

The Influence of Subjective Norms, Locus of Control, and Need for Achievement on Entrepreneurial Intentions

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ABSTRACT : Entrepreneurship is seen as a key factor in a country's economic development. Increasing the entrepreneurial intention of the younger generation can help in overcoming unemployment and can improve the country's economy. So that the younger generation can provide jobs and increase the country's competitiveness in national and international markets. This study aims to explain the effect of subjective norms, locus of control, and need for achievement on entrepreneurial intentions. This research was conducted at the Faculty of Economics and Business with 102 respondents. The research data were collected by distributing questionnaires with multiple linear regression analyses. The results of this study indicate that subjective norms, locus of control, and need for achievement have a positive and significant effect on entrepreneurial intentions.

KEYWORDS: *entrepreneurial intention, subjective norm, locus of control, need for achievement*

I. INTRODUCTION

Unemployment and poverty are problems that are often encountered in several countries. One of them, namely Indonesia, the number of poor people and unemployment are still the main problems. This is due to several factors, including the number of people looking for work that is far more than the available jobs. So that indirectly the competition is looking for work is also getting tougher and it results in limited job opportunities for college graduates. With the large number of graduates who are still oriented as job seekers and the large number of workers who want to work in the corporate sector and it is associated with the limited job opportunities available, there will be a buildup of labor, in other words, unemployment at the productive age. Based on the results of interviews with 15 students, was obtained some information that students' intention to be entrepreneurial was still lacking. 10 students prefer to get permanent jobs both as public and private employees rather than opening their own businesses and the remaining 5 people prefer to become entrepreneurs. There are several reasons why students do not become entrepreneurs, among others, students do not dare to take risks, limited capital, do not have the confidence to succeed in entrepreneurship, cannot handle difficult problems, lack experience, do not have the ability to lead an organization, and do not have a family. who are entrepreneurial.

Based on these conditions, one way to overcome unemployment and improve the Indonesian economy is to increase the interest in entrepreneurship in the younger generation. By increasing the interest in entrepreneurship, it is hoped that it will be able to help open up new jobs so that it reduces unemployment and the burden on the state. Entrepreneurial activities are not only incubators of technological innovation, they provide job opportunities and increase competitiveness. Entrepreneurship is increasingly recognized as an important generator of growth, innovation, and especially in the creation of new jobs. At present, entrepreneurship is seen as a key factor in economic and sustainable development. This contributes to the improvement of the country's competitiveness in national and international markets, tackles unemployment as a solution to today's growing problems, and encourages entrepreneurs to bring innovative ideas to the market and achieve their personal growth.

The intention is needed as a first step in starting entrepreneurship. The entrepreneurial intention is a person's determination to become an entrepreneur or to become an entrepreneur (Ermawati et al, 2017). The intention itself can be formed if an individual makes plans to carry out behavior in the future. Entrepreneurial intention is a thought that encourages individuals to create businesses. Activities in entrepreneurship are very much determined by the intention of the individual himself. People don't become entrepreneurs all of a sudden without a certain trigger. To see how much a person's intention to become an entrepreneur, we examine the factors that are considered to influence a person's intention in entrepreneurship, namely subjective norms, locus of control, and need for achievement (Farrukh et al., 2018).

Subjective norms are defined as individual perceptions of existing social pressures to demonstrate or not a behavior. Subjective norms consist of a closed circle, environment or environment, and attributes of the successful entrepreneurs or attributes of successful entrepreneurs (Darmawan & Warmika, 2016). The theory of planned behavior, states that subjective norms are individual perceptions of certain behaviors, which are influenced by significant other people's judgments. According to Jaya & Seminari (2016) that this subjective norm is related to entrepreneurial intentions, where any increase in subjective norms will also have an impact on increasing entrepreneurial intentions. Sarah (2016) states that there is a positive influence on subjective norms on entrepreneurial intentions. Ma'sumah & Pujiati (2018), those subjective norms have a positive and significant effect on entrepreneurial intentions. Pratana & Margunani (2019) also get the same result that subjective norms have a positive effect on entrepreneurial intentions.

Another factor that influences entrepreneurial intentions is the locus of control (Hermawan et al., 2016). Locus of control consists of two constructs, namely internal and external, where the internal locus of control is when someone believes that what happens is always under his control and he always takes a role and is responsible in every decision making, while external locus of control is if someone believes that events in his life were beyond his control. Individuals with an internal locus of control have the perception that the environment can be controlled by themselves so that they can make changes according to their wishes. Meanwhile, people who have an external locus of control believe that something that happens in their life is influenced by forces outside of themselves (Tentama & Abdussalam, 2020).

