INNOVATIVE: Journal Of Social Science Research
Volume 4 Nomor 3 Tahun 2024 Page 7382-7390
E-ISSN 2807-4238 and P-ISSN 2807-4246
Website: https://j-innovative.org/index.php/Innovative

The Influence of Development and Use of Technology and The Economic Environment Situation on The Growth of Start-Up Companies in Indonesia

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Abstrak

Penelitian ini bertujuan untuk menganalisis faktor-faktor yang mempengaruhi pertumbuhan start-up di bidang teknologi informasi. Penelitian ini bersifat eksploratif, dengan desain non-eksperimental dan pendekatan transversal. Wawancara digunakan untuk mengumpulkan data. Hasil dari studi menunjukkan bahwa antusiasme berwirausaha, ketekunan, komitmen, dan kemampuan membangun tim yang mudah beradaptasi sangat memengaruhi keberhasilan dan pertumbuhan bisnis di bidang teknologi. Motivasi, sikap positif terhadap risiko, dan akses terhadap sumber daya penting untuk dimiliki oleh pimpinan bisnis. Faktor lingkungan eksternal perusahaan seperti kebijakan pajak dan birokrasi juga memainkan peranan penting. Pengusaha perlu memperhatikan semua ini untuk membangun strategi pertumbuhan yang solid dan mengatasi tantangan.

Kata Kunci: *Bisnis, Teknologi Informasi, Pengusaha, Eksploratif*

Abstract

This research aims to analyze the factors that influence the growth of start-ups in the field of information technology. This research is exploratory in nature, with a non-experimental design and a transversal approach. Interviews are used to collect data. The results of the study show that entrepreneurial enthusiasm, perseverance, commitment, and the ability to build an adaptable team greatly influence the success and growth of businesses in the technology sector. Motivation, a positive attitude towards risk, and access to resources are important for business leaders to have. Factors in the company's external environment such as tax policy and bureaucracy also play an important role. Entrepreneurs need to pay attention to all of this to build a solid growth strategy and overcome challenges.
Keyword*: Business, Information Technology, Entrepreneur, Explorative*

INTRODUCTION

The phenomenon of technology-driven growth of start-up companies is indeed worth investigating further. In general, a distinguishing characteristic of start-ups is the tendency to adopt technology in innovative ways in their business models (Purbaningsih et al., 2021). While not all start-ups directly relate to technology, many have a direct connection to the Internet and ICT. One interesting aspect of start-ups is their focus on developing products or services that catch up with the latest trends in technology or fulfill unmet market needs (Sjaklif & Pandiangan, 2020). As such, they often operate in market niches that have great growth potential, although they are limited in time due to intense competition and rapid changes in the business environment (Widjaja et al., 2021). However, keep in mind that not all start-ups will be successful, and the risk of failure remains. Engaging with the start-up community can unlock opportunities for innovation and significant growth. Thus, an in-depth study of start-ups is not only important to better understand this phenomenon but also to identify the opportunities and challenges associated with the growing start-up ecosystem (Yumhi et al., 2024).

It's important to recognize that big companies originally started as small start-ups with big visions (Hendra et al., 2021). These start-ups frequently have the potential for rapid growth and a significant impact on the economy and employment. In contrast to multinational companies, which may be more financially stable, start-ups have advantages in terms of flexibility, speed, and innovation (Dharmawan et al., 2024). Start-ups, with their primary focus on innovation, play an important role in driving economic growth and job creation (Simanjuntak et al., 2021). Young people form the majority of companies, and own the majority of small and medium enterprises (SMEs). This shows the significant contribution of young people to driving the local economy. Thus, start-ups not only act as agents of change and innovation but also as the main drivers of job creation and sustainable economic growth (Hendra & KS, 2018). This strengthens their position as a key player in the modern business ecosystem (Banjarnahor et al., 2021).

Increased attention given to start-up companies as engines of economic growth has prompted support from governments in many countries (Hendra, 2017). Among these efforts are various forms of non-refundable financing and assistance offered by provincial and central governments (Wijaya et al., 2021). One common form of government support is direct financing in the form of grants or soft loans to start-ups. This helps them overcome initial financial obstacles and increases their chances of success in the long term. Apart from that, the government can also provide tax incentives or tax breaks to start-ups to stimulate investment and growth (Aisyah et al., 2021). Apart from financial assistance, the government can also provide assistance in the form of infrastructure, access to markets, education, and training. Apart from providing direct support to start-ups, the government can also create a conducive environment for the growth of the start-up ecosystem as a whole (Rini et al., 2017). This includes simplifying business regulations, increasing access to quality human resources, and facilitating collaboration between start-ups, universities, and other industries (Simanjuntak et al., 2023). By providing the right support to start-ups, governments can play an important role in accelerating economic growth, creating jobs, and increasing innovation. This will help create a dynamic and sustainable business environment, which will in turn generate long-term benefits for society as a whole.

