

Entrepreneurship Self-Efficacy and Entrepreneurial Motivation on the Entrepreneurial Intentions of Management Majors Student

Dewa Gede Agung Nugraha Putra¹, I Gusti Ayu Dewi Adnyani²

^{1,2}*Faculty of Economics and Business, Udayana University, Bali, Indonesia*

ABSTRACT : Entrepreneurial intention is a determination that a person has to become an entrepreneur according to his goals. To arouse student entrepreneurial intentions, it is necessary to pay attention to the factors that influence entrepreneurial intentions. The purpose of this study was to explain the role of entrepreneurial self-efficacy to mediate the effect of entrepreneurial motivation on students' entrepreneurial intentions. This research was conducted on 106 management major students. Data collection was carried out through interviews and questionnaires. The analysis technique used is descriptive analysis and inferential statistical analysis. Based on the results of the analysis, it is found that entrepreneurial motivation positively and significantly affects entrepreneurial intentions; Entrepreneurial motivation positively and significantly affects entrepreneurial self-efficacy; Entrepreneurial self-efficacy positively and significantly influences entrepreneurial intentions; Entrepreneurial self-efficacy mediates the effect of entrepreneurial motivation on entrepreneurial intentions.

KEYWORDS: *entrepreneurial intention, entrepreneurial motivation, entrepreneurial self-efficacy*

I. INTRODUCTION

Unemployment and poverty are problems facing developing countries, including Indonesia. The high unemployment rate is a phenomenon that occurs in Indonesia. The large number of workers who want to enter the world of work is not proportional to the available employment opportunities (Wang et al., 2019). One of the causes of the high unemployment rate in Indonesia is that too much workforce is directed to the formal sector, people do not try to create their own jobs in the private sector. Educated graduates such as university graduates contribute to the unemployment rate (Ghirelli et al., 2019). The Indonesian Central Statistics Agency has recorded that the number of unemployed people in February 2020 was 6.88 million people out of a total workforce of 137.91 million people in Indonesia. This number increased by 60,000 people from last year. The number of unemployed college graduates in February 2020 was 6.78% Diploma graduates and 5.73% University graduates of the total unemployment in Indonesia. The high number of educated unemployment is partly since most college graduates prefer to look for work, not as job creators.

Efforts to solve problems related to unemployment are by empowering youth through entrepreneurship programs aimed at national development (Padovez-Cualheta et al., 2019). Promoting a culture of entrepreneurship in society will be able to open up jobs so that unemployment and poverty will be reduced (Pérez-López et al., 2016). The government's efforts to reduce unemployment and create new entrepreneurs have been stated in the Republic of Indonesia Government Regulation Number 41 of 2011 concerning Youth Entrepreneurship Development and Pioneering, as well as the Provision of Youth Infrastructure and Facilities. In 2019, the number of entrepreneurs in Indonesia reached 3.1% of the current total population, which is around 265,518,300 people, still less when compared to neighboring countries. Singapore has 7% of its total population, then Malaysia is 5% of its total population, while rich countries such as Japan and America have more than 10% of the total population of its population. The results of a survey conducted by the Global Entrepreneurship Index (GEI) in 2019 stated that entrepreneurial activity in Indonesia in 2019 was ranked 75th out of 137 countries. The ranking of entrepreneurial activity in Indonesia is inferior to that of neighboring countries in Southeast Asia such as Singapore at 27th, then Malaysia at 43rd, then Brunei Darussalam at 48th, and Thailand at 54th, and Vietnam at 73rd.

Sukmaningrum & Rahardjo (2017) state that entrepreneurial intention is a person's determination to undertake entrepreneurship with certain goals that are owned by each individual. Interviews were conducted on 10 management major students and 8 respondents preferred to become job seekers). Respondents revealed the reasons they chose to become job seekers because to start a business, they needed capital and entrepreneurship had a big risk, had not found entrepreneurial ideas, wanted to find experience and relationships, wanted to get a

steady income every month. Meanwhile, the reasons for students to become job creators are because they want to apply the knowledge they have gained while studying, flexible working time, and want to create jobs.

