MAPPING THE PHENOMENON OF STUDENTS’ ENTREPRENEURIAL INTENTION

Yud Buana

Binus Entrepreneurship Center, Bina Nusantara University,
Jln. K.H. Syahdan No 9, Jakarta Barat, DKI Jakarta, 11480, Indonesia
yud.buana@binus.ac.id

Received: 29th April 2016/ Revised: 25th May 2016/ Accepted: 16th June 2016


ABSTRACT

This research mapped the phenomena that occurred in students who are taking classes entrepreneurship that was limited by entrepreneurial knowledge, personal attitude, social norms and self-efficacy. Using descriptive statistics on the answers of 794 respondents, who were students of Bina Nusantara University, produced a variety of results. Based on entrepreneurial knowledge, students still felt hesitant to be able to start and run the entrepreneurial process. On the other hand, self-efficacy and personal attitude reflect a positive thing associated, while the support of family and the environment around where they live valued in variety. Although this research discovered phenomenon using all the attributes having impacts on entrepreneurship intention, potential students who are properly trained have a probability of playing a leading role in this regard. The benefits that can be expected from this research are useful in identifying suitable students for any entrepreneurial activity in the future with the support of educational institutions, families, and the government as a whole to form the atmosphere of an entrepreneurial culture.

Keywords: entrepreneurship, entrepreneurial intention, university students

INTRODUCTION

During the last decade, entrepreneurship education has been developed in many universities in Indonesia. Many programs are offered to encourage entrepreneurship, such as business plan competitions, incubators centers, and related educational programs. Many studies conducted on the intention of entrepreneurship among students and its influence on education. It has also become the highest priority for public institutions and especially universities in the search for solutions. Even outside the education system there is a program initiated by the donors and nonprofit organizations (Kelley, Singer, & Herrington, 2012). When the economic crisis and unemployment rate is rising, entrepreneurial activity is important to overcome all challenges. Shrinking labor markets have a positive effect on the creation of new businesses (Fairlie, 2013). Public institutions with long experience in education or private organizations that successfully promotes entrepreneurial activity, including many success stories of alumni who were announced to stimulate the emergence of new entrepreneurs (Jansen, Van de Zande, Brinkkemper, Stam, & Varma, 2015). Participants of the post graduate level of education often see the establishment of a new company as something interesting (Matlay, 2008). A number of conditions such as personal, social and economic, influences the preferences and behavior of the student. The reasons for such a dream to become rich in a short time, the opportunity to freely make decisions, the desire to innovate and change the world are participated influencing the decision to become an entrepreneur (Basu & Virick, 2008). On the other hand, the fewer employment opportunities, the higher levels of unemployment, low wages, and poor career development will also affect entrepreneurial intentions on the other side of most people (Hessels, Van Gelderen, & Thurik, 2008). Moreover, the economic crisis, social and economic conditions such as cutting costs,
downsizing, and restructuring the company also triggered the rise of entrepreneurship (Soi

ninen et al., 2012). Meanwhile, other issues such as comfort in the workplace, stability and life assurance for the long term are far from expectations (Garo, 2015). While many researchers are focusing on the determinants of entrepreneurship, few have studied the entrepreneurial intentions and influence of education in the context of different cultures among the students and this condition is a privilege to be a key factor to bring a change towards the emergence of entrepreneurial effects (Meyer et al., 2014). Based on some previous studies, this study maps the phenomenon of entrepreneurial intentions that are possible tend to occur related with entrepreneurship subjects being taken by the students.

Over the years, many studies were conducted using different methodologies. One is the perspective that shows that the intention to carry out certain behavior will depend on the person’s attitude towards his behavior (Ajzen, 1991). Two important contributions of the intention models have influenced research in the field. First, the theory of “entrepreneurial event” (Shapero & Sokol, 1982) and second, the theory of “planned behavior” (Ajzen, 1991). The theory of entrepreneurial event focused on contextual factors that influence the perception of individuals in creating a business (Fayolle et al., 2006). While perception is the interest of feeling to be an entrepreneur and perceived the ability to implement decent behavior towards business creation. On the other hand, the theory of planned behavior describes the relationship of their intention to behave and certainly perform. This concept is very similar to the perception of self-efficacy about how easy or difficult the fulfillment of behavior (Bandura, 2012). There are models of elements: attitude toward the behavior, subjective norms, and perceived control. Therefore, in this study that combines both theories, there are strong trends towards the emergence of a form of pattern in a time frame that describes the tendency of entrepreneurial intentions of students who are studying the field of entrepreneurship studies.

