

The Effect of Entrepreneurship Education on The Student's Entrepreneurial Intention Vocational High School

Widya Hestiningtyas and Sigit Santosa
Sebelas Maret University, Surakarta, Indonesia
widhes@gmail.com

Keywords: Entrepreneurship Education, Entrepreneurial Intention, Vocational High School.

Abstract: Increasing population and limited employment are adequate to make unemployment a crucial problem for Indonesia. Various efforts have been made by the government, among others with entrepreneurial independent business community. There are various factors that affect one's intention to entrepreneurship, including entrepreneurship education. The aims of this study are to identify the effect of entrepreneurship education on the students' entrepreneurial intention vocational high school. This research is quantitative descriptive correlational approach. The study population was students of class X of vocational high school Negeri Surakarta in business and management program, amounting to 944 students. The samples used as many as 311 students drawn using random probability sampling technique. Data collected through a closed questionnaire, data analysis techniques using multiple linear regression analysis aided by SPSS 23. The results concluded that entrepreneurship education with an indicator variable know-what (entrepreneurial knowledge), know-why (and values motives), know-who (social interaction), know-how (entrepreneurial skills and abilities) to give effect to the intention of entrepreneurship vocational students.

1 INTRODUCTION

Indonesia is a country of 253 609 643 inhabitants, ranks fourth most populous country in the world after the state of China, India and the United States of America (Central Bureau of Statistics, 2016). The population is so much because Indonesia requires much labor to be able to sustain the country's economy. The problem of unemployment is a problem that is a major challenge for the Indonesian government. It impacts on other sectors such as poverty and social inequality. In the era of free trade and global competition, demanding people in the productive age to have quality individuals who are active and creative in order to compete on a competitive basis to reduce the amount of unemployment there. Based on data from the Central Bureau of Statistics (BPS), Indonesia in February 2016, the unemployment rate in Indonesia reached 7.02 million. This shows that there are still many Indonesian people who need improved productivity.

Based on BPS data in 2016 note that contributor's unemployment rate in 2016 was graduated from high school and vocational school. Herman (2003: 16) states that the main problem is the independence of graduate education. Education only produce human resources who are eager to be an employee or job seekers instead of opening employment. Empirical facts show that the majority

of vocational school graduates not in accordance with the needs or demands of the stakeholders. The graduates tend as a job seeker and not many are able to work independently to implement and develop the skills (survivalskills). On the other hand, the low work ethic vocational graduates in entrepreneurial mindset (Subijanto, 2012: 163)

The progress of a country is determined by its economic progress that is supported by the large number of entrepreneurs in the country. Entrepreneur is able to create jobs in order to absorb the labor force, thereby reducing unemployment in Indonesia. According to experts, sociologists, McClelland, a country will prosper only if there are entrepreneurs at least 2% of the population, while according to data from the Ministry of Cooperatives and Small and Medium Enterprises (SMEs) in 2016 Indonesia has about 1.56% of entrepreneurs that still need to be improved passion for entrepreneurship. This is in line with the findings Frinces (2010: 4) that in order to reduce the unemployment rate one of the ways to do was to develop an entrepreneurial spirit as early as possible.

Indonesia's efforts to address the high unemployment and increasing the number of entrepreneurs one through the SMK (Vocational High School). SMK is a formal school under the auspices of the Ministry of Education and Culture which has the purpose, among others, to produce

graduates who are ready to enter the workforce independently, competitive as productive entrepreneurial adaptive, creative. Therefore, CMS is very important in order to prepare graduates who are ready to entrepreneurship.

Strategic Plan of the Ministry of Education and Culture (Kemdikbud) 2015-2019 states that one of the government's efforts to create jobs is through the spirit of entrepreneurship. The spirit of entrepreneurship is grown by developing entrepreneurship education in schools. Entrepreneurship education is expected to increase the knowledge of entrepreneurship. A strong desire to become entrepreneur's needs to be owned by vocational students because of the desire to entrepreneurship will have an impact on the opening of broader employment. Entrepreneurship education is given to all students with the hope to foster entrepreneurship intention of students.

