“I WANT TO BE AN ENTREPRENEUR”: THE IMPORTANT ROLE OF EFFECTIVENESS OF ENTREPRENEURSHIP EDUCATION AND INTERNAL LOCUS OF CONTROL

Elia Ardyan¹, Johaness Ivan², Erwin Parega³, Yuyun K. M. Suade⁴, Dina Martha Hutapea⁵, Ari Susanti⁶
¹,³,⁴,⁵Sekolah Tinggi Ilmu Ekonomi Ciputra Makassar, Indonesia
¹,²Universitas Ciputra Surabaya, Indonesia
⁶Sekolah Tinggi Ilmu Ekonomi Surakarta, Indonesia

Abstract: This study examines the effectiveness of entrepreneurship education, entrepreneurial social support, and internal locus of control in increasing entrepreneurial intention. This research was conducted at S1 Management students at Ciputra University Surabaya (class of 2016). The total number of respondents in this study was 92 students. The analysis used is partial least square structural equation modelling (SEM-PLS). Data were processed using WarpPls version 7. The results of this study indicate that entrepreneurial social support and the effectiveness of entrepreneurship education can improve internal locus of control. High internal locus of control will have an impact on student’s intention to become entrepreneurs as their career choices. Other results also show that the effectiveness of entrepreneurship education is an important part of increasing entrepreneurial intention compared to entrepreneurial social support factors.

Keywords: entrepreneurial social support, the effectiveness of entrepreneurship education and internal locus of control, entrepreneurial intention

Introduction

Entrepreneurship is an important part of a country’s economy. Entrepreneurship can encourage innovation, employment (Costa et al., 2016), increase the level of economic growth (Gorman et al., 1997; Mueller & Thomas, 2001; Boldureanu et al., 2020), and transforming a country into a developed country (Yeng & Shuhymee, 2012). Entrepreneurship creates people who are willing to build businesses and provide jobs for many people. Entrepreneurship also creates creative people and has a significant impact on the development of the company.

The literature discusses being an entrepreneur is a career choice (Costa et al., 2016; Boldureanu et al., 2020; Burton et al., 2016; Mitrovic et al., 2019). Entrepreneurship can be the main choice of his career or his second job. Many young people choose to become entrepreneurs (Edelman et al., 2016). Entrepreneurship can be encouraged through formal education (Boldureanu et al., 2020). Higher education must make students become entrepreneurs. Various attempts have been made by universities to make entrepreneurship a career choice and their future (Meoli et al., 2020). Higher education is trying to change the vision that leads to entrepreneurship, develop an entrepreneur-based curriculum, multiply practices ranging from starting a business to how to develop the business, and various other ways to make students become entrepreneurs.
Higher education institutions create entrepreneurship programs, trying to stimulate and facilitate all entrepreneurial activities to create young entrepreneurs. It is recommended that entrepreneurship education focuses on the creation of new values and new economic values so that they can have an impact on change (Curran & Stanworth, 1989) and creating the job (Setiawan, 2013). Entrepreneurship education should be designed to increase students’ knowledge in building business, skills, and other entrepreneurial attributes (Hansemark, 1998) develop entrepreneurial attitudes and behaviors (Lekokoet al., 2012). (Ardyan & Wijaya, 2018) explained that effective entrepreneurial education can increase student entrepreneurial competency and their business performance.

Entrepreneurial social support is an important part of encouraging someone to become an entrepreneur. Family, community, and friends are parties that directly or indirectly support someone to choose to become an entrepreneur. Perceived support from family and friends refers to how many people consider themselves to be supported and encouraged by relatives and friends when trying to become entrepreneurs (Carr & Sequeira, 2007). Family and friends can support when someone experiences failure in entrepreneurship (Pruett et al., 2009). Entrepreneurial social support is the care one gives to others to support morally, materially, and motivation so that others become entrepreneurs.

Internal factors, such as internal locus of control, are an important part of deciding entrepreneurship. Internal locus of control makes a person believe that their actions and behavior will have an impact on the results to be achieved (Asante & Affum-Osei, 2019). Internal locus of control makes a person feel challenged and think that their environment is positive (Wang et al., 2010). Internal locus of control will increase entrepreneurial competence and increase entrepreneurial levels (Tsai et al., 2008).

This research examines two external factors (social support and effectiveness of entrepreneurship education) that affect internal factors (internal locus of control) and their outcomes (interest in entrepreneurship). External factors are divided into two parts, namely existing factors created by higher education (entrepreneurship education) and non-tertiary factors (family, friends, community). These two external factors are expected to be able to increase the internal locus of control and will have an impact on increasing students’ interest in entrepreneurship as a career choice. The purpose of this study was to test the effectiveness of entrepreneurship education and internal locus of control to increase student interest in entrepreneurship.

