

ANALYSIS OF FACTORS AFFECTING STUDENTS' ENTREPRENEURIAL INTENTIONS

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ABSTRACT

Entrepreneurship has an important role to make society more creative and independent. Higher education graduates need to be directed and supported not only as job seekers but must be ready to become job creators and foster student entrepreneurial spirit. College graduates are expected to become educated young entrepreneurs and be able to start their own businesses. However, the reality found in the field turns out to be very different, students as "Human Resources" who are educated and professional are still weak in developing their entrepreneurial knowledge and don't even dare to start early, various reasons put forward, some are constrained by capital, waiting to be established, not have a place and much more. This study aims to find out what factors influence students' interest in entrepreneurship. Based on the test results using Lisrel 8.7 using 10 indicators of 2 variables, namely the attitude variable and the contextual factor variable, it was found that the dominant factor affecting students' entrepreneurial interest was the Academic Support indicator with a Standard Loading Factor (SLF) value of 0.50 at the highest. compared to other dimensions.

Keywords :

Entrepreneur, Student, Intentions

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INTRODUCTION

In the world, countries can be divided into developed countries, or developing countries. Developed countries are the names for countries that enjoy a relatively high standard of living through high technology and an equitable economy. Examples of countries that can be said to be developed countries include the United States, Hong Kong, the Netherlands, Portugal, Spain and many more. Meanwhile, a developing country is a country with a low average income, relatively backward infrastructure, and a human development index that is less than global norms. Examples of developing countries: Mexico, India and Indonesia.

Why is Indonesia still said to be a developing country? Even though Indonesia is known as a country that is rich in natural resources. Because the tendency of developing countries is characterized by people who have a lower income per capita than developed countries and usually have a densely populated population. Developing countries do not yet have prosperous economic and social conditions, most of the population is poor, modern thinking has not yet infiltrated the

villages, and technological advances still very rarely stop in the villages, and there are many unemployed people. Seeing this condition, Indonesia is one of the countries included in it. The low income of the people and the high level of population are problems that must be overcome by developing country governments in an effort to make their people prosperous. In some cities in Indonesia which are considered very densely populated, this situation has become a common sight. Many people live less fortunate. Because the income he earns is very low, his child cannot be sent to school so that the child's intelligence level does not develop. It also creates a sharp economic gap between high-income and low-income people. This has led to an economic downturn in Indonesia. If the condition of the Indonesian economy continues to be like that, the longer the country will be poorer and more backward, and the impact on national security will be disrupted. One of the efforts to prevent poverty is to develop entrepreneurship.

Entrepreneurship has an important role in making society more creative and independent. With entrepreneurship, people can have the ability to

create and provide value-added products or new innovations so that people can be more creative in conveying their ideas and creations, they can create goods that are deemed necessary and important for the welfare of society itself so that no need to import from abroad. In addition, people do not depend on the government such as state workers who are still paid by the government, even an entrepreneur will bring turnover which will be given to the state through taxes. Indirectly, the people's economic welfare can be stable. Another reason why entrepreneurship affects economic growth in Indonesia is to attract foreign

investors to invest or invest in Indonesia. With such foreign investors, it will be able to increase the country's foreign exchange. In addition, entrepreneurship can encourage the increase in the tourism sector in Indonesia. Six Southeast Asian countries, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam, are the most suitable countries for entrepreneurial goals. The population in these six countries reaches 9% of the world's population. Meanwhile, its Gross Domestic Product (GDP) reached 3.17% of world GDP.

Table 1. Comparison of Total Population and Entrepreneurs

Country	Population	Entrepreneur	%
Indonesia	253.610.000	4.184.565	1.65
Malaysia	30.000.000	1.500.000	5.00
Thailand	67.740.000	2.032.200	3.00
Singapura	5.400.000	378.000	7.00
South Korea	50.200.000	2.008.000	4.00
China	1.335.690.000	133.569.000	10.00
Japan	127.100.000	12.710.000	10.00
USA	318.890.000	38.266.800	12.00

Based on these data, Indonesia with a population of 253.61 million people has a number of entrepreneurs of 1.65% or about 4 million people. Thailand with a population of about 67.74 million people has 3% entrepreneurs or about 2 million people. Malaysia with a population of around 30 million has 5% of the total number of entrepreneurs or around 1.5 million people. Singapore, with a population of 5.40 million, has 7% entrepreneurs or around 378 thousand. This number is inferior to China, which has a population of around 1,355.69 million and has a number of entrepreneurs of 10% or around 133,569 million people, as well as Japan which has 12,710 million entrepreneurs or 10% of the total population of 127.10 million. From this data, it still shows the low number of entrepreneurs compared to the population in Southeast Asian countries such as Indonesia, Malaysia and Thailand.

