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**THE 2ND  
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CONFERENCE ON  
INNOVATION,  
ENTREPRENEURSHIP, &  
SMALL BUSINESS**

**IICIES 2010**

July 11-15, 2010  
Serpong, Banten, Indonesia

**Revised Edition**

**Developing Technopreneurship  
and Entrepreneurial Small Businesses:  
A Key to Sustainable Future**

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**IICIES**

Proceedings of the Indonesia International Conference on Innovation, Entrepreneurship, and Small Business "Developing Technopreneurship and Entrepreneurial Small Businesses: A Key to Sustainable Future"

Oleh: Center for Innovation, Entrepreneurship, & Leadership, School of Business and Management ITB

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## Preface

**Dear IICIES 2010 Participants,**

Welcome to the 2<sup>nd</sup> Annual Conference! Welcome to UMN! Welcome to Serpong, Indonesia!

The growth of small businesses through innovation and the growing number of entrepreneurs are critical in gaining prosperity of a society. Indonesia, with a very limited number of growing entrepreneurs and a very large number of not-growing small businesses, is in poor shape in shaping its prosperity. It must be stopped, it must be solved!

The 2<sup>nd</sup> Indonesia International Conference on Innovation, Entrepreneurship, and Small Business (IICIES 2010), initiated by the Center for Innovation, Entrepreneurship, and Leadership (CIEL), the School of Business and Management (SBM) at *Institut Teknologi Bandung* (ITB), is now collaboratively organized with *Universitas Multimedia Nusantara* (UMN). This event is intended to support the development of innovation, entrepreneurship, and small business for the better Indonesia. We challenge ourselves to learn, study, and create local knowledge with global mindset to provide some lights in the development of new entrepreneurs and small businesses. This Conference provides a venue for Indonesian scholars and a network with international experts to collaborate. Programs in the Conference include Sightseeings, Workshops, *Mengembang Layar* (a New Business Expo), Masters & Doctoral Consortium, Gala Dinner, Featured Speakers, and Parallel Sessions.

This 2<sup>nd</sup> IICIES has attracted more than 400 abstract submissions and about 130 reviewed and invited papers will be presented with the topics ranging from entrepreneurship theory to creativity and innovation, to entrepreneurship education, from social entrepreneurship to corporate entrepreneurship, from small business to family business, to growing business. Authors come from various institutions in Indonesia and from several other countries. At least 300 researchers and participants from many universities and several countries are attending to this Conference.

In this occasion, I am honored to thank all contributors to the Conference including all Authors and Reviewers, all Key Speakers and Program Facilitators, Participants and Prominent Guests, all Sponsors including Academic institutions, small-to-large Businesses, Governmental institutions, and Communities. I have been blessed to work with a dedicated Organizing Committee, combining UMN and CIEL staff members. Thank you. Thanks and appreciations are also due to Prof. Boediono, the Indonesian Vice President, Dr. Kuntoro Mangkusubroto, the Founder of ITB's SBM, Prof. Yohanes Surya, Rector of UMN, and Prof. Akhmaloka, Rector of ITB, for their full supports to this event.

*Tiada gading yang tak retak* (Nothing is absolutely perfect). We apologize for any inconveniences that may happen. I hope all of you will enjoy the Conference, look forward to hearing your sharing and seeing Indonesia in a better place: entrepreneurial and prosperous!

**Dwi Larso, PhD**

Conference Chair and Director of CIEL

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# Phenomenology as an Appropriate Method to Understand the Meaning of Entrepreneurship

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## Abstract

*Success in entrepreneurship is always assessed based on company performance and financial measures. While subjective assessment such as self-report measures is neglected. Success in entrepreneurship should be examined from the subjective perspective. It means looking at the values, perceptions, beliefs, assumptions and ideas of the entrepreneurs themselves. In other words, researcher has to focus on lived-experience and entrepreneurs' consciousness. An entrepreneur used to bring his or her own values and perceptions in it. A good method to understand the meaning of entrepreneurship is phenomenological method, which is part of qualitative method. The Phenomenological method derived from the philosophical thinking of Edmund Husserl and Martin Heidegger, which stated that a phenomenon exists because of consciousness. And the meaning people gave to a phenomenon is based on his living environment, consciousness and experiences. Living experience is unique, subjective and contextual. This paper will present the importance of phenomenology as a method appropriate for this topic. It looks at the human lived experiences and examined, comprehend, explain the meanings and set aside any pre-judgments regarding the phenomena to avoid preconceptions. The presenter will discuss they way the phenomenological method works. This method will provide an intimate and in-depith meaning based on individual experience. This method will produce insights and findings, which is not available in other methods and helpful to study entrepreneurship*