Preliminary observations made through search data trail graduates (tracer) is known that a graduate student of SMK Negeri 1 Surakarta, SMK Negeri 3 Surakarta and SMK Negeri 6 Surakarta only a few choose to become entrepreneurs. This indicates that the intention entrepreneurship in vocational students is still low. Entrepreneurship is a cognitive representation intention to exploit the business opportunities to apply their knowledge and skills (Tung, 2011: 34). Entrepreneurship intentions can be influenced by several factors, among others, entrepreneurial education, entrepreneurial personality, and environment (Koranti, 2013: 6). Education is one of the factors that influence the success of entrepreneurship (Basrowi, 2011: 20). Entrepreneurship education can shape the mindset, attitudes and behaviors in students to become a true entrepreneur that led them to choose entrepreneurship as a career (Lestari and Wijaya, 2012: 113).

Based on data from tracer study in SMK Negeri 1 Surakarta, SMK Negeri 3 Surakarta and SMK Negeri 6 Surakarta is known that the intention of entrepreneurship students is still low, so that the necessary effort in identifying the things that drives intention entrepreneurship, given the importance of entrepreneurship for economic and social welfare in today's society. Therefore, it needs further study whether the presence of entrepreneurship education, entrepreneurship can foster students' intentions.

2 METHODS

This research is quantitative descriptive correlational approach. The study population was students of class X of vocational high school Negeri Surakarta in business and management program, amounting to 944 students. The samples used as many as 311 students drawn using random probability sampling technique. Data collected through a closed questionnaire, data analysis techniques using multiple linear regression analysis aided by SPSS 23.

3 LITERATURE REVIEW

3.1 Intention Entrepreneurial

Intention entrepreneurial understood as a personal commitment from prospective entrepreneurs to start new businesses which then became the bridge between attitudes, subjective norms and behavioral control against actual behavior (Tung, 2011: 34). Intention is a representation of the actions planned to conduct entrepreneurial behavior because before starting a business takes a strong commitment to begin (Tubbs and Ekeberg, 1991: 80). Entrepreneurship intentions become mainstream desire of individuals to undertake entrepreneurial action by creating new products through business opportunities and risk taking (Ramayah and Aaron, 2005: 89). Furthermore, Rasli et al (2013: 138) defines the intention of entrepreneurship is a mind that encourages individuals to create a business, so the intention is needed as a first step in a process of establishment of a business that is generally long term (Lee and Wong, 2004: 276).

Reflect the entrepreneurial intentions of one's commitment to launch a new business and is a central issue to consider in understanding the process of new business establishment (Krueger, 1993: 331). Entrepreneurial intentions lately received attention for the study because it is believed that an intention that is concerned with the behavior proved to be a true reflection of the behavior. An understanding of one's intention to entrepreneurship may reflect the tendency of people to set up businesses in real terms (Jenkins and Johnson, 1997: 112). Ultimately the intention of entrepreneurship bridge between attitudes towards entrepreneurial behavior, so that the intention of entrepreneurship is the appropriate variables to predict the behavior of an entrepreneurial person, (Indarti & Rostiani, 2008:

4). Based on some understanding of the intentions of entrepreneurship, it can be synthesized that intention entrepreneurship is a cognitive representation to exploit business opportunities by applying entrepreneurial learning (knowledge and skills), so that the intention of entrepreneurship understood as confidence and awareness of an individual that they intend to establish a new business venture and plans to do so in the future.

In addition, there are several factors that influence the entrepreneurial intentions of a person. Some research has been done related to the factors affecting such intention, research Tung (2011: 154) who found that entrepreneurship education with the indicator (know what, know-who, know-how, know why) a significant effect on the person's intentions student entrepreneurship. Furthermore Wahyono (2013: 56) in his research found the positive influence of entrepreneurship education (know what, know-who, know-how, know why) and entrepreneurial intentions. This is in line with the findings Johannisson (1991: 176) who argued that entrepreneurship education (know what, know-who, know-how, know-why and know when) an impact on one's intention to entrepreneurship. A number of studies that examine the influence of entrepreneurship education on intentions entrepreneurship (Izedonmi and Okafor, 2010; Lorz, 2011; Bakotic and Kruzic, 2010; Singh and Verma, 2010; Kruzic et al, 2010; Cruz, Escudero, Barahona and Leitao,

3.2 Education Entrepreneurship

Education entrepreneurship is an effort to internalize the spirit and mental entrepreneurship through educational institutions as well as other institutions such as training institutions, training (Wibowo, 2011: 23). Entrepreneurship education is a process of transmitting knowledge and entrepreneurial skills to students to help them to take advantage of business opportunities, entrepreneurship education aims to teach students in starting a new business to be successful and profitable so it is expected to help the economic growth of the country (Tung, 2011: 36). Entrepreneurship education is an education program to work on aspects of entrepreneurship as an important part of the debriefing of competence of learners (Saroni, 2012: 45). It the seal with an opinion Izedonmi and Okafor (2010: 98) states that entrepreneurial education designed to inculcate competencies, skills, and values necessary to identify business opportunities, organize and start a new business.

