THE BUSINESS OPPORTUNITIES IDENTIFICATION: AN EMPIRICAL STUDY AMONG UNDERGRADUATE STUDENTS IN INDONESIA

ABSTRACT

This study aims to analyse the effects of network, self-efficacy, and creativity on the identification of business opportunities for undergraduate students in Indonesia. This study uses quantitative methods with the number of respondent as many as 396 undergraduate students determined by using purposive sampling. The research data was collected using an online questionnaire and processed using partial least square analysis technique. The results showed that the network and self-efficacy owned by the undergraduate students in Indonesia influence the creativity and identification of business opportunities. While the identification of business opportunity is influenced by the creativity of the students.
Keywords: Network, Self-Efficacy, Creativity, Opportunity Identification.

INTRODUCTION

Entrepreneurship is a process of creating a new business, in which identified business opportunities are transformed into economic value by utilising the networks owned by entrepreneurs (Puhakka, 2002). There are two premises of entrepreneurship, i.e., weak premise and the strong premise. The weak premise implies that market conditions are inefficient all the time, thereby generating a business opportunity that can be exploited by entrepreneurs (Kirzner, 1979, 1985 in Venkataraman, 1997). While the strong premise holds that while market conditions are equilibrium, driven by profit creation, the utilisation of knowledge and technology will break the equilibrium (Schumpeter, 1976 in Venkataraman, 1997).

In entrepreneurship, the identification of business opportunities is vital for an entrepreneur (Stevenson *et al.*, 1985 in Ardichvili, Cardozo, & Ray, 2003). The process of identifying these opportunities is the starting point for all entrepreneurs to go through (Carrier, 2005; Corbett, 2007 in Muñoz, Mosey, & Binks, 2011). Most of the literature on entrepreneurship mentions business opportunity identification including three processes. First, sensing or observing market needs and unemployed resource. Second, recognising or finding a match between a particular market need and a specific resource, and third, creating a new match between market demand and resources in a business concept (Hills, 1995; De Koning, 1999 in Ardichvili *et al.*, 2003).

The network owned by the entrepreneur has a significant role in the identification of business opportunities. More owned networks will produce more possibilities in identifying opportunities (Ardichvili *et al.*, 2003). In most of the previous research, the network is divided into three types of network, namely business network, the information network (network), and research network (Lin, 2001; Boari & Presutti, 2004). The information network consists of trade fairs, non-business exhibitions, meetings and publications, and patent documents. The business network includes customers, suppliers (suppliers), competitors, and others. The

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research network consists of government research laboratories, technology transfer organisation, and universities.

Self-efficacy is a crucial aspect in examining opportunity identification studies. The ownership of skill is not sufficient to change the way individuals think. However, the belief that the individual has the skills can (Krueger, 2003, Gibbs, 2009). Self-efficacy is a belief in the ability that it has in achieving a goal or job (Bandura, 1997; Kume, Kume, & Shahini, 2013). Self-efficacy consists of three dimensions: having individual confidence in the ability possessed in doing a task with a certain level of difficulty (level or magnitude), confidence can be successful in performing tasks at a certain level of complexity (strength), and to what extent magnitude and strength can be generalized in various tasks in various situations (Chen, Gully & Eden, 2001).

Self-efficacy is an essential aspect in examining opportunity identification studies. The possession of skill is not adequate to change the way the individual thinks, but the belief that the individual possesses that skill can affect the individual's way of thinking (Gibbs, 2009). Self-efficacy is a belief having the ability to achieve a goal or to accomplish a task (Bandura, 1997; Kume, Kume & Shahini, 2013). Self-efficacy consists of three dimensions. The first dimension is the individual's belief in the ability possessed in performing a task with a certain degree of difficulty (level or magnitude). The second, the belief that she/he can succeed in completing tasks at a certain level of complexity (strength). Third, to what extent magnitude and strength can be generalised to various tasks in various situations (Bandura 1986, 1997; Chen *et al*., 2001).