Attitude is defined as a term that reflects a sense of happy, unhappy or feeling plain (neutral) from someone against something (Ajzen, 1991). Attitude is believed to have components, among others; empathy, open, authoritative, responsible and the ability to conduct personal self-assessment (Comeche, 2010). Meanwhile, the attitude displayed in an attempt to make himself as a role model and example. A positive attitude towards the whole work is interpreted as a challenge in entrepreneurship, which has the right attitude towards knowledge and work in an entrepreneurial (Krueger Jr, 2007). Others research in support of the theory about the intentions of individual attitudes (attitudes toward behavior) agree that the attitude has an important place in the science of psychology (Hisrich, Langan-Fox, & Grant, 2007). One more approach is the identification of what the individual is considers facing entrepreneurial activity, this also included in the notion of being an entrepreneur is the desired outcome of entrepreneurial behavior (Swan et al., 2007).

Efficacy is the ability to produce something desired or intended. While self-efficacy can mean the tendency of individuals to believe in their ability to produce the desired or intended earlier (Schwarzer, 2014). A core principle of self-efficacy, which refers to a person’s belief to engage successfully in behaviors required in achieving certain goals. It is mostly shaped by the successful conduct of past behavior. Individuals who have low self-efficacy will be easily convinced of the futility of his efforts when it comes to those barriers are quite heavy. While those with high self-efficacy will figure out ways to overcome their obstacles (Caprara et al., 2012). Research on self-efficacy is increasingly offering many important findings for the study of sustainable entrepreneurship. For example, researchers have shown positive effects of self-efficacy on those aspects; effort, perseverance, goal setting, and performance, which goes to show that people with high self-efficacy in terms of entrepreneurship tend to be more likely to engage in an entrepreneurial activity (Bullough, Renko, & Myatt, 2014). Self-efficacy will convince the person on the matter formed by the experience of mastering something or behavior. Applying this logic, the argument that the success will increase self-efficacy, thereby resulting motivation to undertake similar activities again. While failure would damage the self-efficacy that makes people shy away from doing these activities again (Schwarzer, 2014). Particularly in perseverance, as part of self-efficacy, some previous researchers are trying to explore the persistence of an entrepreneur revealed that entrepreneurs who feel the experience since the pioneering efforts to run stable has the ability to process information, decision-making, and other cognitive faculties are better rather than entrepreneurial starters (Baron, 2009).

Individuals likely to be influenced by what they believe, in which there are indicators of peer assessments, those that are considered important around the individual will approve or disapprove if a behavior is then displayed (Schwarzer, 2014). Social norms, which is defined as the unwritten rules of behavior within a group, indirectly determine the desired behavior and accompanying sanctions for not following the behavior that applies in a particular community (Ostrom, 2014). Testing social norms aspect as things that affect the intention of entrepreneurship, is necessary on how strong the influence of entrepreneurship can help us understand the questions occurred, not just why some people choose to become entrepreneurs, but also why they choose a specific business to start. Asking not only on what predicts entrepreneurship but began to develop to predicting whether entrepreneurship will also create social benefits. In the power of social norms aspect on how that affects not only the entrepreneurial action but also the effectiveness of a policy decision to create economic and environmental benefits for the community (Meek, Pacheco, & York, 2010).
Entrepreneurial opportunities found on how to process the information they have (Corbett, 2007). This information can be obtained from the education program that aims to build knowledge and skills either on or for entrepreneurial purposes. A previous study has shown a clear difference between students who have the intention to become entrepreneurs and those who did not (Levenburg & Schwarz, 2008). Key assumptions of entrepreneurship education are what kind of entrepreneurial skills can be taught as personal characteristics, which is consistent with the view that entrepreneurship as a discipline and like any discipline can be learned (Drucker, 2014). This is reaffirmed by the notion that entrepreneurship education can improve and develop the properties related to entrepreneurship and provide the skills needed to start a business (Oosterbeek, Van Praag, & IJsselstein, 2008). Other researchers suggest that entrepreneurship education should be based on a person’s intention to strengthen the participant to become an entrepreneur (Linan, 2004). In his work, Linan integrated two theories of “entrepreneurial event” and “planned behavior” to become a model of entrepreneurial intentions by adding an additional element of entrepreneurial knowledge gained through education.

