

## The Effect of Parents Socioeconomic Status, Adversity Quotient, and Self-Efficacy, on Students' Entrepreneurship Interest

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### Abstract

This study aims to analyze 1) The influence of parents' socioeconomic status on entrepreneurship interests of Senior Vocational High School 2 (SMK N 2) students in Padang, 2) The influence of adversity quotient on entrepreneurial interests of SMK N 2 students in Padang, 3) The effect of self-efficacy on entrepreneurial interests of SMK N 2 students Kota Padang, 4) The influence of parents' socioeconomic status on entrepreneurial interests mediated by self efficacy, 5) The effect of adversity quotient on entrepreneurial interests mediated by self efficacy. The population in this study were students of class X and XI SMK N 2 Padang City. with a sample of 263 respondents. Field surveys by distributing questionnaires were conducted to collect data. The data obtained were analyzed using Structural Equation Modeling (SEM) with Smart PLS 3. The results showed that 1) The influence of parents' socioeconomic status had a significant effect on entrepreneurial interest in students of SMK N 2 Padang, 2) Adversity quotient had a significant effect on student entrepreneurial interest SMK N 2 Padang, 3) Self efficacy has a significant effect on the entrepreneurial interest of students of SMK N 2 Padang, 4) The influence of parents' socioeconomic status on entrepreneurial interest mediated by the self efficacy of SMK N 2 Padang students, 5) The influence of adversity quotient of entrepreneurial interest mediated by the self-efficacy of students of SMK N 2 Padang.

**Keywords:** *parents socioeconomic status, adversity quotient, self-efficacy, interest of entrepreneurship*

### Introduction

As a developing country, unemployment is a problem that becomes a serious variable that must be considered by the government, by optimizing all related elements, be it infrastructure, human resources, ect. The development of an increasingly advanced era requires humans to be fully independent in meeting their every need in life. Increasingly competitive competition in filling existing jobs, as well as an imbalance between the number of new labor offers from various levels of education, but the number of job opportunities offered is small, each graduate must be able to create new opportunities in ensuring their survival.

In this case the educational institution has an important role in anticipating an increase in unemployment by preparing every reliable graduate, not only ready to fill existing jobs but also able to create new jobs. In other words, through the education process, each graduate must be equipped with the knowledge and character of entrepreneurship that is expected to be a trigger for the emergence of new entrepreneurs who encourage the creation of new jobs. According to (Frinces, 2010) one way to reduce unemployment is to develop entrepreneurial spirit. Khairani (2014: 1) says that entrepreneurship is the right alternative in improving the economy and has contributed to creating jobs for themselves and for others. The responsibility of resolving the above problems is borne by the Vocational High School (SMK) which has considerable opportunities to participate in building an economic system by utilizing the stages of adolescent development, educating students to be interested in becoming entrepreneurs.

Judging from the level of education in February 2018, TPT (Vocational High School (Vocational School) is the highest from other education levels at 8.92 percent. The next highest TPT is Diploma I / II / III at 7.92 percent. In other words, there is labor supply that is not absorbed at the level of vocational education and

Diploma I / II / III Those who have low education must accept any job, it can be seen from the TPT elementary school and below the smallest of all levels of education that is equal to 2.67 percent. Past conditions, the increase in TPT occurred at the educational level of Diploma I / II / III, University, and High School, while TPT at other levels of education increased

**Table 1. TPT based on Padang City Education Level 2015**

| Higher Education Completed              | Open unemployment 2015 | Number of labor force 2015 | PERCENTAGE  |
|---|------------------------|----------------------------|-------------|
| Never / Never Attended School           | 0                      | 1453                       | <b>0</b>    |
| No / Not yet finished elementary school | 457                    | 17172                      | <b>2.6</b>  |
| Primary school                          | 1817                   | 40313                      | <b>4.50</b> |
| Junior high school                      | 2190                   | 51476                      | <b>4.25</b> |
| Senior High School                      | 2367                   | 105707                     | <b>2.23</b> |
| Vocational High School                  | 3068                   | 60439                      | <b>5.07</b> |
| Diploma I / II / III                    | 389                    | 18223                      | <b>2.13</b> |
| University                              | 1806                   | 54066                      | <b>3.34</b> |

*Source: BPS Kota Padang*

From the above data it can be seen that the highest unemployment rate contributed by vocational high schools is 5.07% of the total registered workforce. this can be caused by lack of employment and low ability of students to adapt to labor market competition. Furthermore, based on observations of graduates of the SMK Negeri 2 Kota Padang it was found that students' interest in continuing their career for entrepreneurship is still low, seen in the table below.

