

# The Entrepreneurial Motivation through Locus of Control and Social Interaction

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**Abstract**—The main problem that is the study of this research is low motivation of entrepreneurial in vocational students. This is because vocational school graduates are ready to work in the business world. The purpose of this study was to determine the effect Locus of Control and Social Interaction on entrepreneurial motivation. The grand theory of this research is the achievement motivation of Mc Clelland. The research method used is Explanatory Survey Method. Research samples taken from the population of vocational high school students in Bandung City were 340 responden from various clusters. Data collection uses a Likert scale questionnaire. After testing the validity and reliability then data analysis is carried out. Data processing techniques used regression. The results showed that the Locus of Control and Social Interaction simultan had a positive influence on Entrepreneurial Motivation. Locus of control has the most influence on Entrepreneurial Motivation. Based on the results of the study it is recommended for parents to guide the beliefs held by students to increase students' entrepreneurial motivation.

**Keywords**—*entrepreneurial motivation; locus of control; social interaction*

## I. INTRODUCTION

Some important factors that can be identified for someone in opening a business that is personal concerning one's personality, sociological concerns about relationships with family, friends, and the environment concerning the relationship with the environment [1]. Locus of control is one of the internal aspects in identifying entrepreneurial motivation, this is because locus of control is a personality dimension in the form of continuum from internal to external can change, has a continuous nature [2]. High individual internality will be accompanied by weakening externalities, and vice versa [3]. Therefore, locus of control locus of control is one personality variable that is defined as an individual's confidence in the ability to control fate. Likewise, with the aspect of relations, in which there is communication, both in family, friends and the environment. Entrepreneurship really needs the ability to communicate. In social interaction there is a relationship between individuals one with individuals, one individual can influence the other individual or vice versa, so that there is a reciprocal relationship. This relationship can occur between individuals and individuals, individuals with groups or groups with groups [4]. Therefore, social interaction is very important in motivating entrepreneurship.

The results of the study state that entrepreneurial motivation is influenced by the driving factors that come from within him, such factors as self-confidence [5,6], self-efficacy [7]. As a result of learning as an external factor, entrepreneurial motivation is influenced by the family environment [8], parental support [9,10] while in school, teachers can provide encouragement through entrepreneurial learning to increase entrepreneurial motivation for their students by connecting between activities practice with entrepreneurship [11]. Research conducted by Martin and Laing, shows that learning outcomes will build motivating attitudes and values for entrepreneurship [12]. While the study of Lee et al. the results show that there is a reciprocal relationship between competence and motivation, the greater the entrepreneurial competence, the greater the motivation for entrepreneurship [13]. The study conducted by Putranto states that there is a relationship positive and significant between social interactions within the family with the achievement of learning Geography of Class X Students of Public High School I Pati [14]. Likewise, Sri Mulyono research states that there is a relationship between Locus of Control and achievement motivation in ITS students [15]. The above research does not specifically examine locus of control and social interaction on entrepreneurial motivation, even though these factors are very important in shaping entrepreneurial motivation. Because there is nothing in the study that discusses the personality aspects and communication relations specifically, the purpose of this study was to examine the locus of control and social interaction on entrepreneurial motivation carried out on vocational students in the city of Bandung.

The internal aspect that has not been widely studied is locus of control. A person with an internal locus of control has a perception that the achievement achieved, whether success or failure comes from within himself. They have the perception that if they want to achieve success they must do business. Conversely, someone with an external locus of control does not like to try because they believe that the successes and failures experienced are determined by fate, luck, or things that come from outside in themselves. Therefore, locus of control is a driving factor for entrepreneurship [16]. Locus of Control refers to Julian Rotter's opinion point is the belief that someone has about the causes of success and failure that occurs because of internal factors or external factors and represent two ends of the continuum rather than separate) [17].

In the context of learning, student communication is very important. Social interaction is an important aspect for students in learning. Social interaction is the relationship between one individual and another individual, one can influence another individual or vice versa, so there is a reciprocal relationship [18]. “The process of relating dynamic and mutual influences between people” [19]. The relationship between two or more individual human individuals that influence, change, or improve the behavior of other individuals, or vice versa. In relation to gender, it turns out that there are significant differences between male and female entrepreneurship. There are variations in the size of the gender gap between countries with the same level of development and wealth [20]. Women's participation in entrepreneurship is also one of the lowest in the world: more than two thirds of businesses in MENA region are founded by men [21]. Men also disproportionately are more likely to create innovation, growth-oriented organizations than women [22]. Based on the description above, the hypothesis in this study is 1) Locus of control and social interaction have a positive effect on entrepreneurial motivation 2) There are differences in entrepreneurial motivation in terms of gender.