METHODS

The main objective of this study was to map the central tendencies of the phenomena occurring at a time on the entrepreneurial intentions of students. The instrument adopted was entrepreneurial intention questionnaire in a series of research works that conducted in different countries and different cultures that produce the tools in the form of a few questions to learn the intentions of youth entrepreneurship through the collection of data related to entrepreneurial activity, social norms, education and experience, ability, knowledge, entrepreneurial purposes, and new venture creation (Linan, 2009). The populations for this study are students who were taking entrepreneurship courses from various subject areas. Sample was selected in accordance with the presence of students during the academic year of 2015-2016. Data for this study were collected using a standardized questionnaire. The questionnaire consists of two parts; the first part consists of questions about respondents’ demographic profile. The second part has 23 questions that include: knowledge of entrepreneurship (5), Personal attitude (6), Social norms (8), Self-Efficacy (4). The respondents were asked to express their agreement/disagreement with the report on a 7-point Likert scale with (1 = strongly disagree, 7 = strongly agree). Central tendency was measured using the mean, median, and mode. This study refers to the arithmetic mean since the mean is the most commonly used to measure of central tendency. Median was used to measure the value which occupies the middle position when all the observations are arranged in a Likert scale order. This time, median indicated where the data are.

Meanwhile, mode is defined as the value that occurs most frequently in the data (Sundar & Richard, 2006). Using such instruments, tendencies and behavior of most students towards entrepreneurship then be mapped. Furthermore, this study did not investigate the relationship between variables.

RESULTS AND DISCUSSIONS

Total of 794 respondents were students who answer accordingly in the middle of the study period. These conditions observed after they participate in entrepreneurship week held by the university as early stimulation for the entrepreneurial atmosphere. Besides, in these conditions, students are also stimulated to pursue more serious in the field of study for the sake of determining the choice of a career or entrepreneurship-level at the next level. According to demographic, the respondents were mostly in favor of male with 60,5% (n = 480) and 39,5% (n = 314) were women. The age of respondents ranged between 20-23 years (96%), and the rest are older. In these terms, as demographic variables should not affect the intention of entrepreneurship directly, but can be useful in identifying personal attitude, social norms and perceived behavioral control (Linan, 2009).

Furthermore, for knowledge about entrepreneurship and the role of universities in preparing students to be more attracted to entrepreneurship were represented by the questions that lead to an understanding of the students that knowledge in entrepreneurship is important as well as added value, innovation, and creativity. From the table, the calculation of mean values that are in the area of 5.68 – 6.21 indicates that students feel the importance of entrepreneurship as a means of developing knowledge of the power of innovation, creativity to increase the added value in their businesses. Meanwhile, in terms of a more detailed knowledge of how to run and manage a business, it appears that students tend to doubt the knowledge they have gained is seen from the mean value of 4.94. This hesitation in most students are probably on caused they could not distinguish between the important and the objective of entrepreneurial knowledge (Fayolle, 2013). Previous researchers have applied varied approaches to teaching entrepreneurship, which is education about entrepreneurship versus education for entrepreneurship (Duval-Couetil, 2013). Other researchers are trying to give a different emphasis to the characteristic, that fit into two categories: (1) study that describes entrepreneurship and its importance to the economy, in which students are not close to the subject, and (2) studies with experiential component that train students in the skills necessary to develop their own business (Falk & Alberti, 2000).

In a personal attitude of students, the exploration covers their mind set on entrepreneur as a purpose in life, interest to become entrepreneurs, benefit of being an entrepreneur and satisfaction of being an
entrepreneur. From table 1 shown mean value range from 5.09 to 5.48. This shows the assurance of most students tends to be for what they can get as an entrepreneur. A preference of opportunity to become entrepreneur complete with support resources has mean value of 5.67, also shows the location of most of them. This supporting resources differentiated into financial capital as a tangible resource and social and human capital as intangible resources which are necessary to engage in entrepreneurship. Although financial capital is relatively less important than social and human capital for achieving and sustaining a competitive advantage, financial capital is often crucial for acquiring or creating the resources necessary to exploit opportunities (Hitt et al., 2011). The student’s decision is also observed when a job with attractive benefits is offered, and mean value of 4.64 shows it. When comparing to the salaried job, entrepreneur always use work hours as measurement. The long working hours commonly reported by the self-employed may be an accurate reflection of work patterns, but equally to these may be over expected, perhaps in an effort to convey the perceived pressures and importance of their role (Carter, 2011).

