# **Factors Which Determine Students' Entrepreneurship Intentions**

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Abstract: The present study aims at examining the factors which determine the entrepreneurship intentions of the students: the support of entrepreneurship education, relational support, systemic support, and self-efficacy. The present study employed survey methods, involving 133 students of Faculty of Education Mataram University drawn through cluster proportional random sampling. The research instrument modified from the one developed by Turker & Selcuk (2009) was applied to study the research variables involving support entrepreneurship education, relational support, systemic support and entrepreneurial intentions, whereas self-efficacy variable was measured with self-efficacy scale. Data were statistically analyzed using path analysis. The results of the requirements analysis indicate that all research variables fulfilled the required normal distribution, linearity, no autocorrelation, and the absence of multi-co-linearity. The results is shows that entrepreneurship education support and relational support positively affect the entrepreneurial intentions, either directly through self-efficacy. Only systemic support variable which does not affect the entrepreneurial intentions, either directly or indirectly through self-efficacy.

## **1** INTRODUCTION

Currently, the graduates of Indonesian higher educations tend to be as a job seeker than as a job creator, indicated on: the unemployment rate reaches 944,665 people (BPS, 2016). The crucial problems are faced by the graduates of the Educational Institutions of Teachers' Training, who have the teacher-student ratio reaches 1:15 (BPS, 2015).

On the issue, Schulte (2004) suggested the importance of entrepreneurship education for the establishment of entrepreneurial intentions. Focus on entrepreneurial intentions because the intention plays a distinctive role in directing action (Turker & Selcuk, 2009; Wijaya, 2008), with indicators such as: choosing a career as a business and planning start a business or entrepreneur (Wijaya, 2008; Indarti & Rostiani, 2008)

Many factors are suspected of influencing intention (including attitudes) of entrepreneurship, such as: entrepreneurship education (Packham et al., 2010) experience (Devonish et al., 2010), family demographic factors, and in addition to cultural heritage / orientation (Packham et al., 2010) Family background (Wang & Wong, 2004). The Ertuna and Gurel (2011) study found that achievement needs, risk-taking, and entrepreneurial families were a positive predictor of entrepreneurial intentions through entrepreneurship education, but the locus of control was not correlated. Different findings by Ang and Hong (2000) that internal locus of control factors predict entrepreneurial intentions. While the Turker and Selcuk (2009) and Turker et al. (2005) found educational support and structural support as a form of entrepreneurial intentions, but not with relational support and locus of control factors.

Taking note of the above findings, many seem inconsistent results of the study. In addition, the results of this study is not necessarily in accordance with the context of students in Indonesia, let alone students who are prepared to become prospective teachers. Therefore, further studies are needed to clarify the above findings in the Indonesian context. The study was conducted by modifying Turker and Selcuk (2009) and Turker et al. (2005) by specifying education on entrepreneurship education obtained in college, relational support, and system / structural support and modification of moderator variables from the locus of control to self-efficacy. The peculiarities of entrepreneurship education, because of the many findings that pay particular attention to this aspect (Packham et al., 2010; Birdthistle et al., 2007).

Sukardi, S.

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ISBN: 978-989-758-308-7 Copyright © 2017 by SCITEPRESS – Science and Technology Publications, Lda. All rights reserved Meanwhile relational support, such as family and friends also influences career choices (Henderson & Robertson, 2000), is included in the preparation of Jusmin's business plan (2012). The third factor is system / structural support, since entrepreneurial intentions are also shaped by economic and political mechanisms, governed by actors in government (in Indonesia), society, private and other nongovernmental organizations (Turker & Selcuk, 2009). Finally, self-efficacy has a positive relationship with the entrepreneurial intention (Zhao et al., 2005).

Based on these theoretical ideas and frameworks, this study is specifically conducted in order to know: the influence of entrepreneurship education support, relational support, system or structural support to student entrepreneurship intent both directly and indirectly through self-efficacy.

