

ENTREPRENEURSHIP CULTURE AND ENTREPRENEURSHIP COURSE: DO THEY SUPPORT STUDENTS' ENTREPRENEURSHIP INTENTION?

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Abstract

The aim of this research is to examine the effect of entrepreneurship culture (perceived appropriateness, perceived consistence, and perceived effectiveness) and entrepreneurship education (course) toward entrepreneurship intention on college students in the Faculty of Business and Economics, University of Surabaya. This quantitative research used cross-sectional survey design, with Likert Scale measurement. This research used primary data obtained through questionnaires. The total number of samples used were 238 respondents. Methods of data analysis used multiple linear regression. The results showed that the correlation and regression analyses support the hypotheses that the entrepreneurship culture and the entrepreneurship education jointly relate to entrepreneurial intentions. However, the variable of entrepreneurship education (course) separately does not relate to entrepreneurial intentions while entrepreneurship culture has positive effect on entrepreneurial intentions.

Keywords: *perceived appropriateness, perceived consistence, perceived effectiveness, entrepreneurship education, entrepreneurship intention.*

Abstrak

Tujuan dari penelitian ini adalah untuk menguji pengaruh budaya kewirausahaan (persepsi kesesuaian, persepsi konsistensi, dan persepsi efektivitas) dan pendidikan kewirausahaan (kursus) terhadap niat kewirausahaan pada mahasiswa di Fakultas Bisnis dan Ekonomi, Universitas Surabaya. Penelitian kuantitatif ini menggunakan desain survei cross-sectional, dengan pengukuran Skala Likert. Penelitian ini menggunakan data primer yang diperoleh melalui kuesioner. Jumlah sampel yang digunakan adalah 238 responden. Metode analisis data menggunakan regresi linier berganda. Hasil penelitian menunjukkan bahwa analisis korelasi dan regresi mendukung hipotesis bahwa budaya kewirausahaan dan pendidikan kewirausahaan bersama-sama berkaitan dengan niat kewirausahaan. Namun, variabel pendidikan kewirausahaan (kursus) secara terpisah tidak berhubungan dengan niat kewirausahaan sedangkan budaya kewirausahaan memiliki efek positif pada niat kewirausahaan

Kata Kunci: *kesesuaian persepsi, persepsi konsistensi, persepsi efektivitas, pendidikan kewirausahaan, niat kewirausahaan*

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1. Research Background

In order to face competition in the era of globalization and the joining of Indonesia with the Asean Economic Community (AEC), the Indonesian government seeks to encourage Micro, Small and Medium Enterprises (MSMEs) to play a role and strengthen business people to be ready to compete with other countries. At present the number of MSMEs in Indonesia is still less than 1% of the total population, whereas to compete in the AEC a minimum of 4%. When compared with several neighboring countries such as Malaysia and Singapore, (in terms of ratio) Indonesia is far behind. At present the number of MSMEs in Malaysia has reached more than 5% of the total population and Singapore has reached more than 7%. Overall MSMEs contribute significantly to GDP formation. In 2011, the contribution of micro, small and medium business enterprises were 32.02%, 10.99% 14.59%, respectively or a total of 57.60%. The average value of GDP formation by MSMEs is Rp. 24.8 million per business unit. In addition to impacting on GDP, MSMEs are also able to absorb labor, for example, in East Java, as much as 2.32 million people (BPS, East Java Province, 2015). The description of the above phenomenon shows that the role of entrepreneurs in building MSMEs is very important for the economic growth of a country and has an impact on public welfare. This is in line with the results of research conducted by Kristiyanti, 2012 which shows that small and medium enterprises have a strategic role in national economic development, because in addition to playing a role in economic growth and absorption of labor also plays a role in the distribution of the results of development.

Encouraging the growth of entrepreneurship is also a solution to overcome poverty and unemployment, especially in developing countries (Garba et al., 2014). The number of unemployed people in Indonesia over the past ten years is still high, despite the decline. If observed further, the number of unemployed people from university graduates actually increased, from 385,418 people (3,551%) in February 2005 to 695,304 people (9.899%) in February 2016

This certainly needs the government's attention considering the number of university graduates is increasing every year, and the increase far exceeds the amount of labor that can be absorbed by the government and existing companies. Taking developed countries such as the United States, Japan and Canada as good examples; entrepreneurship plays an important role in the country's economic growth and development (Nwankwo et al., 2012). Efforts to encourage entrepreneurship need to be done from an early age, especially for young people who are still educated at universities. According to Kimwolo et al. (2012) cited by Adekiya and Ibrahim (2016), entrepreneurship training and development is a process that can make individuals have the necessary expertise and develop self-confidence to become an entrepreneur. The right way to implement a training and development program for entrepreneurship is through university education (Adekiya and Ibrahim, 2016). However, this opinion is in contrast to the results of research by Yurtkoru et al. (2014) and research by Ambad and Damit (2016) that showed the opposite results.