Creativity is the ability to find inconsistencies by connecting different kinds of information, finding solutions that do not yet exist, and the ability to generate new ideas (Puhakka, 2002). Gielnik, Frese, Graf and Kampschulte (2012); Frese and Gielnik (2014) stresses the importance of creativity on two things: the process of creating business ideas and

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identifying business opportunities. Creativity is the ability to interpret information into a solution (Puhakka, 2002). Each can process information differently, but not everyone can see the relationship between the information. This ability also known as creativity owned by an entrepreneur (Shane & Venkataraman, 2000 in Puhakka, 2002). According to Puhakka (2002), the creativity is the ability to generate many ideas (fluency), to shift from one approach to another approach (flexibility), to produce something that is not common, new, or imaginative (originality), and to see in a different way than in the usual way (adaptability of thinking).

A number of previous studies have shown that various variables can influence the identification of business opportunities. Started by networks (Hills, Lumpkin & Singh, 1997), creativity (Hills *et al*, 1998); motivation (Kuratko, Hornsby & Nafziger, 1997), alertness (Gaglio & Katz, 2001); risks (Mullins & Forlani, 2005), financial rewards (Shepherd & DeTienne, 2005); (Davidsson & Honig, 2003; Corbett, 2007; Gonzalez-Alvarez & Solis-Rodriguez, 2011), social capital (networking) and gender (Gonzalez-Alvarez & Solis - Rodriguez, 2011), to entrepreneur's personality traits (creativity & optimism), social networking, and prior knowledge (Ardichvili *et al*., 2003). However, this study focuses only on three variables, i.e.: network, creativity, and self-efficacy to explain the identification of business opportunities among

To investigate the possible effects of each of these variables on the identification of business opportunities, we collected survey data in undergraduate students in Indonesia. In the next part, we discuss each of the variables investigated in this research, along with the theoretical reasons of their correlation to the identification of business opportunities. Afterward, we present the methodology and the results of the study. In the end, we discuss the implications of our findings for identification of business opportunities and propose some suggestions for future research.

LITERATURE REVIEW AND HYPOTHESIS

Network and Creativity

Csikszentmihalyi (1990) points out that, creativity is an interaction between one's thinking in a socio-cultural context because creativity involves a process of social interaction (in Chen, Chang & Hung, 2008). Some researchers argue that communication of ideas and information can enhance creativity (Amabile, 1988, 1996; Kanter, 1988; Woodman *et al*., 1993 in Perry-smith, Mulaik, Robbins & Glynn, 2006). Networks can provide access to resources and information and can reduce the amount of time needed to gather information (Ghoshal & Nahapiet, 1998; Chen *et al*., 2008). The results of research conducted by Chen *et al*., (2008) show that the more networks an individual has, the more creative the individual will be. By having many networks, an individual will have more access to information and hence will increase the knowledge related to creativity (Csikszentmihalyi, 1996; Glynn, 1996; Simonton, 1999 in Perry-Smith *et al*., 2006). Based on those previous studies, we suggest the following premise:

Hypothesis 1: Student-owned networks affect creativity

Self-efficacy and Creativity

Bandura (1997), Prabhu, Sutton and Sauser (2008) mentions that strong self-efficacy is needed in creativity. To be creative, an individual must believe in his or her ability to complete a task (Lennings, 1994; Tipton & Worthington, 1984 in Prabhu *et al*., 2008). Individuals who have self-efficacy will have the following characteristics: choosing challenging tasks, determined, and persistent in facing obstacles and difficulties (Avey, Wernsing & Luthans, 2008; Bandura, 1997; Luthans & Youssef, 2004; Luthans, Youssef & Avolio, 2007; Rego, Sousa, Marques & Cunha, 2012). In the process of accomplishing a challenging task, self-efficacious people tend to propose useful new ideas for successful completion of tasks. The challenges faced will make

people who have self-efficacy produce creativity (Rego *et al*., 2012). The results of Rego *et al*., (2012) found that individuals who have self-efficacy will be more creative than those who do not. While Prabhu *et al*., (2008) showed that self-efficacy has a positive and significant effect on creativity. Thus, we can state the following hypothesis:

Hypothesis 2: Student self-efficacy affects creativity.