Entrepreneurial Social Support and Entrepreneurial Intention

Social Support is the protection and support that one gives to others (Wortman & Dunkel-Schetter, 1987). Support can be in the form of emotional support and financial support (Langford et al., 1997) which can motivate someone to take an action. A person will feel relieved when they get input from trusted people (Primandaru, 2017). In this research, support from family, friends, and community is an important part of increasing interest in entrepreneurship. Several studies explain the important role of social support in increasing a person’s interest in entrepreneurship (Molino et al., 2018; Farooq et al., 2018) and entrepreneurial behavior (Farooq, 2018).
H1: Entrepreneurial social support has a positive and significant effect on entrepreneurial intention

Entrepreneurial Social Support and Internal Locus of Control

Social support is expressed in the form of care, love, and trust given to others (Krause, 1986). Entrepreneurial social support consists of 5 dimensions, including emotional support (cared, feel love, feel comfortable), esteem support (a person’s positive opinion or assessment), tangible support (cash), information support (information or advice given regarding problem-solving solutions), and network support (feel valued in a group) (Sarafino, 2008). Support from people who are trusted can increase self-confidence to take action. Esteem support can help someone increase their self-confidence (Sahban et al., 2005). A person feels he can be responsible and carry out whatever has been planned. Internal locus of control means that a person is in control of his destiny. The love and care given by the family as well as suggestions for confidence in doing business, make a person more confident that he is capable of doing something.

H2: Entrepreneurial social support berpengaruh positif dan signifikan pada internal locus of control

Internal Locus of Control and Entrepreneurial Intention

Internal locus of control can increase belief in entrepreneurship, individual intention (Zhao & Seibert, 2006; Zhao et al., 2010), and career success (Wang et al., 2010). (Asante & Affum-Osei, 2019) explained that the internal locus of control can increase a person’s interest in becoming an entrepreneur. Internal locus of control has a fairly large role in the success of entrepreneurship, which is 70% (Primandaru, 2017). A person who believes that his fate and life choices for entrepreneurship are determined by him and that he is capable of being an entrepreneur, will have an impact on entrepreneurial interest.

H3: Internal locus of control has a positive and significant effect on entrepreneurial intention.

The Effectiveness of Entrepreneurship Education and Internal Locus of Control

Internal locus of control makes a person more confident in the abilities and efforts they put in (Asante & Affum-Osei, 2019). Confidence is often influenced by the environment. Higher education has a significant impact on student development. The right target curriculum makes students more confident in their abilities. Students are not only provided with theory but they are required to build a business and develop the business. Mentoring is also an important part of the curriculum. Students will directly encounter various problems and will have the experience to find solutions to these problems (Luthans et al., 2010). Entrepreneurship education that is well designed will have an impact on the internal locus of control of students.

H4: The effectiveness of entrepreneurship education has a positive and significant effect on the internal locus of control

Efektivitas Pendidikan Kewirausahaan dan Minat Berwirausahaan

Several studies explain that entrepreneurship education has an impact on increasing
interest in entrepreneurship (Mohamad et al., 2015; Solesvik et al., 2014; Hattab, 2014). Entrepreneurship education consists of the entrepreneurship curriculum, teaching methods, and university support (Rengiah, 2013). Teaching models in entrepreneurship education must be considered well. Mentoring and classroom teaching is teaching models that are often developed in learning. (Pribadi, 2005) explained that the teaching model of entrepreneurial education was able to increase entrepreneurial intention. Higher education institutions must carry out evaluations related to entrepreneurial curricula, teaching, materials, and various other things for the effectiveness of the implementation of entrepreneurial education. It is hoped that making an effective entrepreneurship education program will have an impact on students’ interest in becoming entrepreneurs.

H5: the effectiveness of entrepreneurship education has a positive and significant effect on entrepreneurial intention.

Method

Respondents in this study were 92 students (class of 2016) who are still actively studying in the S1 Management Study Program, Ciputra University, Surabaya. The student already has a business. The study was conducted in March-April 2020. Data were obtained from online questionnaires. This was done because, during the COVID-19 Pandemic, students were not allowed to come to campus.

