

Effect of Entrepreneurship Education, Family Environment and Self-Efficacy on Students Entrepreneurship Intention

Agriana Sandi*, Mafizatun Nurhayati

Program Study of Management S1

University of Mercu Buana

Jakarta, Indonesia

*Iansandy7@gmail.com

Abstract—This study aims to analyze the effect of entrepreneurship education, family environment and self-efficacy on the interests of student entrepreneurship. The population in this study were 365 students of Management at the University of Mercu Buana Jakarta. The sample used was 191 respondents, calculated based on Slovin formula. The sampling method uses convenience sampling. The method of collecting data uses a survey method, with the research instrument being a questionnaire. Data analysis method uses Partial Least Square. This study proves that entrepreneurship education does not significantly influence the interest of student entrepreneurship. The family environment does not significantly influence the interest in student entrepreneurship. Self-efficacy has a positive and significant effect on the interest of student entrepreneurship.

Keywords: *entrepreneurship education, family environment, self efficacy, entrepreneurship interest*

I. INTRODUCTION

Unemployment is a problem that is a big challenge for the Indonesian government. The amount fluctuates each year. Even undergraduate contribute quite high numbers. This shows that higher education does not insure that someone will get a job. According to Dharmawati, so far graduates of bachelor can be symbolized as frog in a shell. This means that in their minds only one option is embedded after finishing college, which is looking for work. Even though there are many other things that can be done to be successful after graduation, one of them is by creating a job, namely by becoming an entrepreneur [1].

Entrepreneurship can be an option when it is difficult to get a job. The more entrepreneurs will improve the economy of a country. Interest in entrepreneurship should be instilled the millennial students. However, despite many programs launched by the government and universities to increase interest in entrepreneurship, in fact this had not been able to increase interest in student entrepreneurship.

According to Mustaph and Selvaraju, the university should play its role to motivate students to provide the necessary training and instil more positive attitude of students towards entrepreneurship [2]. While Fazira et al. argue that educational institutions and the government must join hands to provide programs and funding for students to produce graduates who

are innovative, take risks and never give up easily when faced with obstacles in starting a business [3].

Another factor to increase interest in entrepreneurship is the family environment. According to Safi'i et al. family environment, especially parents, plays an important role as a guide for the future of their children, so that parents can indirectly influence the interest in work for children in the future, including in terms of entrepreneurship [4]. In addition, interest in entrepreneurship grows based on self-efficacy in a person. According to Bandura, self-efficacy is based on individuals' self-perception of their skills and abilities to accomplish a course of action or to achieve a desired outcome [5].

This article aims to determine the effect of the contextual, environmental, and personal factors of students on the interest in entrepreneurship so that it can be a reference to increase students' interest in entrepreneurship.

II. METHOD

The paradigm of this research is quantitative. The population used was 365 students of Management at the University of Mercu Buana Jakarta. The sample used was 191 students, calculated based on Slovin formula. The sampling method uses convenience sampling. The method of collecting data uses a survey method, with the research instrument being a questionnaire.

The data analysis method in this study uses Component or Variance Based Structural Equation Modelling wherein the data processing uses the Partial Least Square (Smart-PLS) program. PLS (Partial Least Square) is a model of variance based SEM. PLS is intended to cause causal analysis in situations of high complexity and low theoretical support [6].

III. RESULTS AND DISCUSSION

A. Convergent Validity

The indicator is said to have good validity if it has a value of 0.70. Based on these criteria, if there is a loading factor below 0.70 then it will drop from the model.

TABLE I. RESULT CONVERGENT VALIDITY

	Entrepreneurship Education	Family Environment	Self-Efficacy	Entrepreneurship Intention	Explanation
EE1	0,815				Valid
EE2	0,716				Valid
EE3	0,736				Valid
FE1		0,476			Not Valid
FE2		0,754			Valid
FE3		0,742			Valid
FE4		0,768			Valid
SE1			0,783		Valid
SE2			0,837		Valid
SE3			0,765		Valid
EI1				0,755	Valid
EI2				0,850	Valid
EI3				0,827	Valid

Source: Result of output PLS

The result of the Convergent Validity test in Table 1 above shows that FE1 indicator has a loading factor value below 0.70 (not significant) so that the indicator will be dropped from the model for modification of the model.