Networking and Business Opportunity Identification

Hills *et al*., (1997) mentions that the more networks owned, the more opportunities will be generated. This is because the network provides access to obtaining scarce resources (Light, 1984; Zimmer & Aldrich, 1987; Bates, 1995 in Ramezanpour, Amiriyan & Shirazi, 2014). The network gives entrepreneurs access to intangible resources such as credibility and competence (Bruderl & Preisendorfer, 1998; Bosma & De Wit, 2004 in Ramezanpour *et al*., 2014), and can overcome the limitations of entrepreneurs in gathering and absorbing information for the decision making process. Through relationships with distributors, suppliers, competitors and customers, the entrepreneur will be able to obtain the necessary information and suggestion (Birley, 1985; Smeltzer *et al*., 1991; Brown & Butler, 1995; Peters & Brush, 1996 in Ramezanpour *et al*., 2014). As a result, the entrepreneurs enable to identify more ideas and recognise more opportunities (Burt, 2004; Obstfeld, 2005 in Omri, 2012). Accordingly, we formulate the third hypothesis as:

Hypothesis 3: Student-owned networks affect the identification of business opportunities.

Self-efficacy and Business Opportunity Identification

Self-efficacy is a belief in the abilities that it possesses in achieving a goal (Kruenger, 1998 in Wang, Ellinger & Wu, 2013). Individuals with high self-efficacy tend to show increased motivation in looking for business opportunities (Hostager *et al*., 1998; Park, 2005; Pech &

Cameron, 2006 in Wang *et al*., 2013). Opportunity identification is a complicated, independent, repeatable, nonlinear process, which is significantly influenced by self-efficacy (Ozgen, 2003 in Gibbs 2009). The identification of business opportunities does not only require the capabilities. The confidence or perception in the abilities possessed by the individual is even more crucial (Gonzalez-Alvarez & Solis-Rodriguez, 2011). Krueger, Reilly & Carsrud, (2000) argue that the identification of opportunities depends on self-efficacy, i.e., individual perceptions that the situation is controllable and positive (Gonzalez-Alvarez & Solis-Rodriguez, 2011). Empirical studies have shown that high self-efficacy will result in the better identification of business opportunities (Ozgen, 2003 in Wang *et al*., 2013; Gonzalez-Alvarez & Solis-Rodriguez, 2011) and is the most crucial variable in the identification of business opportunities (Ozgen, 2003 in Wang *et al*., 2013). Hence, we hypothesise:

Hypothesis 4: Student self-efficacy affects the identification of business opportunities

Creativity and Business Opportunity Identification

Creativity is a unique capacity that humans possess to generate new ideas, new views and new solutions (Hennessey & Amabile, 2010; Zagorac-uremovic, 2015). Creativity is an important part of the identification of opportunities (Nicolaou, Shane, Cherkas & Spector, 2009) because creativity allows individuals to incorporate different information or concepts into new ideas (Ward, 2004; Puhakka, 2002). Freese, Gielnik (2014) and Gielnik *et al*., (2012) also emphasises the importance of creativity in two things: the process of creating business ideas and identifying business opportunities. Given that, we propose:

Hypothesis 5: Student creativity affects the identification of business opportunities

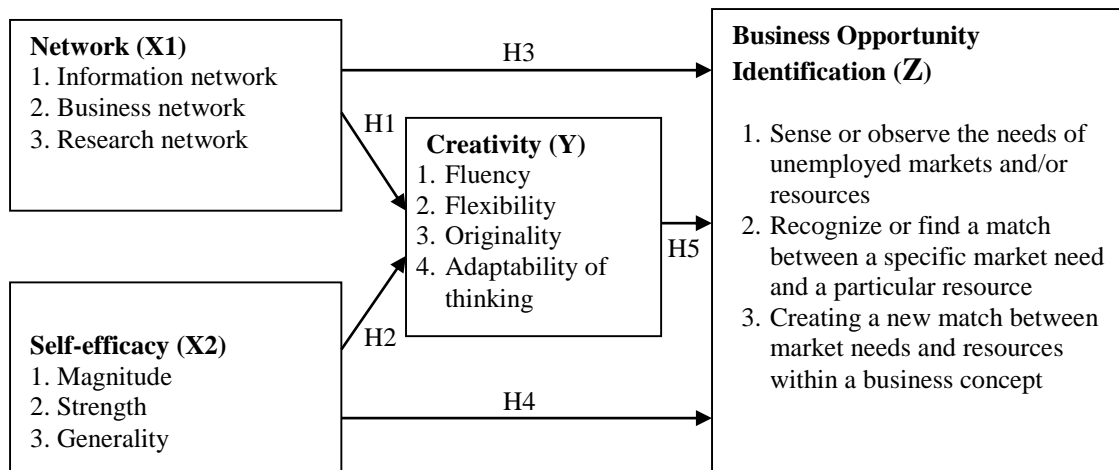Figure 1 presents the hypotheses of the research.

