

Determinant of Entrepreneurial Intention

Annio Indah Lestari Nasution^{1*} and Aulia Indriani Suryono²

^{1,2}Universitas Islam Negeri Sumatera Utara, Indonesia

¹annionst@uinsu.ac.id, ²suryono@gmail.com

Abstract— *The high percentage of educated unemployment rate in North Sumatra who graduated from universities and diplomas is caused by the low supply of employment, high-income expectations, and skills that do not fit into the needs of employment providers. Therefore, students and undergraduates should be able to overcome this problem by becoming entrepreneurs and even creating employment. In other words, students should have an intention in entrepreneurship or an interest in starting a business. This study aimed to determine the influence of several contexts that influence entrepreneurial intentions. This research is quantitative. The number of samples in this study was 68 people from students majoring in Islamic Economics, UIN North Sumatra. Data was collected by distributing questionnaires and using multiple linear regression analysis with SPSS. This study's results indicate a positive but insignificant influence between the family context variables on entrepreneurial intentions and a positive and significant influence between the educational context variables on entrepreneurial intentions. The constraints variable in starting a business does not significantly affect entrepreneurial intentions. Simultaneously, the context of the family, education, and the barriers to starting a business have significantly affected entrepreneurial intentions, as indicated by the significant value of $F < \alpha$ ($0.001 < 0.05$).*

Keywords: Education, Entrepreneurial Intention, Family, Obstacles of Starting Business.

1. INTRODUCTION

Data from the Central Bureau of Statistics Indonesia's current labor conditions as of February 2019 show that the unemployment rate has decreased to 5.01 percent or a decrease of 50 thousand people over the past year. The open unemployment rate (TPT) as of February 2019 was 6.82 million people. Based on the Katadata.co.id site, the unemployment rate has decreased but in terms of education, one of them is that more and more university graduates are not working. For the education of the unemployed as of February 2019 Diploma I/II/III rose by 8.5% while for university education it rose by 25%.

For the North Sumatra region, of the total workforce of 7.45 million people, 7 million people work and the remaining 414,000 are unemployed. From this group, the highest open unemployment rate came from those with university education background, namely 8.76% and diploma as much as 7.57%. Meanwhile, those with elementary and junior high school education backgrounds had a lower open unemployment rate (TPT) with 2.94% and 4.88%, respectively [1].

The position and role of youth is indeed very vital in development so that the future of the nation is in their hands. Likewise with the paradigm when graduating from college, there are still many who think they want to become employees or find jobs. In fact, employment opportunities have not increased significantly, while the number of college

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* Corresponding Author: kevinmifthah99@gmail.com

graduates who are ready to work is increasing every year. Finally, what happened was the increasing number of unemployed [2]. So, students must have the intention or interest in entrepreneurship as well as the confidence they have. Entrepreneurial intention is a person's interest or intention to become an entrepreneur. A psychologist researcher in Spain in 2007 conducted a study aimed at identifying which profiles belong to a personality type entrepreneurship, from the research there are variables that influence a person's interest in becoming an entrepreneur, namely, family context variables, work experience, education, barriers to starting a business, social support, individualism, and collectivism values.

The results of this study indicate that there is a positive and significant relationship between the variables of family context, work context, entrepreneurship education, social support and individualism on entrepreneurial intentions. Specifically, the study found that the variables of family context, work context, entrepreneurship education, social support, barriers, and individualism values can predict students' entrepreneurial intentions. The study analyzes the low intention to become entrepreneurs because the stimulation of entrepreneurial activities to create new businesses provided by the University is still low. Participants who became the sample of the study also believed that their relatives (parents, siblings, and partners) encouraged them to pursue careers as entrepreneurs [3]

Researchers conducted research on undergraduate students of the Faculty of Islamic Economics and Business, Department of Islamic Economics, State Islamic University of North Sumatra, class 2016. One of the students who had participated in learning was from the Entrepreneurship and Introduction to Business class which made students understand more about entrepreneurship and made students have an interest. to become an entrepreneur.