*Keywords: phenomenology, lived-experienced, consciousness, entrepreneurship, philosophy*

## 1. Introduction

Entrepreneurship is playing a very important role in the economic development of the country. It helps to boost up export, initiates innovation and product improvement. Entrepreneurship supports government to create more jobs. The significance contributions of entrepreneurship have been admitted by the president of Indonesia. Several months after his installment for the second tenure in office, the president called and instructed the Minister of Education to include entrepreneurship in the curriculum. Students should have proper knowledge and understanding as well as skill in entrepreneurship. The president also encouraged companies, industries, and financial institutions to facilitate students and new graduates with financial assistance to start up their own business. The main purpose of this program was to produce graduates who will be job creators instead of job seekers (Cikarang Post, 2009, p.7).

Entrepreneurship is also growing as an academic discipline and career choice. Many high institutions required students of all departments and study programs to take the entrepreneurship subject. Entrepreneurship is considered as a core subject, which is a must

for every student. Schools want to create graduates who will not only knowledgeable but also creative and successful in this area.

Many students embrace entrepreneurship as their future career. Owning a business enterprise, having flexible working hours, and controlling his or her job are becoming a dream of every student. They want to be independent and work on their own company. The current social life and technology advancement make it easier for them to pursue their dreams. With the help of internet, they can do their job and build networking from their own room or house. They are the boss of their own business.

A lot of studies and researches have been done to help people to know and understand about entrepreneurship. Some studies tried to identify the characteristic of entrepreneurs, their motivations, and perceptions about success and failure of their businesses. Other studies and books discussed a lot about how to start a new business, motivation needed, traits required, and expected behavior. Those literatures are very good in describing entrepreneurship from external factors, but less explored on the inner self of the entrepreneurs such as their consciousness and experiences. Those factors are very important but less explored. Very few researches were



conducted to describe the essence of entrepreneurs' consciousness such as why they concern with one particular element and not the other? Why he or she considered that a certain factor is more important than the other? What is the essence of their experience and consciousness about a certain element of the entrepreneurship? Those essences of their experiences and consciousness are very important and will be helpful for other people who are going to join and start their own enterprise.

Many researchers designed their study based on their assumptions and tried to find out the significance of relationship between the artificial variables. Data collected are using questionnaire with predetermined questions and answered. The entrepreneurs have no say and choice but only answering those questions. Most of the questions sometimes are not in line with what they are really experienced. Since the questions in the questionnaire are very theoretical and far from the practical condition. That is why the results of such research are not applicable, difficult to be implemented and shallow. Those are very artificial. The results are based of the assumptions of the researcher and not grounded to the real experiences and consciousness of the entrepreneurs. The results could be scientifically correct since it followed the steps required for a scientific paper, but useless from the point of view of the entrepreneurs themselves.

Moreover, many researches, books and journals on entrepreneurship dominated by quantitative-approach. One characteristic of quantitative research is quantifying the expression, opinions and thought. Almost everything is expressed in numbers. And everybody knows many aspects related to the feelings, experiences and consciousness of the entrepreneurs could not be articulated in numbers and figures. In-depth analysis could not be quantified. Those experiences, consciousness, perceptions and thoughts can only be understood. Researchers that want to go deeper to reveal the essences of experiences and consciousness can come up with meaning. That is actually the characteristic of phenomenology research. It is part of the qualitative research since it places human being and their experiences, in this case the entrepreneurs themselves, as the source of data and information. They really involve and not

merely. They are the important subjects of the research. They are not outsider but really participants. They participate actively in the research. Their opinions, suggestions and stories are the main source for data analysis, not textbook theories. Their stories and information are really actual since they are the one who experience it.