B. Discriminant Validity

Testing discriminant validity, reflective indicators can be seen in cross loading between indicators and their constructs. An indicator is declared valid if it has a greater loading factor than other constructs. Thus, latent constructs predict indicators on their blocks better than other block indicators.

TABLE II. RESULT TEST DISCRIMINANT VALIDITY (CROSS LOADING)

	Entrepreneurship Education	Family Environment	Self-Efficacy	Entrepreneurship Intention
<i>EE1</i>	0,815	0,249	0,394	0,333
<i>EE2</i>	0,716	0,227	0,323	0,212
<i>EE3</i>	0,737	0,304	0,240	0,238
<i>FE2</i>	0,206	0,753	0,351	0,336
<i>FE3</i>	0,303	0,785	0,356	0,260
<i>FE4</i>	0,304	0,816	0,393	0,288
<i>SE1</i>	0,385	0,305	0,783	0,464
<i>SE2</i>	0,383	0,429	0,837	0,434
<i>SE3</i>	0,244	0,389	0,765	0,396
<i>EI1</i>	0,281	0,279	0,389	0,756
<i>EI2</i>	0,246	0,336	0,479	0,850
<i>EI3</i>	0,339	0,309	0,453	0,827

Source: Result of output PLS

From the results of data processing shown in table 2 shows that latent constructs predict indicators on their blocks better than other block indicators. From the results of the cross loading analysis it appears that there are no problems with discriminant validity.

C. Composite Reliability and Cronbach Alpha

Testing composite reliability and Cronbach alpha aims to test the reliability of the instrument in a research model. Or measure internal consistency and the value must be above 0.60. If all the values of the latent variables have composite reliability and Cronbach alpha values 0.70 it means that the construct has good reliability or the questionnaire used as a tool in this study has been reliable or consistent.

TABLE III. RESULT TEST COMPOSITE RELIABILITY DAN CRONBACH'S ALPHA

Variable	Cronbach's Alpha	Composite Reliability	Explanation
Entrepreneurship education	0,638	0,801	Reliable
Family environment	0,692	0,828	Reliable
Self efficacy	0,710	0,838	Reliable
Entrepreneurship intention	0,741	0,853	Reliable

Source: Result of output PLS

The results of the Cronbach's Alpha test also show quite satisfactory values. So that it can be interpreted that the construct has good reliability or the questionnaire used as a tool in this research has been consistent.

D. Testing Hypothesis

The testing is done with the bases of data management result by using program PLS (Partial Least Square) in which estimation value for raw relation in structural model must be significant. Significant value can be obtained with the procedure of bootstrapping. In the result of the testing showed whether all the raw analysed showed significant result, it's seen from the result of Original Sample and the t-statistics. To test the proposed hypothesis, we can see the value of T-table in alpha 0,05 (5%) = 1,96, then compare T-table with T-statistics.

TABLE IV. RESULT OF HYPOTHESIS TESTING

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Expalnation
ED → EI	0,125	1,950	0,052	Hypothesis rejected
FE → EI	0,138	1,773	0,077	Hypothesis rejected
SE → EI	0,426	6,347	0,000	Hypothesis accepted

Source: Result of output PLS

Based on the results of statistical calculations, it can be concluded that entrepreneurship education does not affect the interest in entrepreneurship in Management students at the University of Mercu Buana. This shows that entrepreneurship education received by students is not followed by the growing interest in entrepreneurship in students. Entrepreneurship programs presented have not been able to change the views of students towards the world of entrepreneurship.

Based on loading factors, curriculum indicators provide the greatest contribution in entrepreneurship education, and should have a significant effect on the interest in entrepreneurship. However, entrepreneurship education does not affect the interest in entrepreneurship. This is possible because the entrepreneurship education curriculum has not run optimally. Students come only limited to listening to the material presented by the lecturer, while in practice it is still lacking.

To encourage entrepreneurship among students, entrepreneurship skills training can be incorporated into the curriculum and developed in business management subjects [7]. Millennial students must be challenged to move their interest in entrepreneurship. Just listening to the material presentation tends to make students feel bored. It would be more interesting if the university invited entrepreneurial practitioners and start-ups to be present to share experiences during the business world. That will make students more interested than listening to obsolete theories.