2. THEORITICAL REVIEW

Entrepreneurial Intention

According to Meredith, entrepreneurs are people who can see and assess business opportunities and gather the necessary resources to take advantage of it and take appropriate action to ensure success. Likewise in Islam. Entrepreneurial success in view Islam is not seen from the number of advantages or assets obtained but from how the efforts made really increase the closeness and pleasure of Allah SWT, because entrepreneurship in the view of Islam is considered worship. In Islam for Entrepreneurship is used in terms of hard work, independence (*biyadihi*), and not being a crybaby.

As narrated by Abu Dawud in his hadith which reads "The best is work done with one's own sweat." For Muslim entrepreneurs, they will keep in their hearts that Allah does not look at the results of their efforts but at the process they have done. If *they* successful and successful they will get the benefits of the world and the hereafter [3][4]. Entrepreneurial intention can be defined as the process of seeking information that can be used to achieve the goal of establishing a business. Someone with intentions to start a business will have better readiness and progress in business carried out compared to someone without the intention to start a business [9]

Factors Affecting Entrepreneurial Intentions

Research related to the determinants of intention entrepreneurship by combining three approaches. One of the approaches that is used is demographics. According to several previous studies conducted by Indarti & Rostiani showed that demographic factors such as background education, type of school, and the background of parents have an influence on intention to become an entrepreneur [5]. They also argue that in running a business, access to capital is a classic obstacle for a person to start a business. If someone has access to sufficient capital, the intention or tendency to opening a new business will be higher [9].

This matter is also supported by research conducted by Priyanto, who examined tobacco farmers in Central Java and found that access to capital is one of the determinants of Entrepreneur. Access to capital greatly affects a person's intentionality in conducting business activities [15]. So, it can be concluded that the factor Demographics (educational and family background) and capital are factors that be a determinant of intention in entrepreneurship.

In the theory developed by Fishbein and Ajzen, namely "Theory of Planned" Behavior" also explains several factors that determine entrepreneurial intentions. This theory is widely used to explain how entrepreneurial intentions are formed, that is, someone will become an entrepreneur if he has the intention (intention) and is supported by skills and behavior. Skill factors, for example through the courses obtained and benches for lectures or courses, and the environment, such as the availability of opportunities to carry out entrepreneurial activities. The emergence of entrepreneurial intentions is determined by three things: thing, namely the individual's attitude towards entrepreneurial activities (whether the individual evaluates the entrepreneurship as a good/profitable activity), the norms around individuals about entrepreneurial activities (are there people around the individual who become an entrepreneur, or do the people around the individual support the activities entrepreneurship), and the individual's beliefs about his ability to become an entrepreneur. In other words, a person will have entrepreneurial intentions if he views entrepreneurship as something good and profitable. Besides In addition, there are also family or closest people who become successful and successful entrepreneurs.

This is a motivation for someone to become an entrepreneur. Even if he does not have family or close people who can support entrepreneurship activities he must believe that he is capable of becoming an entrepreneur. If all three things If these conditions are met, then a strong intention as an entrepreneur will emerge. If it continues, intention This will be realized with the support of skills and the environment (opportunities in the form of capital, place, tools, etc.). In addition to the three factors that directly influence the The Theory of Planned Behavior also states that there are other factors that indirectly directly affect entrepreneurial intentions, namely a person's background which includes individual background (such as personality, mood, emotions, values, stereotypes, general attitudes, willingness to take risks, and experiences), social (including education, age, gender, income, religion, race, ethnicity, culture), and access to information (access to knowledge, media, or the presence or absence of intervention) and outside) [1][2]. Based on the previous research and the Theory of Planned Behavior above, the researcher using three factors, namely family factors, educational factors, and barriers to education starting a business in which there is capital, risk taking, access to information, and an idea.

