Determinant Factors of Entrepreneurial Intention (Case Study of Management Student, Bosowa University)

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Abstract: Management Department at Bosowa University Makassar carries out the educational process with basic scientific pattern of entrepreneurship education. This study aims to analyze the determinants factors that affect the entrepreneurial intention on the alumni of Management Department, Bosowa University. The great entrepreneurial intention can be a solution to the increasing unemployment at the undergraduate level. This study used a quantitative approach. The data was obtained through observation, survey and documentation. Statistic tool was used by looking at the t and F-test. Entrepreneurial intention can increase based on the research results determined by the entrepreneurial learning process with methods and personnel who have competence that also involve practitioners. The practice needs to be corrected, so that, various problems can be easily understood and the solution can be found. While self-efficacy serves to develop trust and mentality in entrepreneurship.

Key words: Determinant factor, student management department, entrepreneurial intention, quantitative approach, self-efficacy, entrepreneurship

INTRODUCTION

Development activities in Indonesia cannot be separated from the development of human resources to reduce the large unemployment rate. In addition, there is a greater educated unemployment tendency. One of the efforts to reduce the educated unemployment rate in Indonesia is by creating graduates who are not only have the orientation to look for work but also create employment or what we call entrepreneurship. According to Kasmir (2016), there are some benefits that will be obtained if students follow the entrepreneurial activities namely: increase self-esteem, earn self-income, increase idea and motivation to move further, brighter future while not be dependent on others. Working by starting an independent business is still a great opportunity. It is just rare to find someone who wants to start his/her life by starting a business after graduated from college. As a result, a higher educated unemployment tendency occurs specifically due to the fact that the number of college graduates in Indonesia increases each year.

The educated people tend to choose office job rather than start their own business. Here, working as an employee means working on others, agencies or companies on a regular basis by receiving regular salary. The data from BPS (Central Bureau of Statistics) shows that the number of unemployed graduates is getting higher. The worse is the fact that it happened in the last 3 years continuously. BPS said that in 2017, there has been an increase in the number of unemployment in Indonesia by 10,000 people, from 7.03 million people in August 2016 to 7.04 million people in August 2017. According to Suharyanto the increase in unemployment rate is due to the manpower increase in Indonesia. In addition, the urban unemployment rate tends to increase as compared to rural areas, meaning that the villagers migrate and look for a job in the city. According to BPS data on the last record in February 2016, it shows that the undergraduate unemployment rate reached 695 thousand people. It increased 20% compared to February 2015 record. The undergraduate rate gives the largest contribution by 12.59% to unemployment rate according to a labor survey conducted by BPS. In South Sulawesi, the unemployment rate also increases by 12.21% or from 27,404 people to 213,695 people per August 2017. From the unemployment rate, it is clear that Indonesia has unemployment problem (bachelor degree) to overcome.

Therefore, the students should have the great potential to become entrepreneurs. According to McClelland to be a developed country, at least 2% of the population should work in entrepreneurship. In Indonesia, only 1.65% of population who became entrepreneurs in 2014, so, it is still far from the expectation to become a developed country. For that reason, the educational institutions are expected

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to play a more important role in producing graduates with entrepreneurial spirit. Through one in twenty movements, one of 20 college graduates in Indonesia must become an entrepreneur, so, the number of entrepreneurs in Indonesia is targeted to reach at least 5% by 2023.

As a university, Bosowa University Makassar has conducted activities in assisting the government to address the problem above by motivating the students to become entrepreneurs. In order to develop entrepreneurship interest, the university needs to explore several factors affecting entrepreneurship behavior, namely entrepreneurship education, work experience through apprenticeship and self-efficacy. In line with Venesaa et al. (2006), interest in entrepreneurship can be developed or directed through entrepreneurship education.

