

# THE ROLE OF ENTREPRENEURIAL INTENTIONS AND ENTREPRENEURSHIP EDUCATION IN INFLUENCING STUDENT ENTREPRENEURIAL INTERESTS

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## Abstract

The research aims to determine the extent to which entrepreneurial intentions through entrepreneurship education affect students' interest in entrepreneurship. This type of research is a quantitative research with data collection techniques using a questionnaire given to active students of the Bachelor of Applied Midwifery Study Program, Health Polytechnic, Ministry of Health, Palangka Raya as the population. Determination of the sample using a probability sampling approach with proportionate stratified random sampling technique and the total sample is 29 students with the criteria of having taken Entrepreneurship courses, having attended Entrepreneurship training, and having started a business while attending college. Data processing techniques use Partial Least Square (PLS) analysis, Outer Model, Inner Model, and hypothesis testing. The results of this study indicate that providing insight, explaining opportunities, providing motivation, recognizing abilities, developing mindsets, and providing basic knowledge about entrepreneurship can provide a positive role/contribution to the relationship between entrepreneurial intentions and student entrepreneurial interest.

**Keywords:** entrepreneurial intention, entrepreneurial interest, entrepreneurship education

## INTRODUCTION

Educated unemployment originating from tertiary institutions is indeed a problem that must be found a solution. One way that has been pursued so far is by creating expanded employment opportunities. Only the reality on the ground shows that the majority of students after graduating from university are less interested in the business world. The low interest in entrepreneurship is unfortunate, considering that the existing jobs do not allow it to absorb all university graduates. Apart from that, there is a tendency that they still want to become employees or office workers, so that the impact on the long queue of job seekers is increasing.

Entrepreneurial creation is actually an effort to open and create jobs in various opportunities for the sake of realizing self-sufficiency and the welfare of others, and is believed to be able to increase self-competitiveness. Singh (2008) also stated that entrepreneurship is seen as an instrument capable of moving society and the economy to become more advanced in the future.

Growing interest in entrepreneurship among the community is not an easy job. The entrepreneurial profession is still looked down upon, especially parents who tend not to want their children to enter this field and try to divert their children's attention to becoming civil servants or company employees (Alma, 2013). Even if one has the desire to become an entrepreneur it is more due to a state of urgency from events that accelerate/trigger someone to become an entrepreneur (Saiman, 2014). This view must be changed. It should be realized that

currently the comparison of employment with the number of job seekers is not balanced (Nursito & Nugroho, 2013). The result will be more and more who do not get a job or unemployed.

Referring to the existing reality, the Government is trying to encourage tertiary institutions to include entrepreneurship courses and several entrepreneurship programs that can support the growing interest in entrepreneurship. Asmani (2011) revealed that entrepreneurship education is expected to be able to awaken the spirit of entrepreneurship, be independent, work, and develop the national economy. This is a capital investment to prepare students to start a new business through the integration of experience, skills and knowledge essential to developing and expanding a business.

Central Kalimantan BPS data (2022) regarding employment developments shows that the open unemployment rate (%) has increased, originally based on February 2021 data of 4.25 percent increased to as much as 4.53 percent in August 2021 and increased again to 5.83 percent in February 2022. This condition indicates an increase in graduates who are educated workers, which is not matched by the availability of jobs needed in the formal sector causing an increasing number of educated unemployed in Central Kalimantan. Furthermore, when viewed from the percentage of poor people in Central Kalimantan in March 2022 it was 5.28 percent, an increase of 0.12 percentage points compared to September 2021 and March 2021 (BPS, 2022). Realizing this condition, the people of Central Kalimantan should take advantage of the opportunity to become economic actors in their area, including students who are expected to become the backbone of accelerated development in the futur.