Network (X1)
1. Information network
2. Business network
3. Research network

Self-efficacy (X2)
1. Magnitude
2. Strength
3. Generality

Creativity (Y)
1. Fluency
2. Flexibility
3. Originality
4. Adaptability of thinking

Business Opportunity Identification (Z)
1. Sense or observe the needs of unemployed markets and/or resources
2. Recognize or find a match between a specific market need and a particular resource
3. Creating a new match between market needs and resources within a business concept

H1 H2 H3 H4 H5

Figure 1.

The Research Model

RESEARCH METHOD

The population in this research are undergraduate students in Indonesia. Using purposive sampling technique, we distribute online questionnaire and acquire 396 respondents whose characteristics: undergraduate student at university in Indonesia, self-initiated entrepreneur, and/or have entrepreneurship initiated with friends/relatives, and/or invest in a business.

We adopt the measurement items from several literatures to compose a questionnaire. For network measurement, we implement Lin (2001) from Boari and Presutti (2004). A sample items is: "I have network with customer". For self-efficacy, we employ Bandura (1986, 1997) from Chen (2001). A sample items is: "I have confidence that I can accomplish several task in various situations". We adopt creativity dimension from Puhakka (2002), with sample items as follows: "I can use vaorious information to generate ideas". As for the identification of business opportunities, we apply Hills (1995) and De Koning (1999) from Ardichvili *et al.*, (2003). One of the items is "I can discover the match between certain market need and resource". All of the measurement items use Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). We analyse the data using descriptive statistic, inner model test, outer model test and hypotheses test. We categorized the mean to simplify the analyses of each questionnaire item.

The outer model test is conducted to define the correlation of each indicator items to the latent variable, using criteria as summarise in Table 1.

Table 1

The Outer Model Test Criteria

Outer Model Test	Criteria
Convergent validity	> 0,4
Average Variance Extracted (AVE).	> 0,5
Discriminant validity	cross loading value to the targeted construct > cross loading value to others contruct
Composite Reliability	> 0,7
Cronbach Alpha	> 0,7

We perform the hypotheses tes in Partial Least Square using t-test and employing bootstraping method. The utilising of bootstraping enable us to see the significant relationship between observed variables. If the value of bootstraping is $\geq$ 1.96, then the hypotheses is supported, vice versa.

FINDINGS

The majority of respondent are from Java (57.7%) and Sumatera (20.2%), female (60.86%), in 17-21 years age group (70.2%), and in their third year in college (51.77%). The main industry sectors are food and beverage (37.37%) and creative industry (29.54%). Table 2 presents descriptive statistic and bivariate correlations of all constructs.

In this study, two indicators excluded from further analysis because they lead to unacceptable AVE. Table 3 below presents the results of outer model test after these indicators removed. From Table 2 and 3, we figure out that all of criteria mentioned previously in Table 1 are fulfilled. Therefore, we can confirm that all of the construct are reliable and valid.

Table 2

The descriptive statistic and bivariate correlations of all constructs

Construct	Items	Mean	Standard Deviation	Network	Self-efficacy	Creativity	Business opportunity identification
Network	X1.1	2.96	1.113	0,7795	0	0	0
	X1.2			0,6914	0	0	0
	X1.3			0,7456	0	0	0
	X1.4			0,7585	0	0	0
	X1.5			0,795	0	0	0
	X1.6			0,6247	0	0	0
	X1.8			0,7187	0	0	0
	X1.9			0,6164	0	0	0
	X.11			0,6485	0	0	0
Self-efficacy	X2.1	3.77	0.837	0	0,8875	0	0
	X2.2			0	0,9196	0	0
	X2.3			0	0,8408	0	0
Creativity	Y1.1	3.73	0.876	0	0	0,8689	0
	Y1.2			0	0	0,8525	0
	Y1.3			0	0	0,8533	0
	Y1.4			0	0	0,8093	0
Business opportunity identification	Z1.1	3.60	0.844	0	0	0	0,8201
	Z1.2			0	0	0	0,8034
	Z1.3			0	0	0	0,894
	Z1.4			0	0	0	0,8441

