

# Entrepreneurship Education and Entrepreneurial Intention on Entrepreneurship Behavior: a Case Study

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**Abstract**—This study aims to elaborate entrepreneurship education experience in Sharia Banking Program that using combination between theory and practice in one semester. Entrepreneurship intention is one of goals from this curriculum method. PLS (Partial Least Square) was used to this research. The purpose of this paper is to examine the approach to entrepreneurship education with the theory of planned behavior was implemented in teaching entrepreneurship courses which are dominated by the practice rather than theory, research method used is PLS (Partial Least Square) elaborate attitudes, subject norm and behavior of students subject in response to assignments in entrepreneurship courses. Researcher also compared the secondary data obtained from the development of teaching. The results of this study showed an increase in the creation of entrepreneurial intention at the end of course. The results of this study confirms that education can be one important variable in the creation of entrepreneur through higher education.

**KEYWORDS**- *Entrepreneurship education, entrepreneurial intention, entrepreneurship behavior.*

## I. INTRODUCTION

The importance of entrepreneurship to society has been identified and discussed since at least the fifteenth century (1), and that discussion remains topical.(2);(3). The questions of whether and how entrepreneurial skills and competences can be fostered during education were posed by (4) and later followed up by (5). From these historical roots, Entrepreneurship Education (EE) has evolved to become a prominent field. This field is born of diverse disciplines, which include economics, management, education, and technical studies (6).

A research conducted by (7) shows that Entrepreneurship education giving benefit for students and elaborating their entrepreneurship skill in school. The assignment of university students to the entrepreneurship track led to a small increase in self-employment among graduates approximately one year after graduation. However, the intervention did not increase the overall employment rate among beneficiaries. These results suggest a substitution from wage employment to self-employment, similar to findings in Fairlie et al. (2015) in the U.S. They are also consistent with findings that private sector reservation wages are higher among participants in the entrepreneurship track.(8)

(9) Another research also investigates that Entrepreneurship Education (EE) increases Entrepreneurial

Intention (EI). However, this does not happen uniformly in all contexts, as specific contexts may require different EE action. The results indicate that EE modified to suit a particular target group could address the issue of subjective norms separately for business students and science and engineering students. Their principal results show that EE is generally effective for business students and science and engineering students.

(10) Another research also investigates that Concept of entrepreneurship education (EE) was became one of tools to develop entrepreneurship knowledge and skill in university. Giving students confidence to achieve entrepreneurship after graduates This concept was matched with entrepreneurial intention (11) that the research Entrepreneurial intentions lie at the foundation of entrepreneurial process. They found that the important factors that limit and bind the effective translation of entrepreneurial intentions into actions. The available evidence suggests that not every entrepreneurial intention is eventually transformed into actual behavior e starting and operating a new venture. Those researches affirm that entrepreneurship education could entrepreneurial intention Question EE so effective by education for student (7).

Entrepreneurship course in Sharia Banking bachelor Program in Islamic State University was given in second semester and try to mix between theory and practice. During lectures, students was divided into three major sections of activities; First, the students visited the market (outing) then students produce goods for sale, second activity is apprenticeship with entrepreneur in residence passage and the third is the arena of the market day to sell their products.

The findings in this paper have thus several important policy implications. First, our results suggest limited effectiveness of entrepreneurship education and training offered to university students with relatively little screening or targeting. Second, the results highlight potential practices in designing programs aiming to become self-employment and those geared toward facilitating access to wage employment. Finally, the mixed results on teaching and entrepreneurial behavior are consistent with the overall limited employment impacts. Entrepreneurship education programs may benefit from a clearer definition of which specific skills or entrepreneurial behavior they seek to improve, along with a more comprehensive articulation of how changes in skills are expected to lead to employment outcomes.

## II. ENTREPRENEURSHIP EDUCATION AS A STRATEGY TO INCREASE ENTREPRENEURIAL INTENTION AND BEHAVIOR

According to Fishbein and Ajzen (1975), Theory of Reason Action (TRA) is the thoughts and feelings toward alternative behavior, if they have any influence at all, influence performance only through their effect on individuals' attitudes and subjective norms toward the particular behavior of interest. Thus, when attempting to assess the immediate determinants of a given behavior, researchers need only be concerned with attitudes, subjective norms, and intentions toward that particular behavior. The more positive such factors are, the more likely it is that individuals will perform the behavior.(12). The theory of Reason action has been developed into the theory of planned behavior (TPB) with variables of attitudes, subject norms and perceived behavioral control (PBC).(13);(14)