Education gives effect to the mental development of a person (including an entrepreneurial spirit) because education is run with full awareness, has a target goal, specific objectives and given systematically to develop the potentials that exist (Muladi, 2011: 114). Somanto (2002: 78) states that the only struggle or how to realize a man of morals, attitudes and skills of entrepreneurship is education, because through education, individual insight into a broader and more confident, able to choose and make the right decision, increase creativity and innovation. This is consistent with research Tung (2011: 154) who found that entrepreneurship education with the indicator (know what, know-who, know-how, know why) influence significantly on one's intention entrepreneurship students. Furthermore, Wahyono (2013: 56) in his research, found their positive influence of entrepreneurship education (know what, know-who, know-how, know why) and the intention of entrepreneurship. Johannisson (1991: 176) also argued that entrepreneurship education (know what, know-who, know-how, know-why and know when) provides the impact on one's intention to entrepreneurship. Izedonmi & Okafor, 2010; Lorz, 2011; Bakotic & Kruzic, 2010; Singh & Verma, 2010; Kruzic et al, 2010; Cruz, Escudero, Barahona & Leitao, 2009; Athayde 2009 also perform Related research on the influence of entrepreneurship education in entrepreneurship intentions entrepreneurship education plays a role to develop the entrepreneurial spirit and form entrepreneurial behavior of students. Education entrepreneurship de ngan planting entrepreneurial character within the competence required to be owned by the generation of people to meet the challenges of the future. Based on these descriptions can be synthesized that entrepreneurship education is a conscious effort made educational institutions to impart knowledge, values and attitudes of entrepreneurship to students. It aims to create new entrepreneurs who are competent and able to improve the welfare of the community.

Five components of entrepreneurship education according to Tung (2011: 63) is as follows:

3.2.1 Know What (Entrepreneurial Knowledge)

Know what refers to the concept and knowledge about entrepreneurship. This component is considered as a fundamental part of the entrepreneurship program, because all the skills or other techniques must be built on a theoretical basis.

The basic objective of entrepreneurship education is to raise awareness of entrepreneurial knowledge. Kent (1990: 211) states that students must understand entrepreneurship as an alternative career option. It is important to teach students to acquire the knowledge and resources needed to create new business.

Zeithaml and Rice (1987: 172) argues that entrepreneurship education should include business management and knowledge to start a business. Therefore, know what must include knowledge of business and commerce, including functional areas such as, financial resources, leadership, marketing and salesmanship, a source of ideas and discover opportunities, business planning, work in teams, create new businesses, risk management, legal issues and organizational management. Furthermore, entrepreneurship requires greater knowledge to build a business and an understanding of how to run the entrepreneur (Gartner, 1989: 223).

3.2.2 Know Why (Values and Motives)

Know why refers to a series of questions: Why is there an entrepreneurial? Why entrepreneurs start their own businesses? Why should learn entrepreneurship? What are the benefits of entrepreneurship (e.g., money, social status, flowers, happiness, interests, challenges, or contributions to the community)? How entrepreneurial knowledge and skills can make a profit, someone's career? It is a spiritual component that reflects how the students identify themselves in the pursuit of entrepreneurial ventures. Such identification may be associated with personal profiles and characteristics of entrepreneurship (Fayolle and Gaily, 2008: 172).

Know why reflects the values and motives of initiating events and attitudes towards entrepreneurship. Therefore, to develop the right attitude and motivation to start-up is very important for entrepreneurship education. According Johannisson (1991: 337) an individual must be personally motivated and believe in its ability to create new businesses. Know why generally an innate competence which then influenced by the environment and education.

3.2.3 Know Who (Social Interaction)

Know who refers to social interaction. Lundvall (1998: 186) states know who involves the social ability to collaborate and communicate with different types of people and experts. An

entrepreneur needs to interact with the various parties to for information, resources and other support for creating and managing a business. Good relationships are key to entrepreneurial success.