## 2 METHODS

This research uses quantitative approach of survey type (Ary et al, 2010, p.372) conducted in Faculty of Teacher Training and Education University of Mataram. The population of this research is all MK FKIP students of Mataram University who have received 3333 entrepreneurship education courses (FKIP Unram, 2015), outside the education science department. The sample size was 133 people based on the formulation of Daniel and Terrell (1986, p.202) determined by cluster proportional random sampling.

The data collection instruments were modified from Turker and Selcuk (2009) studies for the variables of entrepreneurship education support, relational support, system / structural support, and entrepreneurial intentions. For self-efficacy measured by self-efficacy scale based on Gaddam's study (Wijaya, 2008, p 97) with indicators in the form of: confidence in the ability to manage the business, leadership of human resources, and start the business. The entire instrument uses a Likert scale that has 5 scoring scales, namely: score 5 (strongly agree), score 4 (agree), score 3 (hesitate), score 2 (disagree), and score 1 (strongly disagree). Because the instrument has been tested, then in this study did not test the validity and reliability of the instrument.

Analysis of this research data using path analysis using spps program computer version 20.00 for windows. Prior to the analysis, firstly tested requirements analysis, including: homogeneity test, autocorrelation, and multicollinearity

### **3 RESULTS AND DISCUSSION**

The scatter of study result scores for all research variables can be observed in Table 1. From Table 1 data shows that the highest mean value of the structural / system support variables in Indonesia, while the lowest average score is the relational support variable.

Table 1: Below visualizes the scatter distribution of each variable.

Min.	Max.	Mean	Sd.
9	15	11.985	1.555
3	10	7.676	1.395
9	18	12.571	1.623
3	15	11.662	2.066
8	15	12.203	1.248
	9 3 9 3	9 15   3 10   9 18   3 15	9 15 11.985   3 10 7.676   9 18 12.571   3 15 11.662

Furthermore, the results of the requirements analysis test show that: (1) all variances of the four variables to the entrepreneurial intention are homogeneous; (2) there is no autocorrelation for either the equation of one or the second equation based on the Durbin-Watson test (Alhusin, 2003, p.26) using a value based mean; And (3) there is no multicolinearty problem based on eigenvalue and / or condition index.

Table 2: Summary of hypothesis test results.

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Variable			1	2	3	4	
Dependent	1	EI					
Variable							
Independent	2	EE	0,181*				
Variable	3	RS	0,196*	0,000			
	4	SS	0,132	0,000	0,000		
Moderator	5	SE	0,352**	0,068	0,080	-0,001	
Variable							
* Significance 5% **Significance 1%							
EI: Entrepreneurial Intention, EE: Entrepreneurship Education, RS:							
Relational Support, SS: System/Structural Support, and SE: Self Efficacy							

Based on the summary as Table 2, it can be explained below. There is a linear positive relationship between entrepreneurship education supports for entrepreneurial intentions, either directly or indirectly through self-efficacy. The amount of influence of entrepreneurship education support to entrepreneurship intention is 0, 181 or 18.1%, while the influence of entrepreneurship education support to self-efficacy is equal to 0, 192 or 19.2%. Based on these results, the effect of entrepreneurship education support to the entrepreneurial intention through self-efficacy is  $0.068 (0.192 \times 0.352)$  or 6.8%.

This study is relevant to what Murwani said (2016, p.43-46) that through entrepreneurship education, awaken entrepreneurial competence and entrepreneurial characteristics. Findings Jusmin (2012) also mentions the influence of entrepreneurial learning on entrepreneurial intentions. Indirectly, the level of self-efficacy affects a person's perception of entrepreneurship education he / she obtains. This finding is in line with what has been pointed out by the European Commission in 2008 (Kirby & Ibrahim, 2011, p.182) as also cited by Murwani (2016, P. 12) that entrepreneurship education contributes to entrepreneurial business, Become "entrepreneurship as a way of thinking and acting". Of course, entrepreneurship education should reflect the quality of entrepreneurial learning, both concerning objectives, content, learning methods, and evaluation of learning. The purpose of learning is not only to teach about increasing awareness of students about entrepreneurship, but at least to be entrepreneurs (Fayolle and Gailly, 2008). On substance, includes aspects of knowledge, skills, and work attitude as found by Yuriani et al. (2012), even including "knowwhy, know-how, know-who, know-when, and knowwhat" as the study of Fayolle et al. (2008) and Fayolle and Gailly (2008) as quoted by Murwani (2016, p21). In terms of the learning model, as much as possible using active and interactive learning models: such as social reconstruction based learning, problem-based learning and project-based learning (Murwani, 2016, p 24) and others. From a practical point of view, entrepreneurship education becomes essential for a country's economic development, so it must be part of the education policy in the College. Under the policy, Turker and Selcuk (2009, p.156) in their study suggested that entrepreneurship education in universities.