Research in finding entrepreneurial intention aspect of someone has received considerable attention from the researchers. According to Katz and Gartner (1988), entrepreneurial intention can be defined as the process of seeking information that can be used to achieve the goal of forming a business. It means that entrepreneurial learning can provide motivation and knowledge to increase the entrepreneurial intention. A person with an intention to start a business will have better readiness and progress in the business run than someone without the intention to start a business. As stated by Krueger et al. (2000), the intention has proven to be the best predictor of entrepreneurial behavior. Therefore, intention can serve as a reasonable basic approach to understand who will become entrepreneur (Choo and Wong, 2006).

Broadly speaking, research on entrepreneurial intention was conducted by looking at three things differently: entrepreneurship education, work experience and self-efficacy. Some previous researchers have proved that work practice factor is work experience in the past as an entrepreneur or entrepreneurial experience gained while researching (Leon et al., 2007). The entrepreneurial experience in the past also provides an opportunity for entrepreneurs to get more ideas in opening new business. Then, the information gained previously from the entrepreneurial experience makes the entrepreneur potential will be better prepared and understand the process of forming a business (Hiirsch and Ramadani, 2017).

Indart said that self-efficacy factor is a significant predictor of the entrepreneurial intention. Sinha (1996) found that one’s educational background determines the level of one’s intention and the success of a business run. Bandura (1977) defines self-efficacy as a person’s belief in his/her ability to complete a job in other words, a person’s motivational condition is more based on what they believe than what is objectively true. This personal perception plays an important role in the development of one’s intention. Similarly, Cronie (2000) explains that self-efficacy affects a person’s confidence in the achievement or failure of a predetermined goal.

This research was conducted at students majoring in Management at Bosowa University. It aims to find how the effect of entrepreneurship education implementation, work practice and self-efficacy on entrepreneurial intention for students who have graduated from Bosowa University.

**MATERIALS AND METHODS**

This was a survey research. Survey research is a type of research that uses questionnaire as the main data source. This research was a case study with quantitative research approach looking for the effect of factors or variables on the entrepreneurial intention from Bosowa University. The variables consisted of independent entrepreneurship education (Xi), work practice (internship) (Xj) and self-efficacy (Xk) with entrepreneurial intention (Y) as the dependent variable.

Data collection method used in this study was survey research that was varied in terms of degree of complexity from using only simple frequency analysis techniques to computation analysis relationship between complex variables. In-depth interview worked to set an understanding into the limited environment of social reality by capturing the social reality as it is. The in-depth interview in this study used tools such as tape recorder, drawing and interview guide equipped with free notes and checklists. Documentation in this study used various documents relating to the situation and condition of employment what kind of research is preferred by college graduates.

The secondary data and primary data were used where the total sample was 36 people from 145 graduates of Bosowa University majoring in management. The data reliability and validity should be conducted by checking the questionnaire that had been filled by the respondents to confirm whether all the questions had been answered completely by the respondents. The data was collected and then was processed by using the following means: data examination (editing). This study provided a questionnaire instrument containing 12 question items concerning knowledge in entrepreneurship; scale-making and according to Mahmoud (2011) scale is a tool compiled and used by researchers to change the response of qualitative variable to quantitative. The value consisted of strongly agree-5, agree-4, less agree-3, disagree-2 and strongly disagree-1.
The data was processed and analyzed using SPSS Software for Windows 22.0. The regression equation was as follows:

\[ Y = a + b_1X_1 + b_2X_2 + b_3X_3 + \ldots + b_nX_n + e \]

Where:
- \( Y \) = Dependent variable
- \( a \) = Constant
- \( b_1, b_2, b_3 \) = Regression coefficient
- \( X_1, X_2, X_3 \) = Independent variable
- \( e \) = Error

To find how the effects of independent variable to dependent variable either simultaneously or partially, F-test and t-test were used to find significant level of each effect of variable on dependent variable (Saleh, 2014).

