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The influence of attitudes and contextual factors on entrepreneurial intentions of students

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ABSTRACT

This study aims to determine and analyze the Influence of Attitudes and Contextual Factors on Entrepreneurial Intentions of Management Students at Maros Muslim University. The sample in this study were all final year management students totaling 100 people. Data was obtained from a questionnaire instrument which was distributed and processed using Partial Least Square (PLS) software. This study found that attitudes with indicators of risk-taking, originality, future-oriented, task and result-oriented, only originality and future-oriented had no significant effect on entrepreneurial intentions, while the indicators of contextual variables consisted of academic support, relational support and structural support all have a significant influence on the entrepreneurial intention of students. In addition to trying to cultivate an entrepreneurial character, it is also very important to have full support from the world of education, family and policies from the local environment. It is necessary to provide entrepreneurship skills that are more intensive from the academic world, and support from the government with policies that are able to encourage the intentions of prospective entrepreneurs to realize their business plans.



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Introduction

Indonesia is still a developing country, because Indonesia is still characterized by a low per capita income compared to developed countries, and usually has a dense population. Indonesia does not yet have a prosperous economy and social conditions, most of the population is in the poor category, the mindset is still traditional, and technological sophistication is still underutilized in some areas, and the population is mostly unemployed.

The low income of the people with a high population is a big problem faced by developing country governments. Many people live less fortunately, because the income earned is very low, many children do not go to school so that their mindset and intelligence do not develop. This also triggers an economic gap between high-income and low-income people. If the condition of the Indonesian economy continues like that, then this country will be increasingly poor, backward, and have an impact on national security.

One of the efforts to prevent poverty is to develop entrepreneurship. Entrepreneurship has an important role to make people more creative, productive and independent. With entrepreneurship, someone will have the ability to create and provide value-added products or innovate, so that people can be more creative in conveying

their ideas and creations. In addition, with entrepreneurship, the community will be able to create products that are considered necessary and so there is no need for imported goods from abroad. person's income also does not depend on the government such as state employees who are financed by the government, even an entrepreneur will bring a turnover which will be given to the state through taxes. Indirectly, people's economic welfare can be stable.

Table 1. Comparison of the Number of Residents and Entrepreneurs

State	Population	Entrepreneur	%
China	1,336,690,000	133,669,000	10.00
Japan	128,100,000	12,810,000	10.00
Singapore	5,500,000	385,000	7.00
Malaysia	31,000,000	1,550,000	5.00
South Korea	52,200,000	2,088,000	4.00
Thailand	68,740,000	2,062,200	3.00
Indonesia	254,610,000	4,201,065	1.65

Source: Kominfo, 2020

Table 1 above illustrates the comparative condition of the population with the number of entrepreneurs in Asian countries. Based on these data, Indonesia with a population of 254.61 million people has a number of entrepreneurs of 1.65% or about 4 million people. The lowest percentage compared to 6 other countries, namely Thailand, South Korea, Malaysia, Singapore, Japan and China.

This condition is exacerbated by the existence of a global competitive situation (Asean Economic Community) where Indonesian higher education graduates compete freely with graduates from foreign universities. Therefore, higher education graduates need to be directed and supported not only as job seekers but they are also able to create jobs by cultivating the entrepreneurial spirit of students. Higher education graduates are expected to become young entrepreneurs who are educated and able to start their own businesses. Alma (2010) explained that the more developed a country, the more educated people, and the more entrepreneurs. Therefore, as early as possible students must be equipped with entrepreneurship and entrepreneurial knowledge in all higher institutions in Indonesia. Given this phenomenon, this article aims to examine the factors that influence student entrepreneurial intentions.

Method

Early research was conducted at Maros Muslim University with a population of all students majoring in economics management. The sample in this study were all final year students with a total of 80 people. In this study, data analysis used the Partial Least Square (PLS) approach. PLS is a model of Structural Equation Modeling (SEM) based on components or variances. In this study, attitude and contextual variables were used as independent variables. Attitude variables consist of risk taking, originality, future oriented, task and result oriented, while contextual variables consist of academic support, relational support and structural support, while the dependent variable is entrepreneurial intention.