According to Hayton and Cacciotti (2014), factors that influence the intention of entrepreneurship are values and cultural characteristics. The culture in question is a set of social, moral, and ethical norms and beliefs accepted by a group of people (Hofstede, 1980 cited by Adekiya and Ibrahim, 2016). Culture can be described in three aspects. By adopting The ACE Model proposed by Reardon (1991), culture description was perceived appropriateness, perceived consistence, and perceived effectiveness (Adekiya and Ibrahim, 2016). Perceived appropriateness is the degree to which entrepreneurship is considered a decent work and can be accepted in society. Perceived consistence is the degree to which entrepreneurship is considered in accordance with one's self-concept. Whereas perceived effectiveness is the degree to which entrepreneurship is considered capable / effective to achieve an expected outcome or goal of one's life.

Similar opinion was expressed by Bandura (1986), Karayiannis (1993), De Pillis and Reardon (2001) cited by Adekiya and Ibrahim (2016) saying that acceptance of the concept of entrepreneurship by the environment, both through interpersonal relationships directly or through social media, will result in individual acceptance of entrepreneurship. This acceptance will lead to the intention to become an entrepreneur. But the opinion of Krueger et al. (2000), Liñan and Chen (2009), Finisterra do Paço et al. 2011) quoted by Buli and Yesuf (2015), instead say the opposite. In their research, it was proven that environmental acceptance of the concept of entrepreneurship had no effect on the intention of entrepreneurship. Even individuals who consider the concept of entrepreneurship in accordance with their values embraced, will make entrepreneurship their personal identity, so they are motivated to become entrepreneurs (*perceived consistence*) (Ajzen and Fishbein, 1980; Snyder and DeBono, 1985; Greenberger and Sexton, 1988; cited by Adekiya and Ibrahim, 2016). Similarly, the opinion of Drucker (1985) quoted by Adekiya and Ibrahim (2016), considers the intention of one's entrepreneurship not to be influenced by *perceived of consistence*.

The results of McClelland's (1961) study, as evidenced by Mat, et al., (2015) and Gurol and Atsan (2006), show that the need to achieve something is the key driver of entrepreneurship. While the results of a recent study from Altinay et al. (2012), shows that the need to achieve something does not affect the intention to start a business.

Furthermore, research from Lee-Gosselin and Grise, 1990; Kimwolo et al. (2012) cited by Adekiya and Ibrahim (2016); and research from Zhao et al., 2005; Henderson and Robertson, 2000, cited by Yurtkoru et al., 2014; Türker and Selçuk, 2009; and Moriano et al., 2012 showed that entrepreneurship education had a significant effect on entrepreneurial intentions. But it turns out that the research of Yurtkoru et al., (2014) and Ambad and Damit, (2016) actually produces evidence that entrepreneurship education does not affect the intention of entrepreneurship.

From the various phenomena above, this study aims to examine the influence of the culture of entrepreneurship and entrepreneurship education on the intention of entrepreneurship, with the following hypothesis.

H1: Entrepreneurial culture (*perceived appropriateness, perceived consistence, and perceived effectiveness*) and entrepreneurial education influence the intention of student entrepreneurship.

H2: *Perceived appropriateness* affects the intention of student entrepreneurship.

H3: *Perceived consistence* affects the intention of student entrepreneurship.

H4: *Perceived effectiveness* affects the intention of student

H5: Entrepreneurship education affects the intention of student entrepreneurship

2. Research Method

Based on its objectives, this research can be classified as causal research, because the purpose of this study is to examine the effect of independent variables and the dependent variable (Zigmund et al., 2013: 55-56). This research was conducted to determine the effect of *perceived appropriateness, perceived consistence and perceived effectiveness* as well as entrepreneurship education on students' intention of entrepreneurship at the Faculty of Business and Economics at the University of Surabaya. This study uses primary data sources that are directly obtained from respondents. Survey design used in this study is *cross-sectional*, and the level/scale of measurement used for the dependent and independent variables in this study is the interval level. Interval level is the level of measurement which shows the same distance and clear difference on the scale (Zikmund et al., 2013: 299). The choice of answers at the interval level is arranged on a Likert scale with the expectation that the respondent will respond by showing the level of agreement or disagreement through five levels. The population of this study is the students of the Faculty of Business and Economics, University of Surabaya, who have taken entrepreneurship courses and have not yet become entrepreneurs. The sampling

technique used is *non-probability* sampling with *purposive sampling* technique. Respondents in this study amounted to 238 people.