The analysis used in this research is Structural Equation modelling-Partial Least Square (SEM-PLS). The reason for using this sample is that the sample is small and the data is not normally distributed (Hair et al., 2014). WarpPLS version 6 is software used to process data. This research uses 4 variables, namely social support, the effectiveness of entrepreneurship education, internal locus of control, and interest in entrepreneurship. Each indicator/question item is measured on a scale of 5. The indicators are arranged based on the adoption of the previous literature. Here are the indicators for each variable:

a. Indicators of entrepreneurial social support are support from family members, support from friends/community, material support, and support from the neighborhood (Primandaru, 2017).

b. The effectiveness of entrepreneurship education is right on target in motivating students, increasing students’ understanding of entrepreneurship, making students able to manage their business well, making students able to improve their business performance, and making students able to achieve their goals (Adnyana & Purmami, 2016).

c. Indicators of internal locus of control are self-confidence, high self-confidence, courage to be responsible in every decision made, and high self-control (Primandaru, 2017).

d. Indicators of interest in entrepreneurship are wanting to start a business, want to acquire other people’s businesses, and want to build a business that has high growth (Fuller et al., 2018).

Results

Testing the measurement model

The measurement model is tested by testing its validity (convergent validity and determinant validity) and reliability (composite reliability). Validity and reliability are important parts
to test the proposed instrument. This study examines convergent validity and determinant validity. Convergent validity was tested by looking at the loading factor value and average variance extracted (AVE). An instrument is said to be valid if the loading factor value is above 0.5 and the AVE value is also above 0.5. Table 1 shows that the loading factor and AVE values are above 0.5, so it can be concluded that the instrument is valid. The validity of the determinant is an instrument test that compares the square root value of the AVE with the correlation between variables (Hair et al., 2017). The determinant coefficient approach refers to the approach of Fornell and Larcker (Fornell & Lacker, 1981). Table 2 explains that all the results of the square root of AVE are greater than the correlation between variables, so it can be concluded that the validity of the instrument is good.

Reliability testing uses composite reliability. The composite reliability value is said to be satisfactory if the value is between 0.7–0.9 (Hair et al., 2017). The results of the composite reliability test (see table 1) show that the composite reliability value is between 0.7–0.9, namely internal locus of control (0.836), social support (0.812), the effectiveness of entrepreneurship education (0.879), and interest in entrepreneurship (0.774). It is concluded that the instrument already has very good reliability.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Locus of Control (AVE = 0.560; CR = 0.836)</td>
<td></td>
</tr>
<tr>
<td>Trust in yourself</td>
<td>0.763</td>
</tr>
<tr>
<td>High self-confidence (Optimistic)</td>
<td>0.794</td>
</tr>
<tr>
<td>Take responsibility for every decision you make</td>
<td>0.715</td>
</tr>
<tr>
<td>High self-control</td>
<td>0.718</td>
</tr>
<tr>
<td>Entrepreneurial Social Support (AVE = 0.520; CR = 0.812)</td>
<td></td>
</tr>
<tr>
<td>Support of family members</td>
<td>0.736</td>
</tr>
<tr>
<td>Friends/community support</td>
<td>0.751</td>
</tr>
<tr>
<td>Material Support</td>
<td>0.713</td>
</tr>
<tr>
<td>Living environment support</td>
<td>0.683</td>
</tr>
<tr>
<td>The Effectiveness of Entrepreneurship Education (AVE = 0.592; CR = 0.879)</td>
<td></td>
</tr>
<tr>
<td>Motivation is always right on target</td>
<td>0.786</td>
</tr>
<tr>
<td>Increase students’ understanding of entrepreneurship</td>
<td>0.803</td>
</tr>
<tr>
<td>Doing better business management</td>
<td>0.777</td>
</tr>
<tr>
<td>Improve someone’s business performance</td>
<td>0.766</td>
</tr>
<tr>
<td>Achieve the desired goal</td>
<td>0.713</td>
</tr>
<tr>
<td>Entrepreneurial Intention (AVE = 0.534; CR = 0.774)</td>
<td></td>
</tr>
<tr>
<td>Want to start a business</td>
<td>0.687</td>
</tr>
<tr>
<td>Want to acquire another business</td>
<td>0.766</td>
</tr>
<tr>
<td>Want to build a business that has high growth</td>
<td>0.737</td>
</tr>
</tbody>
</table>
Testing the structural model