**Table 2. Data of Graduates of SMK Negeri 2 Padang**

| Criteria        | 2017  |       | 2018  |       |
|-----------------|-------|-------|-------|-------|
|                 | total | %     | Total | %     |
| Work            | 131   | 43.66 | 107   | 37.83 |
| Authorized a ha | 30    | 10.0  | 27    | 9.54  |
| Not yet working | 59    | 19.66 | 84    | 29.68 |
| Continue study  | 80    | 26.66 | 65    | 22.96 |
| Total           | 300   | 100   | 283   | 100   |

*Source: guidance counseling SMK N 2 Padang city*

From the above data it can be seen that the number of students who choose entrepreneurship as a career choice is relatively low compared to other options. this causes an increase in the SMK unemployment rate because graduates prefer to find jobs that are appropriate to their majors or expertise compared to entrepreneurship.

In the theory of planned behavior or TPB proposed by (Ajzen, 1991), that a person's interest in behavior is formed by three main factors namely attitudes toward behavior (attitude, personality), subjective norms (environment), and control of perceived behavior (self-confidence own /self-efficacy and adversity quotient). This shows that interest can be formed due to the attitude of one's behavior, as well as the condition of the surrounding environment. Basically, an increasingly strong individual's assessment of the good or bad effects of entrepreneurship will strengthen the individual's desire to work alone or build his own business in the sense of entrepreneurship. Flowers are happy feelings and are attracted to certain things or activities without coercion from others. Interest basically grows in a person because of the acceptance of something from outside to himself and the stronger or closer the relationship, the greater the interest will grow.

Furthermore, one's entrepreneurial interest can be seen from four dimensions, namely desires, preferences, plans and behavioral behaviors (Vemmy, 2012). Desire is something in someone who contains a desire or a high desire to start a business. Preference is something for someone who shows a business or independent business that is needed. a plan is a hope and a plan that exists in a person to start a business in the future. Behavior expectations are discussions of entrepreneurial goals followed by targets for starting a business.

According to (Jomah, 2018) interest in starting a new business depends on various factors such as personal attributes, cognitive abilities, etc. There are four factors such as psychological, social, academic and family factors that influence students' entrepreneurial intentions. The socioeconomic status factor of parents is an external factor that can influence the entrepreneurial interest of individuals in determining their career choices after graduation. As stated by Soetjningsih (2004) that socioeconomic status is the position or position of a person in society, it is also a person or society in terms of education, income and employment, if it increases, it will further increase entrepreneurial interest. In line with that (Utami, et al, 2018) states that socioeconomic status is one of the external factors that influence entrepreneurial interest.

In addition, the difficulty factor is an important factor for potential entrepreneurs to have. The level of resistance to pressure is important for potential entrepreneurs to be able to survive and successfully complete it. Research (Handaru, et al, 2015), Wijaya (2007), (Shohib, 2013) found that adversity quotient has a positive and significant effect on entrepreneurial interest. Factors that influence high and low entrepreneurial intentions such as the level of resistance to pressure or difficulties. Quotient (Firmansyah, et al, 2016). Individuals who have the intelligence to face obstacles will have the ability to capture business opportunities because they have the ability to take risks, be oriented towards opportunities/initiatives, have creativity, independence, and the ability to mobilize resources. Based on the description above it can be said that adversity quotient is the ability of a person to respond to obstacles and difficulties through his intelligence in managing resources and taking certain actions.

Another factor that influences entrepreneurial interest is self-efficacy. Self-confidence is an individual internal factor that influences one's interest in entrepreneurship, according to (Saraih et al., 2018) self-efficacy can be used as a predictor to see student entrepreneurial interest. In line with that self-efficacy is one of the factors that shape entrepreneurial interest (Alfiah, 2018). This means that someone who has a good ability to build self-confidence will tend to grow in their interest in entrepreneurship. Entrepreneurship is an effective way to reduce unemployment assessing the increasingly intense competition in the labor market makes every graduate must be able to create job opportunities for himself. Schools and families have an important role in equipping abilities and fostering student interest in entrepreneurship. In addition, students must also be equipped with the ability to overcome problems and high confidence in being able to see various opportunities that exist.

