



The influence of subjective norms and self-efficacy on entrepreneurial intentions: A study on students

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ABSTRACT

This study aims to determine the effect of subjective norms and self-efficacy on entrepreneurial intentions. The subjects of this study were private students in the city of Bandung majoring in the faculty of economics and business who joined the HIPMI organization (Association of Young Indonesian Entrepreneurs). The sample in this study was the entire population of 100 students who had met the requirements. Data was collected by means of interviews and direct questionnaires to respondents, and path analysis was used in this study to analyze the data statistically. The subjective norm and efficacy factors support the entrepreneurial intention. The majority of students also have the intention to become entrepreneurs. This intention is because students have received entrepreneurship courses and environmental influences on the higher education HIPMI organization.



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INTRODUCTION

The increasing unemployment rate in the era of the COVID-19 pandemic is a phenomenon that occurs in Indonesia. The success of a country's development can be seen from various aspects of indicators, one of which is economic growth and the unemployment rate (Nambisan, 2017). Economic growth can be seen through industrial growth, infrastructure, and increased production of goods and services. Each country will strive to provide support for optimal economic growth. Conditions in developing countries, particularly Indonesia, show that the economic growth achieved has also been accompanied by an increase in Indonesia's population.

Table 1 Unemployment Rate by Education

Level of education	Open Unemployment Rate by Education Level		
	2019	2020	2021
Never School	0,92	1,08	1,65
Primary school	3,25	3,23	4,61
Secondary school	9,18	8,86	11,29
University	5,91	5,71	7,51

Source: Labor Force Survey (2022)

Based on the table above, there was a decrease in the unemployment rate at every level of education in 2019 except for the group of never-schooled education levels which increased by 0.16%. In 2021, there will be an increase in the unemployment rate with an average increase of 1.55%, with the highest percentage increase occurring at the secondary school education level of 2.43% and the lowest increase occurring at the Never School education level of 0.57%. An increase in the number of unemployed in 2021 may be due to the emergence of the Covid-19 pandemic which began to spread in March 2020 and triggered the Indonesian government to issue regulations to limit transportation access, thus affecting the company's economic condition which forced the company to reduce the number of employees (Kraus, 2020).

The phenomenon of an increase in the number of unemployment that occurs is also due to a lack of entrepreneurial intention or intention from the community. Therefore, this study was conducted to determine the factors that can encourage the growth of entrepreneurial intentions, especially those originating from personal factors, namely self-efficacy and subjective norms. Nowiński (2019) has mentioned that self-efficacy influences entrepreneurial behavior, but this research also needs to be expanded further. This research was conducted on fresh graduate students in West Java. The formulation of the problem in this study are: (1) Do subjective norms affect entrepreneurial behavior? (2) Does self-efficacy affect entrepreneurial intentions? This research is divided into five parts, where the first part is about the background, the second part is theoretical studies and hypothesis development, the third part is the method used, the fourth part is the results and discussion, the fifth part is the conclusions and suggestions.

According to Utami (2017), subjective norms are individual beliefs about norms, people around them, and motivation to follow these norms. Subjective norms can also be interpreted as the views of other parties who are considered important by individuals who suggest that the individual displays or does not display behavior and motivation of willingness to carry out or not carry out the opinions of other parties that are considered important. Wahid, (2019) explains that subjective norms are perceptions of social pressure in carrying out certain behaviors. Subjective norms are measured by a subjective norm scale, with indicators of belief in the role of family in starting a business, belief in the support of friends in a business, belief in support from lecturers, belief in support from successful entrepreneurs, and belief in support in business from people who are considered important (Martínez Campo, 2011). Subjective norms simultaneously affect entrepreneurial intentions (Riwayati & Gunadi, 2015). Based on some of the research results above, the research hypothesis can be formulated as follows.

H1. Subjective norms have a positive effect on entrepreneurial intentions

Efikasi merupakan suatu keyakinan yang bergantung pada kondisi lingkungan sekitar, termasuk juga keyakinan kepada dirinya bahwa ia mampu atau tidak dalam melakukan suatu tindakan (Bodlaj & Čater, 2019). Keyakinan inilah yang nantinya membawa perubahan terhadap lingkungan setelah bertindak. Efikasi diri memberikan pengaruh terhadap perilaku seseorang dalam kehidupan sehari-harinya. Menurut Phillips (2015), efikasi diri merupakan persepsi mengenai seberapa baik dirinya dapat berfungsi dalam situasi tertentu. Suddaby (2015) menyatakan bahwa efikasi diri memiliki kemampuan dalam melakukan tindakan yang diharapkan. Namun keyakinan ini akan sangat tergantung dari diri manusia itu sendiri. Menurut Arend (2015), setiap individu mempunyai efikasi diri yang berbeda-beda pada situasi yang berbeda, hal ini tergantung pada kemampuan, keterlibatan orang lain, dan keadaan psikologis serta emosional. Memiliki keyakinan diri yang dimiliki mendorong seseorang untuk memahami tentang situasi yang dialami, serta dapat menerangkan mengapa seseorang ada yang mengalami kegagalan dan atau yang berhasil. Lortie (2015) menyebutkan bahwa efikasi diri dapat diukur dengan skala self efficacy, sedangkan indikator dalam mengukur efikasi terdiri dari dua yaitu kepercayaan diri akan kemampuan mengelola usaha dan kepemimpinan dalam memulai usaha. Penelitian Block (2017) menyebutkan bahwa efikasi diri berpengaruh terhadap perilaku berwirausaha.