In the free market era, the conditions faced are further exacerbated by the situation of global competition (Asean Economic Community) which

will compare Indonesian tertiary education graduates in free competition with graduates from foreign universities. Higher education graduates need to be directed and supported not only as job seekers but must be ready to become job creators and foster student entrepreneurial spirit. Efforts to foster the entrepreneurial spirit of students in tertiary institutions are an alternative way to reduce unemployment and other social problems. Higher education graduates are expected to become educated young entrepreneurs and be able to start their own businesses. Alma (2010) explains that the more developed a country is, the more educated people are, and the more important the entrepreneurial world is. Entrepreneurship is one of the supporters that determines the back and forth of the economy, because the entrepreneurial sector has the freedom to work and be independent. If someone has the will and desire and is ready to become an entrepreneur, it means that someone is able to create their own jobs, and does not need to rely on other people or other companies to get work again. Solutions that can

be taken to get out of the complexity of the above problems require, soul, thought, creative and innovative action, including through the creation of young entrepreneurs in sufficient numbers and quality. Therefore, as early as possible students will be equipped with life skills to become a fundamental provision in facing global competition. Referring to the above problems, in fact the Economics education study program has equipped students with entrepreneurial and entrepreneurial knowledge, even to strengthen their knowledge students are also required to make field visits and comparative studies so that they are more ready to develop and apply their entrepreneurial spirit and are not dependent on the work provided by them. companies and governments. However, the reality found in the field turns out to be very different, students as well-educated and professional human resources are still weak in developing their entrepreneurial knowledge and even don't dare to start early, various reasons put forward, some are constrained by capital, waiting to be established, not have a place and much more, with this phenomenon the researchers become interested in researching the factors that influence entrepreneurial intentions.

LITERATURE

Entrepreneurial Intentions

Entrepreneurial intention can be interpreted as the first step in the process of establishing a business which is generally long term (Lee, S.H. & Wong, 2004). Furthermore, it is explained that entrepreneurial intentions reflect a person's commitment to starting a new business and is a central issue that needs to be considered in understanding the entrepreneurial process of establishing a new business. Entrepreneurial intention has recently begun to receive attention for research because it is believed that an intention related to behavior is proven to be a reflection of actual behavior. Theory of planned behavior is a theory developed by Ajzen which is a refinement of the reason action theory put forward by Fishbein and Ajzen. The main focus of the planned behavior theory is the same as the reason action theory, namely the intention of individuals

to do certain behaviors. Intention is considered to be able to see the motivational factors that influence behavior. Intention is an indication of how hard a person should try to try and how much effort an individual will spend to perform a behavior.

Factors Affecting Entrepreneurial Intention

Attitude Factors

Confidence

According to Bygrave (1994), an entrepreneur is someone who is able to see opportunities and try to create ways to get results from these opportunities. Meanwhile, Meng & Liang (1996) summarizes the views and definitions of entrepreneurship from several experts and defines it as a person who has the following characteristics as creative, innovative and proactive; dare to take risks; have a clear vision and mission; have a high need for achievement; diligent and have a high sense of responsibility; confidence; and excited and full of enthusiasm.

Task and Results Oriented

A person who always prioritizes tasks and results is a person who always prioritizes the values of the achievement motive, is profit oriented, perseverance and fortitude, is determined to work hard, has a strong drive, is energetic, and has initiative. Initiative means always wanting to find and start something. Getting started requires strong will and determination as well as great initiative. Once successful or accomplished, the next success will follow, so that the business will progress and develop. In entrepreneurship, opportunities are only obtained if there is initiative. This initiative behavior is usually acquired through their years of training and experience, and its development is achieved by means of self-discipline, critical thinking, responsiveness, and a spirit of achievement. Various motivations will emerge in business if we try to get rid of prestige. We will be able to work hard, be energetic, without being embarrassed to be seen by friends, as long as what we do is lawful. Geoffrey G. Meredith (2001) suggests the characteristics and character of entrepreneurship,

namely task and result oriented, namely: (1). Meet the need for achievement, (2). Job orientation in the form of profit, perseverance and determination, determination to work hard. (3). Initiative