RESULTS AND DISCUSSION

Data description: Descriptive analysis aims to find the characteristic and response of respondents on the statement items in questionnaire. Respondents in this study were the graduates of Management Department, Faculty of Economics, Bosowa University who had taken the entrepreneurial learning and practiced in various industries in Makassar. The data was collected by using questionnaires distributed to 36 respondents, the alumni at Management Economics Department, Bosowa University. The description of respondent characteristics was obtained from self-data contained in the section of respondent data including sex and employment level and presented in the following table.

Table 1, the sex data consisted of 21 females or 58.3 percent and 15 males or 41.7 percent. From the data, it shows that many of management department students at Bosowa University are women. In relation to the development of entrepreneurial spirit, women have a tenacious, precise and patient attitude, so that, when the entrepreneurship science is well understood they will become a successful entrepreneur. In a research by Johnston et al. (2010), female students are more flexible in doing both entrepreneurship and studying at college than male students. From the data obtained of 36 respondents, 13 people or 36.1% were entrepreneurs, those who worked as civil servant and private employee at various companies were 19 people or 52.8% and those who had not got a job within the last 3 years were 4 people or 11.1%. It shows that there are only a few graduates of Bosowa University who aspire to be entrepreneur, so, more support to raise the interest in entrepreneurship is necessary.

Table 1: Overview of research respondents

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>15</td>
<td>41.7</td>
</tr>
<tr>
<td>Female</td>
<td>21</td>
<td>58.3</td>
</tr>
<tr>
<td>Total</td>
<td>36</td>
<td>100</td>
</tr>
<tr>
<td>Occupation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>19</td>
<td>52.8</td>
</tr>
<tr>
<td>Entrepreneur</td>
<td>13</td>
<td>36.1</td>
</tr>
<tr>
<td>Unemployed</td>
<td>4</td>
<td>11.1</td>
</tr>
<tr>
<td>Total</td>
<td>36</td>
<td>100</td>
</tr>
</tbody>
</table>

Research results: 2018

Table 2: Results of validity test and reliability test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach alpha</th>
<th>Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurship education</td>
<td>0.565</td>
<td>0.552-0.771**</td>
</tr>
<tr>
<td>Work practice (X1)</td>
<td>0.758</td>
<td>0.685-0.846**</td>
</tr>
<tr>
<td>Self-efficacy (X2)</td>
<td>0.703</td>
<td>0.660-0.881**</td>
</tr>
<tr>
<td>Entrepreneurial intention (Y)</td>
<td>0.856</td>
<td>0.772-0.909**</td>
</tr>
</tbody>
</table>

Statistical data processing results, 2018; ** data validity

Data analysis: Before analyzing the data, it is necessary to test the data. In this study, the instrument used was questionnaire given to the alumni of Bosowa University majoring in management. The validity and reliability of the questionnaire must be tested first. Validity test is a statistic test used to determine how valid an item question measures the variables studied while reliability test is a statistical test used to determine the reliability of a series of question items in measuring a variable (Gujarati, 2006).

Based on the test results presented in Table 2, the score of each item with the total score (Pearson Correlation) for each variable showed a positive and significant correlation at 0.01 level. This indicates that the questions have a high enough validity that they are worthy of further use. Furthermore, in Table 2, the reliability test results indicated that all instruments of the tested variables had Cronbach alpha above 0.56. Therefore, the test results are quite satisfactory because all the instruments have reliability level, so, it can be used for further data processing.