This study proposes 5 hypotheses. The first hypothesis is that social support has a positive and significant effect on interest in entrepreneurship. The results of this study indicate that social support has a negative and insignificant effect on interest in entrepreneurship ($\beta = -0.077; p = 0.227$) so that H1 is rejected. The second hypothesis is that social support has a positive and significant effect on the internal locus of control. The results of this study indicate that social support has a positive and significant effect on the internal locus of control ($\beta = 0.296; p = 0.001$) so that H2 is accepted. The third hypothesis is that internal locus of control has a positive and significant effect on interest in entrepreneurship. The results of this study indicate that the internal locus of control has a positive and significant effect on interest in entrepreneurship ($\beta = 0.418; p <0.001$) so that H3 is accepted. The fourth hypothesis is that the effectiveness of entrepreneurship education has a positive and significant effect on the internal locus of control. The results of this study indicate that the effectiveness of entrepreneurship education has a positive and significant effect on the internal locus of control ($\beta = 0.208; p = 0.002$) so that H4 is accepted. The fifth hypothesis is that the effectiveness of entrepreneurship education has a positive and significant effect on interest in entrepreneurship ($\beta = 0.337; p <0.001$) so that H5 is accepted.

Discussion

Career choice is an important part that must be prepared by students, whether to work with other people or set up their own business. The choice of students is often influenced by their environment, especially universities. One of them
is Ciputra University Surabaya. Ciputra University Surabaya prepares students to become entrepreneurs. Ciputra University Surabaya creates a curriculum and various activities that will encourage students to be interested in becoming entrepreneurs and entrepreneurship becomes their career choice. Research shows that interest in entrepreneurship will have an impact on student career choices to create a business (Meoli et al., 2020).

This study found that social support was not able to increase students’ interest in entrepreneurship. The results of this study are different from the results of previous studies (Molino et al., 2018; Farooq et al., 2018). The results of this study indicate that the more a person gets social support (support from family, community, material support, and the surrounding environment) the lower the student’s interest in entrepreneurship. There are several reasons for the results of this research. First, in determining jobs, Generation Z likes jobs that are fun, satisfying, fun, and interesting (Goh & lee, 2018) Parents have a desire that is often forced for their children to go to school at Ciputra University Surabaya and to become entrepreneurs. Parents provide material support and high motivation. Even parents ask their children after graduation to continue their parents’ business. This is not interesting and fun for students. The more parents provide support and coercion, the lower the student’s interest in choosing entrepreneurship as a career choice.

Social support can improve the internal locus of control. Support from parents and community greatly affects a person’s self-confidence to achieve goals. Social support greatly affects a person’s emotional side. Social support makes a person believe that someone is loved, appreciate (Cobb, 1976), and protect from stress (Cassel, 1974). This is what makes students increase their self-confidence. The social support that touches the emotional side will have an impact on increasing the internal locus of control.

The results of this study also indicate that the effectiveness of entrepreneurship education will increase the internal locus of control and student interest in entrepreneurship. Ciputra University Surabaya is very focused on developing entrepreneurship education. Entrepreneurship education is an important factor in increasing a person’s interest in entrepreneurship (Mohamad et al., 2015; Solesvik et al., 2014; Hattab, 2014). The process in entrepreneurship education is an important part. The curriculum, the teaching and learning process, providing experience in setting up a business, and full support from the university are the focus in developing entrepreneurship education. Very tight controls make entrepreneurship education very targeted. The curriculum is made so that someone has the mind-set of an entrepreneur to provide experience for students to build a business. The more effective entrepreneurship education is, the more confident students will be so that it will have an impact on students’ interest in becoming entrepreneurs.

These results also found that the internal locus of control would have an impact on increasing student interest in becoming entrepreneurs. These results support previous research (Asante & Affum-Osei, 2019; Primandaru, 2017). Students who have a high internal locus of control will have an impact on their desire to achieve predetermined career goals and are motivated to continue learning (Colquitt et al., 2000; Ng TWH et al., 2006). Students who have a high internal locus of control always believe that if they are wrong, then mistakes are the result of their own decisions. They will try
to be responsible and finish what they have started.

Higher education institutions are advised to develop entrepreneurship education that can improve students’ internal locus of control. One way to increase students’ self-confidence to achieve goals is with assertive training techniques. This is one of the teaching techniques given to students when students experience difficulties with self-confidence to dare to take responsibility and be able to achieve predetermined goals. The mentoring system is also an important part of teaching. Mentoring means assisting students from developing ideas to building businesses. Assistance by mentors who have experience will have an impact on increasing student self-confidence.

Higher education institutions are also advised to make efforts to provide experience to their students. Experience in creating ideas, analyzing problems, finding solutions to creating successful businesses. Students who have an internal locus of control tend to always think positively when there are problems and try to.

References