The researchers emphasize that the interaction with the important people are the main requirements for long-term entrepreneurial success. Effective entrepreneurship education must provide opportunities for students to interact and practice with employers because it can provide emotional and practical support to students.

3.2.4 Know-How (Entrepreneurial Skills and Abilities)

Know-how relating to the application of knowledge and entrepreneurial skills which refers entrepreneurial practice on the question: How to take entrepreneurial action? How to handle a certain situation? For example, how to allocate resources, how to identify the risks involved in the decision-making, how to deal with the risks, how to recognize opportunities, develop new products.

Rabbior (1990: 175) suggests one important function of entrepreneurship education is to give students practice opportunity to learn through experience. Furthermore, Rabbior added that entrepreneurship education should equip students to think creatively, able to solve problems, work in teams, challenge and build confidence.

4 RESULTS AND DISCUSSION

In this study, education consisting of know-what (entrepreneurial knowledge), know-why (values and motives), know-who (social interaction), know-how (entrepreneurial skills and abilities) gives effect to the development of the soul someone (including entrepreneurial spirit) because education is run with full awareness, has a target goal, specific objectives and given systematically to develop the potentials that exist (Tung 2011; Wahyono, 2013; Johannisson 1991). The results stated in entrepreneurship education can improve students 'knowledge in generating innovative ideas, business plans, understanding of market research in entrepreneurship, entrepreneurship education also enhance students' understanding of the importance of entrepreneurship, the motive of entrepreneurship, identify business opportunities, build a network and managing a business affects the intention of students to entrepreneurship.

Entrepreneurship education is one program at a time of anticipation reduction of dependence protege jobs, so the need to cultivate students' intentions in trying to entrepreneurship through education (Saroni, 2012: 168). In addition, this research was supported by research Bharanti (2011: 48) says that entrepreneurship education provided can improve the efficacy of entrepreneurship through learning activities. Supported also by Kourilsky theories and Walstad (1998: 18) states that entrepreneurship education will establish entrepreneurship by improving knowledge of the business and establish attribution.

The influence of entrepreneurship education on entrepreneurship intention of students in this study implies that the better the learning process of entrepreneurship education in schools learn important skills that are needed, the more students will aspire to be an entrepreneur. Important skill is the ability to identify new business opportunities, evaluating opportunities, starting a new business as well as market research study (Zhao et al: 2005: 78). This is consistent with the findings of Ellen (2004) which says the higher perceptions of skills, the greater the intention to entrepreneurship.

Entrepreneurship education can shape the mindset, attitudes and behaviors in students to become true entrepreneurs, so that lead students to choose entrepreneurship as a career option (Lestari and Wijaya, 2012: 113). Entrepreneurship education has been pursued expected to foster entrepreneurial intentions. The experience and knowledge that have been received during the learning process gives an overview of how to conduct business, after finding a picture in the learning process it will generate interest for someone to finally have the intention of entrepreneurship. This is consistent with research conducted Izedonmi & Okafor, 2010; Lorz, 2011; Bakotic & Kruzic, 2010; Singh and Verma, 2010.

Entrepreneurship education is based on the theory of learning that will develop entrepreneurship by increasing knowledge about the business (Draycott and Rae, 2010). Entrepreneurship education to follow the principle of lifelong education that takes place anytime and any-where. Entrepreneurship education provides learning experiences, build skills and most importantly be able to change the mindset of students. Therefore, entrepreneurship education can be an agent of social change as proposed Peter (2009) in Word Economic Forum Switzerland that entrepreneurship can be learned and can be taught to students in school. This

is in line with the thinking Ciputra (2008) which states that entrepreneurship education is able to produce a great national impact if we managed to educate all students and is capable of producing four million new entrepreneurs of graduate educational institutions Indonesia next 25 years.

Entrepreneurship education in this study is intended as a learning process to shape the attitudes and mindsets of students to career options in entrepreneurship, with the hope that students who have studied entrepreneurship will have the values and character of entrepreneurship that will increase the goodwill of the entrepreneurial world (Kruzic et al 2010; Cruz, Escudero, Barahona & Leitao, 2009; Athayde, 2009). The high intention of entrepreneurship will give birth to young entrepreneurs who self-contained, have a clear vision of the future, creativity and innovation are high in creating new business opportunities, so that the problem of educated unemployment can be resolved because the output of the results of entrepreneurial education is prospective young entrepreneurs talented who no longer oriented to be job seekers but have become creators of jobs.