Family Context

The family environment is the first and main environment that influences child development and behavior. In the family environment, children get attention, affection, encouragement, guidance, example, and fulfillment of needs economy from parents so that children can develop all their potential owned for its future development. Apart from that in the family. The values of life norms will be instilled and, in the end, will be used by children in their life personal growth and hope for the future. Family environment Children's behavior begins to form because of the guidance, encouragement, attention, and motivation given by both parents and other family members, so that children can develop their potential in the future the influence of parents and interaction in the family in the family environment has a very large influence on choosing a child's job or career [14].

Educational Context

Entrepreneurship can shape the mindset, attitudes, and behavior of students to become a true entrepreneur so that it directs them to choose entrepreneurship as a career choice. Entrepreneurial learning methods must be able to transfer not only knowledge and skills

but also the ability to realize a real business and get the soul of entrepreneurship itself [12]. Entrepreneurship education depends very depends on the acceptance of the entrepreneurial mindset in the University and the creation of environmental entrepreneurship in and around the University [13]. In Islam, towards the goal in entrepreneurship is towards *alfalah* by having education according to sharia norms and obeying the rules or regulations the law of Allah SWT regarding the implementation in business itself.

Context of Obstacles in Starting a Business

The European Commission states that the principal problem of an entrepreneur is difficult financial and policy or bureaucratic problems of a country. The more with the large activity and size of a business, entrepreneurs need more funds large and sometimes entrepreneurs cannot meet the necessary resources for entrepreneurship (Leon J.A. 2007:74). Simply put, an entrepreneur is a person who has the courage to take risks to open a business on various occasions. Having the courage to take risks means being mentally independent and daring to start a business without being overwhelmed by fear or anxiety even in uncertain conditions. Soul Entrepreneurship encourages a person's interest in setting up and managing a business professionally [9]. In this case, capital, and courage to take Risk is an important thing that must be owned by an entrepreneur.

3. RESEARCH METHODS

This study was conducted to analyze the factors that affect the intensity in entrepreneurship. This research is included in quantitative research with an associative approach. The purpose of quantitative research is to develop and use mathematical models, theories and hypotheses related to natural phenomena. The population in this study were all students of the Islamic Economics study program North Sumatra UIN class of 2016 which amounted to 208 students with a total sample 68 obtained using the Slovin formula, the sampling technique used simple random sampling.

4. RESULTS AND DISCUSSION

Table 1. Classic Assumption Test

Test	Statistic	Value	Test Result
Normality Test	Kolmogorov-Test	Sig 0,181 > 0,05	Normal
Multikolonierity Test	Collinearity Statistics	tolerance 0,905;0,936;0,954 > 0,10 and VIF 1,105;1,069;1,048 < 10	There are no symptoms of multicollinearity
Heteroscedasticity Test	Sig	Sig 0,678;0,819 > 0,05	does not contain heteroscedasticity
Autocorrelation Test	DurbinWatson	dw > du 2,031 > 1,7001	there is no autocorrelation

Hypothesis Test Results

Table 2. Multiple Linear Regression Test Results

	Model	B	Std. Error
1	(Constant)	15,628	2,676
	Total_X1	,798	,485
	Total_X2	,321	,107
	Total_X3	-,083	,073

From table 2, it can be seen that the regression coefficient of the family context variable or X1 is 0.798. The regression coefficient for the educational context variable or X2 is 0.321. The regression coefficient of the context variable of obstacles in starting a business or X3 is -0.083. Thus, the regression equation model obtained is as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

$$Y = 15,628 + 0,798X_1 + 0,321X_2 - 0,083X_3$$

Individual Parameter Significance Test (t Test)

Table 3. T Test

Model	t	Sig.
(Constant)	5,841	,000
Total_X1	1,644	,105
Total_X2	3,000	,004
Total_X3	-1,138	,260

From the search results the t table value is 1.9973, then the results of the above study for the value of the family context variable $1.644 < 1.9973$ it is concluded that the family context variable has no significant effect. The value of the educational context variable is $3,000 > 1.9973$, it is concluded that the educational context variable has a significant influence significant. The value of the family context variable $-1.138 < 1.9973$ concluded that the context variable of obstacles in starting a business did not have a significant effect.