3. Result and Discussion

The results of validity and reliability tests conducted on the initial 30 questionnaires have shown a valid and reliable value in which all items have a Pearson correlation value more than 0,3 (valid) and each variable has a value of Cronbach's alpha more than 0,6 (reliable). Data was analyzed using PASW Statistics 18 for Windows. The data of 238 respondents have been tested for normality, and the data proved to be normally distributed and then used multiple linear regression testing. The results are as follows:

Table 1. Anova Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1,047	0,240		4,355	0,000
<i>Perceived Appropriateness</i>	0,202	0,074	0,163	2,736	0,007
<i>Perceived Consistence</i>	0,373	0,066	0,364	5,612	0,000
<i>Perceived Effectiveness</i>	0,335	0,067	0,328	4,996	0,000
Entrepreneurship Education	-0,099	0,041	-0,120	-2,394	0,017

Table 2. F Test Results

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	54.574	4	13.643	59.596	.000
Residual	53.341	233	.229		
Total	107.915	237			

In Table 2, the coefficient and significance of variables *perceived appropriateness* are 0,163 and 0,007, respectively. Coefficient values greater than 0 and significance values less than 0,05 indicate a positive and significant relationship between the variables perceived appropriateness and the entrepreneurial intention variable. This shows that the hypothesis proposed is accepted and in accordance with previous studies conducted by Adekiya and Ibrahim (2016).

According to Adekiya and Ibrahim (2016), the intention towards entrepreneurial activity in the future can be promoted by disseminating information that will encourage students to have attitudes and views that careers in entrepreneurship are a career path that is acceptable and worth taking after graduation. These findings are in line also with the opinion of Karayiannis (1993) who said that social and cultural agreement on the concept of entrepreneurship contributed to the increase in entrepreneurial activities, while the rejection of it would hamper entrepreneurship activities. So it can be concluded that the students used as respondents in this study are influenced by their environment, both from the nearest environment such as family and friends, as well as from a wider environment for example through advertising on television, the influence of role models, and so on. The influence given by this environment, encourages students to perceive that entrepreneurship is a decent job, and being an entrepreneur can make them accepted by society. With this perception, students will unconsciously be motivated to develop their intention to become entrepreneur in future.

The results also show that perceived consistence variables affect the intention of entrepreneurship. The *perceived consistence* coefficient of 0,364 (greater than 0) shows the direction of a positive relationship, while the significance of 0,000 (less than 0.05) indicates that the relationship between the two variables is significant. Therefore, H3 is accepted. The results of this study are in line with the results of the research of Ajzen and Fishbein (1980); Snyder and DeBono (1985); and Greenberger and Sexton (1988), cited by Adekiya and Ibrahim (2016) who say that a person is motivated to live according to his values, or personal identity, so that someone who considers his identity in accordance with an entrepreneurial figure, will be encouraged to grow.

However, the results of the study for this variable are different from previous studies conducted by Adekiya and Ibrahim (2016). This difference is caused by differences in the conditions in which the study was conducted. Adekiya and Ibrahim's (2016) research was conducted in Nigeria which is categorized as a poor country, while this research was conducted in Indonesia, a developing country. Dr. Charles Ugwu, Director Professional Development Directorate, in an interview with Punch Newspaper said that 80% of undergraduate graduates in Nigeria are unemployed. This is due to the lack of jobs available in Nigeria. While in Indonesia, according to Hanif Dhakiri, Minister of Manpower, only 11% of graduates are unemployed. This significant difference causes different results of the dimensions of *perceived consistence* on the intention of entrepreneurship in both countries. In other words, the *intention of entrepreneurship* in the country is "forced" to arise because of the lack of available employment conditions so that college graduates have no other choice to survive other than entrepreneurship even though they do not have the character as an entrepreneur.

The results of research in Indonesia on the dimensions of perceived consistence show a significant effect on entrepreneurial intentions. This is possible because university graduates in Indonesia still have the opportunity to get jobs in the job market, so that these graduates do not have to be entrepreneurs to survive. Graduates in Indonesia can choose to take part in existing jobs, or create their own jobs. The absence of this "compelling" condition results in only students who have a self-perception that they have the character of a businessman who has the intention to entrepreneurship. This is why, the effect of perceived consistence on entrepreneurial intentions in this study is said to be significantly positive.