Furthermore, based on Table 2, there is a linear positive relationship between the relational supports to the entrepreneurial intentions either directly or indirectly through self-efficacy. The amount of influence of relational support to entrepreneurship intention is 0, 196 or 19.6% and the influence of support of relational support to self-efficacy is equal to 0, 229 or 22,9%. Based on these results, the effect of relational support on entrepreneurial intentions through self-efficacy is 0.080 (0.229 x 0.352) or by 8%. This finding differs from that of Turker and Selcuk (2009, p. 150) that relational support factors do not affect the entrepreneurial intentions. It is understood because of the strong social ties (social

capital) for people living in Indonesian culture, as collective energy capable of building cohesive social relations (Dwiningrum, 2015). One element of social capital is mutual trust (Dwiningrum, 2015, Fiisabilillah et al., 2014), thus affecting one's actions, including entrepreneurship. In his study, Privanto (2009) also illustrates the importance of such relational support as an objective and subjective reality. In the objective reality, the child will follow the culture in which he lives or lives. Thus, entrepreneurial social construction begins with parents, friends, neighbors, teachers, who will subsequently influence its subjective reality. At this time, in the study of Downing (2005) as also quoted Priyanto (2009) generalization occurs the nature of entrepreneurship and which will ultimately produce the intention of entrepreneurship or not to someone. In subjective reality, the child will recognize the existing institutions in society with a set of job descriptions. This is where you get to know the farmers, artisans, civil servants, traders and businessmen, and others. If he sees that the craftsman / entrepreneur of his life is prosperous, then he will dream of becoming a craftsman / entrepreneur (Priyanto).

From the results of the study, the system / structure support factor does not have a linear relationship with the intention of entrepreneurship. The amount of influence of support system / structure support to entrepreneurial intention is 0, 132 or 13.2%, and the effect of system / structural support to self-efficacy is -0, 003 or 0.3%. Based on these results, the effect of system / structural support to the entrepreneurial intention through self-efficacy is -0.001 (-0.003 x 0.352) or 0.01% and is considered insignificant. This finding also differs from Turker and Selcuk (2009, p. 150) that to shape entrepreneurial desires requires more comprehensive support including collaboration from all sectors of society. In the Indonesian context, these findings can be understood as economic development still leaves a gap or inequality (Iryanti, 2014). The inequality of basic services is the cause of economic inequality (Iryanti, 2014) so that the impact on the still unemployment rate as well as data from BPS (2016). Conditions like this cause all people living in Indonesia to have perceptions, opinions, attitudes, and behaviors may vary, including prospective teachers (LPTK).

## 4 CONCLUSIONS

Based on the results of the study, it is concluded that there is a positive influence of entrepreneurship education support and relational support to the entrepreneurship intentions of students either directly or indirectly through self-efficacy. Nevertheless, the factor of economic system support in Indonesia does not give effect to the entrepreneurship intentions of students either directly or indirectly through selfefficacy.

Based on these findings, the implications are: (1) the importance of strengthening the education of entrepreneurship education in universities to establish student entrepreneurial intentions; (2) the importance of providing experience during the entrepreneurship education process through direct practice; And (3) very important policy of development and implementation of entrepreneurship education in Higher Education and strengthening of relational support during learning process.

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