Previous research has identified that although many students want to run their own business, their dreams hindered by inadequate preparation (Alstete, 2008). In this case, other factors were also important is the background of the family business. Parents or family entrepreneurial culture also influences interest in entrepreneurship and career preferences of their children (Nordqvist, 2010). Some previous researchers confirm that students whose parents have a small business showed the highest preference for self-employment (Zellweger, Sieger, & Halter, 2011). Therefore, to test this aspect of social norms as the effect on entrepreneurial intentions, the choice goes to the family and the immediate environment of the student as a subject of observation. From student respond about the support of family in choosing a career as an entrepreneur, the result shows that mean value range from 5.32 to 5.56. Observation of entrepreneurial activities often done with the family giver mean value of 4.17 since it became one of the important factors that influence entrepreneurial intentions (Nordqvist, 2010). The inspirational figure whom success in terms of entrepreneurship has 2.93. A successful entrepreneur who became a figure in the family becomes one of the important factors that affect students in entrepreneurship intention (Van Auken et al., 2006). Similarly, in the viewpoint of presence of entrepreneurs in the neighborhood were included to this observation mean value were ranging from 3.57 to 4.28. These data indicated that most students tend to not fully aware of how the role of entrepreneurship is on the environment, as shown in the following Table.

Table 1 Entrepreneurial Tendency and Behavioral of Student

<table>
<thead>
<tr>
<th>Intention factor</th>
<th>Mean</th>
<th>Median</th>
<th>Mode</th>
<th>Percent of Mode</th>
</tr>
</thead>
<tbody>
<tr>
<td>Importance of entrepreneurial knowledge</td>
<td>5.69</td>
<td>6</td>
<td>7</td>
<td>31.6</td>
</tr>
<tr>
<td>Added value</td>
<td>5.68</td>
<td>6</td>
<td>7</td>
<td>29.8</td>
</tr>
<tr>
<td>Innovation</td>
<td>6.13</td>
<td>7</td>
<td>7</td>
<td>50.1</td>
</tr>
<tr>
<td>Creativity</td>
<td>6.21</td>
<td>7</td>
<td>7</td>
<td>53.4</td>
</tr>
<tr>
<td>Detailed knowledge</td>
<td>4.94</td>
<td>5</td>
<td>5</td>
<td>34.8</td>
</tr>
<tr>
<td>Entrepreneurial life purpose</td>
<td>5.09</td>
<td>5</td>
<td>7</td>
<td>23.7</td>
</tr>
<tr>
<td>Entrepreneurial attractiveness</td>
<td>5.48</td>
<td>6</td>
<td>7</td>
<td>28.5</td>
</tr>
<tr>
<td>Entrepreneurial benefit</td>
<td>5.15</td>
<td>5</td>
<td>5</td>
<td>32.6</td>
</tr>
<tr>
<td>Entrepreneurial satisfaction</td>
<td>5.28</td>
<td>5</td>
<td>5</td>
<td>27.5</td>
</tr>
<tr>
<td>Entrepreneurial support resources</td>
<td>5.67</td>
<td>6</td>
<td>7</td>
<td>33.8</td>
</tr>
<tr>
<td>Beneficiary comparison: entrepreneur to satisfactorily job</td>
<td>4.64</td>
<td>5</td>
<td>5</td>
<td>25.3</td>
</tr>
<tr>
<td>Support from family member</td>
<td>5.32 – 5.56</td>
<td>5 – 6</td>
<td>5 – 7</td>
<td>28.2 – 30.4</td>
</tr>
<tr>
<td>Family entrepreneurial activities</td>
<td>4.17</td>
<td>5</td>
<td>6</td>
<td>37.5</td>
</tr>
<tr>
<td>Entrepreneurial figure in family</td>
<td>2.93</td>
<td>3</td>
<td>4</td>
<td>20.3</td>
</tr>
<tr>
<td>Neighborhood entrepreneurial influence</td>
<td>3.57 – 4.28</td>
<td>4 – 5</td>
<td>4 – 6</td>
<td>20.7 – 36.3</td>
</tr>
<tr>
<td>Confidence</td>
<td>4.03</td>
<td>4</td>
<td>4</td>
<td>28.8</td>
</tr>
<tr>
<td>Success</td>
<td>4.85</td>
<td>5</td>
<td>5</td>
<td>28</td>
</tr>
<tr>
<td>Integrity</td>
<td>5.08</td>
<td>5</td>
<td>5</td>
<td>29.3</td>
</tr>
<tr>
<td>Control attitude</td>
<td>4.63</td>
<td>5</td>
<td>5</td>
<td>30.5</td>
</tr>
</tbody>
</table>
Perceived behavioral control was observed through the ability in establishing venture has been measured as the scale of self-efficacy in general (McGee et al., 2009). In previous research, self-efficacy has often been measured in a particular condition. Generally, they built in a condition to a smaller number of skills related to entrepreneurship and the separation of their number into smaller factor analysis (Chesney et al., 2006). Other opinion, control beliefs would be the antecedents of an aggregate measure of perceived behavioral control. Thus, it could be understood as specific efficacies being the antecedent of general self-efficacy (Ajzen, 1991). The question in the context of confidence in initiating, establishing and running a business as well as possibilities for achieving success both in terms of mastery, and also for controlling the risks have mean value vary from 4.03 up to 5.08. Median and mode were also varied in 4 to 5 in range with the percentage of mode were around 30 percent, the tendency of most students are still not sure of their abilities in entrepreneurship.