The results of other studies related to the dimensions of *perceived effectiveness* with the intention of entrepreneurship variables indicate that *perceived effectiveness* has a coefficient of 0,328 (greater than 0) which means there is a positive relationship between the two variables. While the significance of this variable is 0,000 (less than 0,05) which means that the relationship between the two variables is significant. The conclusion that can be drawn is H4 accepted, and the results of this study are in line with the results of previous research conducted by Adekiya and Ibrahim (2016), which states that there is a positive and significant relationship found between the perception that careers in entrepreneurship can be used to achieve desired goals, with a tendency to be involved in entrepreneurial activities in the future. These findings are also in accordance with the theory of needs expressed by Maslow (1943: 370-396), and McClelland (1961) cited by Mat et al., (2015), that someone who believes that a particular action can help him achieve his goals, will be compelled to take action. That is, someone who is confident that he can achieve his goals by becoming an entrepreneur, will have the intention to become an entrepreneur.

The results of the study related to the dimensions of entrepreneurship education with the intention of entrepreneurship, showed that entrepreneurship education has a negative influence on the intention of entrepreneurship, which can be seen from the coefficient value of less than 0, which is -0,120. The relationship between the two variables is significant, because entrepreneurship education has a significance value of less than 0,05, which is 0.017. The results of this study are not in line with the results of the research of Adekiya and Ibrahim (2016) who found a positive relationship between entrepreneurship education and the intention

of entrepreneurship.

Piaget's theory (1954) explained that each individual has a scheme that is formed from the results of his interaction with the environment. This scheme can change and will continue to grow, adjusting to new experiences. This adjustment process is divided into assimilation and accommodation. Assimilation is the process of adding new information into existing schemes that are subjective. Whereas accommodation is the process of changing / replacing the scheme because of new information that is not in accordance with the existing scheme. The same thing can happen regarding student schemes about entrepreneurship. A total of 149 respondents, or 62.6% of respondents, had a parent's background as an entrepreneur, thus enabling parents of students to tell and involve them in their daily business processes and ultimately to develop the intention of entrepreneurship. But when students take entrepreneurship education through Entrepreneurship courses, the existing mind set can change so that there are adjustments that occur with their initial scheme, both assimilation and accommodation. Students who assume being an entrepreneur is a pleasant job, will find that being an entrepreneur also requires a lot of sacrifice. In addition, certain knowledge and skills are needed, including the skills to work together in groups, in order to establish and maintain a sustainable business.

The respondents who took Entrepreneurship courses felt unprepared when they realized the many sacrifices and preparations they needed to have to become entrepreneurs. This adjustment scheme in the form of accommodation makes many students rethink to become an entrepreneur. It is not impossible, after taking this course, students actually consider it better to work for others than to work alone. This is what makes the intention of entrepreneurial respondents drop after they take Entrepreneurship courses. The results of this study are also supported by Lutfi's (2010) study which found that people in Surabaya - Indonesia, in general, included the *risk averse* group. People who are classified as *risk averse* are people who avoid risk, and will choose the lowest risk option (Lutfi, 2010). It is certainly natural that people like this will experience a decline in entrepreneurial intentions after learning about the many risks faced by an entrepreneur course after taking.

4. Conclusion

Based on the results of the tests that have been conducted and discussed, it can be concluded that all hypotheses tested through PASW Statistics 18 for Windows can be accepted with the following explanation: first, entrepreneurship culture (*perceived appropriateness, perceived consistence, and perceived effectiveness*) and entrepreneurship education have a significant positive effect on the students' intention of entrepreneurship at the Faculty of Business and Economics at the University of Surabaya. Second, *perceived appropriateness* has a significant positive effect on the intention of entrepreneurship of students of the Faculty of Business and Economics, University of Surabaya. Third, *perceived consistence* has a significant positive effect on the students' intention of entrepreneurship at the Faculty of Business and Economics at the University of Surabaya. Fourth, *perceived effectiveness* has a significant positive effect on the students' intention of entrepreneurship students at the Faculty of Business and Economics, University of Surabaya. Fifth, entrepreneurship education has a significant positive effect on the students' intention of entrepreneurship students at the Faculty of Business and Economics, University of Surabaya.

This study has limitations, namely the respondents are limited to students, and the number of respondents is only as many as 238 respondents from one university. The suggested future research is to increase the number of respondents from various universities and consider cultural factors in research. For educational institutions, they should think about how to stimulate the students' intention of entrepreneurship through the right method of learning entrepreneurship courses and accompanied by various trainings to support the readiness of students to enter as entrepreneurship while being students and after graduation later on.

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