## **Methods**

This type of research used in this research is associative descriptive research. This research was conducted on students of SMK N 2 Padang. With a total population of 263 respondents and the sample uses the proportional random sampling method. The data used in this study are primary data and secondary data.

Data collection used in this study was to use a questionnaire that was distributed directly to respondents using a Likert scale. Measurements are measured in indicator variables. This indicator is then used as a starting point for creating instrument items that can be statements or questions. The Likert scale consists of five answers and the alternative statement in the questionnaire is a positive statement. For positive statements, the score is 5 for strongly agree, 4 for agree, 3 for doubt, 2 for disagree, and 1 for strongly disagree. As for the Parents Socio-Economic Status Questionnaire, five alternative answers were given for each question. Score is a score of 1 for answer A, score 2 for answer B, score 3 for answer C, score 4 for answer D, and score 5 for answer E, etc.

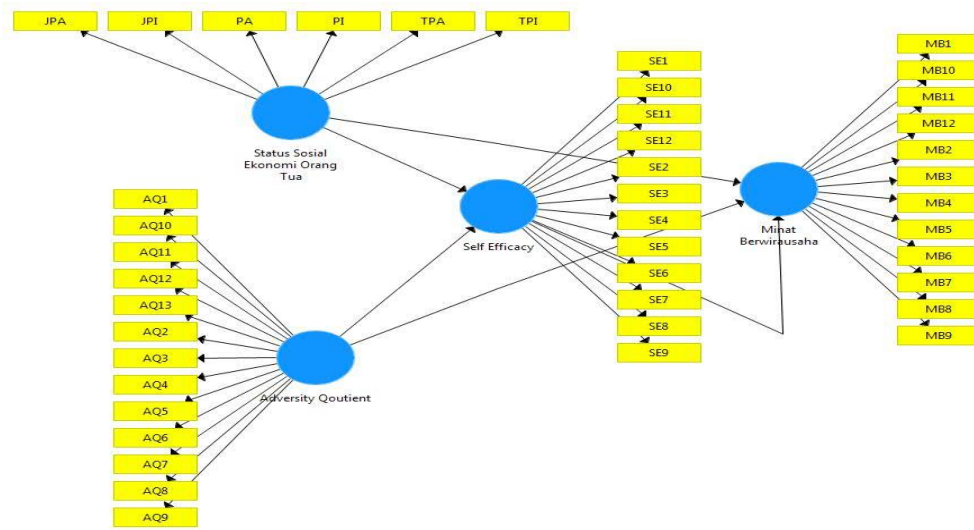


Figure 1 Conceptual Framework

Data analysis techniques using descriptive analysis and inductive analysis using Structural Equation Modeling (SEM) analysis tools with smart PLS 3.0. This study evaluates the outer model and evaluates the inner model before testing the hypothesis. Evaluation of external models is carried out using validity and reliability tests to obtain representative data for further analysis. In testing the validity using convergent validity and discriminant validity. Then, reliability was tested using composite reliability. Evaluation of the inner model is done to test the goodness of fit test using predictive-relevance (R-Square). The conceptual framework formulated for this study is presented in Figure 1 Data analysis techniques using descriptive analysis and inductive analysis using Structural Equation Modeling (SEM) analysis tools with smart PLS 3.0. This study evaluates the outer model and evaluates the inner model before testing the hypothesis. Evaluation of external models is carried out using validity and reliability tests to obtain representative data for further analysis. In testing the validity using convergent validity and discriminant validity. Then, reliability was tested using composite reliability. Evaluation of the inner model is done to test the goodness of fit test using predictive-relevance (R-Square). The conceptual framework formulated for this study is presented in Figure 1.

## Results and Discussion

### Evaluation Outer models

An outer model evaluation is performed to test the validity and reliability of the data. Validity test consists of convergent validity, discriminant validity, while reliability is tested using composite reliability. From the outer loading table shows the outer loading value of each indicator in the variable. The results that have been shown by the table, can be declared to have convergent validity because each indicator has fulfilled the outer loading value requirement > 0.50 Ghozali (2008).