**II. METHOD**

This research is a type of verification research, with explanatory survey method. The study population was students of vocational schools in Bandung City as many as 290 respondents. The sample size of the population is 167 respondents with the formulation of Taro Yamane the variables in this study are Entrepreneurial Motivation (IB) as the dependent variable (Y) [23]. Entrepreneurial motivation refers to the theory of achievement from Mc Clelland, with indicators of the need for achievement, power needs and affiliated needs. Locus of Control (LC) () as an independent variable refers to Julian Rotter's opinion with indicators [24]: confidence, hard work, achievement and external factors. Social Interaction (IS) (), as an independent variable refers to with indicators [25]: cooperation, conformity and integration. Data collection tools used in this study were questionnaires constructed in three types of questionnaires including locus of control questionnaire, social interaction and entrepreneurial motivation. All questionnaires were measured on a Likert scale. The results of the validity test showed a locus of control questionnaire of 14 items, 12 items of social interaction and 11 items of entrepreneurial motivation. Similarly, all variables are in a reliable condition. Data analysis was carried out through description analysis which is to describe variables that affect the dependent variable both quantitatively and qualitatively. Then hypothesis testing is performed on the observed variables. Before testing the hypothesis, normality is first tested. The formula used to test the hypothesis is regression to determine the influence between locus of control and simultaneous social interaction on entrepreneurial motivation. While to show differences in entrepreneurial motivation seen from gender, different test is used (t test).

**III. RESULT**

The results of descriptive analysis of each of the variables studied are shown in the following table 1:

**TABLE I. DESCRIPTIVE ANALYSIS OF RESEARCH VARIABLES**

locus of control indicator	%		average
Self confidence	75,12	high	73,72 (high)
Hard work	75,48	high	
Like to achieve	73,05	high	
external factors	74,49	high	
Social Interaction indicator	%	Ket	
collaboration	75,71	high	75,47 (high)
conformity	75,21	high	
Mix	75,51	high	
Entrepreneurial motivation indicator	%	Ket	
Achievement need	51,9	Low	64,7 (medium)
Power need	72,4	high	
Affiliation need	69,7	high	

Empirical locus of control with indicators: (1) Confidence, 4 items, (2) hard work, 4 items (3) achievement, 3 items, (4) external factors as much as 3 items. Based on the calculation shows the locus of control is 75.30% in moderate conditions. The highest indicator is hard work amounting to 75.48%, the lowest retail indicator is achievement of 73.05%. Empirical description of social interaction is translated into indicators (1) cooperation, 4 items, (2) conformity, 4 items, (3) integration, 4 items. Based on calculations showing social interaction of 75.47 in high conditions, the highest indicator is cooperation of 75.71% while the lowest indicator is a match of 75.21%. Empirical description of Entrepreneurial Motivation is translated into indicators (1) need for achievement, 4 items, (2) needs of power, 4 items and affiliate needs as much as 3 items, based on calculations shows entrepreneurial motivation is 64.7 in moderate conditions, while the highest indicator is the need for power of 72.4% while the lowest indicator is the need for achievement of 51.9%. Based on the testing criteria and table 4.6 it appears that the significance value or probability of the population is 0.200 and 0.101 respectively. The significance value is greater than 0.05, thus according to the Kolmogorov-Smirnov test statistic, the two samples come from populations that are normally distributed.

**TABLE II. REGRESSION TEST LOCUS OF CONTROL AND SIMULTANEOUS SOCIAL INTERACTION TO ENTREPRENEURIAL MOTIVATION**

Model	R	R Square	Adjusted R Square	Sig. F Change
1	.645 <sup>a</sup>	.416	.408	0,00
<sup>a</sup> Predictors: (Constant), X.2, X.1				
<sup>b</sup> Dependent Variable: Y				

Based on the table 2, it can be seen the results of the calculation of multiple correlations between locus of control variables and social interaction on entrepreneurial motivation of 0.645 and the probability value ( [Sig.F] \_change) = 0,000. Because the value of the decision is [Sig.F] \_change <0.05, locus of control and social interaction have a simultaneous strong relationship to entrepreneurial motivation. Thus, it can be indicated that locus of control and social interaction influence entrepreneurial motivation. If the locus of control and social interaction of vocational student's increase, the entrepreneurship motivation of vocational students will also increase, and vice versa.

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TABLE III. DIFFERENT TEST

Paired Samples Test				
		t	df	Sig. (2-tailed)
Pair 1	VAR X.1 – VAR X.2	-1,080	69	,284

Based on the table 4, it appears that the probability value ( [Sig.F] \_change) = 0.284. Because the value of the decision is "Sig.F" \_change > 0.05, there are differences in the motivation of vocational student's entrepreneurship seen from gender.