Entrepreneurial intention does not appear instantly but goes through several stages according to the Theory Planned of Behavior. The entrepreneurial intention from the perspective of the Theory of Planned Behavior assumes that humans always have a purpose in behaving (Nguyen et al., 2019). Entrepreneurial intentions can be used to predict entrepreneurial behavior in the future (Aloulou, 2016). Entrepreneurial intention is a person's intention to choose a career as an independent entrepreneur (Farrukh et al., 2018). Entrepreneurial intention is defined as a strong intention that exists in a person to create and own a business. The initial stage for fostering entrepreneurial intentions is to have motivation within the individual to succeed. People who have this motivation will need high achievement and are courageous in making decisions. In addition, having a high desire to succeed will build high self-confidence and self-control. The next stage is in the form of entrepreneurial self-efficacy or entrepreneurial self-confidence where the individual believes that he is capable of carrying out entrepreneurial activities.

Entrepreneurial motivation is important in fostering interest in entrepreneurship because even if someone is interested in something if there is no motivation to do it, it will also be in vain (Abdul Al & Mostafa, 2019). Motivation is a fundamental psychological process and is one of the elements that can explain a person's behavior. Entrepreneurial motivation is very important in entrepreneurial activities because it relates to the urge to take action in activities. Motivation grows because of a conscious urge to take an action. Vecchio et al. (2016) states that motivation is the willingness to do something, while motive is a need, desire, or impulse. A person's motivation depends on the strength of his motive. It is the motives with immense power that determine a person's behavior.

Syahid & Apriyanti (2019) state that entrepreneurial motivation is a force that encourages someone to take entrepreneurial actions with persistence, tenacity, and full of enthusiasm, creativity, and innovation, and resilience when facing difficult challenges to achieve entrepreneurial success. Park (2017) stated that entrepreneurial motivation has a significant influence on entrepreneurial intention. Without motivation to carry out entrepreneurial activities, a person will not be motivated to carry out entrepreneurial activities. Therefore this entrepreneurial motivation is very influential on the development of one's entrepreneurial interest (Fernandes et al., 2020).

Entrepreneurial Self Efficacy is a variable that also affects entrepreneurial intentions. Williams et al. (2017) explains self-efficacy is the belief that a person can successfully carry out the desired behavior by exerting the motivational, cognitive, and action abilities needed to get an outcome. According to Xiaoping Qiao (2019), self-efficacy in entrepreneurship is the level of individual confidence and subjective assessment of individual beliefs in their ability to take on the role of entrepreneurs and complete entrepreneurial tasks. Entrepreneurial self-efficacy or entrepreneurial self-efficacy is a tool that measures individual confidence in their ability to engage in entrepreneurship. Litzky et al. (2020) and Novarian & Andrianto (2020) state that entrepreneurial self-efficacy has a positive and significant effect on entrepreneurial intentions.

H1: Student entrepreneurial motivation positively and significantly affects entrepreneurial intentions.

H2: Student entrepreneurial motivation significantly and positively affects entrepreneurial self-efficacy.

H3: Student entrepreneurial self-efficacy significantly and positively affects entrepreneurial intentions

H4: Entrepreneurial self-efficacy mediates the effect of entrepreneurial motivation on entrepreneurial intentions

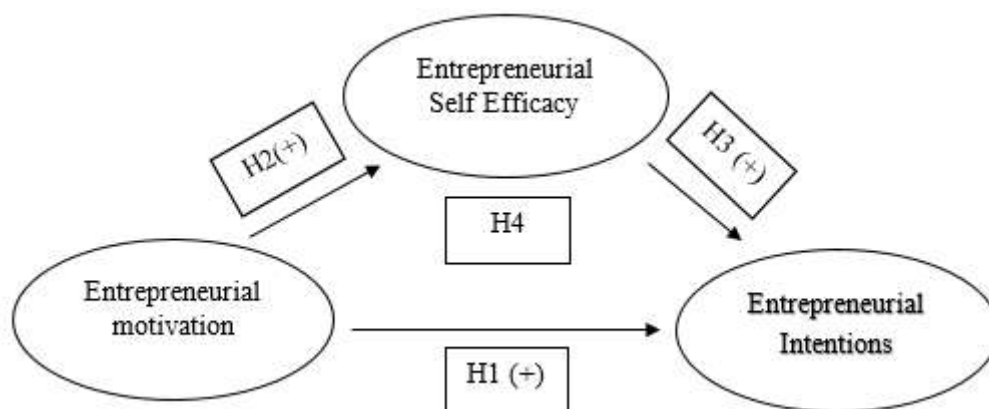


Fig. 1 Conceptual framework

II. RESEARCH METHODS

Research Design

The approach used in this research is an associative quantitative approach. This study uses a questionnaire as the primary data collection method. Measurement of respondents' answers to the questionnaire using a Likert scale. In this study, the population was students of management majorclass of 2017, Faculty of Economics and Business who already pass the entrepreneurship courses. The number of samples was 106 respondents.