Table 3. Average Variance Extracted (AVE)

| Variabel                        | AVE   |
|---------------------------------|-------|
| Status Sosial Ekonomi Orang Tua | 0.656 |
| Adversity Qoutient              | 0.568 |
| Self Efficacy                   | 0.559 |
| Minat Berwirausaha              | 0.504 |

Table 3 shows that all variables have AVE values greater than 0.5 (Ghozali, 2008). It can be concluded that all variables in this study can explain an average of more than half the variants of each indicator that have good convergent validity

**Test Reliability (reliability test)**

**Table 4. Cronbach's Alpha dan composite Reliability**

| Variable                            | Cronbach's Alpha | Composite Reliability |
|-------------------------------------|------------------|-----------------------|
| Parents' Socio-Economic Status (X1) | 0.895            | 0.920                 |
| Adversity Qoutient (X2)             | 0.934            | 0.944                 |
| Self Efficacy (X3)                  | 0.928            | 0.938                 |
| Entrepreneurial Interest (Y)        | 0.911            | 0.924                 |

Source: Processed Primary Data (2019)

From the results of data processing in Table 4, it can be seen that the composite reliability and Cronbach's alpha values of each construct exceeds 0,7. When referring to the rule of thumb the composite reliability and Cronbach's alpha values, each of which must be greater than 0.7 (>0.7) Ghozali (2008), the data in Table 3 is declared to be reliable.

**Evaluation of Inner Model**

Testing the goodness of fit structural models in the inner model using the predictive-relevance (R-Square) model . The value of R- square from each endogenous variable can be seen in table 4

**Table 5. R-Square**

| Variable                     | R Square |
|------------------------------|----------|
| Self Efficacy (X3)           | 0.498    |
| Entrepreneurial Interest (Y) | 0.365    |

Source: Processed Primary Data (2019)

Table 5 shows that the value of the R-Square variable Self Efficacy (X3) shows a figure of 0.498. This shows that the socioeconomic status of parents (X1), adversity qoutient (X2), contributed to Self Efficacy by 49.8%. The rest is influenced by other variables outside the research model

Likewise, the entrepreneurial interest variable (Y) from table 4 can be seen at the R-Square value of 0.365. This illustrates that the variable socioeconomic status of parents (X1), adversity quotient (X2), Self Efficacy (X3) contributed 36.5% to Entrepreneurial Interest (Y). The rest is influenced by other variables outside the research model.

**Results and Discussion**

Table 6 shows the influence of parents' socioeconomic status variable (X1) on self efficacy (X3) This is indicated by the significance level of 0,000 <0.050 in other words the P value meets the significant requirement at 5%. The results obtained show that Ha1 accepted. While the influence of the variable Adversity Qoutient (X2) on self efficacy (X3) This is indicated by the significance level of 0,000 <0.050 in other words the P value meets the significant requirements at a value of 5%. The results obtained show that Ha 2 accepted . Then the influence of parents' socioeconomic status variable (X1) on entrepreneurial interest (Y) This is indicated by the significance level of 0,000 <0.050 in other words the P value meets the significant requirements at 5%. The results showed that H3 is accepted . Further seen in variable adversity qoutient (X2) an effect on the interest in entrepreneurship (Y) as shown by the level of significance of 0.006 <0.050, in other words the value of P values qualify as significant at a value of 5%. The results showed that Ha 4 is received. Then the effect of self efficacy variable (X3) on entrepreneurial interest (Y) This is indicated by the

significance level of 0,000 <0.050 in other words the *P value* meets the significant requirement at 5%. The results showed that Ha 5 accepted.

**Table 6. Path coefficient**

| Variable   | Original Sample | Sample Mean | Standard Deviation | T Statistics | P Values     | Hypothesis Review  |
|--|-----------------|-------------|--------------------|--------------|--------------|--------------------|
| Parents Socio-Economic Status (X1) -> Self Efficacy (X3)           | 0.103           | 0.104       | 0.040              | 2,583        | <b>0.010</b> | <b>Ha Received</b> |
| Parents Socio-Economic Status (X1) -> Entrepreneurial Interest (Y) | 0.124           | 0.129       | 0.054              | 2,310        | <b>0.021</b> | <b>Ha Received</b> |
| Adversity Qoutient (X2) -> Self Efficacy (X3)                      | 0.667           | 0.672       | 0.042              | 15,820       | <b>0,000</b> | <b>Ha Received</b> |
| Adversity Qoutient (X2) -> Entrepreneurial Interest (Y)            | 0.303           | 0.296       | 0.071              | 4,259        | <b>0,000</b> | <b>Ha Received</b> |
| Self Efficacy (X3) -> Entrepreneurial Interest (Y)                 | 0.294           | 0.304       | 0.075              | 3,930        | <b>0,000</b> | <b>Ha Received</b> |