Results and Discussions

Measurement Model (Outer Model)

An indicator is declared valid if it has a loading factor above 0.5 for the construct in question. Figure 1 below shows that the loading factor gives a value above the recommended value of 0.5. This means that the indicators used in this study are valid or have met convergent validity.

Testing the Structure Model (Inner Model.)

Table 2 below describes the measurement values of Discriminant Reliability (AVE), Cronbach alpha (CA), and composite (CR). The variable is declared reliable if the AVE value is greater than 0.5, the Cronbach alpha value is declared good if it has a value above 0.6, and the composite value (CR) must be greater than 0.7. Based on these conditions, all items of the variable are declared reliable to be measured. The R-square of the measurement of risk takers, originality, future oriented, task and results oriented, academic support, relational support and structural support on entrepreneurial intentions is 0.998 or 99.8%. which can be interpreted that entrepreneurial intentions are influenced by 99.8% of the risk-taking variables, originality, future-oriented, task and result-oriented, academic support, relational support and structural support.

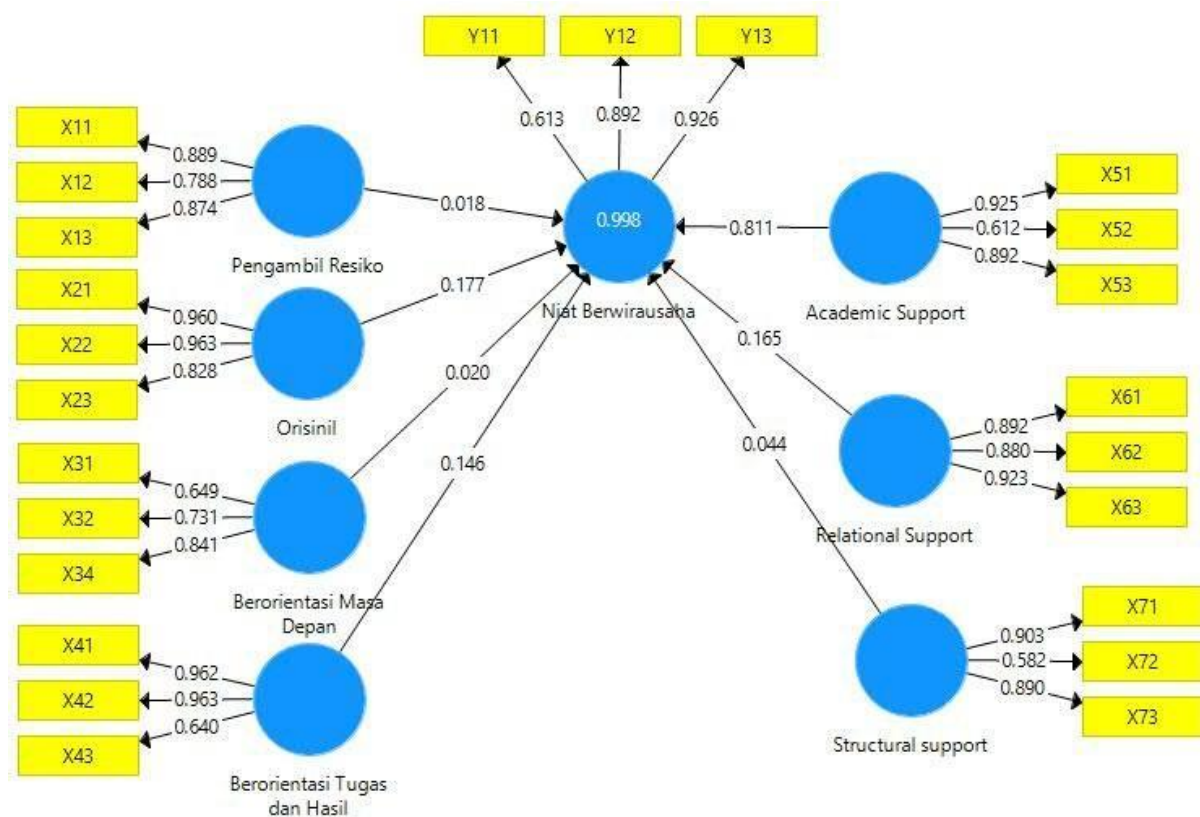


Figure 1. SEM-PLS Measurement Model (Outer Model)

