems is that entrepreneurs must have the intelligence to solve problems or commonly called adversity quotient. Adversity quotient is a description of the extent of one's performance in facing challenges and resolving problems (Stoltz, 2004). In entrepreneurs, an adversity quotient can see a picture of an entrepreneur's performance in facing business challenges and solving problems in his business. These challenges can be in the form of financial, emotional, physical, social, and related to the career development of entrepreneurs. When a young entrepreneur has a high adversity quotient, that person will put all his efforts into dealing with and solving problems. The effort that must be made in facing the challenges of competitors in a relatively similar field of business is to carry out specific strategies to build their businesses. In carrying out this strategy, entrepreneurs need managerial skills, which include technical abilities, personal abilities, and conceptual abilities. These managerial abilities are used by entrepreneurial actors to carry out management functions so that the strategies implemented can be successful.

In this study, researchers used the theory of adversity quotient from Stoltz. According to Stoltz (2000), a person's success in living life is mainly determined by the level of adversity quotient. As Stolz (2000) revealed, adversity quotient is someone's intelligence in facing obstacles or difficulties consistently. Adversity quotient consists of four dimensions included in the acronym CO₂RE (Control, Origin, and Ownership, Reach, & Endurance). These dimensions of CO₂RE will determine the individual's adversity quotient (Stoltz, 2000). Whereas for managerial abilities using several theories from Snell, Scott A & Bateman, Thomas S., according to Snell, Scott A & Bateman, Thomas S. (2014), managerial abilities are the

various skills needed to carry out management functions and their roles. The three abilities that must be possessed are technical skills, conceptual skills, and decisions, as well as interpersonal skills and communication.

Based on the description above, researchers are interested in further examining how the ability to solve the obstacles and managerial abilities possessed by young entrepreneurs. Thus, the researcher aims to analyze the relationship between the adversity quotient and managerial skill of young entrepreneurs. It is expected that with this research, entrepreneurs, especially young entrepreneurs, can find out the level of adversity quotient and managerial ability. So that young entrepreneurs can improve their adversity quotient and managerial abilities.

Stolz (2000) explains that adversity quotient is someone's intelligence in facing obstacles or difficulties regularly. Adversity quotient consists of four dimensions included in the acronym CO₂RE (Control, Origin, and Ownership, Reach, & Endurance). The dimensions of CO₂RE will determine the individual's adversity quotient (Stoltz, 2000): (a) Control dimension is the extent to which a person can positively influence the situation and the extent to which a person can take action that will result in control of a situation. With control, a person can change lives, and all goals will be realized. Someone who has a high adversity quotient, especially in the control dimension, will feel greater control over various events in life compared to someone who has a low adversity quotient; (b) Dimensions of Origin and Ownership is how much a person sees himself as a cause in a situation (Stoltz, 2000) and the extent to which a person recognizes the consequences and is responsible for the situation caused (Stoltz, 2000). Someone who has a low adversity quotient will tend to place undue guilt over the bad events they experience. They will see that he is the only cause of this difficulty. Guilt has two important functions;

first guilt will help someone learn and get up to correct their behavior for the mistakes they have made. Secondly, guilt can lead to regret someone who, if done within reasonable limits, will be a motivator to help someone in correcting the mistakes he has made; (c) Reach dimension is a dimension to find out the extent to which people allow a difficulty to enter other parts of life (Stoltz, 2000). A person who has a low adversity quotient in the range of dimensions will make difficulties become widespread and spread other aspects of his life; (d) Endurance dimension questions two things related to how long the difficulty will last and how long the cause of the difficulty will take place (Stoltz, 2000).

Based on all the explanations above, it can be concluded that the individual adversity quotient is determined by the four dimensions contained in the acronym CO₂RE.

In responding to difficulty, there are three types of human groups in terms of the level of skill: (1) *Quitters*. Quitters or people who stop are the types of person who does not continue his purpose and chooses to leave, avoid obligations, retreat, and stop when facing difficulties. These types of quitters are those who tend to easily despair and give up. They reject the opportunity offered by life; (2) *Campers*. Campers or satisficer (from the word satisfied = satisfied and suffice = sufficient). This type of campers is someone who easily satisfied with self-sufficiency and does not want to develop themselves. This type of group does not have the capacity for great change because campers seek safety and comfort. Campers have at least stepped up and responded to the challenges, but after reaching a certain stage, campers stopped even though there was still an opportunity to grow even more. Unlike quitters, campers have at least responded to the challenges they face so that they have reached a certain level; (3) *Climbers*. Climbers are someone who keeps climbing or trying to reach his goal. This type of climbers is someone who always

optimistic, sees opportunities, sees loopholes, and always passionate about going forward regardless of background, profit or loss, and bad or good. A climber is a group of people who always try to reach the peak of self-actualization needs on the scale of Maslow's hierarchy. Climbers are the type of people who struggle for life, no matter how much trouble they face. The environment does not control climbers, but with a variety of creativity, this type tries to control the environment. Climbers will always think of various alternative problems and consider the difficulties and obstacles that exist to be an opportunity to be more advancing, developing, and learning more about the difficulties of life. This type will always be ready to face various obstacles and like challenges caused by changes.