In order to be more accurate, an item should have a correlation with the total score of each variable ≥0.25. Items that have r-count<0.25 will be ignored as they do not perform the same measurement as the total scale score and furthermore, have no contribution. Reliability test was conducted by Cronbach alpha test, the value of the resulting item was ≥0.40, so, it proves that the question item has internal consistency reliability. Activity in data analysis was calculation to answer the problem formulation and test the hypothesis. The variables in the study were entrepreneurship education, work practice and self-efficacy. From these variables how much correlation or effect of independent variables to dependent variable of entrepreneurial intention can be found and it can be seen in the summary model table.
Table 3 shows that the variable of entrepreneurship education, work practice and self-efficacy had positive correlation with the value of 0.745 to the entrepreneurial intention. It means that to increase willingness to conduct entrepreneurial activities for the alumni of Bosowa University, a better process of entrepreneurial learning is needed by paying attention to the curriculum that can provide understanding and benefit for alumni when becoming an entrepreneur. For work practice, it means that students are given the opportunity to do practical activities. So, at the end of the lecture they can find out how to do entrepreneurial activities in an industry. Last, self-efficacy is how to encourage students to become entrepreneur after completing the lecture at Bosowa University Makassar.

Hypothesis testing from the problems described in this study can be seen from the simultaneously by F-test and partially by T-test as follows.

Based on Table 4 and 5, the test simultaneously with F-test was 13.283>F-table 2.839. It means that simultaneously, the variables of entrepreneurship education, work practice and self-efficacy affected the entrepreneurial intention. While partially, entrepreneurship education variable from the results of statistical analysis obtained t-count value of 2.659>t-table 1.64, meaning that entrepreneurship education variable had significant effect on entrepreneurial intention. For practical work, the value of statistical analysis was t-count 4.862>t-table 1.644, meaning that work practices had significant effect and self-efficacy variable from the results of statistical analysis obtained t-count 3.812>t-table 1.644, meaning that self-efficacy of entrepreneurial intention had significant effect. From the 3 variables analyzed, it gives an idea that the work practice factor provides more effects to increase entrepreneurial intention. Therefore, to increase entrepreneurial intention, more work practices are needed to understand things like the process of production, marketing and making financial report (Fig. 1).

**Effects of entrepreneurship education implementation on entrepreneurial intention:** Management department at Bosowa University has been doing entrepreneurial

![Fig. 1: Model of entrepreneurial intention formation](image-url)
learning process to students for 3 semesters, so, there are knowledge in entrepreneurship gained by students during the lecture. In this study, the effect of entrepreneurial learning on the entrepreneurial intention was 36.1%, meaning the value is still small when compared with other activities such as looking for a job in the office or company. The researchers see that the implementation of entrepreneurial learning at the campus cannot be separated from the material presented by the entrepreneurship lecturers. Unfortunately, the process of teaching and learning activities on campus and the methods delivered by the lecturers are still in the form of text book, so, the learning is still lacking in the form of a simulation of feasibility studies in the business establishment. According to Fariana entrepreneurship learning model in educational institution is still text-book oriented. Such condition makes the learning entrepreneurship in educational institution becomes less effective. Therefore, students tend to learn only to pursue good grades and memorize the material presented by lecturers without understand the purpose and true meaning of entrepreneurial learning. According to Karim (2016) in order to create graduates with entrepreneurial spirit, the curriculum must be made to encourage students to start a business before graduation and they must establish their own company within 5 years after graduation. This shows that if students want to increase entrepreneurial intention, it is necessary to learn new business formation process before graduation.

Novela Intan and Izza Mafruhah said that most students of entrepreneurship subject just want to get the grade alone without understanding the subject well. Consequently, the entrepreneurial learning achievement of learners only have low effect on entrepreneurship interest. It can not be separated from the quality of entrepreneurship lecturers who are still less competent in entrepreneurship field. To improve the quality of students in terms of knowledge in entrepreneurship, the campus needs to pay attention to the resources in the learning process by using resources externally. It means that the practitioners need to be given a space or time in providing entrepreneurial materials, so that, the students know more about the true meaning of actual entrepreneurship.