In addition to entrepreneurship education, the family environment is concluded to have no influence on the interest in entrepreneurship in Management students at the University of Mercu Buana. The family background that is entrepreneurial is apparently not enough to increase interest in student entrepreneurship. Many students who view becoming professional employees are more respected than entrepreneurs who are full of challenges. Students tend to take more realistic decisions. Addressing this mindset is a challenging task that must be addressed at a societal level to achieve an increased level of entrepreneurship [8].

Based on the loading factor, the indicator of relations between families has the biggest contribution in measuring the family environment, the family environment should have an influence on the interest in entrepreneurship, especially in the indicator of self-prediction. The result illustrates that a good relationship between families will not insure that it will influence students' interests. There must be another approach than just an inter-family relationship that makes support from parents, will add motivation in his soul to wrestle the business world.

The thing that improves from this research is an indicator of the family's economic condition is not an appropriate measurement tool to measure the family environment, so it is not analysed. This shows that interest in entrepreneurship will not grow only by having enough economy. Even many young entrepreneurs who set up businesses only with minimal capital. But the interest in entrepreneurship can be executed if students have the courage to take risks and change their paradigm about becoming office employees more respected than entrepreneurs.

Self-efficacy has a positive effect on the interest in entrepreneurship in Management students at Mercu Buana University. This shows that the higher student's confidence in his ability, the higher interests of student entrepreneurship.

Based on the loading factor, the generality indicator has a large influence on self-efficacy, causing interest in entrepreneurship to increase. This can be illustrated by the high contribution of self-predictive indicators to interest in entrepreneurship. Therefore, students are well aware and understand the abilities they have in entrepreneurship so as to give rise to self-predictions for planning a business in the future. That confidence can continue to increase when students venture to go directly into entrepreneurship programs. That way their experience will get richer and student self-efficacy will be higher. Of course this will have an impact on the interest in entrepreneurship.

IV. CONCLUSION

The results of this study indicate that entrepreneurship education and family environment does not affect the interest in entrepreneurship. While self-efficacy affects the interest in entrepreneurship. Development of curriculum related to entrepreneurship must be carried out in line with the development of the era. Entrepreneurship programs must be packaged as attractive as possible to make students interested. But that is not enough, the family environment must encourage students to change the mindset of jobseeker to become a jobmaker.

REFERENCES

- [1] M. Dharmawati, *Kewirausahaan*. 1. Depok: RajaGrafindo Persada, 2016.
- [2] M. Mustapha and M. Selvaraju, "Personal Attributes, Family Influences Entrepreneurs-hip Education and Entrepreneurs-hip Inclination Among University Students," *Jurnal Kajian Malaysia*, vol. 33, pp. 155-172, 2015.
- [3] S.F. Fazira, A.A. Mamun, Noorshella, N.N. Azwin and M. Nazri, "Factor Affecting Entrepreneurial Intention Among The Malaysian University Students," *The Journal of Developing Areas*, vol. 51, 2017.

- [4] M.E.N. Syafii, Murwatningsih and S.D.W. Prajanti, "Pengaruh Pengetahuan Kewirausahaan, Lingkungan Keluarga dan Kepribadian Wirausaha terhadap Minat Berwirausaha Siswa Kelas XII Se-Kabupaten Blora," *Journal of Economic Education*; ISSN 2252-6889, 2015.
- [5] A. Bandura, *Self-efficacy: The exercise of control*. BOOK, Macmillan, 1997.
- [6] I. Ghozali, *Aplikasi Analisis Multivariate Dengan Program IBM SPSS21 Update PLS Regresi*. Semarang: Badan Penerbit Universitas Diponegoro, 2014.
- [7] V. Barba-Sanchez and Atienza-Sahuquillo, *Entrepreneurial intention among engineering students: The role of entrepreneurship education*. *Eropean Research on Management and Business Economics*, 2018.
- [8] A. Zurriaga-Carda, K. Kageyama and K. Akai, "Effect of Risk Attitude, Entrepreneurship Education and Self-Efficacy on Entrepreneurial Intentions: A Structure Equation Model Approach to Entrepreneurship," *International Review of Management and Business Research*, vol. 5 issue 4, 2016.