Regarding the role of entrepreneurship education for the process of forming entrepreneurs, it is still a matter of debate. Some people think that being an entrepreneur can learn from the environment or from experience rather than formal education. Though this opinion is not necessarily true. And if that opinion is true, indirectly the efforts made to encourage the birth of new entrepreneurs through entrepreneurship education will be difficult to realize. Even though entrepreneurship education as part of the formal education curriculum in tertiary institutions aims to provide knowledge, creativity, skills, experience, self-confidence, and various decision-making techniques and risks needed to start a business. The entrepreneurship education curriculum is provided in the form of Entrepreneurship courses, Entrepreneurship Internships, Entrepreneurship Training, Student Creativity Activities, Independent Entrepreneurship Programs, and various other programs offered by each tertiary institution in order to increase entrepreneurial intentions among students. This was reinforced by Drucker (1985) who stated that entrepreneurship could be encouraged and taught through entrepreneurship education. Linan (2004) considers entrepreneurship education as a potentially very effective strategy for overcoming unemployment.

In addition PP No. 10 of 2010 also states that the purpose of higher education is to form critical, innovative, independent, self-confident, and entrepreneurial people. This means that for every teacher, he believes that entrepreneurship can emerge from a series of educational and training activities that are planned and implemented consistently. Schult (1975) also revealed that entrepreneurship can be developed and trained through education and training programs. Then

Ees in Indarti (2008) said educated S-1 workers compared to other staff have greater potential to succeed as entrepreneurs, because they have reasoning abilities and broader thinking insights. So that entrepreneurship education is used as one of the most effective ways to promote the transition of graduates into the world of entrepreneurship (Ismail M., et al., 2009).

Furthermore, when referring to previous research there is also debate. According to Dohse and Walter (2010) said that entrepreneurial knowledge obtained from various entrepreneurship education programs will form a tendency to open new businesses in the future. However, according to Yu, Cheng M., et al (2010) revealed that there was no significant effect of entrepreneurship education on students' entrepreneurial intentions. This means that the entrepreneurship education programs provided are not effective in increasing students' desire to become entrepreneurs.

Related to entrepreneurial intention, it was developed based on the Theory of Planned Behavior proposed by Ajzen (1985) in Theory of Planned Behavior revealed that if a person thinks with a positive attitude and thinks according to what is desired, then it will produce a strong desire and will like to do it. Katz and Gartner (1988) stated that entrepreneurial intention is a process to find out whether there is a desire for someone to become an entrepreneur or the purpose of establishing a business. A person's desire to start a business will have better readiness and progress in running his business compared to someone without the desire to start a business (Indarti and Rostiani, 2008). Kruger and Carsud (2000) also stated that having entrepreneurial intentions implies a person's commitment to starting a business, so intention can be used as an approach to see whether someone wants to be an entrepreneur (Choo and Wong, 2006).

Recognizing the phenomena that have been disclosed, researchers are interested in conducting research to find out how far entrepreneurial intentions through entrepreneurship education affect students' interest in entrepreneurship. Indarti and Rostiani (2008) revealed that the desire of students to become entrepreneurs or open their own businesses is the source of the birth of future entrepreneurs.

## RESEARCH METHODS

The design in this study uses quantitative research methods. This study uses independent and dependent variables. The independent variables consist of entrepreneurial intentions (X1), the dependent variable namely entrepreneurial interest (Y), and moderating variables namely entrepreneurship education (X2), with indicators: (1) Explanation of Opportunities, (2) Recognition of abilities, (3) Development of mindset, and (4) Provision of basic knowledge about entrepreneurship.