Entrepreneurship education from reliable entrepreneurs is expected to make students have the real experience to develop a business. This encourages students to prepare themselves to become entrepreneurs by having entrepreneurial spirit to form a business. Positive coefficient means the better implementation of entrepreneurial learning, the entrepreneurial intention of management students at Bosowa University increases. Therefore, the implementation of entrepreneurial learning on campus should be responsive to market changes, so that, the students are able to master the competencies. According to Stamboulis and Barlos (2014) entrepreneurial learning programs have strong positive effect on non-cognitive entrepreneurship skills. So, entrepreneurial learning is expected to be able to form/develop personality and sharpen the skill of management students of Bosowa University to make innovative planning. According Saptono and Muljadi the research results show that there are differences in entrepreneurial spirit in terms of education and entrepreneurship training conducted at school. On this basis, the management students through entrepreneurial learning can improve the correct competencies and standards. The learning will also internalize the attitudes and ethos of entrepreneurship, so that, students will be more independent. The better and effective the implementation of entrepreneurial learning on campus, the higher the entrepreneurial spirit of students. The results of research by Vileov and Dimitrescu (2015) show that the effectiveness of entrepreneurship education implementation is affected by educator, practitioner, industry, education service provider that are actively involved in achieving entrepreneurship education programs. This means that if the entrepreneurship education implementation is effective, then, it will give benefits to the entrepreneurial intention of management students at Bosowa University Makassar.

Implementation of entrepreneurial learning on campus is expected to open the horizon of thought and change the view and build positive attitude towards entrepreneurship that will make students to be more active in preparing themselves for entrepreneurship. The results of research by Basu and Viric (2004) show that after the entrepreneurial learning is given, it will bring positive effect for the student on the attitude towards the career in entrepreneurship and increase the student confidence. Therefore, entrepreneurial learning for management student of Bosowa University needs a more serious attention, so that, after the learning, the students have a model to conduct entrepreneurial activities.

Effects of work practice on entrepreneurial intention: In this study, the significance of practical activities in the field of industry to the readiness of entrepreneurship is statistically quite large when compared with other variables. It means that with many work practices, it will be able to give a large effect on the entrepreneurial intention for students after finishing college. The researchers find that the industries in Makassar have not been fully used as a place to train and provide work practice, knowledge and entrepreneurial skills to learners.
In addition, the facilities and infrastructure on campus such as entrepreneurship laboratories, mini banks and other are also not sufficient and the competent lecturers are still lacking. It also means that students do not get enough knowledge and experience especially in understanding the entrepreneurship activities outside campus. The unit of practice should be the place to provide the real experience in entrepreneurship for students. In addition, entrepreneurial learning in the Management Department of Bosowa University should also serve as a place to develop entrepreneurial attitude and skill. This is relevant to the research of Intrinzi Silvi stating that the unit of practice acts as a media for entrepreneurship learning and in general students agree that the work practice plays a role to build self-confidence of student in entrepreneurship. However, the entrepreneurship laboratory in the Management Department of Bosowa University has not been available, so, the practice is still not effective for the management students. Bob Sadino said, “Students must be given a real learning process to be independent, so that, later they can become a great entrepreneur or professional”. One of the efforts of Management Department at Bosowa University in developing the learner competence is by conducting work practice. It aims to provide debriefing to the students, before entering the community in the working world. Work practice is done in the campus practical room, production unit and in the business world through industrial work practice.

Positive coefficient means the better the practice activities in various industries, the readiness of entrepreneurship of management students at Bosowa University increases. The readiness of students in entrepreneurship will be higher as they practice a lot on various business units. Therefore, there are several ways to increase student entrepreneurship interest as follows: multiply the frequency of entrepreneurship practice, socialization and open access to information about entrepreneurship inside the campus to the students, conduct contextual learning periodically in the form of field study on Micro, Small and Medium Enterprises (MSMEs) areas, especially those owned and managed by alumni, provide and complete the entrepreneurial facilities in the campus such as laboratory, gallery, workshop and the like, conduct special programs such as business incubator that increase the entrepreneurship interest and skill.