RESEARCH METHOD

This research is an exploratory study with a non-experimental design and a transversal approach. The population includes all technology startups. This research randomly selected the sample from entrepreneurs who currently own or have previously owned start-ups in the information technology field. Interviews are used in this study as a primary data source. Researchers use a qualitative analytical method to explore the views, experiences, and perceptions of respondents. Existing literature on the subject and data on start-up company growth from sources like entrepreneurship magazines, interviews, programs, or podcasts support this study. With this approach, the research aims to gain a deeper understanding of the factors that influence the growth of start-ups in the information technology sector.

RESULT AND DISCUSSION

The intrinsic factors that every entrepreneur possesses, such as passion, persistence, and commitment, play a key role in their success in running a business. Passion and perseverance help them overcome the challenges and obstacles that may arise along the entrepreneurial journey. Strong commitment is also important because it becomes a solid foundation for their dedication to the company's vision and mission. However, apart from these personal factors, organizational-related issues also have a significant impact on the success of a company, including start-ups. The ability to set clear goals and understand how to create a plan to achieve them is an important step in steering a business in the desired direction. Additionally, the ability to assume responsibility and fulfill commitments is the essence of effective leadership in managing a company. These issues generally apply to all types of companies, not just start-ups. However, for start-ups, they can be more decisive in determining the company's initial success and growth. Therefore, it is important for entrepreneurs to not only pay attention to their personal aspects but also understand and overcome the organizational challenges they may face.

The ability to maintain a clear motivation and attitude towards taking risks is a highly valued entrepreneurial characteristic, especially in complex economic environments. Entrepreneurs often emphasize the importance of remaining motivated despite challenges and uncertainty. They also encourage a positive attitude towards taking risks, recognizing that danger is an inevitable part of the entrepreneurial process. Entrepreneurs often face various obstacles, ranging from financial problems to strict regulations. Entrepreneurs often perceive failures or missteps as valuable lessons for future growth and development. Although failure is never desirable, entrepreneurs recognize that it is a natural part of the entrepreneurial process. They learn from the experience and use the knowledge gained to improve strategies and avoid the same mistakes in the future. This attitude reflects the toughness and perseverance that are important in facing business challenges.

Opportunities play a vital role in the growth and development of technology start-ups, especially in complex economic scenarios. In this context, it is often difficult for entrepreneurs to predict the future behavior of variables that have a major impact on the performance of their start-up company. Therefore, there is increasing recognition of the role of serendipity in the entrepreneurial journey. Despite the unpredictability of coincidences, entrepreneurs acknowledge the importance of luck in their journey. Serendipity can come in many forms, such as unexpected opportunities or meetings with key people in the industry. Therefore, it is important for entrepreneurs to remain open to the possibility of serendipity and take prudent action when unexpected situations arise. The level of education received by technology start-up actors is also an important factor, apart from coincidence. Entrepreneurs who have a strong educational background tend to be better able to rationally analyze situations, make the right decisions, and handle complex challenges. The technical and general training obtained during the education and professional training stages can also provide a strong foundation for entrepreneurs to succeed in the technology sector.

Employers highlight the importance of forming work teams that have specific characteristics. This underscores the importance of building a team that has a shared vision of the issues that form the basis of a start-up business. Teams consisting of individuals who have similar and complementary interests can create strong synergies and strengthen overall company performance. However, in a changing business environment, such as the technology industry, flexibility is also key. Companies must be able to adapt their strategies and plans quickly to deal with changes in an unpredictable economic environment. Furthermore, we should not underestimate the significance of a genuine and transparent business culture. A strong culture and values that are realistic and sustainable over time help build a solid foundation for the company. Furthermore, it is important to consider ways to monetize the important ideas that underpin the start-up. This means planning a way to generate initial revenue so the company can launch with the solidity it needs to remain operational over the long term. By paying attention to all these aspects, entrepreneurs can build a strong organizational structure, design adaptive strategies, build a strong business culture, and plan for the first revenue that is critical to the long-term success of their start-up company.

