Do Personality Traits, Attitude, Education, and Self-Efficacy Impact on Entrepreneurial Intention of Vocational Students?

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Abstract

One of the Indonesian government missions is increasing the numbers of young entrepreneurs to reduce the unemployment rate. Therefore, entrepreneurial education is introduced in middle schools, particularly in vocational schools. On the other hand, regulators and practitioners in education field focus only on how to make the students be competence to be an employee, not an entrepreneur. This study is aimed to investigate what factors to predict students' intention of becoming an entrepreneur. This study employed four predictor variables: personality traits, attitude, entrepreneurial education, and self-efficacy. Indicators to measure each variable were adapted from prior studies. A survey had been conducted involving 215 participants from four vocational schools in Jakarta. The data are analyzed using Structural Equation Modelling concept. This study proves that attitude and self-efficacy had a significant impact towards entrepreneurial intention. Interestingly, personality traits and entrepreneurial education have no effect on entrepreneurial intention.

Keywords: Entrepreneurial intention, personality traits, attitude, entrepreneurial education, self-efficacy, structural equation modeling, vocational schools

Introduction

The unemployment rate is a common problem in every country, especially Indonesia. The problem of unemployment can be seen from the high unemployment rate in Indonesia. Regarding to the Indonesian Central Bureau of Statistic (2017) states that from 131.55 million people who entered the labor force, there were 124.54 million people who worked. The rest of 7.01 million people were unemployment status. 9.27 percent of the unemployment rate was contributed by vocational school graduates. The unpreparedness of work from vocational school graduates is responsible for the high rate of unemployment. This phenomenon drove the Government issuing the Presidential Instruction in 2016 Number 9 on the revitalization of vocational schools.

The Presidential Instruction expects the vocational schools to be able to create and prepare their graduates being entrepreneurs. The graduates should not be the job seekers, but be the job creators (Fadiati, & Purwana, 2011). The schools need providing an entrepreneurship environment which can build students' entrepreneurial spirit.

The intention is a key for students to start a new business. Scholars around the world are actively trying to find what factors can raise students' intentions to become entrepreneurs. The prior studies found the personality traits impacted on entrepreneurial intention (Chen, & Sung, 2012; Akanbi, 2013). Some scholars found self-efficacy could affect entrepreneurial intention (Mat, Maat, & Mohd, 2015; Zhao et al, 2003; Susetyo, & Lestari, 2015; Akanbi, 2013). The other aspects affected entrepreneurial intention was an attitude (Robledol et al, 2015; Autio et al, 2001), and entrepreneurial education (Hussain, & Norashidah, 2015; Opoku-antwi et al, 2012; Susetyo, & Lestari, 2015).
Tabel 1: The Previous Researches on Entrepreneurial Intention

<table>
<thead>
<tr>
<th>Researchers</th>
<th>Research Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mat, Maat, &amp; Mohd, 2015; Zhao et al, 2005; Susetyo, &amp; Lestari, 2015; Akanbi, 2013</td>
<td>Self-efficacy has a positive influence on entrepreneurial intentions</td>
</tr>
<tr>
<td>Chen, &amp; Sung, 2012; Akanbi, 2013</td>
<td>Personality traits have a positive influence on entrepreneurial intentions except neuroticism has a negative influence</td>
</tr>
<tr>
<td>Robledo et al, 2015; Autio et al, 2001</td>
<td>Attitude has a positive effect on entrepreneurial intention</td>
</tr>
<tr>
<td>Hussain, &amp; Norashidah, 2015; Opoku-Antwi et al, 2012; Susetyo, &amp; Lestari, 2015; Purwana et al, 2017</td>
<td>Entrepreneurial education has a positive influence on entrepreneurial intention</td>
</tr>
</tbody>
</table>

Based on the table 1 above, this study designed to find out how personality traits, attitude, entrepreneurial education and self-efficacy impact on entrepreneurial intention.

Literature Review

Entrepreneurial Intention

The intention is the main thing before someone committed to being an entrepreneur. The strong intention will drive a person being entrepreneurs in the future. Intention intervened between people’s perception and emotions, also their overt behavior. They are the decision to act in a given way (Robbins, & Judge, 2013). The intention is an indicator of how hard individual will work to achieve something (Ajzen, 1991). The intent is something of a slippery concept to pin down, in the context of entrepreneurship it has been taken to mean a conscious and planned resolve that drives actions necessary to launch a business (Thompson, 2010). The entrepreneurial intention is the motivational factors that influence individuals to pursue entrepreneurial outcomes (Hisrich, 2010).