Moustakas (1994) wrote that phenomenological research is an appropriate method to get a meaning of a phenomena being studied. He added that phenomenological method enables researcher to go deeper to uncover the essences of his or her lived-experiences. This method will provide fast understanding regarding what these individuals think, conscious on, and feel about their experiences. Those information which comes from the real experience and from the real context, will be the base for researcher to make analysis and come up with the essences of those experiences. At the end it will expand and contribute to the understanding about the topic. The real personal experiences will uncover the essence of motivations of entrepreneurs to start and stick on their businesses. This method will help people to capture the complexity and uniqueness of entrepreneurship. It is also dynamic, since every experience is unique and growing since the human being, situational context are changing.

Ironically very few articles and books discuss about this method. Only small number of references about this method is available in Indonesian language. Moreover, this method was rarely offered as a subject in the classroom since quite limited lecturers familiar with this subject. People with no philosophical background, will find it difficult to understand the concept of phenomenology particularly the thought of Husserl and Heidegger, the founding fathers of phenomenology. In addition, some terms and expressions are using Latin and Greek, such as epoche, eidos, noesis. Those who want to learn this method should be familiar with those classic philosophical terms. Another problem, related to phenomenology as a research method, is the present varieties of designs of phenomenological method. There is no fixed, single, and authoritative phenomenological method. Moreover there were no orthodox procedures, which could be followed as an authoritative reference. This method varies

according to the interest and thematic attention of the researchers. However there are certain commonalities that function as a general guideline for researchers.

That is why many students do not have any chance to study it, let alone applied it in their research projects. However this method is appropriate to study about entrepreneurship. My thesis is studying and doing research on entrepreneurship is suitable using phenomenological approach. It will be helpful to appropriately comprehend and understand since it applies in-depth approach and techniques and detailed interpretive so the essences of the experience and consciousness emerge. This is the main purpose of this paper, which is to reveal the importance and appropriateness of phenomenological method to study entrepreneurship.

## 2. Phenomenology as a Movement in Philosophy

The term 'phenomenology' was already known and used since the antique Greek philosophical thinking emerged. Plato, Socrates and Aristotle discussed it extensively in their books and dialogue. But it popularly used in eighteenth century philosophy.

The word 'phenomenology' comes from the Greek word 'phaenestai' means: to flare up, to show itself or to appear (Moustakas, 1994). Other meaning of phenomenology is: to bring to light, to place in brightness, to show itself in itself, appearance. The main concern of phenomenology is the role of consciousness and experience. Later phenomenology defined as the study of the development of human consciousness and self-awareness.

Literally, phenomenology is the study of phenomena: appearance of things, or things as they appear in our experience, or the ways we experience things; thus the meanings things have in our experience. Phenomenology studies conscious experience as experienced from the subjective or first person point of view. The role of subject is important to understand the phenomena. Reality is subjective meaning.

The main theme of phenomenology is to the things themselves. Phenomenology is trying to uncover the essences of the phenomena as it appears in our consciousness or experiences. That is why it is also called the study of structures of experiences. Experiences

and consciousness relates closely to intentionality. We are conscious of or aware about something as long as we have intentionality to it. For the phenomenologist, our experience and consciousness is always directed toward something. Phenomenology places experiences and consciousness as the central of analysis. It is because of the human consciousness and experiences things, phenomena and reality are known. Human being is the one who gives meaning to the phenomena. Every phenomena and world reality comes to existence because of the presence of human being who thinks, feels and talks about it. Consciousness and experience about a phenomenon will generate new knowledge. Science grows from experience and consciousness. It does not descend from heaven. Every experience is essential for the beginning of new knowledge and science.

Phenomenology is commonly understood either of two ways. First is as a philosophy discipline which focuses on the structures of experience of consciousness or a study of phenomena (appearance) of things; or things as they appear in our experience, or the way we experience things. This new philosophical thinking was aimed to oppose the previous way of philosophical thought which was emphasized on material thing. The previous philosophical endeavor was discussing more about the nature and the structures of nature. The terms 'materia' and 'forma', were very popular introduced by Aristotle and later developed by Scholastic philosopher, aim to describe the essence and existence of a thing or object. Such descriptions about a thing or object failed to take into account the role of person who experienced it. They did not see yet the relationship between human being who was conscious on and the thing which was the object of the human consciousness. There was a total separation between the human consciousness and the object. Phenomenology began to analyze the human consciousness and the essence of the phenomena.