Another very important general practice is to continuously monitor market realities and predict competitive forces' behavior. Knowing where technology is going, competitor moves, and offering configurations is key to keeping startups operating and growing. The ability to choose the right time is also very valuable. This applies not only to the launch of an idea or product but also to reconditioning a start-up's offering. In a constantly changing environment, some start-ups may find themselves lacking innovation in products or processes and end up entering the market late. However, there is also the risk of being too innovative, in which start-ups launch products or services that are too sophisticated and not yet ready for market acceptance.

Entrepreneurs highlight important characteristics for success in starting a startup: achieving scalability and sustainability over time, as well as creating value for users or customers. It marks the moment when a project has reached enough maturity to become viable and sustainable over time. In the early stages of entrepreneurship, friends and family are often the main sources of support, both financially and morally. They not only provide capital to start a business but also provide the encouragement and support needed to take the first steps in turning your dreams into a reality. However, achieving scalability and sustainability transforms the start-up project into a legitimate company, establishes its position, and emerges as a competitive player in the relevant sector. This marks a significant change in the company's journey, where the business evolved from an entity dependent on external support to a self-sustaining enterprise. By this stage, the company has built a strong foundation, has a proven successful business model, and is able to grow and compete in the market. This is a significant milestone for entrepreneurs, marking the transition from an initial concept to an established and sustainable reality. In this journey, initial support from friends and family is not only an important milestone but also part of a proud success story for the entrepreneurs and their communities.

For the growth and development of start-up companies, access to business accelerator programs is essential. In this program, in addition to achieving a global business vision, entrepreneurs also have the opportunity to establish contacts and gain influence, which is a key aspect when formalizing a capitalization round. However, startups find it challenging to access this type of accelerator, as it remains underdeveloped in the country. The lack of accelerator development and difficulty accessing them is a significant limiting factor for entrepreneurs seeking to grow their technology start-ups. From another point of view, gender issues are also a concern. In addition to the difficulties generally faced in starting a business and obtaining capital, additional obstacles arise if the company founder is a woman. There is greater resistance to investment if the face of the investment opportunity is a woman, compared to a man. Moreover, the process of analyzing investment opportunities involving women often presents additional demands, which can impede the growth and development of start-up companies led by women. We need to make further efforts to raise awareness of the value and business potential of startup companies in order to overcome this challenge. Stronger regionalism could help improve the region's image and attractiveness to international investors. Additionally, it is important to address gender inequalities in access to capital and investment opportunities by creating an enabling environment for inclusive and sustainable business growth for all types of entrepreneurs.

The factors that shape the general conditions in the local scenario affect all types of entrepreneurship, including technology start-ups, in the same way. For example, high tax pressure, difficulty in maintaining clear rules of the game over time, bureaucratization in the process of establishing new companies, or unstable macroeconomic conditions are all obstacles that can equally hinder the growth and development of technology start-ups. The local scenario's limiting factors are highly visible in the analysis of industrial success cases. Every success story that starts with a local experience shows that a start-up is capable of growing from a local scenario to the global stage. They successfully transitioned from being a company with a global vision to being quickly connected to the economic scenario in the central countries. This highlights the importance for start-ups to not only develop domestically but also to have ambitions and strategies that enable them to compete in the global market. Although local challenges, such as high tax pressures or bureaucracy, may hinder initial growth, successful start-ups find ways to overcome them and adapt to local conditions while remaining focused on their global expansion. Thus, understanding the limiting factors at the local level is an important first step for technology start-ups to plan sustainable growth strategies and achieve their global vision.

CONCLUSION

From the results of the analysis above, it can be concluded that the success and growth of technology start-ups are generally influenced by various factors. Factors such as enthusiasm, perseverance, and commitment from entrepreneurs, along with the ability to form a solid and adaptive work team, are the main keys. Furthermore, motivation, a positive attitude towards risk, and the role of chance are all important in the entrepreneurial journey. Access to resources and business accelerator programs is also a determining factor, although it remains a challenge in some countries in the region. Local and regional environmental factors, such as tax pressures, bureaucracy, and economic instability, also influence start-up growth. By keeping all these factors in mind, entrepreneurs can build a solid strategy for the growth of their tech start-ups, both locally and globally. Efforts to address gender inequality in access to capital and build awareness of the value of start-ups are also important to improve the entrepreneurial climate in the region.

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