Operational definition of the variable

Entrepreneurial intention is a determination of management majorstudents to become entrepreneurs in accordance with their goals with the following indicators: High desire to choose entrepreneurship as a career choice; Choosing to like being entrepreneurial rather than working for other people; Have a desire to have a better income through entrepreneurship; Always looking for information about the business

Entrepreneurial motivation is an entrepreneurial motivation for management major students to take entrepreneurial action with persistence, resilience, and full of enthusiasm, creativity, and innovation and resilience when facing difficult challenges to achieve goals and achieve entrepreneurial success with indicators: Entrepreneurial desire; encouragement to take entrepreneurial action; needs; goals

Entrepreneurial Self-Efficacy is the strength of the belief and self-confidence that management major students have that they have the ability to successfully perform their duties and roles as entrepreneurs. Indicators of entrepreneurial self-efficacy are: Having the confidence to manage a business; Able to lead human resources; Have mental maturity in starting a business; Have a firm belief in business success

III. RESULTS AND DISCUSSION

Path analysis in this study uses the IBM SPSS Statistics 26 program. The results of path 1 analysis aim to determine the effect of entrepreneurial motivation on entrepreneurial self-efficacy which is presented in Table 1

Table 1. Sub structural Path Analysis 1

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1,221	,485		2,518	,013
Entrepreneurial Motivation	,891	,034	,931	26,085	,000
R ² : 0,867					

Table 1 indicate, The entrepreneurial motivation variable has a coefficient value of 0.931 and a statistical t value > t table (26.085 > 1.98) or a significance value of 0.000 < 0.05. Thus it can be concluded that entrepreneurial motivation has a positive and significant effect on entrepreneurial self-efficacy. The coefficient of determination (R²) structure 1 aims to determine how much the ability of the entrepreneurial motivation variable to explain the entrepreneurial self-efficacy variable. R Square is 0, 867 or 86.7%. Thus, the entrepreneurial self-efficacy variable can be explained by the entrepreneurial motivation variable of 86.7%, the rest is explained by other variables outside the model.

Table 2. Sub structural Path Analysis 2

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	,060	,481		,124	,902
Entrepreneurial Motivation	,570	,090	,559	6,300	,000
Entrepreneurial Self Efficacy	,429	,095	,402	4,533	,000
R ² : 0,893					
F : 427,755					
Sig. F : 0,000					

Table 2 indicate, The entrepreneurial motivation variable has a coefficient value of 0.559 and a statistical t value > t table (6.300 > 1.98) or a significance value of 0.000 < 0.05. Thus it can be concluded that entrepreneurial motivation has a positive and significant effect on entrepreneurial intentions. The entrepreneurial self-efficacy variable has a coefficient value of 0.429 and a statistical t value > t table (4.533 > 1.98) or a

significance value of $0.000 < 0.05$. Thus it can be concluded that self-efficacy in entrepreneurship has a positive and significant effect on entrepreneurial intentions. The results of the F test show that the calculated F value is greater than the F table of 427,755 ($427,755 > 3.08$) and a significance value of 0,000 ($0,000 < 0.05$). Thus, entrepreneurial motivation and entrepreneurial self-efficacy simultaneously have a significant effect on entrepreneurial intentions. R Square is 0.893 or 89.3%. Thus, the entrepreneurial intention variable can be explained by the entrepreneurial motivation variable and entrepreneurial self-efficacy of 89.3%, the rest is explained by other variables outside the model. The total coefficient of determination is 0.987, thus 98.7% of the student entrepreneurial intention is influenced by entrepreneurial motivation and entrepreneurial self-efficacy variables, while 1.3% is influenced by other factors that are not included in the research model

Sobel Test

$$Z = \frac{ab}{\sqrt{b^2 S_a^2 + a^2 S_b^2 + S_a^2 S_b^2}}$$

$$Z = \frac{(0,891)(0,429)}{\sqrt{(0,429)^2(0,034)^2 + (0,891)^2(0,095)^2 + (0,034)^2(0,095)^2}}$$

$$Z = 4,45$$

The Sobel test results show the z value of 4.45 which is greater than the z table ($4.45 > 1.96$). Thus, entrepreneurial self-efficacy is a mediating variable.