H2. Self Efficacy have a positive effect on entrepreneurial intentions

Research on entrepreneurial behavior develops from various perspectives, namely economics, psychology, and sociology. The economic perspective views that entrepreneurial behavior is based on conditions of entrepreneurial readiness through economic instruments such as capital (Vuorio, 2018). If viewed from a sociological perspective, entrepreneurial behavior will be closely related to human relations, social life patterns and norms and culture that shape entrepreneurial behavior. And from a psychological perspective, entrepreneurial behavior is seen from factors in the form of personal aspects and entrepreneurial motives (Wijaya & Mada, 2008). According to Putri (2013), intention is the seriousness of a person's intention to do an act or bring up a certain behavior (Phillips, 2015). How much desire a person has to carry out certain activities or to produce certain circumstances will produce results in the future. History & Gunadi (2015) states that intention is a component in the individual that refers to the desire to perform certain behaviors. According to Utami (2017), intention is a motivational factor that can have an impact on a behavior. In addition, intention shows how serious someone is to

dare to try what has been planned. However, according to Karimi (2016), intention tends to lead to a person's behavior to choose to do or not do a job. This tendency can be influenced by the support of the people around him. Wahid's research (2019) states that entrepreneurial intentions affect entrepreneurial behavior.

H3. Subjective norms dan Self Efficacy have a positive effect on entrepreneurial intentions

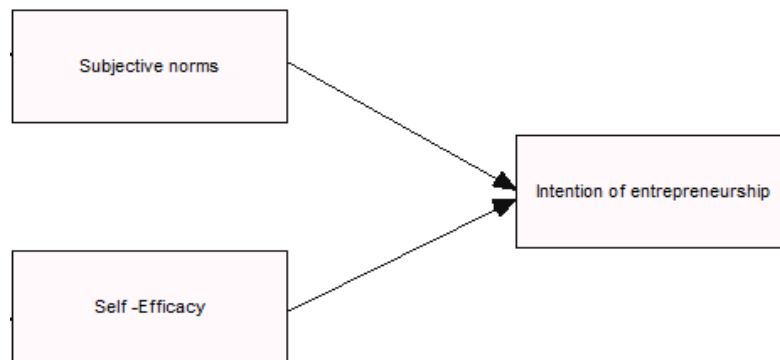


Figure 1 Research Model

RESEARCH METHODS

The method used in this research is descriptive research method. Descriptive analysis is a form of research based on data collected during research systematically on the facts and characteristics studied, which are then interpreted based on theory and literature related to the variables to be studied. In this study, 121 respondents were sampled, namely Widyatama students in the city of Bandung who participated in the association of young Indonesian entrepreneurs in Bandung. The sampling method used non-probability sampling technique with incidental sampling. Questionnaires were distributed to but only 100 were returned. The technique used to measure the variables in this study is a Likert scale which has five alternative answers: 1 strongly disagree (SD) to 5 strongly agree (SA).

RESULTS AND DISCUSSION

Respondent profile

This research was conducted at Widyatama University Bandung, West Java, Indonesia using students involved in the Indonesian Young Entrepreneurs Association (HIPMI) as respondents. This study uses a descriptive method with a quantitative approach by distributing questionnaires. Calculation of the sample using iteration formula with the number of respondents as many as 100 people. The sampling technique in this study is non-probability sampling with incidental sampling. According to Sekaran (2016), incidental sampling is a sampling technique based on chance at that time which is sampled if there is a match as a sample. Sources of data obtained in the study in the form of secondary and primary data. The results of the acquisition of respondents are as follows:

Table 2 Profile of Respondents

Profile of Respondents		Amount	Percentage
Gender	Malee	54	64%
	Woment	36	36%
Age	>20 thn	52	63%
	31 - 40 thn	29	22%
	> 40 thn	9	15%
Education	Diploma	38	40%
	Bachelor degree)	52	60%

Source: Processed data (2022)

Based on Table 2, it can be seen that most of the respondents are men with a percentage of 64% and women 36%. Based on gender, respondents who dominate are at the age of 31-40 years as much as 63%, the majority of students in the association of young Indonesian entrepreneurs in higher education are generally over 20 years old and are of productive age. Meanwhile, at the diploma level, there are more than 60% for undergraduates. The average percentage of variable values is as follows:

Table 3 Average Percentage of Variable Values

Variable	%	Category
Percentage Average Subjective Norm variabel	79,64%	Good
Average percentage of self-efficacy variable	73,64	Good
Average percentage of entrepreneurial intention variable	74,21	Good

Source: Processed data (2022)

Table 3 shows that the average percentage of each variable is in the good category.