The population in this study were students with "active" status in the Bachelor of Applied Midwifery Study Program, Health Polytechnic, Ministry of Health, Palangka Raya. The reasons for selecting informants were based on the criteria, namely taking Entrepreneurship courses, having attended Entrepreneurship training, and having started a business while taking lectures. This study used a probability sampling approach with a proportionate stratified random sampling technique. Proportional stratified random sampling is a sampling technique

in heterogeneous and stratified populations by taking samples from each sub-population whose number is adjusted to the number of members of each sub-population randomly or haphazardly (Sugiyono, 2010). Determining the number of samples using the Slovin formula, where the calculation of the Slovin formula is widely used by researchers is considered easier and more practical to use (Riyanto and Hatman, 2020). Obtained a total sample of 29 students. Data analysis in this study uses Partial Least Square (PLS), Outer Model, Inner Model, and hypothesis testing. According to Ghozali (2015) Partial Least Square is a powerful analytical method and is often referred to as soft modeling because it eliminates OLS (Ordinary Least Square) regression assumptions, such as data must be normally distributed in a multivariate manner and there is no multicollinearity problem between exogenous variables. As a prediction technique, PLS assumes that all variance measures are variances that are useful for explaining so that the latent variable estimation approach is considered as a linear combination of indicators and avoids the problem of factor indeterminacy..

## RESULTS AND DISCUSSION

### Measurement Model (Outer Model)

The outer model test aims to reflect the relationship between latent variables and their indicators. Where in this model is focused on testing the validity and reliability that represents each construct. The model used with tabulations and questionnaires produces the following:

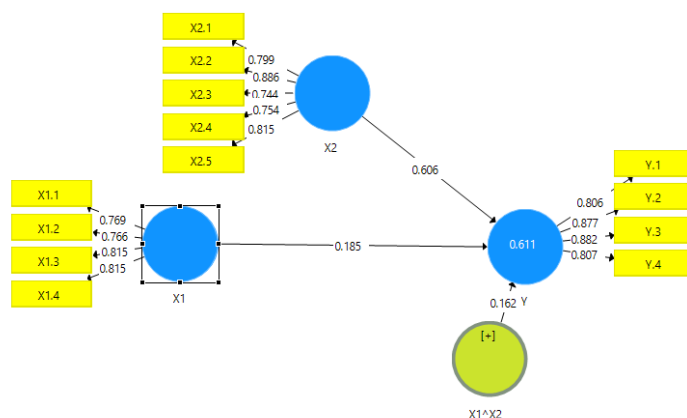


Figure 1: PLS Algorithm Results

### Convergent Validity

The measurement model is seen from the correlation between the item/indicator score and the construct score. Where the convergent validity test aims to determine the validity of each relationship between indicators and constructs or latent variables. The parameters used to test the convergent validity are the loading factor 0.5 – 0.6, the outer loading value used in this study is  $> 0.6$ . This value illustrates adequate convergent validity which means that one latent variable is able to explain more than half of the variance of its indicators on average (Ghozali, 2016).

**Table 1: Outer Loading**

	X1	X1^X2	X2	Y
X1 * X2		0.979		
X1.1	0.769			
X1.2	0.766			
X1.3	0.815			
X1.4	0.815			
X2.1			0.799	
X2.2			0.886	
X2.3			0.744	
X2.4			0.754	
X2.5			0.815	
Y.1				0.806
Y.2				0.877
Y.3				0.882
Y.4				0.807

Based on the results of the table above it states that the 3 variables used in this study such as entrepreneurial intention, entrepreneurial education, and entrepreneurial interest, in each question item representing each variable has a loading factor value of  $> 0.6$ , it is stated that a statement represents each variable qualified and worthy of research. In testing convergent validity, apart from looking at the outer loading value, it can also be seen from the average variance extracted (AVE) value. The model is said to be good if the AVE value of each construct must be  $> 0.50$ .

**Table 2: Average Variance Extracted (AVE)**

Variable	Average variance extracted (AVE)
Entrepreneurial Intention (X1)	0.627
Entrepreneurship Education (X2)	0.642
Entrepreneurial interest (Y)	0.712

Based on table 2 it can be seen that all variables have values above 0.050. So it can be concluded that all constructs are declared valid.