CONCLUSIONS

Review of empirical evidence in this article shows the tendency of entrepreneurial intentions of the students yet still relatively unstable. Further studies are needed to see a significant correlation between entrepreneurship programs and fostering entrepreneurial tendencies. Knowing that the Entrepreneurship Education Program for entrepreneurial intentions can turn into a more attractive will only happen if we assume that economic prosperity is achieved because of the fulfillment of the needs of everyone. The findings are included in this article felt quite optimistic that pose positive influence on the growth of entrepreneurial intentions. In addition to practical reasons, the intention has been identified as the best predictor of planned behavior. Therefore, entrepreneurship can be expressed as a type of planned behavior that can be analyzed with the help of models intentions. In addition, understanding the antecedents of intentions also implies an understanding of the perceived behavioral control (Ajzen, 2011). Empirical evidence from studies shows that among other factors, entrepreneurial education has a positive effect on the good will of entrepreneurship students. Intention model at a point of view is favorable starting point for analyzing entrepreneurship specifically and provide the best solutions through the integration of theory according to Ajzen (1991) as well as Shapero and Sokol (1982), becomes the theory into a model of entrepreneurial intentions.

In this study, positive results are found in entrepreneurship education program when seen from entrepreneurial intentions according to the expected. In addition to knowledge, experience, attitudes and social norms are also observed and the results supports the expectation that the formation of entrepreneurial intentions. Entrepreneurial intentions of students also are a result of family background (which is involved in the entrepreneurial activity). The expectation of the findings in this study can be useful as a practical proposal for higher education institutions and policy makers in this country. First, as long as the effect of the educational program proved to be quite good, then the university curriculum as a whole must support to prepare and support the possible emergence of new entrepreneurs from among its graduates, including the need for assistance as a troubleshooting aid in the world of entrepreneurship. Second, the propositions that educational institutions should pay more attention to students exposure to knowledge about the possibilities and resources that will help them build a company. Finally, the findings on the situation of students and entrepreneurship should be a source of proposals for public institutions in order to orientate their policies towards supporting about this.

In limitation, it is accepted that the observations are limited in the frame of time. The scope of university area only resulted in limited in sample size. Access to a larger sample size of this observation is expected to be fully representative of the target group in focus. This case shows the positive effects of entrepreneurship education, but only specifically represented in the study year, the sample were observed. Therefore, in order to inspire further study, future research should include samples from other universities, including public and private, with the aim to represent the entire nation. The survey relies on data that is processed itself the result of considering the student answers on the questionnaire to be used as basic information. The potential bias is the record where the ability of students to remember experiences that occurred in the past is indispensable. Another bias is entrepreneurial intention attribute to only a few factors without respect for others. Excessive responses as a result of personal experience and an entrepreneurial family, or because some of the respondents became the second generation in entrepreneur family who may have produced results significantly (intention entrepreneurial positive) than suggested by other studies conducted recently by many researchers around the world.

REFERENCES


Baron, R. A. (2009). Effectual versus predictive logics in entrepreneurial decision making: Differences between experts and novices: Does experience in