Validity and Reliability Test

Based on the results of validity testing, each statement item in this study has an alpha level Sig 0.05 level, meaning that this research variable is valid. The reliability test showed that each question in the variable obtained a significance value above 0.6, meaning that each instrument was said to be reliable.

Table 4 Validity Test

Variable	Item	r-count	r-critical	Information
Subjective Norms	x1	0,755	0,30	Valid
	x2	0,829	0,30	valid
	x3	0,473	0,30	valid
	x4	0,946	0,30	valid
Self Efficacy	x5	0,887	0,30	valid
	x6	0,888	0,30	valid
Entrepreneurial intention	y1	0,542	0,30	valid
	y2	0,676	0,30	valid
	y3	0,547	0,30	valid

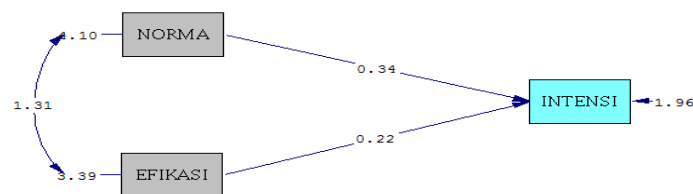
Source: Processed data (2022)

Table 5 Reliability Test

Variable	Item	Cronbach's Alpha	Information
Subjective Norms	X1	0,763	Reliable
Self Efficacy	X2	0,770	Reliable
Entrepreneurial Intention	Y	0,754	Reliable

Source: Processed data (2022)

Test the Effect of Subjective Norms and Self-Efficacy on Entrepreneurial Intentions



Chi-Square=0.00, df=0, P-value=1.00000, RMSEA=0.000

Table 6 Hypothesis Testing Results

Direct Influence	Path Coefficient	Standard Error	T Value	Statistical (T Count)	R. Square (Coefficient of Determination)	Conclusion
Subjective Norms of Entrepreneurial Intentions	0,341	0,0751	4,546	>1,96 (Significant)	0,298	H1 Accepted
Self-Efficacy towards Entrepreneurial Intention	0,221	0,0826	2,641	> 1,96 (Significant)	0,298	H2 Accepted

Based on the results of table 6, the influence of subjective norms on entrepreneurial intentions is $4.546 > 1.96$. It can be interpreted that subjective norms have a significant and significant effect on entrepreneurial intentions. Likewise, the effect of self-efficacy on entrepreneurial intentions, which shows a value of $2.641 > 1.96$. This means that the self-efficacy variable has a significant influence on entrepreneurial intentions. Thus, the proposed hypothesis 1 and 2 are accepted. When viewed from the value of R. Square, it is obtained 0.221 or 21.1% indicating that this value is able to explain the influence of subjective norms and self-efficacy on entrepreneurial intentions.

Subjective Norms Affect Entrepreneurial Intentions

Subjective norms refer to how an individual thinks he should behave and how his behavior will be judged by others in a certain cultural and social environment (Bosma, 2018). When viewed from the point of view of human characteristics, that sense of desire to have and have it must be fulfilled. Most of the students involved in the HIPMI organization have gained knowledge about Entrepreneurship. Armed with knowledge about entrepreneurship, students have confidence that the support, encouragement and motivation from the HIPMI environment in starting a business will certainly have an impact on the next generation to be able to continue their business in the future.

Self-Efficacy Affects Entrepreneurial Intentions

Vuorio (2018) describes self-efficacy as belief in one's ability to succeed in certain circumstances. Students have self-confidence and the ability to be successful in the future, starting with joining the HIPMI organization which chooses a business path rather than working in a company or working with other people, choosing a career as an entrepreneur will of course be faced with uncertainty in obtaining income or profits. It takes a plan to start a business. By having a plan, it is intended that the business to be carried out has a basic foundation of what students will do.

Subjective Norms and Self-Efficacy Affect Entrepreneurial Intentions

According to Theory of Reasoned Action, an individual's intention to perform a certain behavior is influenced by normative beliefs - views (whether the individual agrees or not) about a behavior developed by important others, such as peers, friends or relatives (Lerner, 2018). Students who have joined the HIPMI organization have a high level of confidence that they can successfully build a business.

CONCLUSION

This study aims to determine the extent of the influence of subjective norms and self-efficacy on entrepreneurial intentions. This research was conducted on students from a private university in the city of Bandung, Faculty of Economics and Business, who participated in the activities of the HIPMI (Indonesian Young Entrepreneurs Association) organization in higher education. The results in this study prove that personal factors which include subjective norms and self-efficacy of economics faculty students at private universities support students to have entrepreneurial intentions. In addition, they also feel motivated to do business. However, in reality there are still many students who have not taken entrepreneurship actions. This is because there are still many students who are constrained, especially in terms of the capital they have, as well as the lack of information related to what business they are doing.

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