The objects of consciousness are the sources of all social realities. It also encourages the emerging of new knowledge and sciences. This field of philosophy is differentiated from other field of philosophy such as ontology, which is the study of being; epistemology, which is the study of knowledge; logic, which is the study of valid reasoning; ethics, which is the study of right

and wrong action. But one thing about phenomenology that it is always descriptive in its pure form. Phenomenology is not going to explain the reason for events.

As a philosophical movement, phenomenology was launched in the first half of the 20<sup>th</sup> century by Husserl, Heidegger, Merleau-Ponty and Sartre. It studies the structure of various types of experiences ranging from perception, thought, memory, imagination, emotion, desire. Those experiences closely related to what Husserl called 'intentionality' since every experience always directed to something in the world. The core element of consciousness is consciousness about something. There is no consciousness if not pointed to a thing.

Although this term used in history of philosophy long before Husserl but modern philosophy relates this term more explicitly to his term. And later this phenomenology used and adapted by social sciences. Phenomenology is very helpful to study entrepreneurship. Such study aims to uncover the meaning being an entrepreneur as they experience. In this case, people tries to understanding entrepreneurship and all his efforts as well his ideas from their point of view of the entrepreneur who experience it directly. So, personal and subjective perception become the source of data for analysis. As Paul Ricoeur wrote that phenomenology emphasized on the priority of meaning over technique; the primacy of practical over theoretical and the primacy of situation over abstract formalization.

### **3. Phenomenology as a Research Method**

Method refers to data collection or how the data were collected. It is a process which goes sequentially from the preparation to data collection, data analysis, summary and reporting. The process in research is already standardized which involves skills and procedures. The method itself varies according the purpose and objective of the study. The method of data collection applies in quantitative research of social sciences usually use questionnaire, while in qualitative one it involves in-depth interview, observation. The purpose and objective of the study will determine the method being used. No method is useful for every purpose.

Methodology refers to the approaches used to uncover the research problem. It also clarifies the question on 'why' the researcher uses such theory or data collection to that study. It relates to theoretical reflection about choices for methods within the framework of a scientific discipline. Methodology is also understood as the grand scenario of the research.

There are two major approaches to phenomenology: Husserlian also known as transcendental which focuses on the meaning of experience that illuminates the essence of human experience. Another one is Hermeneutic also known as interpretive which focuses on the interpretation of experiences, which requires reflective interpretation of a text or a study in the history to achieve a meaningful understanding. However in research those two approaches were combined.

In research, phenomenological method concentrates on the study of phenomena as experienced by the individual. It is on how a phenomenon reveals itself to the experiencing person in all its specificity and concreteness. The main requirement for the participant of the study is that they should have the experience as appeared in consciousness. The researcher is trying to focus on grasping the whole meaning of the experience instead of dividing it into parts without understanding the basic meaning structure, which gives sense to the whole. To be able to grasp a sense of the whole of a given experience, the researcher should put it into its context and in its natural setting.

Phenomenological method is actually qualitative in nature (Raco, 2010). It considers human being as meaning striving beings. For them, reality is human construction. Humans are creative agents in the construction of social world. It is from their consciousness that all being emerges.

There are some important elements of phenomenological method. First is the perception. The phenomenological research will not start with a sterile sifting of data. The researcher starts by seeing and listening to the participants. Such a perceptual experience awakens the researcher's awareness of and resonance with a specific atmosphere within a particular situation. Communicating with people in the field and perceiving their commentaries as well as their behavior. This is part of the observation. The observation will

bring about perception about the experiences. Phenomenology recognizes that meanings are given in perception and modified in analysis.

Second is the field. Phenomenological method required the researcher to enter the real situation in everyday life of a field. It is also called the normal context or natural setting. It should be natural. The essence of the experience will be understood if we put it into the context. Every artificial setting should be rejected. Look at the context also means looking it as a whole. Every single element of the experience, consciousness and the context will bring a great impact to understand the entrepreneurship.

Third is self reflection. The researcher includes and make uses of his or her reflections, which are based on their own experiences, on the study. Interpretation of the researcher is very important. It gives meaning to the phenomena being researched. This is the subjective factor of phenomenological research. The role of the researcher is very important. It does not mean that all the findings will totally determined by the researcher. It is to mention that the role of researcher is very important since he or she will interpret the meaning of the phenomena. The phenomena have no meaning without human interpretation. Of course it requires special skills, enough knowledge and having interested in the research issue. The phenomena have meaning because it is interpreted by the researcher.