Adnyana & Purnami (2016) state that locus of control has a positive and significant effect on entrepreneurial intentions. Mayasari & Perwita (2018) the factor that plays a role in influencing entrepreneurial intentions is the internal locus of control. A person with the mental behavior of self-entrepreneurship is required to be able to make decisions and not easily give up on achieving his goals, in other words, if someone wants to be an entrepreneur, will try to achieve these goals without ever giving up. In psychology, this ability is called the Need for achievement (Akhtar et al., 2020). Need for achievement is a learned motive that aims to achieve a standard of success and personal excellence in a particular area (Asmara et al., 2016). The need for achievement will provide positive energy to act or behave confidently in the situation at hand. The low need for achievement in students can also affect entrepreneurial intentions, where students are still not focused on efforts to achieve high achievement and students still look confused about determining the direction and priorities of their career goals. Siregar & Nizma (2017) state that the need for achievement has a positive and significant effect on entrepreneurial intentions.

H1: Subjective norms have a positive and significant effect on entrepreneurial intentions

H2: Locus of control has a positive and significant effect on entrepreneurial intention

H3: Need For Achievement has a positive and significant effect on entrepreneurial intentions

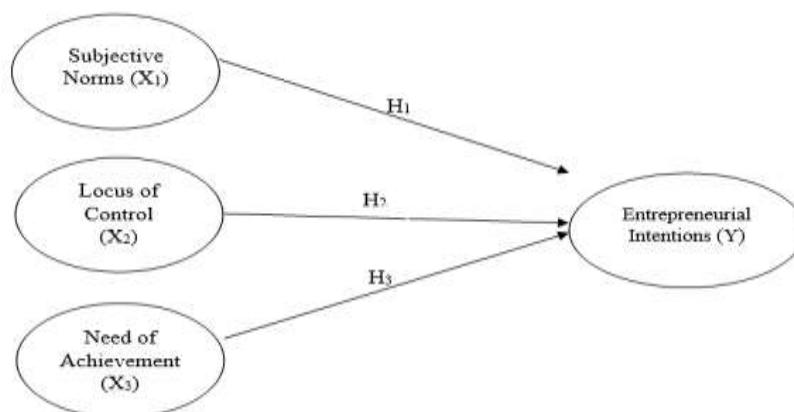


Fig. 1 Conceptual framework

II. RESEARCH METHODS

This study used an associative causality research design. Associative research is a causal relationship that asks about the relationship between two or more variables. Some are causes and some are effects. It is said so because this study discusses the influence of subjective norms, locus of control, and need for achievement on entrepreneurial intentions. The research instrument in this study was a questionnaire that was distributed directly to respondents. In this scale research, the measurement scale used is the Likert scale. The population in this study were students of the Faculty of Economics and Business at a university in Bali, Indonesia class of 2017 and 2018. This study has 17 assessment indicators, so the number of samples that can be taken in this study is

102 respondents. The sample figure is obtained from 17 indicator points multiplied by 6, so the results are 102 respondents. 102 respondents were used because of limited time and energy and this number was sufficient to meet the requirements for multivariate analysis. The data collection methods used in this study were interviews and questionnaires.

Entrepreneurial Intentions

Entrepreneurial intention is the determination of students to become entrepreneurs or to become entrepreneurs. As for the indicators of entrepreneurial intentions: Choosing the entrepreneurial path rather than working for people; Choosing a career as an entrepreneur; Planning to start a business

Subjective Norms

Subjective norms are the belief in the support obtained around the students of the Faculty of Economics and Business, such as gender roles, family, friends, personal experiences around being able to influence entrepreneurial intentions. subjective norm indicators: Belief in the role of the family in starting a business; Friend support confidence in business; Confidence support from lecturers; Confidence of support from successful entrepreneurs; Support confidence in the endeavors of people who are considered important

Locus of Control

Locus of control is the belief that students have in the source of the events that occur in their life. Locus of control refers to a measure that shows how a person can face difficulties and challenges in any activity. The locus of control indicators are: Confidence that all results have been achieved; The belief that leadership is very dependent on ability; The success that comes from working hard alone; An achievement that is not a luck event

Need for Achievement

Need for achievement can also be interpreted as the desire to complete a task with a target more effectively. Someone who has a high need for achievement will tend to set goals that are quite difficult, make decisions that are riskier, and require feedback from their performance. indicators that measure need for achievement: Need for achievement; Willingness to take responsibility; Fear of failure; Ability to overcome obstacles or constraints; Willingness to accept criticism and input from others

III. RESULTS AND DISCUSSION

The data analysis used in this study is multiple linear regression analysis using the SPSS (Statistical Package for Social Science) application. This model is used to determine the extent of the relationship between the dependent variable and the independent variable either simultaneously or partially.

Table 1.