Taking Risks

Willingness and ability to take a risk is one of the main values in entrepreneurship. It is in a situation of risk and uncertainty that entrepreneurs make decisions that contain the potential for failure or success. The choice of this risk depends very much on: The attractiveness of each alternative 1). Ready to suffer losses 2). Relative likelihood of failure or success 3) The ability to take risks is determined by: Belief in oneself. 4) Willingness to use abilities in looking for opportunities 5). and the possibility of making a profit. Ability to realistically assess risk situations. 6). Entrepreneurship is full of risks and challenges, such as competition, fluctuating prices, unsold goods and so on. However, all of these challenges must be met calculatively. Therefore, risk takers are found in innovative and creative people who are the most important part of entrepreneurial behavior. Geoffrey G. Meredith (2001) suggests the characteristics and character of entrepreneurship, namely the courage to take risks, namely being brave and being able to take work risks and liking challenging jobs.

Originality

Innovative, creative and flexibility values are elements of one's originality. An innovative entrepreneur is a person who is creative and believes in new, better ways. Wirasasmitha (2003) has the following characteristics: (1). Never satisfied with the way it is doing now, even though the method is good enough. (2). Always pour imagination into his work (3). Always want to be different or take advantage of differences. The purpose of the above theory is not only to follow other people, but to have their own opinions and there is the ability to do something.

Future Oriented

Future-oriented people are people who have a perspective and outlook on the future. Because he has a distant view to the future, he always tries to take initiative and work. The key is the ability to create something new and different from what is already there. Despite the risks that may occur, he remains determined to look for opportunities and challenges for future renewal. A vision that is far ahead makes entrepreneurs not easily satisfied with the initiatives and works that already exist today. Therefore he always prepared it by looking for opportunities. To face the foresight, an entrepreneur will prepare careful plans and strategies, so that the steps to be implemented are clear.

Contextual Factors

Academic Support

Academic support According to Bandura in Alwisol, (2009) academic support refers to the factors related to support for a student to achieve and complete study tasks with a predetermined time and outcome target. In the academic world, there is PP. 60 of 1999, academic freedom is the freedom that members of the academic community have to carry out activities related to education and development of science and technology in a responsible and independent manner, the existence of regulations on academic freedom is an implementation of a form of academic support for students.

Social Support

Social support is a term to describe how social relationships contribute to mental health or physical health benefits for individuals. Baron & Byrne (2000) define social support as physical and psychological comfort provided by the individual's friends and family. Social support is assistance that comes from people who have close social relationships with individuals who receive assistance. This form of support can be in the form of information, certain behavior, or material that can make the individual who receives assistance feel loved, cared for and valued.

Environmental Support

Schneider (2000), explains that the environment is considered to be able to create a fairly healthy adjustment for students if the individual is raised in a family where there is security, love, respect, tolerance and warmth. It is further explained that the environment where learning is the second environment after the family environment that makes up the individual. Entrepreneurial activity can also be explained by the influence of the surrounding business environment. Experts have emphasized that government policies, characteristics of the local context (e.g. availability of logistical infrastructure, financial investors, and externalities) and more specifically university support mechanisms influence entrepreneurial activity. Environmental support is a good and orderly environmental state in infrastructure. physical assets, company physical assets, laboratories and intangible things (human, capital, routine, resources) have a role in encouraging entrepreneurial intentions. In particular, financial support, such as the availability of venture capital (Beck, Demircug Kunt, & Maksimovic, 2005), and services that support entrepreneurship, such as providing training opportunities, infrastructure loans, physical and competition plans (Feldman, 2001).

METHODOLOGY

This research is an ex-planative type of research because it aims to examine the characteristics of the variables and the relationship between existing variables. This study also aims to explain the causes and impacts of the relationship. The process of determining the sample using purposive sampling (judgment sampling) is a non-probability sampling method. This sampling is done by making a selection deliberately by the reviewer or researcher. This sampling was carried

out with consideration of cost and time. The sample taken is limited and only for certain students, namely students of the Faculty of Economics, Pakuan University.