Entrepreneurship Education (EE) defined as entrepreneurship education in the subjects in college that teaches the theory and practice of entrepreneurship with the aim of students have the ability in understanding and practicing entrepreneurship, causing changes in attitudes, norms and behavior. Further research provide that entrepreneurship education in later phases of life shows that education has a long-term impact on entrepreneurship (7). Thus, EE might also be expected to show such long-term effects. Moreover, entrepreneurial intention is the result of an understanding of entrepreneurship received by students in entrepreneurship education that they have the intention and spirit to start self-employment (15).

Further research provide that entrepreneurial intentions lie at the foundation of entrepreneurial process. Yet the available evidence suggests that not every entrepreneurial intention is eventually transformed into actual behavior e starting and operating a new venture. The research contributes to a growing body of literature that details the important factors that limit and bind the effective translation of entrepreneurial intentions into actions (16).

(9) Another research suggest indicators; attitude, subject norms and PBS (perceived behavioral control) influence Entrepreneurial Intention (EI). On the other hand, Entrepreneurs in Residence (ER) is some people that able to guide, to explain the added value and to increase the students' learning interests. In so doing, the students are able to achieve their learning goals (17).

The proposed hypothesis of this research is the dominance factors influencing entrepreneurship behavior and the significant effect between entrepreneurship education and entrepreneurial intention. It supported by a premise asserted by (7) who says "Entrepreneurship education programs may benefit from a clearer definition of which specific skills or entrepreneurial traits they seek to improve, along with a more comprehensive articulation of how changes in skills are expected to lead to employment outcomes".

## III. RESEARCH METHODOLOGY

This research investigates dominance factors and its influence to entrepreneurship behavior through practices

education approach. The independent variable of this research are entrepreneurship education ( $X_1$ ) and entrepreneurial intention ( $X_2$ ) mean while the dependent variable is entrepreneurial behavior ( $Y$ )

Based on the aim and the variables stated above, this research is categorized as a descriptive and verifiable research. This research tests the hypothesis of the influence of entrepreneurship education ( $X_1$ ) and entrepreneurial intention ( $X_2$ ) to entrepreneurial behavior ( $Y$ )

In line with the nature of the research, the unit of the analysis is the students of Sharia Banking Program State Islamic University Syarif Hidayatullah Jakarta. Meanwhile, since this research is categorized as descriptive and verifiable research, explanatory survey is used to get a general description of entrepreneurship education and entrepreneurial intention and its influence to entrepreneurial behavior.

The population of this research is the students of Sharia Banking Program State Islamic University Syarif Hidayatullah Jakarta. The samples, comprised of 100 respondents, are calculated by using Solving formula. The sampling technique employed is simple random sampling while the data collection techniques used are observation, questionnaire, and literature study. In addition, the research applies Partial Least Square (PLS) method as the data analysis and hypothesis testing technique. PLS is used to confirm the theory by verifying the relation between the latent variables. PLS can be used to simultaneously analyze the built constructs through reflective and formative indicators which is impossible to do in SEM because of the unidentified model.

The figure below shows entrepreneurship education (EE) and entrepreneurship Intention (EI) influence entrepreneurship behavior (EB) model:

Entrepreneurship Behavior =  $0,294 \cdot \text{Entrepreneurship Education} + 0,469 \cdot \text{Entrepreneurial Intention}$

## IV. FINDINGS & DISCUSSIONS

Based on the output of SMART-PLS program that is  $t$  - count = 2,164 and  $p$ -value  $0,000 < 0,05$ , the result shows positive influence of entrepreneurship education (EE) and entrepreneurship Intention (EI) on entrepreneurship behavior (EB). This research discusses the factors building entrepreneurship education and entrepreneurship Intention and its influence on entrepreneurship behavior. The result of the hypothesis testing shows that  $t$ - statistic score for entrepreneurship education variable is 2,164 and entrepreneurship Intention variable is 3,806 with  $p$ -value  $0,000 < 0,05$ . Therefore, it could be argued that the entrepreneurship education and entrepreneurship Intention has positive influence on the entrepreneurship behavior students. The test results of discriminant validity or loading factor of both entrepreneurship education and entrepreneurship Intention variables dimension also shows good scores which means there is a correlation between the entrepreneurship education and entrepreneurship Intention on entrepreneurship behavior.