5 CONCLUSIONS

Based on the results of hypothesis testing and data analysis can be concluded that there is a variable influence on the intention of entrepreneurship education in entrepreneurship students of SMK Negeri Surakarta, meaning that students make entrepreneurship education received as a consideration in entrepreneurship intentions.

REFERENCES

- Badan Pusat Statistik. 2016. Ketenagakerjaan 2016. Diakses pada tanggal 17 Agustus 2016 pukul 09.30 melalui <http://bps.go.id>.
- Frinces, Z. H., 2010. Pentingnya Profesi Wirausaha di Indonesia. *Jurnal Ekonomi & Pendidikan*. 7(1), 34-57
- Indarti, R., 2008. Intensi Kewirausahaan Mahasiswa: (Studi Perbandingan Antara Indonesia, Jepang dan Norwegia. *Jurnal Ekonomika dan Bisnis Indonesia*, 23 (4). 2-26
- Izedonmi, P & Okafor, C., 2010. The Effect of Entrepreneurship Education on Students

- 'Entrepreneurial Intention. *Global Journal of Management and Business Research*. 10 (6)
- Johannisson, B., 1991. University Training For Entrepreneurship: Swedish Approaches. *Entrepreneurship & Regional Development*, 3(1), 67-82.
- Kementerian Koperasi dan UKM. 2016. Wirausaha 2016. Diakses pada tanggal 29 Agustus 2016 pukul 11.45 melalui <http://depkop.go.id>
- Koranti, K., 2013. Analisis Pengaruh Faktor Eksternal dan internal terhadap Minat Berwirausaha. *Jurnal, Proceeding PESAT (Psikologi, Ekonomi, Sastra, Arsitektur & Teknik Sipil)*. 5(1), 1-8
- Kristiansen, S & Indarti, N., 2004. Entrepreneurial Intention among Indonesian and Norwegian Students. *Journal of Enterprising Culture*. 12 (1), 55-78
- Lao, S. & Taormina, R.J., 2006. Measuring Chinese Entrepreneurial Motivation Personality and Environmental Influences. *China: Emerald Insight Journal*. 13(4). 200-221
- Linan, F., 2008. Skill And Value Perceptions: How Do They Affect Entrepreneurial Intentions. *International Entrepreneur Management Journal*. 4, pp. 257-272.
- Lorz, M., 2011. *The Impact of Entrepreneurship Education on Entrepreneurial Intention*. The University of St. Gallen.
- Luthje, C.F., 2003. The Making of an Entrepreneur: Testing a Model of Entrepreneurial Intent among Engineering Students at MIT. *R & D Management*. 33(2)
- McClelland, D. C., 1961. *The Achieving Society*. Princeton: D. Van Nostrand Company, Inc.
- Muladi, W., 2011. Pembelajaran kewirausahaan dan minat wirausaha lulusan SMK. *Jurnal Ekspansi*, 6 (2), 109-122
- Salwah, M., Mistima & Norhatta, M., 2015. A Descriptive Analysis on Entrepreneurial Intention among Engineering Technology Students. *Selangor: Canadian Center of Science and Education*. 11(24), 286-292
- Sesen, H., 2012. Personality or Environment? A Comprehensive Study on the Entrepreneurial Intentions of University Students. *Turkey: Emerald Insight Journal*. 55(7), 625-639
- Subijanto. 2012. Analisis Pendidikan Kewirausahaan di Sekolah Menengah Kejuruan. *Jurnal Pendidikan dan Kebudayaan*. 18 (2), 163-173
- Tung, L. C., 2011. *The Impact of Entrepreneurship Education on Entrepreneurial Intention of Engineering Students*. City University of Hongkong: Run Shaw Library
- Wahyono, B., 2013. Pengaruh Pendidikan Kewirausahaan Terhadap Niat Berwirausaha Siswa SMK Negeri 1 Pedan. *Jurnal Ekonomi Bisnis dan Kewirausahaan*. 3(1)
- Wijaya, T & Lestari, R. B., 2012. Pengaruh Pendidikan Kewirausahaan Terhadap Minat Berwirausaha Mahasiswa di STIE MDP, STMIK MDP, STIE MUSI. Palembang: *Jurnal Ilmiah STIE MDP*. 1(2), 112-119
- Wibowo, A., 2011. *Pendidikan Kewirausahaan (Konsep dan Strategi)*. Yogyakarta: Pustaka Pelajar