The effects of entrepreneurial motivation on entrepreneurial intentions

The results show that the **hypothesis 1 (H1) was accepted** where the entrepreneurial motivation of students positively and significantly influenced entrepreneurial intentions. Thus the higher the entrepreneurial motivation, the higher the entrepreneurial intention. The results of this study are in line with García-Rodríguez et al. (2016) which states that entrepreneurial motivation has a significant effect on entrepreneurial intentions. Mahendra et al. (2017) stated that entrepreneurial motivation has a significant influence on entrepreneurial intention. Higher motivation is owned by the entrepreneurial self-efficacy of people with a high intention of entrepreneurship. The conditions are different when compared to other than self-employment (workers). Workers have lower entrepreneurial motivation, so their entrepreneurial intentions are also low.

The effect of entrepreneurial motivation on entrepreneurial self-efficacy

The results show that **hypothesis 2 (H2) is accepted** where the entrepreneurial motivation of students positively and significantly affects entrepreneurial self-efficacy, the higher the entrepreneurial motivation, the higher the entrepreneurial self-efficacy of management major students. The results of this study are in line with Barba-Sánchez & Atienza-Sahuquillo (2018) and Shan & Heo (2019) which states that entrepreneurial motivation has a positive effect on entrepreneurial self-efficacy.

The effect of entrepreneurial self-efficacy on entrepreneurial intentions

Based on the results of the study, it shows that **hypothesis 3 (H3) is accepted** where the entrepreneurial self-efficacy of students positively and significantly affects entrepreneurial intentions, the higher the entrepreneurial self-efficacy, the higher the entrepreneurial intention of management major students. In this case, students' entrepreneurial intentions are caused by entrepreneurial self-efficacy, because students have a high enough mental maturity to start a business. The results of this study are in line with Aima et al. (2020) which states that entrepreneurial self-efficacy has a significant effect on entrepreneurial intentions.

Entrepreneurial self-efficacy mediates the effect of entrepreneurial motivation on entrepreneurial intentions

Based on the results of the study, it shows that **hypothesis 4 (H4) is accepted** where entrepreneurial self-efficacy mediates the effect of entrepreneurial motivation on entrepreneurial intentions. Thus the higher the entrepreneurial motivation and entrepreneurial self-efficacy, the higher the entrepreneurial intention of management major students. Entrepreneurial self-efficacy is an important variable that can be a mediator of entrepreneurial intentions (Bellò et al., 2018). Several tests have been successfully carried out on the role of entrepreneurial self-efficacy mediators on entrepreneurial intentions (Zhang & Cain, 2017). Some of these studies place entrepreneurial self-efficacy as a mediator of entrepreneurial intentions in relation to various determinants of entrepreneurial intentions. In the context of the relationship between entrepreneurial motivation and entrepreneurial intentions, entrepreneurial self-efficacy can act as a mediator (Yi & Duval-Couetil, 2018).

The role of entrepreneurial self-efficacy as a mediator in various determinant contexts of entrepreneurial intention has been proven by the findings of previous researchers.

Research Limitations

Based on the research that has been done, there are limitations experienced. This study only discusses entrepreneurial motivation and entrepreneurial self-efficacy as factors that influence entrepreneurial intentions, whereas based on previous studies, there are many other factors that can influence entrepreneurial intentions.

IV. CONCLUSION

Students' entrepreneurial intentions need to be improved by developing student mindsets related to entrepreneurship and involving students in activities related to entrepreneurship. This can be done by holding training to arouse student interest in entrepreneurship. In addition, the entrepreneurship course can include active entrepreneurial activities. Students' entrepreneurial motivation needs to be improved by increasing the needs that can become the basis of students in entrepreneurship. This can be done by training student skills and exploring student potential in entrepreneurship which can be done with workshops and competitions related to entrepreneurship. Entrepreneurial self-efficacy shows that students are still not sure of their ability to take action and are ready to take risks for their decisions later in starting a business. Thus, it requires awareness in students as well as encouragement or support from the campus environment and its surroundings.

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