Fourth is circular nature. There is a big difference between quantitative empirical research and phenomenological research. In quantitative research, one usually proceeds in a strict order of fixed steps. We use to begin by identifying the problem and the theories that have addressed this problem. Then we develop new hypothesis, followed by the use of concrete instruments to collect data and test the hypothesis. This approach gives a clear orientation to what comes first and second in the research. In phenomenology there is no such a fixed order of methodological step. Instead, the practical elements described above indicate points or segments on a circle. The researcher have to return several times to previous points, expose his or herself to new perception, get new 'ahas' and continue the description in lights of each new step and each return to an earlier step. Whatever might be the better order of steps, they are all good

steps if, together, they lead to closer understanding of the phenomena as living reality.

The goals of the phenomenological method: first is the apprehension (understanding) of the structure of the phenomenon as it appears. Other goal is the study of the origins or bases of the phenomenon as experienced. Brentano wrote that experience alone is my teacher. Neither common sense nor science can proceed without the strict consideration of what is actually in experience. Husserl called his approach as phenomenology because it utilizes only the data available to consciousness – the appearance of objects. It is logic since the only thing we know for certain is that which appears before us in consciousness, and that very fact is a guarantee of its objectivity.

Phenomenology as a research method later applied in human sciences since it places human as the research instrument. Phenomenology is an interpretive mode of inquiry that offers a complex method for understanding complex experience. Only human being has experiences and can articulate their experiences. Only human can interpret a phenomena. Only human can talk and use language to express his perception, feeling and opinions. The role of phenomenology is an attempt to describe the way in which man understands himself, in which he interprets his own existence.

Phenomenology believes that knowledge and understanding are embedded in our everyday world. In other word, they do not believe that knowledge can be quantified or reduced to number or statistics. They believe that truth and understanding or life can emerge from people's life experience.

#### **4. Phenomenological Method and Entrepreneurship**

Some researchers misunderstood about the driving force of entrepreneurs. They thought money is the main factor. However every entrepreneur has his or her own driving force. It is more personal. Every entrepreneur has his or her own consciousness. What is considered as important for one entrepreneur will not necessary the same to other people. To find out their driving force, a researcher has ask them. Their own experiences and consciousness will tell a lot of reasons why

they consider a certain element as their driving force not other element.

Other entrepreneur will value achievement as motivating force in entrepreneurship which might be different to others. Money is not the only one symbol of achievement. The question remains: what makes them moving forward with their business; what makes them sustain. The answers will be more complex and more profound than mere cash.

Moreover entrepreneurship as a skill can be taught but not all aspect of entrepreneurship could be taught. Aspect such as self confidence, persistence and high energy are difficult to be taught. Schools can give some formula on successful steps leading to successful entrepreneur, but many other things they can only learn from the experiences of the successful entrepreneur (Serian, 2010). Every single entrepreneur has his or her agenda, expectation, calculation, idealism. It is very personal. Different perceptions and findings represent the different context, time, place and setting of the participants. He wrote that there was a lot of limitation in what can be taught in entrepreneurship program. He continued suggested that the only effective way is through learning from direct experiences successful entrepreneurs. He added that entrepreneur learned not through structural learning program but through experience trial and error. They can learn only from the experience of other successful entrepreneurship. Entrepreneurship is not only knowledge. It involves also art. As art, it depends on the improvisation and sense of every entrepreneur

While literatures are available on reasons to become an entrepreneur, strategies or success, reasons for failure and related issues, there is a great need to have a method that can guide researcher to in-depth analysis. Phenomenological method is considered as a good choice.

Aside from the characteristic and behavior, the literature increasingly reports that money is supposedly only a lesser reason for becoming an entrepreneur. So, there must other factors than money. We can find it via phenomenological method.

There are many aspect of entrepreneurship which is not yet studies such as strong need for

approval, strong stress, under pressure to continually achieve, loneliness, concentration, problems with people. An entrepreneur has his or her own perception on it. Books that offer advices to new entrepreneurship are a lot such as about the personality required, financial preparation, assessing opportunities, market research, writing business plan, implementation of start up idea. But advices from the established entrepreneur could be a great help for others and valuable component.