Variable Measurement

In this study, primary data were obtained through direct interviews in the field using a structured research questionnaire, which is divided into 3 parts: attitude factors, contextual factors and entrepreneurial intentions. Measurement of individual attitudes using the TPB (theory planned behavior) index part I: occupational status choice index which aims to measure a person's attitude to entrepreneurship. This instrument contains statements regarding autonomy/authority, economic challenges, self realization, security and workload, avoid responsibility, social careers and perceived confidence (Gurbuz & Aykol, 2008). Academic support variables are measured using a scale from Autio et al., 2001 in Gurbuz & Aykol (2008) which consists of 4 statements, social support variables use 3 statement items from the Gurbuz & Aykol scale (2008) and environmental support using a scale from Verheul et al. (2011) in Gurbuz & Aykol (2008) which consists of 4 statements. Finally, to measure entrepreneurial intention variables (entrepreneurial intention), respondents were asked to determine their level of interest in establishing their own business after graduating with 3 questions adopted from Gerry et al. (2008), which shows the level of their intention to become entrepreneurs. Overall, for attitudes, contextual factors and entrepreneurial intentions, statements are measured using a 5-point Likert scale, where respondents are asked to answer with a choice of numbers between 1-5 (1 = strongly disagree, and 5 = strongly agree). The variable indicators are described as follows:

Table. 2 Research Indicators

Variabel	Indikator
Attitude (Bygrave,1994)	1. Autonomy & Authority

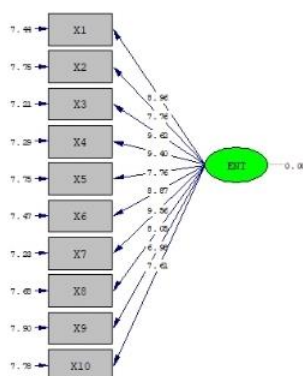
		2. <i>Economic Opportunity & Challenge</i>
		3. <i>Security & Workload</i>
		4. <i>Avoid Responsibility</i>
		5. <i>Self Realization & Partisipation</i>
		6. <i>Social Environment & Career</i>
		7. <i>Perceived Confidence</i>
	Contextual Factors (Alwisol, 2009)	1. <i>Academic Support</i>
		2. <i>Social Support</i>
		3. <i>Environmental Support</i>

Research sites

The research location is the location where the entrepreneurial learning process takes place, especially universities and this research was

carried out on students at the Faculty of Economics, Pakuan University in Bogor, Indonesia

DISCUSSION



X1 = Autonomy & Authority

X2 = Economic Opportunity & Challenge

X3 = Security & Workload

X4 = Avoid Responsibility

X5 = Self Realization & Partisipation

X6 = Social Environment & Career

X7 = Perceived Convidence

X8 = Academic Support

X9 = Social Support

X10 = Environmental Support

Table 3. Significance Test Results based on the Questionnaire

No	Indicator	P-	Remarks
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		Value	
1	X1	8,96	Signifikan
2	X2	7,76	Signifikan
3	X3	9,62	Signifikan
4	X4	9,40	Signifikan
5	X5	7,76	Signifikan
6	X6	8,87	Signifikan
7	X7	9,56	Signifikan
8	X8	8,05	Signifikan
9	X9	6,96	Signifikan
10	X10	7,61	Signifikan

The table above shows the results of the univariate normality test from the questionnaire data. In this study it is linear where the F value has a significance of ≥ 1.96 , for the normality test is

carried out using Lisrel 8.7 which shows the normality of all indicators in a univariate manner because it shows a $p\text{-value} > 1.96$ at the level of $\alpha = 0.05$.