Table 2. R-Square and Cronbachs Alpha

	AVE	Composite Reliability (CR)	R Square	Cronbachs Alpha (CA)
Risk Taking	0.726	0.887		0.818
Originality,	0.846	0.942		0.909
Future Oriented	0.554	0.787		0.704
Task and Result	0.754	0.899		0.823
Academic Support	0.675	0.858		0.745
Relational Support	0.8800	0.9		0.8800
Structural Support		0.843		0.716
Entrepreneurial Intention	0.676	0.859	0.998	0.746

Source: PLS data processing (2022)

From the results of data processing it was found that only attitude variables consisting of risk-taking, originality, future-oriented, and task-oriented and results there are two indicators that have no significant effect on students' entrepreneurial intentions, namely originality and future-oriented.

Although originality has a positive effect, it does not have a significant effect on students' entrepreneurial intentions, because in general students lack creativity and high creative side to produce new products, but the desire for entrepreneurship remains. Only a few students who have this trait are characterized by the ability to innovate or as innovator, flexible, creative, inspirational, and knowledgeable. Actually, Original does not mean something new, but it can also be a product that reflects a combination of something new from several pre-existing components, so that the product can be said to be something that has novelty, on average, these students just arrived at the intention to enter this business with market existing products. But whatever it is, it is already very good to start a business field than having no intention at all. Future-oriented indicators have a positive but not significant effect on students' entrepreneurial intentions. This is because some of the students feel they have not been able to overcome the problems that will exist in the business environment, and some of them are still

supported by their families to start and run their business, even some of them are interested in working in a company to gain knowledge and skills as provision to start their own business. One of their fears in seeing the future perspective of the business world is the risk in business such as bankruptcy or failure to innovate.-oriented do not have a significant effect on the entrepreneurial intentions of students

Table 3. Path Coefficients (Mean, STDEV, T-Values)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O /STDEV)	P Values
Risk Taking → Entrepreneurial Intention	0.218	0.012	0.024	4.771	0.032
Originality → Entrepreneurial Intention	0.177	0.149	0.199	1.486	0.138
Future Oriented → Entrepreneurial Intention	0.146	0.122	0.099	1.468	0.143
Task and Result → Entrepreneurial Intention	0.020	0.015	0.016	4.248	0.020
Academic Support → Entrepreneurial Intention	0.811	0.847	0.129	6.280	0.000
Relational Support → Entrepreneurial Intention	0.165	0.140	0.113	3.457	0.014
Structural → Entrepreneurial Intention	0.044	0.032	0.043	5.016	0.003

Source: PLS data processing (2022)

Future student entrepreneurship. Students in general already know that to enter the business world, they must be able to face challenges and be ready with all the risks they will face. Being an entrepreneur is always faced with various kinds of problems. Therefore, the demand to be a successful entrepreneur is to have the ability, courage and must be able to face challenges. Dareto take risks according to students is the key in starting a business, must be brave to lose, be able to make decisions, must be able to face problems, and not be afraid to fail. This research is in line with the opinion of Susetyo and Lestari (2014), Mahesa (2012).

The indicators of task-oriented and result-oriented also have a positive and significant influence on students' entrepreneurial intentions. The tendency that appears from students is that the lack of this trait prioritizes achievement over prestige. Where this trait is characterized by a tendency to be thirsty for achievement and result-oriented, has a steadfast nature, perseveres, works hard, is energetic, has strong determination, and always takes the initiative. This is because in general these students are new to and want to try this world of entrepreneurship, so that the fundamental factors to raise the entrepreneurial spirit are very important for them to think about. This finding is in line with Ertuna and Gurel (2010), and Ogunleye (2014) which state that the need for achievement is related to the intention to build a business. So it can be concluded that if someone has a desire to continue to excel and succeed in his business, the tendency is that person is able to take risks in making his business successful.