Simultaneous Test (F Test)

Table 4. F Test

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	92,374	3	30,791	6,073	,001 ^b
	Residual	324,508	64	5,070		
	Total	416,882	67			

To see the results of the F test, the researcher uses table F with a probability of 0.05% by determining df1 (N1) and df2 (N2) with the formula $df_1 = k - 1$; $df_2 = n - k$. Where "n" is the number of samples forming the regression and "k" is the number of independent and dependent variables. From the results of the search for the F table value with $df_1 = 3$ and $df_2 = 64$, the F table value is 2.75. From the results of the table above, it is known that the calculated f value $>$ f table ($6.073 > 2.75$) and a significant value $<$ 0.05 ($0.001 < 0.005$). The conclusion is that the variables of family context, educational context, and the context of obstacles in starting a business simultaneously significantly influence the entrepreneurial intention of students majoring in Islamic Economics at UINSU.

Coefficient of Determination Test (R)

Table 5. Coefficient of Determination Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,471 _a	,222	,185	2,252

It is known that the R Square value is 0.222 or 22.2%, this shows that the family context, educational context and the context of obstacles in starting a business have an effect of 22.2% on entrepreneurial intentions. While the remaining 77.8% are influenced by other

factors outside the study. The results showed that the family context had a positive effect but did not affect the entrepreneurial intention of students majoring in Islamic Economics at UINSU. So that the research hypothesis testing is H_a is rejected and H_0 is accepted. In contrast to previous research by Diah ayu widi Astuti which stated that those with an entrepreneurial family background would be more interested in entrepreneurship and researcher Nety Meinawati stated that family background and entrepreneurship education had a direct influence on entrepreneurial intentions.

The educational context influences the entrepreneurial intention of students majoring in Islamic Economics at UINSU. So that the research hypothesis testing is H_a is accepted and H_0 is rejected. Because basically education is very important to help someone who in preparing someone to become an entrepreneur to face the problems that will come and must understand the knowledge of financial management systems, planning and markets. As in the theory of planned behavior, the skill factor, for example through courses obtained and lectures or courses, can foster interest in doing entrepreneurship, all of which is obtained from one's educational background. Likewise, Indarti & Rostiani in their research stated that there are factors that influence entrepreneurial intentions, namely demographic factors such as educational background, type of school, and parental background.

The context of obstacles in starting a business is concluded that the context variable of obstacles in starting a business does not affect the entrepreneurial intention of students majoring in Islamic Economics at UINSU. So that the research hypothesis testing is H_a is rejected and H_0 is accepted. This is different from previous research by Diah Ayu Widi Astuti which states that the higher the respondents encounter obstacles in starting a business, the higher the entrepreneurial intention. Conversely, the lower the respondent encounters obstacles in starting a business, the lower the entrepreneurial intention. The results of this study also differ from the Theory of planned behavior which states that there are several factors that indirectly affect entrepreneurial intentions, namely, willingness to take risks, income, and access to information (access to knowledge, media, or the presence or absence of external intervention). The results of the study simultaneously show that family context, education, barriers to starting a business have a significant effect on entrepreneurial intentions.

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5. CONCLUSIONS

Based on the results of the research analysis and discussion above, it can be concluded that the family context has a positive but not significant effect on Entrepreneurial Intentions (Case Study of Islamic Economics Department Students, Islamic Economics and Business Faculty, UIN North Sumatra). Educational context has a positive and significant effect on Entrepreneurial Intentions (Case Study of Students of the Islamic Economics Department, Faculty of Islamic Economics and Business, UIN North Sumatra, class of 2016). The Context of Barriers to Starting a Business has a negative and insignificant effect on Entrepreneurial Intentions (Case Study of Students of the Department of Islamic Economics, Faculty of Islamic Economics and Business, UIN North Sumatra, class of 2016). Family Context, Educational Context and Context of Obstacles in Starting a Business Simultaneously (together) have a significant effect on Entrepreneurial Intentions (Case Study of Students of the Department of Islamic Economics, Faculty of Economics and Islamic Business, UIN North Sumatra, 2016).

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