Recapitulation of Multiple Linear Regression Analysis Results and Model Feasibility

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0,034	0,096		0,357	0,722
Subjective Norms (X1)	0,262	0,127	0,256	2,056	0,042
Locus of Control (X2)	0,426	0,079	0,437	5,397	0,000
Need for Achievement (X3)	0,293	0,127	0,291	2,311	0,023
R Square					0,879
F - count					502,049
Sig. F					0,000

Locus of control is the variable with the greatest influence on entrepreneurial intentions. R square has a value of 0.879. This means that 87.9 percent of student entrepreneurial intention variations can be explained by subjective norm variables, locus of control, and need for achievement, while the remaining 12.1 percent is explained by other factors outside the model. When viewed based on the F test, it is obtained a significance value of 0.000 < 0.05, this model is said to be feasible. This proves that the subjective norm (X1), locus of control (X2), and need for achievement (X3) simultaneously affect the entrepreneurial intention (Y) of students of the Faculty of Economics and Business. F-count (502.049) > F-table (2.70) and a significance level of 0.000

<0.05 have been obtained. Based on the values that have been obtained, then H_0 is rejected and H_1 is accepted. So it can be concluded that the subjective norm (X1), locus of control (X2), and need for achievement (X3) simultaneously have a positive and significant effect on entrepreneurial intention (Y) students of the Faculty of Economics and Business

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Based on the results of the significance of the test statistical calculation of $0.042 < 0.05$, **H_1 is accepted**. This shows that subjective norms have a positive and significant effect on the entrepreneurial intentions of students of the Faculty of Economics and Business. Then the β_1 coefficient of 2.056 shows that along with the increased assessment of subjective norms from students, it will also increase the entrepreneurial intention of students of the Faculty of Economics and Business. Students believe that running a business requires support from someone who is considered important, students also believe that family plays a role when starting a business, and students believe that the support of friends is needed when running a business. The results of this study are also in line with Bhuyan & Pathak (2019)

The Influence of Locus of Control on Entrepreneurial Intentions

Based on the results of the significance of the test statistical calculation of $0.000 < 0.05$, then **H_2 is accepted**. This shows that the locus of control has a positive and significant effect on the entrepreneurial intentions of students of the Faculty of Economics and Business. Then the β_2 coefficient of 5.397 shows that along with the increased assessment of the locus of control from students, it will also increase the entrepreneurial intention of students of the Faculty of Economics and Business. The results of this study are supported by previous studies. In the research results of Anra et al. (2020); Kurjono et al. (2020); Auna (2020); Isma et al. (2020); Islam (2019) state that locus of control has a positive and significant effect on entrepreneurial intentions.

The Influence of Need For Achievement on Entrepreneurial Intentions

Based on the results of the significance of the test statistical calculation of $0.023 < 0.05$, then **H_3 is accepted**. This shows that the need for achievement has a positive and significant effect on the entrepreneurial intentions of students of the Faculty of Economics and Business. Then the β_3 coefficient of 2,311 shows that along with the increased assessment of the need for achievement of students, it will also increase students' entrepreneurial intentions. Students are willing to accept criticism and input from others, students are willing to accept given responsibility, and students prefer to achieve realistic goals. The results of this study are also in line with Kusumawijaya (2019); Baidi & Suyatno (2018); Utari & Sukidjo (2020); Fazlurrahman (2020); Bharanti (2016) found that the need for achievement has a positive and significant effect on entrepreneurial intentions

Research Limitations

The research scope only covers students of the Faculty of Economics and Business, so it cannot describe students' entrepreneurial intentions in general. The COVID-19 pandemic made it difficult to distribute questionnaires directly to respondents so that the distribution of questionnaires was carried out using the google form. According to researchers, it would be better to distribute questionnaires directly to respondents than to distribute them via a google form. This research is only conducted at a certain point in time (cross-section), while the environment will change every time, so it is necessary to carry out research again in the future.

IV. CONCLUSION

Based on the results of research analysis and discussion in the previous chapter, this study concludes that subjective norms have a positive and significant effect on students' entrepreneurial intentions. This shows that if the support from people closest to students to become entrepreneurs is getting bigger and more positive, then the student's intention to become entrepreneurial will also increase. Locus of control has a positive and significant effect on the entrepreneurial intentions of students of the Faculty of Economics and Business. This shows that if the higher the belief, trust, hard work, and abilities that are in students, then the student's intention to be entrepreneurial will also increase. Need for achievement has a positive and significant effect on the entrepreneurial intentions of students of the Faculty of Economics and Business. This shows that if the need for achievement in student entrepreneurship is getting better, then the student's intention to be entrepreneurial will also increase. Suggestions that can be given to lecturers to be more supportive and motivate students in doing business. Suggestions that can be given to the Faculty of Economics and Business to introduce students to student activities that are especially related to entrepreneurship such as entrepreneurship seminars to increase self-confidence and motivate students in entrepreneurship. Suggestions that can be given to students are that students should consult or tell about what obstacles are being passed to the closest people or people who can be trusted by the students.

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