The contribution of entrepreneurship education and entrepreneurship Intention variables to entrepreneurship behavior can be seen from the coefficient value, as follows:

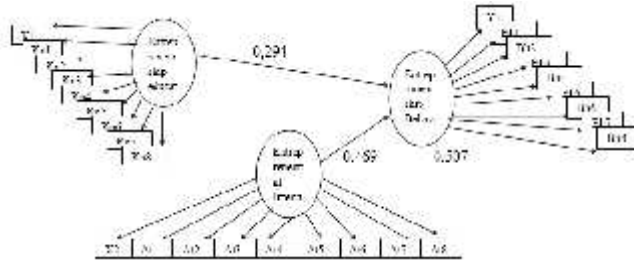


Fig. 1. Model PLS Path Coefficients

Path coefficients of entrepreneurship education (EE) to entrepreneurship behavior (EB) amounting to 0.294 (from the path diagram). This value has meaning the effect of the latent variable EB to variable latent EE at 0.294. Path coefficients (path coefficient) of entrepreneurial Intention (EI) to entrepreneurship behavior (EB) amounting to 0.469 (from the path diagram). This value has meaning the effect of the latent variable EI to EB latent variable of 0.469.

The results show that entrepreneurship education and entrepreneurship Intention variables simultaneously influence the entrepreneurship behavior. The results represent a significance positive influence between three variables.

Since The Theories of Reasoned Action and Planned Behavior Applied to Business Decisions hypothesis is accepted (12), the research proves (9) that entrepreneurship education in universities make the students understood by having attitudes (entrepreneurial intention) as have been developed then exceeding entrepreneurship behavior. Entrepreneurship education and entrepreneurship Intention gives the students deep impressions and makes them feel encouraged. If it happens continuously, it can build and increase the entrepreneurial skill. Based on the results above, it is certain that Entrepreneurship education and entrepreneurship Intention gives contribution to  $R^2$  as big as 100% to entrepreneurship behavior.

$R^2$  value of the latent variable EE with the indicators and latent variable EI with the indicators to variable EB amounting to 0.507 (from the path diagram). This value has meaning the effect of latent variable EE with the indicators and latent variable EI with the indicators to the EB variable of 0.507.

The contribution to the  $R^2$  value based on the loading factors value between entrepreneurship education and entrepreneurship Intention to entrepreneurship behavior is  $0.507 < 0.7$  and it is categorized into low and not ideal influence. Therefore, it is concluded that entrepreneurship education and entrepreneurship Intention has a significant effect to the entrepreneurship behavior of the students. However, ideal value below than 0,7 which is mean low influence to entrepreneurship behavior. Therefore, entrepreneurial Intention is the dominant factor influencing entrepreneurship behavior.

The differences between that entrepreneurship education and entrepreneurship Intention influenced entrepreneurship behavior (18) and (15) that majority of the students appreciated the novelty, usefulness and value of their experience expressing their positive attitude and satisfaction by entrepreneurship practices subject. However there was as well certain criticism of some aspects the students disliked as well; they should be thoroughly analyzed and thought over to find appropriate solutions

## V. CONCLUSION AND SUGGESTION

Based on the result of the descriptive and verifiable analysis by employing Partial Least Square (PLS) method, it can be concluded that the factors building entrepreneurship education and entrepreneurship Intention and its influence to the entrepreneurship behavior is that the entrepreneurship education and entrepreneurship Intention variables have moderate values for the student's behavior. The latent variable with the highest score that builds and influences entrepreneurship behavior is entrepreneurial intention. It is caused by student enthusiasm related to practice become as an entrepreneur.

Overall, this can be seen that entrepreneurship education and entrepreneurship Intention influenced entrepreneurship behavior.

This research provides evidence of the openness of the university students to the studies within the course "practices entrepreneurship" which was realized based on the three main activities (outing, producing goods and internship). Majority of the students appreciated the novelty, usefulness and value of their experience expressing their positive attitude and satisfaction. However there was as well certain criticism of some aspects the students disliked as well; they should be thoroughly analyzed and thought over to find appropriate solutions. As a whole, the practices entrepreneurship model has been proved to have a universal character as it can be successfully used at least in two stages of lifelong learning: in schools and universities. Therefore, some improvement should implement to this program, improving content of course and extending into several semester. In addition, making business network with university or using entrepreneurial in residence could improve university graduate with entrepreneur insight.

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