Table 4 Cut-off guidelines for interpretation of test results for measurement models and structural models

Type of Testing	Criteria	Cut-off Value	Remarks
Measurement Model Analysis			
1. Validity Test	<i>Standardized Factor Loading</i> (SFL)	≥ 0.50	Valid
	<i>t-value</i>	≥ 1.96	Valid
2. Fit Test	<i>p-value of χ^2</i>	≤ 0.05	(Good Fit)
Whole Model	RMSEA	≤ 0.08	(Good Fit)
(Good- Ness of Fit)	NFI	≥ 0.90	(Good Fit)
	NNFI	≥ 0.90	(Good Fit)
	RFI	≥ 0.90	(Good Fit)
	CFI	≥ 0.90	(Good Fit)
	IFI	≥ 0.90	(Good Fit)
	<i>Standardized RMR</i>	≤ 0.05	(Good Fit)
	GFI	≥ 0.90	(Good Fit)
	AGFI	≥ 0.90	(Good Fit)
3. Reliability Test	<i>Construct Reliability (CR)</i>	≥ 0.70	Reliable
	<i>Variance Extracted (VE)</i>	≥ 0.50	Reliable
Structural Model Analysis			
1. Fit Test	Same as above		
Whole Model			
(Good- Ness of Fit)			

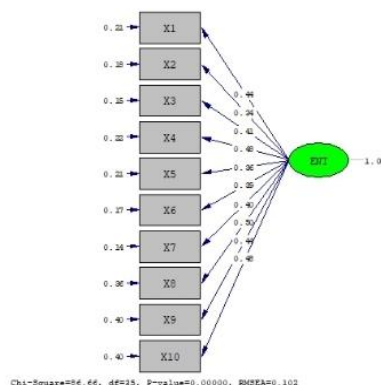
Type of Testing	Criteria	Cut-off Value	Remarks
2. Analysis Relationship Causal	T-value and Structural Equation Coefficient	≥ 1.96 (absolute value) = Significant	The R ² figure indicates that the latent variable is exogenous
	Coefficient of Determination (R ²)	Explain the percentage of variance Against Endogenous latent variables R ² < 0.2 = weak R ² is between 0.2 and 0.5 = moderate; R ² > 0.5 = strong (Sridharan et al., 2012)	

Table 5. Analysis of the suitability (goodness of fit test) of the overall model

GOF	Cut off Value	Value of Research Results	Remarks
Chi-square (χ^2)	Preferably smaller than Df	28,06	Fit
Df		35	Fit
Chi-square (χ^2)/df	≤ 3	0,801	Good Fit
Probability (P-value)	$\leq 0,05$	0.0013	Good Fit
RMR	A good model has a small RMR ≤ 0.05	0.033	Good Fit
RMSEA	$\leq 0,08$	0.010	Good Fit
GFI	$\geq 0,90$	0.89	Good Fit
AGFI	$\geq 0,90$	0.83	Good Fit
CFI	$\geq 0,90$	0.96	Good Fit
NFI	$\geq 0,90$	0.93	Good Fit
NNFI	$\geq 0,90$	0.94	Good Fit
RFI	$\geq 0,90$	0.91	Good Fit
IFI	$\geq 0,90$	0.96	Good Fit

In order to find out whether a proposed measurement model is fit or not with the data, a measurement model suitability test is carried out. A measurement model can be called fit with data if the model can estimate the covariance matrix of the data. The fit size is indicated by the Chi-squared (χ^2) / df ≤ 3 . The processed data shows that the Chi-squared value (χ^2) / df = 0.801. This means that the measurement model is fit (very

good). Another factor that determines is the measure of the goodness of fit test (GOF) such as the CFI value greater than 0.90, namely 0.96. The chi-squared statistical calculation produced by the model is smaller or equal to 0.05 where the model is in the category both because the calculated P-value is 0.0013 and the RMSEA value is smaller than 0.08, is 0.010.



Keterangan :

X1 = Autonomy & Authority

X2 = Economic Opportunity & Challenge

X3 = Security & Workload

X4 = Avoid Responsibility

X5 = Self Realization & Partisipation

X6 = Social Environment & Career

X7 = Perceived Convidence

X8 = Academic Support

X9 = Social Support

X10 = Environmental Support

3. Entrepreneurship courses to be complemented with entrepreneurial practices for students.

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CONCLUSIONS AND RECOMMENDATIONS

Conclusion

1. Based on the results of the normality test and significance test, it is found that all instruments meet the normality and significance requirements
2. Based on the test results using Lisrel 8.7, it is found that the dominant factor affecting students' entrepreneurial interest is in the X8 dimension or Academic Support with a Standard Loading Factor (SLF) value of 0.50 which is the highest compared to other dimensions.

Recommendations

1. Higher Education as an academic forum in order to make entrepreneurship courses a main subject.
2. The entrepreneurship course curriculum should be adjusted to the most current entrepreneurial conditions.

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