Table 3

The results of outer model test

Variabel	AVE	*Composite Reliability*	*Cronbachs Alpha*
Network	0,5063	0,9015	0,8769
Self-efficacy	0,7801	0,914	0,8583
Creativity	0,7162	0,9098	0,8677
Business opportunity identification	0,7074	0,9062	0,8617

Figure 2 shows the coefficient of determination (R^2) for creativity and business opportunity identification. We notice the low value of R^2 for creativity as much as 0.446. It indicates that network and self-efficacy determined creativity weakly. Similarly, the network,

creativity, and self-efficacy determine influences business opportunity identification with $R^2 =$ 0.471.
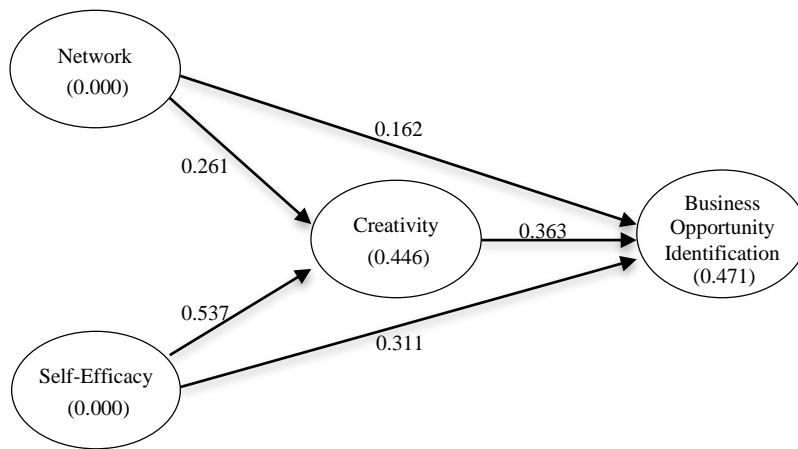

Figure 2

The Result of Inner Loading

We perform hypothesis tes using t-statistic value. The benchmark used is t-statistic value > 1.96. Table 4 shows that all of t-statistic value are above 1.96, thus all of the hypotheses are supported.

Table 4

The Result of Hypothesis Test

Hypothesis	Path	Path coefficient	t-Statistics	Results
H1	Network → Creativity	0.261	6,4982	Supported
H2	Self-efficacy → Creativity	0.537	12,4276	Supported
H3	Network → Business Opportunity Identification	0.162	3,2335	Supported
H4	Self-efficacy → Business Opportunity Identification	0.311	5,2959	Supported
H5	Creativity → Business Opportunity Identification	0.363	5,6142	Supported

DISCUSSION

The influence of Network to Creativity

In the results of this study, we found that there is influence of network owned by students to creativity with the value of T-statistics equal to 6.4982. The types of networks studied in this

research are information networks, business networks, and research networks. These three types of networks play a role in providing access to information and resources for respondents. The findings of this study indicate that respondents have more business networks compared to other networks. On the business network, the indicator that has the greatest mean is the business network with the customer. This result indicates that respondents implement customer-oriented concept, in which business owners strive to provide products/services and solutions to meet customer needs (Brännback, 1999). In an effort to meet the needs of their consumers, there is a process of social interaction between the customer and the business owner. The information obtained by the owner from the customer can be a suggestion on what the customer wants or what can make the customer satisfied. Afterward, the information obtained will be converted into an idea. The process of converting information into the idea requires creativity, since creativity is an ability to see the relationship between the informations (Shane & Venkataraman, 2002 in Puhakka, 2002). Respondents also obtain information through business networks with competitors but not as much as through the business network with customers. Business network with competitors can be found in various entities, such as a community of fellow entrepreneurs. Examples of communities or associations of entrepreneurs in Indonesia are the Indonesian Young Entrepreneurs Association (Himpunan Pengusaha Muda Indonesia, HIPMI), Indonesian Entrepreneurs Society (IES), MSME groups or entrepreneurs groups spread throughout Indonesia, and others. It appears that the respondent also maintains information networks but not as much as the business network with the customer. Information obtained from information networks owned by respondents comes from business exhibitions, non-business exhibitions, professional meetings, newsletters of specific groups, and patent documents.