Phenomenology is suitable for research on entrepreneurship since it looks at the human lived experience. It takes into account the consciousness and look at the complexity of an entrepreneur. It set aside any pre-judgments regarding the phenomena to avoid preconception. It emphasizes on intuition, imagination and universal structures to identify a picture of the experience. It attempt to examine comprehend and explain the meaning of the lived experience of specific group of individuals inside a phenomenon.

## 5. Phenomenology Research Design for Entrepreneurship

There are three fundamental components in a phenomenological research design. Clark Moustakas gave some guidelines. First, determine the limits of what and who is to be investigated. It concerned with 'what is to be investigated'. If Husserl said 'to the things itself', then anything that has appearance or consciousness could be investigated. Or everything that becomes conscious of entrepreneurs could be studied. Practically speaking, subjects or topics that do not lend themselves to easy quantification are the most appropriate topics to be probed.

After determining what will be investigated, next is 'who will comprise the subjects' of research. Or 'who are the participants of the study?' Patton (1994) wrote that the main requirements for becoming participants of the study are those who can give reliable information on the phenomena being researched; willing to participate and credible. They should have experience and consciousness on a certain aspect of entrepreneurship.

Next step is collection the data. There are three types of data collection. First is in-depth and semi-structured oral history interview with the subjects. The interview should be taped recorded and transcribed. It is better to ask few questions and probe them intensively than ask

perception over the findings. The level four is the abstraction of essences where the researcher tries to find a universal ideas or 'concept' related to the themes of the data. Examples of phenomenological method on entrepreneurship appear in Table 1.

Table 1. The Exemplar Researches on Entrepreneurship Using Phenomenological Approach

Author (Year)	Topic	Theory Concept	Data Collection	Main Findings & Contribution
William P. Racine (2009)	A qualitative study of Motivations and lived experiences. New venture creation of environmental entrepreneurs in Ohio	Motivational theory	20 participants chosen based on existing business type, data of starting new venture, work history, one to one interview	Motivation precipitated by need, opportunity to improve, dissatisfaction of current situation, self-actualization, self-perception
Beth B. Reaves (2008)	Entrepreneurial success. A phenomenological study of the characteristics of successful female entrepreneurs	Historical perspective of entrepreneurship	20 female entrepreneurs, at least 5 years in business, has lived experience, age 44-61	Family support, relationship as resources, interpersonal and listening skills, attention to customers, passion
Jack Zimmerman (2008)	Refining the definition of entrepreneurship	Entrepreneurship theory	13 participants	Motivation, significant of values-driven behaviors than any personal traits, environmental factors
Loni Fraizer (2009)	21 century social change makers and next generation social entrepreneurs	Theory of social entrepreneur. Leadership and management	16 participants, 70% males, age 33-67, 75% married	Critical experiences, the role of technology, influenced by successful entrepreneurs

many questions. Second is a documentary study, in which the writings of the subject are reviewed to derive meanings from them. The third is participants' observation technique. That is observing the subjects in an actual situation in which they engage in behaviors related to the phenomena under investigation.

After data collection, the researcher makes phenomenological analysis. The first level is description of the phenomena. The context, situation and settings are described as detailed as possible. The transcribed narratives identify and describe the qualities of human experience and consciousness that give the person being studied his or her unique identity and outlook. The level two is identification of themes or invariants that emerge from the description. Themes refer to commonalities present within and between narratives. Themes are identified based on the importance and centrality accorded to them rather than on the frequency with which they occur. Level three is the reflection of the researcher over the themes. The researcher gave his or her thinking and

In summary, the phenomenological research ask four questions: how may the phenomena or experience under investigation be described; what are the invariants or themes emergent in those descriptions; what are the subjective reflection of those themes; what are the essences present in those themes and subjective reflection.

## 6. Conclusions

There are many aspects of entrepreneurship still need to uncover and mostly related to the essence of being an entrepreneurship. Phenomenology is an appropriate method to study entrepreneurship still it aims to reveal the essence of experience and consciousness of entrepreneurs. Phenomenology is part of qualitative research and emphasizes the important role of human being. In phenomenology, the entrepreneurs are treated as subject and not merely object to get information. Entrepreneurs' stories and sharing as well as information collected from

field observation are treated as data for research analysis.

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