Source: Processed Primary Data (2019)

#### **The socioeconomic Status of Parents Toward self-Efficacy of Students of SMK N 2 Padang city**

Research is finding that there is a significant effect of socioeconomic status of parents against the *self-efficacy* of students of SMK N 2 city of Padang . This finding is in line with research (Jailani, et al, 2017) which states that there is a significant influence of parents' socioeconomic status on interest in mediation by *self-efficacy* . Therefore, parents must provide encouragement both physically and materially so that children have strong beliefs in building trust in themselves . So it can be said that a student in choosing a career for entrepreneurship can be influenced by students' *self efficacy* . With the results of this study that the higher the socioeconomic status of the parents, reinforced with *self-efficacy* of students, the higher the students' interest in entrepreneurship results of this study are consistent with (Mazur, et al, 2013) which states socioeconomic a predictor of self-efficacy.

#### **Adversity Quotient of Self-Efficacy Students of SMK N 2 Padang city**

The study found that there is significant influence of *adversity quotient* on the *self-efficacy* of students of SMK 2 city of Padang. In line with research (Astri dan Latifah, 2017) which states that *Self Efficacy* will increase if *adversity quotient* is improved. This means that the higher the potential for student entrepreneurship *adversity quotient* , the higher the *Self Efficacy*. These results indicate that *adversity quotient* gives considerable influence on the confidence of the students, the better the *adversity quotient* students it will be the better the students' ability to complete tasks and challenges . From the results of this study it can also be seen that *self efficacy* mediates the effect of *adversity quotient* on entrepreneurial interest. This research is in line with research.

### **The Socioeconomic Status of Parents Towards the Entrepreneurial Interest of Students of SMK N 2 Padang city**

The study found that there is significant influence of socioeconomic status of parents against the interest in entrepreneurship students of SMK N 2 city of Padang . In line with research (Hajrah, et al, 2016) which also revealed that parents' socioeconomic status significantly influences entrepreneurial interest. Indicates that students' entrepreneurial interest will increase if the parents' socioeconomic status is higher. Then one of the background indicators of the work of parents who are entrepreneurial also influences the tendency of individual entrepreneurship in the future (Goyanes, 2015).

### **Adversity Quotient of Entrepreneurship Interest in SMK N 2 Padang city**

The study found that there is significant influence of adversity quotient on the self-efficacy of students of SMK N 2 city of Padang. Adversity quotient is an ability/intelligence that must be possessed by every prospective entrepreneur, this ability becomes important because obstacles or failures are mandatory that will be faced by every entrepreneur . Individual resilience in dealing with problems will largely determine the success of a new entrepreneur. These results indicate that the better adversity quotient someone then it will be increasingly high interest in entrepreneurship students . These results are consistent with findings (Handaru et al., 2015), and (Siregar & Nizma, 2017) which state that adversity quotient has a role in fostering student entrepreneurial interest.

### **Self-Efficacy on the Entrepreneurial Interest of Students of SMK N Padang city**

The research found that there are significant signnifikan of self-efficacy against the interest in entrepreneurship students of SMK N 2 city of Padang. These results indicate that self-efficacy were high would be good for the students to cultivate students' interest in entrepreneurship . Self-confidence is very important for students to have entrepreneurship, the ability to build self-motivation and never give up is the pre-society that must be owned as a potential entrepreneur . This study is in line with research (Farida & Nurkhin, 2016), and (Santoso, Sutodjo, & Oetomo, 2018), which states that self-efficacy has a significant role in determining the career direction of students for entrepreneurship.

### **Conclusion**

Entrepreneurial interest is a tendency for someone to perform certain behaviors repeatedly, interests can be formed through factors including socioeconomic status which is an external factor and adversity quotient and self-efficacy factors which are students' innate factors. The results showed a direct effect and not directly against the interest in entrepreneurship students . First, parental socioeconomic status and adversity qoutient have an indirect influence on student self- interest through self-efficacy . This suggests that the socio-economic status of parents and adversity quotient role in empowering the students in solving problems. second , parents' socioeconomic status, adversity quotient and self efficacy have a direct influence on students' entrepreneurial interest .

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