IV. DISSCUSSION

Based on the results of the analysis of the data obtained the results of descriptive analysis, locus of control variables in high conditions, with the highest indicator is hard work by 75.48% and the lowest is less like achievement (73.05%). Social interaction in high conditions (75.47). The highest indicator is cooperation (75.71%) while the lowest indicator is conformity (75.21%). The condition of entrepreneurship motivation as a whole in moderate condition is 64.7%. The highest indicator is the need for power of 72.4% while the lowest indicator is achievement (51.9%). The following is inferential analysis of the effect of locus of control and social interaction on entrepreneurial motivation. First, locus of control has a positive relationship with entrepreneurial motivation (r = 0.326), the higher the locus of control, the higher the motivation for entrepreneurship. Entrepreneurship motivation variables can be explained by the influence of locus of control variables by 10.63%. This means that the locus of control is an important variable to be considered in explaining the motivation variable entrepreneurship. The locus of control represents the degree to which individuals believe that their achievements depend on their own behavior. Individuals who have an interest assume that achieving goals or objectives depends more on their own abilities and actions, rather than on luck or effort of others [26]. Many ways that can be applied to develop and enhance locus of control, to entrepreneurial motivation can be done several things including a student must be sure that the business that will be run will be successful and must be prepared with the business risks that will be faced. Even though someone is motivated by people in the surrounding environment, but without the willingness to change their views about the reality of life that entrepreneurship can help foster national stability, especially economic growth, entrepreneurship motivation will not be realized. With the increasing number of entrepreneurs expected to be able to create jobs and are expected to help reduce the number of unemployed. This is consistent with the results of research by Brockhaus suggesting a positive correlation between orientation to locus of control and entrepreneurial success [27]. Their conclusion, reinforces how the focus of control can distinguish successful and unsuccessful

entrepreneurs [28]. Robinson et al. stated that internal control of entrepreneurial behavior has a positive influence and most students who receive entrepreneurial formation can develop a higher level of control and efficiency [29]. Second, Social interaction has a positive relationship with entrepreneurial motivation (r = 0.485), meaning that the higher the social interaction, the higher the entrepreneurial motivation. Entrepreneurship motivation variables can be explained by social interaction of 23.52%, meaning that social interaction is an important variable to be considered in explaining entrepreneurship motivation variables. According to Indarti, three environmental factors are believed to influence entrepreneurship, namely their access to capital, information and the quality of social networks they have [30]. Social interaction is an effort to form a social network in entrepreneurship. The higher social interaction, the stronger the social network in entrepreneurship. Therefore, social interaction can increase a person's motivation in entrepreneurship. Mazzarol et al. stated that social networks influence entrepreneurial motivation [31]. A social network is defined as a relationship between two people which includes a) communication or delivery of information from one party to another; b) exchange of goods and services from two parties; and c) normative content or expectations that someone has for others because of the specific characters or attributes. Likewise, according to Kristiansen who explained that social networks consist of formal and informal relations between the main and supporting actors in a related circle and describe the pathway for entrepreneurs to gain access to the resources needed in the establishment, development and success of business [32]. Third, locus of control and social interaction together influence entrepreneurial motivation, which is stated at a price of R2 = 0.364, meaning that increased entrepreneurial motivation which is a dependent variable can be predicted through independent variables, namely locus on control and social interaction. A high locus of control will be seen from the life behavior of students who work hard, responsible, resilient and independent. These elements if owned by students will be very helpful in carrying out daily work such as doing services, trade or manufacturing activities. In addition to being competent because of mastering the knowledge they have, also with the values of entrepreneurship will be a driving force in conducting various business activities. High social interaction is not only measured by quantitative values but supported by entrepreneurial values. The success of college is one of the indicators is that students have good learning achievement. The learning outcomes can only be obtained with maximum effort and creative thinking that produces high creativity. Creative thinking is a form of thinking to find answers, methods, new ways of responding to a problem to solve a problem. Creative thinking is closely related to students' creativity in achieving academic achievement in college. Creative thinking produces new thoughts, new ideas, new works, and finds new ways to solve existing problems and problems. To improve creativity, it is necessary to have a perspective in managing knowledge. By using the above reasoning it can be expected that students who have a high and positive locus of control and social interaction will have high entrepreneurial motivation. Nevertheless, there are several indicators that must be increased in this study. Locus of control variables that must be improved are likes to

achieve. Variables Social interaction that must be improved is the suitability and motivation indicators of entrepreneurship that must be improved is the need for achievement.

## V. CONCLUSION

The results showed that the Locus of Control and Social Interaction simultan had a positive influence on Entrepreneurial Motivation. Lotus of control has the most influence on Entrepreneurial Motivation. Based on the results of the study it is recommended for parents to guide the beliefs held by students to increase students' entrepreneurial motivation

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