The lowest network possesed by respondent are research network. The respondents develop research network with technology transfer organization, and government-owned laboratories. Examples of research networks with technology transfer organization in Indonesia

is the Society of Scientists and Technology of Indonesia (Masyarakat Ilmuwan dan Teknologi Indonesia, MITI). Currently, a college that works with MITI only collaborate with 79 colleges (MITI, n.d). However, nowadays, there is MITI students cluster to facilitate the students join MITI. The lowest research network owned by respondent in this study is the research network with government-owned laboratories. The reason is that access to government-owned laboratories is not easy to acquire. The Indonesian Institute of Sciences (Lembaga Ilmu Pengetahuan Indonesia, LIPI), the largest Indonesian government research institute providing laboratories from different fields of science, has a partnership with only 28 universities in Indonesia (LIPI, nd) whereas the number of universities in Indonesia is 4,581 (Ministry of Research, Technology and Higher Education, nd). Based on the above exposure, we can conclude that in this study, the respondent have all type of networks, i.e. information networks, business networks and research networks, which provide information that contribute to the creation of ideas.

The results of this study are supported by a number of previous studies that examine the influence of network on creativity (Chen *et al*., 2008; Perry-Smith, et.al., 2006). Both studies show that networks influence creativity. Creativity is an interaction between individual thinking in a socio-cultural context because it involves the process of social interaction (Csikszentmihalyi, 1990 in Chen *et al*., 2008), while network can provide access to resources and information (Ghoshal & Nahapiet, 1998). The communication of ideas and informations from networks will enable an individual to enhance his/her creativity (Amabile, 1988, 1996; Kanter, 1988; Woodman *et al,* 1993 in Perry-smith *et al*., 2006), because information obtained from the network will increase knowledge related to creativity (Csikszentmihalyi, 1996; Glynn, 1996; Simonton, 1999 in Perry-smith *et al*., 2006). As a result, the more networks the individual owned, the more creative he/she will become (Chen *et al*., 2008).

The Effect of Self-Efficacy on Creativity

As predictable, self-efficacy owned by students influence creativity (T-statistic value = 12.4276). From the mean value of self-efficacy variable that is equal to 3.77, we can conclude that respondents in this study have high self-efficacy. Self-efficacy has an important role in creativity, because maximizing and developing creativity requires a self-confidence (Stenberg & William, 1996 in Chuang, Shiu & Cheng, 2010). A confidence individual will not be easily discouraged, persistent and self-assured with the ability he/she owned to achieve the desired goal successfully. In this case, the goal is to utilize different kinds of information to generate unusual, unique, and imaginative ideas, and can see things from a different point of view than others. An individual who have self-efficacy will deliver creativity in the form of submission of new ideas that are useful for completing tasks and challenges with a certain degree of difficulty and under various conditions (Rego *et al*., 2012).

The results of this study is align with a number of previous studies that examine the effect of self-efficacy on creativity, such as Rego *et al*. (2012) and Prabhu *et al.* (2008). Both studies show that self-efficacy has a significant effect on creativity. People who have self-efficacy have a tendency to be more creative than those who lack of self-efficacy (Rego *et al*., 2012).

The Influence of Networks to Identify Business Opportunities

The network owned by students have an influence on the identification of business opportunities with the T-statistic value = 3.2335. In the previous discussion of the effect of network on creativity, we mentioned that the indicator with the biggest mean is the business network with the customer, meaning respondents get more information from their customer. The respondents also obtain information from an information network consisting of competitors, business exhibitions, non-business exhibitions, professional meetings, newsletter

publications by specific groups, and patent documents; and from research network consisting of government-owned laboratories and technology transfer organizations. Through the information obtained from various parties, respondents can get useful ideas to identify business opportunities.

Most information obtained by the respondents came from the business network with the customer, consequently the idea obtained will be related to the fulfillment of customer needs and desires. In processing the information obtained from the customer and other business network, the respondents will be able to consider idle resources, and to find a match between the needs and desires of customers with these resources. Ultimately, such information will enable the respondent to create a new match between the needs and desires of the customer with the resources, and then implemented it in a business. Obtaining various information needed in the process of business opportunities identification required many networks.