### Reliability

Construct reliability is measured by the composite reliability value, where the construct is reliable if the composite reliability value is above 0.70 meaning that the indicator is called consistent in measuring its latent variables. Seen in table 4 below:

**Table 3: Reliability Test**

	<b>Composite Reliability Coefficients</b>	<b>Cronbach's Alpha Coefficients</b>
Entrepreneurial Intention	0.870	0.803
Entrepreneurship Education	0.899	0.862
Entrepreneurial interest	0.908	0.864

Source: Primary data processed, 2022

The test results in table 4 show that all variables have a composite reliability value greater than 0.7. This shows reliable.

### Structural Models

Testing of the structural model is carried out by looking at the R-Square value which is a goodness-fit model test. Inner model testing can be seen from the R-square value on the equation between latent variables. The value of R<sup>2</sup> explains how much the exogenous (independent/independent) variables in the model are able to explain the endogenous (dependent/dependent) variables).

**Table 4: structural model**

	<b>R Square</b>	<b>R Square Adjusted</b>
Y	0.611	0.564

### Hypothesis testing

After all the assumptions can be fulfilled, then the hypothesis testing will be carried out as proposed in the previous chapter. Testing the three research hypotheses was carried out based on the t<sub>statistic</sub> values through the bootstrap standard error and coefficient path procedures, from a causal relationship between the two values and the results of PLS processing as in the tables above, then the results of testing the research hypothesis were obtained.

**Table 5: Hypothesis Testing**

	<b>Original Sample (O)</b>	<b>Sample Mean (M)</b>	<b>Standard Deviation (STDEV)</b>	<b>T Statistics ( O/STDEV )</b>	<b>P Values</b>
X1 -> Y	0.241	0.242	0.007	35.353	0.000
X1^X2 -> Y	0.042	0.042	0.013	3.335	0.001
X2 -> Y	0.606	0.610	0.186	3.248	0.001

**Testing Hypothesis 1**, Entrepreneurial Intention has a positive effect on Entrepreneurial Interest with a path coefficient of 0.241 and a significant effect where the p-value = 0.000 is smaller than the value  $\alpha = 0.05$  (5%). Then the hypothesis (H1) which states that Entrepreneurial Intention has an effect on Entrepreneurial Interest is accepted.

**Testing Hypothesis 2**, Giving Entrepreneurship Education has a positive effect on Entrepreneurial Interest with a path coefficient of 0.606 and a significant effect where the p-

value = 0.001 is smaller than the value  $\alpha = 0.05$  (5%). Then the hypothesis (H2) which states that Entrepreneurship Education has an effect on Entrepreneurial Interest is accepted.

**Testing Hypothesis 3**, Providing Entrepreneurship Education (Moderation) has a positive effect on Entrepreneurial Interest with a path coefficient of 0.042 and a significant effect where the p-value = 0.001 is smaller than the value  $\alpha = 0.05$  (5%). Then the hypothesis (H3) which states that the Provision of Entrepreneurial Education strengthens the effect of Entrepreneurial Intention on Entrepreneurial Interest is accepted.

## CONCLUSION

Based on data analysis and discussion, it can be concluded that entrepreneurship education programs in tertiary institutions can thus be carried out with an entrepreneurial intention approach and entrepreneurship development.

Growing interest in entrepreneurship among the community is not an easy job. The entrepreneurial profession is still looked down upon, especially by parents who tend not to want their children to enter this field and try to divert their children's attention to becoming civil servants or company employees. The creation of an entrepreneur can be started through entrepreneurship education taught in universities. Entrepreneurship education is expected to be able to arouse the spirit of entrepreneurship, self-reliance, work and develop the national economy.

Referring to the results of tests of the hypotheses that have been proposed previously, namely entrepreneurial intention has a role in forming student entrepreneurial interest, and the provision of entrepreneurship education for prospective entrepreneurs also has an important role to increase intention or interest in entrepreneurship. Through its indicators Entrepreneurship education is able to moderate entrepreneurial intentions towards entrepreneurial interest.

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