**Effects of self-efficacy on entrepreneurial intention:** Research on self-efficacy on the management students of Bosowa University on entrepreneurial intention is measured by using four dimensions namely, the ability of self-managing business, mental maturity in business and firm belief in starting business and leadership. In this study, self-efficacy in management students provide an effect on entrepreneurial intention but it is still low when compared with other variables namely entrepreneurial learning and work practice. In other words, these students tend to have low confidence in their ability to plan and choose their activities in order to achieve success in the field of entrepreneurship. This can be interpreted that the students are still lacking the ability and optimism in making business planning. This self-efficacy forming mechanism refers to the mastery of actual experience such as direct experience, actual performance and achievement level.

Self-efficacy can increase and also decrease depending on one or a combination of the sources that affect it, for example, the ability of self-managing. According to Jensen (2014), students develop entrepreneurial experience from the entrepreneurship lesson and work practice in everyday life, so, it is useful to be more confident in running business in entrepreneurship. As they follow entrepreneurial practice, they continue to innovate in order to compete. Mental maturity comes from the substitute experience provided for social model. The impact of modeling on self-efficacy is strongly affected by the similarity between individual and model.

According Kurnianto and Sulistyow to strengthen the entrepreneurship interest of students further, some efforts to improve personality factors are needed including achievement needs, focus of control, friendly with uncertainty, courage to take risks and confidence. In this case, the students just observe and imagine doing something well without doing anything, so, they need real activity to be more mature and ready when going into the business world (Saleh, 2014). Student self-efficacy in this case is affected by the words of others people about whether someone can do it or not. Social interaction on campus with lecturers and peers also brings good impact.

The positive view that students can become entrepreneur can affect self-perception which ultimately improve self-efficacy. Based on the results of Kirkwood et al. (2014) research, entrepreneurship education program can increase confidence, insight on new business ideas, knowledge in entrepreneurship and appreciation skills into an entrepreneur. From the results of this study, it is clear that the self-efficacy of student can be developed through entrepreneurship education by growing the confidence and having a firm belief in starting a business. According to Stamboulis and Barlas (2014), the quality of higher education in the innovation field
provides a great opportunity for the establishment of new entrepreneurship. Through entrepreneurship education, the young people learn organizational skills, including time management, leadership development and interpersonal skills. Therefore, the increase in self-efficacy can not be separated from the level of education and experience that makes students more mature.

CONCLUSION

Bosowa University Makassar especially the students majoring in management have followed the education process with entrepreneurship learning. From the research result, it indicates that entrepreneurial learning activity has provided effects to entrepreneurial intention of graduates. But these effects are not, so, great because the entrepreneurial learning system has not been effective. It means that there are still lacks in terms of curriculum, especially in shaping the entrepreneurial spirit and the educator competence. In addition, cooperation with the users of the industry as a resource in providing entrepreneurial learning materials is still lacking. Therefore, to improve the entrepreneurship further, the university should involve practitioners in providing entrepreneurial materials and conducting contextual learning periodically in the form of field study on Micro, Small and Medium Enterprises (MSMEs).

The work practice in industry that affects the entrepreneurial intention of the students is shown with the increase of alumni entering the world of entrepreneurship. However, based on the data, there are still many alumni who choose to be employee. So, the entrepreneurial intention has not been maximized because the frequency of entrepreneurship practice, socialization and access to information on entrepreneurship in the campus have not run well. In addition, it is necessary to provide and complete the existing entrepreneurial facilities in campus such as laboratory, gallery, workshop and the like as well as organize special programs like business incubator.

Self-efficacy, confidence and strong mental will develop well if entrepreneurship education is conducted well and the number of work practice is increased. The results of this study shows that self-efficacy affects the entrepreneurial intention of Management Department alumni at Bosowa Universities, although, the percentage is still low. To increase the confidence further practice needs to be expanded. The university must provide assistance in the form of budget allocation to the student groups who have been through certain selection to develop the business and build a network of entrepreneurial development in an integrated manner with the existing stakeholders.

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