Contextual variables consisting of three indicators, namely Academic Support, Relational Support, Structural Support, all have a positive and significant influence on students' entrepreneurial intentions. These three indicators have an important influence in the formation of students' entrepreneurial intentions.

Indicators of Academic Support or academic support, universities play a large role because they will provide support through university education and moral support by providing facilities to students to move forward by looking at their academic support in starting a business. From observations, it can be seen that some students with moderate academic abilities tend to choose the desire to become entrepreneurs compared to students with low or very good academic abilities. The desire to become an entrepreneur for students is generally hindered because of the lack of preparation that focuses on the personal characteristics of students, they say that their knowledge of business is lacking and they are not ready to take risks to realize their dreams. Entrepreneurship education provided by the university is an effective way to achieve the required entrepreneurial knowledge and will be a driving factor in an entrepreneurial career. Today, with the increasing number of unemployed, academic institutions are required to stimulate the interest of graduates to enter the world of entrepreneurship. This is given through various academic processes with the aim that in the future students are able to create their own businesses. To better prepare students for entrepreneurship, it is clear that with entrepreneurship education, students will get to know more about the business world, students will become experts at a high level, able to empower all their abilities with innovation competence, entrepreneurial spirit and practical skills in the business world. This research is in line with the findings of Negash and Amentie (2013), Farouk, (2014), Hsiao *et.al.*, (2012), Yasin, NA (2022). As well as sentimental ones from relatives or family, which strongly encourage a

student to want to be involved in the world of entrepreneurship. An entrepreneur will not be able to achieve success by himself, because they still need support, even in situations in certain contexts they are very dependent on an efficient network system. Family is one of the factors that enable students to choose a career, after personal experience. Social or relational networks have a considerable influence on a person's intention to become an entrepreneur. Relational support from family is very important, because when compared to friends, family is able to provide greater support both financially and morally. This research is in line with research conducted by Yurtkoru *et al.*, (2014), Mair and Noboa, (2003), Robertson (in Denanyoh *et al.*, 2015), Al-Harassi *et al.*, (2014), Shiri *et al.* (2012), Suharti and Sirine (2011), Yasin, NA, *et al.* (2019) that there is a positive and significant relationship between *relational support* and entrepreneurial intentions.

Structural Support is an environment that can support the achievement of a goal which includes physical, non-physical and financial infrastructure. Students who lack practical skills in the entrepreneurial world, because most of them choose to become state officials or private employees. *Structural* support is a dynamic environment with physical infrastructure, company physical assets, research and development laboratories and intangible things, all of which have an important role in growing and encouraging entrepreneurial desire. Structural factors that are considered to be the most stimulating for students' interest, economic conditions in Makassar City are considered conducive. The role and direct support from the government in any form is very important for the sustainability of the existing business world. Overall, the current structural support has been very helpful in increasing entrepreneurship intentions for students. This research is in line with the findings from the research of Sivarajah, (2013) that Structural Support has a positive and significant effect on growing students' entrepreneurial intentions.

Conclusions

Of all the measurement indicators in this study, only the originality and Future Oriented indicators did not have a significant effect on the entrepreneurial intentions of students. This is because in general students have not been able to find creative and innovative ideas in introducing a new product or service, but apart from that the desire to start a business from students has been proven by the presence of several students who have entered the virtual market business network or market. on line.

Overall, the entrepreneurial intention of students is quite large because it is supported by several factors, namely the existence of entrepreneurial knowledge from the academic world, support from relatives or family, and the existence of an environment that really supports them in starting a business. Being a successful entrepreneur is not an easy thing because it requires a fairly long process, entrepreneurs must have a mental attitude like a warrior in starting and maintaining the business they are in. Therefore, in addition to trying to cultivate an entrepreneurial character, it is also very important to have full support from the world of education, family and policies from the local environment. It is necessary to provide entrepreneurship skills that are more intensive from the academic world, and support from the government with policies that are able to encourage the intentions of prospective entrepreneurs to realize their business plans.

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