This results are supported by Omri (2012), Ramezanpour *et al*., (2014) who examined the effect of network on business opportunity identification. Both of these studies confirm that the network significantly influences the identification of business opportunities. The networks plays role in the identification of business opportunities since networks provide access to scarce resources (Light, 1984; Zimmer & Aldrich, 1987; Bates, 1995 in Ramezanpour *et al*., 2014), and give access to intangible resources such as credibility and competencies (Bruderl & Preisendorfer, 1998; Bosma and De Wit, 2004 in Ramezanpour *et al*., 2014). Moreover, through relationships with distributors, suppliers, competitors and customers in obtaining the necessary information and advice, the entrepreneurs can overcome their limitations in collecting and absorbing information for decision-making processes (Birley, 1985, Smeltzer *et al*., 1991; Brown & Butler, 1995; Peters & Brush, 1996 in Ramezanpour *et al.*, 2014). Thus, the more networks an entrepreneur have, the more information he/she will gain to generate more ideas as well as to identify of more opportunities (Burt, 2004; Obstfeld, 2005 in Omri, 2012).

The Effect of Self-efficacy on the Identification of Business Opportunities

The findings reveals that self-efficacy has positive influence on the identification of business opportunities (the value of t-statistic = 5.2959). Self-efficacy is a belief in the ability it has to achieve a goal (Kruenger, 1998 in Wang *et al*., 2013). While opportunity identification is an independent, repetitive, nonlinear, and complex process (Ozgen, 2003 in Gibbs 2009). As a result, to be able to identify the business opportunities, an entrepreneur not only must have the capability, but also must retain the perception, confidence or self-assurance in this capability (Gonzalez-Alvarez & Solis-Rodriguez, 2011). This study reveals that the respondent has self-efficacy, meaning that students have confidence in the ability to complete the task with a certain level of difficulty, to be successful in completing tasks with a certain degree of difficulty, and to complete various tasks in various conditions. In this case, the self-efficacy of respondents can help them in the complex process of identifying opportunities. It is align with a number of previous studies that examine the effect of self-efficacy on business opportunity identification, such as Wang *et al*. (2013), and Gonzalez-Alvarez & Solis-Rodriguez (2011).

The Influence of Creativity to The Identification of Business Opportunities

As expected, the creativity possessed by students have an influence on the identification of business opportunities with the value of T-statistic = 5.6142. Respondents in this study have quite high creativity (mean = 3.73). To identify opportunities, it is necessary to combine existing information. This ability is shown in the indicator of creativity which states that respondents can utilise different kinds of information to generate ideas. We specify creativity as the ability to see the relationship between information. Hence, the role of creativity in the identification of business opportunities is to see the relationship between existing information. The students can also generate many uncommon, new, or imaginative ideas. The more ideas generated, the more possible the identification of business opportunities occurs. The students

can also see from a different point of view of others. Based on the ideas generated, students can sense the needs of the market and can detect the idle resources. The ability to see from different perspectives plays an important role in making a match between market needs with certain resources and formulating an appropriate business concept.

Hills *et al*. (1997) who examined the effect of creativity on the identification of business opportunities support this research. Hills et.al. (1997) found that creativity had a significant effect on the identification of business opportunities. Creativity is a process that combines different ideas or concepts into a whole (Ward, 2004). Furthermore, creativity is the ability to see the relationship between the information it possesses (Shane & Venkataraman 2002 in Puhakka, 2002). Based on these pervious reseach results, creativity influences the identification of opportunities because to identify the opportunities, the entrepreneur have to combine existing information (Shane, 2002, Nicolaou *et al*., 2009).

CONCLUSION

From the results, we can conclude that network, self-efficacy, and creativity have a significant influence on the identification of business opportunities for undergraduate students in Indonesia. This study contributes to empirical research of entrepreneurship among students. This is in line with the reappearance of importance role of young entrepreneurs on economic development. As for the managerial contribution, this research has shown the importance of the network. It is obvious that to enable the students to identify business opportunity, they initially need to develop their network and self-efficacy. This become one of the government and universities concern to enhance the students' ability to enlarge their network and to foster their self-efficacy.

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