Managerial comes from the word manager, who means leader, Siagian P. Sondang (2007) explains managerial skill is the ability to manage business such as planning, organizing, giving motivation, supervision, and assessment. Whereas managerial skill according to Winardi (in Setyanusa, 2009), is the ability to take actions in planning, organizing, implementing, and supervising carried out to achieve the stated goals. According to Snell, Scott A & Bateman, Thomas S. (2014), when managers have all three important skills, namely technical, conceptual, and interpersonal and communication decisions and skills, the result is high performance. The explanation of the three skills is as follows: (a) Technical skills are the ability to do specific work that involves a process or method. The technical skills learned at school will provide opportunities to get a position at the beginning of a career or when entering an organization; (b) Conceptual and decision skills relating to the ability to identify and solve problems for the benefit of organizations and their members. These skills are used when they think about a company's general goals and

strategies, interactions between different parts of the organization, and the role of business in its external environment; (c) Interpersonal skills and communication, namely the ability to lead, motivate, and communicate effectively with others. This skill is often referred to as people skills

According to Kasmir (2006), entrepreneurs are simply people who dare to take risks to open businesses on various occasions. While Machfoedz in Suryana (2010) explains that entrepreneurship is a person who is responsible for compiling, managing, and measuring the risk of a business. Longenecker, Moore, and Petty (2001) state that entrepreneurs can be classified into 3 (three) types, namely founders (company founders), general managers, and franchises : (1) Founders or company founders: generally, founders are considered pure entrepreneurs. When acting alone or part of a group, the founder of the company brings the company into reality by conducting surveys in the market, seeking funds, and providing necessary facilities; (2) General Manager: second-generation funders or other entrepreneurs who act as business administrators. This general manager leads the company's operations in carrying out its business; (3) Franchise: different from the general manager at the usual level. Because of limitations

Furthermore, Santrock (2002) explains that early adulthood is a period of work and relationships with the opposite sex, sometimes leaving little time for anything else. Kenniston (in Santrock, 2002) argues that youth is a period of economic and personal transience and the struggle between being interested in independence and being socially involved.

From some of the meanings, it can be concluded that an entrepreneur is someone who runs a business and can see opportunities as challenges and someone who responsible for managing the business. The study uses the criteria of early adulthood, namely the age range of 20-40 years, because, at this age, a person has a developmental task, namely the time to start work. So that researchers use a sample of entrepreneurs who have an age range of 20-40 years that can be said to be included in young entrepreneurs.

METHODOLOGY

The research subjects were 36 entrepreneurs in the city of Malang, with an age range of 20-40 years and engaged in culinary fields. This study uses a quantitative approach with a type of correlational research. The data collection method used uses two instruments, namely the adversity quotient scale and the assessment of managerial skill performance. The adversity quotient scale amounted to 23 items with a reliability coefficient of 0.798. The performance assessment amounted to 16 items with a reliability coefficient of 0.903. The researcher tested the content validity through expert judgment and validity of the construct using statistical data processing program to test the validity of the measuring instrument and correlational product moment to test the research hypothesis.

RESULT AND DISCUSSION

Researchers get the results of the distribution of subjects in each category of each variable as follows:

Table 1.
Distribution of subjects based on categories in each variable (N = 36)

Variable	Classification	Amount	Percentage
Adversity quotient	Low	7	19,44 %
	Moderate	10	27,78 %
	High	19	52,78 %
Managerial Skill	Very low	5	13,89 %
	Low	8	22,22 %
	Moderate	7	19,44 %
	High	12	33,33 %
	Very high	4	11,12 %

Based on table 1, it can be seen that the adversity quotient of young cafe entrepreneurs in Malang city has an adversity quotient in the low category with seven subjects (19.44%), moderate categories (27.78%) and 19 subjects (52.78%) has a high adversity quotient of 52.78%. So, it can be concluded in general that young entrepreneurs in cafes in Malang have high adversity quotient. Whereas in managerial skill, as many as 5 subjects (13.89%) included very low categories, as

many as 8 (22.22%) low categories, as many as 7 subjects (19.44%) moderate categories, high categories as many as 12 subjects (33, 33%) and 4 subjects (11.12%) had very high managerial abilities. So that it can be concluded in general that young café entrepreneurs in Malang have high managerial skills. Test the hypothesis in this study using the product-moment correlation test. Table 2 shows the results of the hypothesis test as follows:

Table 2.
The results of the correlation test between adversity quotient and managerial skill
Correlations

		Adversity Quotient	Managerial Skill
Adversity Quotient	Pearson Correlation	1	,353*
	Sig. (2-tailed)		,035
	N	36	36
Managerial Skill	Pearson Correlation	,353*	1
	Sig. (2-tailed)	,035	
	N	36	36

*. Correlation is significant at the 0.05 level (2-tailed).

The results of the Pearson correlation analysis obtained from the study showed a correlation coefficient of 0.353 with a significance of 0.035.

Hypothesis test results based on analysis using the person correlation obtained results correlation coefficient r count of 0.353 with a significance of $0.035 > 0.05$. Thus, H_0 is rejected, and H_1 is accepted, so there is a positive relationship between adversity quotient and managerial skill in young café entrepreneurs in Malang.

Based on the results of the study, several reasons can explain there is a positive relationship between adversity quotient and managerial skill in young entrepreneurs. Someone who has a high adversity quotient will then put all his efforts into dealing with the problem. One possible effort to deal with the challenges of competitors in a relatively similar field of business is to build their business with various strategies. Thus, entrepreneurs are required to have managerial capabilities; this is in line with what is

disclosed by Payaman J. Simanjuntak (1991) that the success of a business or business world is highly dependent on managerial and entrepreneurial capabilities, the company leaders take advantage of opportunities and manage all sources optimally and productive.

It is viewed from the dimensions that exist in the adversity quotient closely related to managerial abilities that must be possessed by an entrepreneur, as in the dimensions of control. In the control dimension is the extent to which a person can take actions that will result in control of a situation; to do this, one is expected to have specific abilities in that situation to produce appropriate control (Stoltz, 2000). The relationship can be seen in the business world, in addition to developing its business knowledge and ability to plan and run a business strategy, entrepreneurial actors are also needed to act if the initial strategy is failed.

Next, Stoltz (2000) explains the dimensions of origin and ownership is how much a person sees himself as a cause in a situation and the extent to which a person recognizes the consequences and is responsible for the situation caused. In someone who has a low value on this dimension will blame himself or even blame someone else for avoiding his responsibilities. To avoid this, entrepreneurial skills are needed in terms of conceptual skills and decisions in skills are related to the ability to identify and solve problems, so, that the real causes or sources of problems can be found and know who must take responsibility for the problems that occur correctly. This can be seen in an entrepreneur when he faces problems when getting poor results in the implementation of business strategies; the entrepreneur will identify the problem correctly or directly blame the employee for failing to implement the strategy.

Another dimension on adversity quotient can be seen in Stolz (2000) is reach dimensions, namely dimensions, to determine

the extent to which people allow a difficulty to spread/enter other parts of life. This dimension closely related to interpersonal and communication skills. When an entrepreneur allows difficulty to enter another part of life, it will affect other parts of life. As an example, if some entrepreneur has personal problems, and he cannot separate the problem properly, it will appear in the way he leads, motivates and communicates to his employees at that time. Entrepreneurs who have a low reach value will expose their problems to their work or other people, which have no relation to the problems at hand. Likewise, the entrepreneur who has a high reach value will be able to separate personal and work problems so that communication between entrepreneurs and employees will run properly.

From the explanation of various dimensions of adversity quotient and managerial skill, it can be concluded that adversity quotient and managerial skill have a positive relationship, so, that someone who has a high adversity quotient will also have high managerial abilities, and vice versa, someone who has a low adversity quotient they also have low managerial skills.

Based on the research that has been done, the researchers provide suggestions as follows, for young entrepreneurs to improve their skill to face challenges by utilizing the difficulties faced to improve themselves to be better and improve managerial skills by learning what things an entrepreneur must have in terms of managerial skills or can also participate training to improve face challenges and managerial abilities, to maximize entrepreneurship to manage their business properly. Entrepreneurs can also take part in training to improve one dimension of the adversity quotient that they feel is still lacking in themselves. For the next researcher it is recommended to use the results of this study as a reference for developing adversity quotient research by adding or using different subjects and examining more deeply the

managerial abilities of entrepreneurs from a management perspective, and Many factors influence the level of adversity quotient in the field of entrepreneurship, internal and external. So that the next researcher is expected to add other variables in his research. As well as further researchers can do training that can increase the adversity quotient for young entrepreneurs.

CONCLUSION

Based on the results of the study, it can be concluded several things as follows: Adversity quotient of young café entrepreneurs in Malang is mostly in the high category (climbers). The managerial skill of young café entrepreneurs in Malang is mostly in the high category. There is a positive relationship between adversity quotient and managerial skill in café young entrepreneurs in Malang.

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