Personality Traits

Many researchers believe that the difference in the individual’s personality can be grouped into five broad dimensions and bipolar. The dimensions are known as Big-Five Personalities which consists of neuroticism, extraversion, openness, agreeableness, and openness to experience (John, & Srivastava, 1999; McCrae, & Costa, 2003).

Study result in Taiwan by Chen and Sung (2012) shows that extraversion, agreeableness, conscientiousness, neuroticism, and openness to experience, had influenced students’ entrepreneurial intention. It was only neuroticism had a negative impact. Similar results were also found by Akanbi (2013) on Nigerian students.

For the purpose of the study, the author develops the following hypothesis:

H₁: Students’ personality traits will impact on entrepreneurial intention.
Attitude

Attitude is an individual positive or negative evaluation of performing the particulars of the behaviour of interest (Ajzen, 2005). King (2013) defines that attitudes as an individual’s opinion and beliefs about people, objects, and ideas. A positive attitude is feeling good about entrepreneurial activities can allow someone to become entrepreneurs.

Autio (2001) discovers that attitude had a strong relationship with the intention of entrepreneurship students in several countries, such as Sweden, Finland, USA, and the UK. Similar result found in Spain by Robledo et al (2015) says that attitude had a significant effect on students’ entrepreneurial intention. Therefore, the author posits the following hypothesis:

H₂: Students’ Attitude will impact on entrepreneurial intention

Entrepreneurial Education

A formal education can prepare students to start a new business by improving the needs of their skills and knowledge to develop and expand business. Individuals with vocational training are now just as likely to become entrepreneurs as those with higher qualifications (Harding, 2013).

The previous studies from various countries including Pakistan by Hussain and Norashidah (2015) finds that entrepreneurial education played an important role to raise up entrepreneurship intentions of students. This was also supported by similar results in Nigeria by Opoku-Antwi et al (2015) and in Indonesia (Susetyo & Lestari, 2014; Purwana et al, 2017). Thus, the authors develop the hypothesis:

H₃: Entrepreneurial education will impact on students’ entrepreneurial intention

Self-Efficacy

Before deciding to run a new business, one thinks through a long process to evaluate whether becoming an entrepreneur is worthy. The motivational factors influenced entrepreneurial intentions are the self-efficacy and perceived feasibility (Hisrich, 2008).

A research conducted on students in Malaysia by Mat, Maat, and Mohd (2015), revealed that self-efficacy impacted on entrepreneurial intention. Similarly, Zhao, Hils, & Seibert’s (2005) study shows that formal education on entrepreneurship had a relationship with self-efficacy and would affect students’ entrepreneurial intentions. Furthermore, the research conducted on 200 students in Indonesia by Susetyo and Lestari (2015), it resulted in similar conclusion with the previous studies.

The authors will test the following hypothesis:

H₄: Students self-efficacy will impact on entrepreneurial intention

Based on the above empirical studies, the study develops the theoretical framework as shown in figure 1.
Research Methods

The population in this study was vocational students in Jakarta who had completed the entrepreneurship course. The six-Likert scale questionnaires were distributed to 215 respondents. The sample consisted of 113 male and 102 female students from various vocational schools in Jakarta. The data were analyzed by using Structural Equation Modelling (SEM).

The entrepreneurial intention was measured by using six items instrument from Liñán (2011), and Chen (2012). The personality traits were measured by using 25 items adapted from John, O., P., & Srivastava (1999). To measure attitude, 8 items were adapted from Robledo et al (2015) and Yin Ling (2009). Entrepreneurial education measurement was adapted, 4 items adapted from Denanyoh et al (2015) and 2 items adapted from Opoku-Antwi et al (2012). Self-efficacy items were adapted from J. Kickul (2005), Maat et al (2015) and Zellweger (2011). Measurement of variables in this research used 6-Likert scale (1=strongly disagree to 6= strongly agree).

Results And Discussion

Figure 2 demonstrates a fitted model of the theoretical framework produced by confirmatory factor analysis (structural equation modeling). This model has probability, CMIN/DF, TLI, CFI, and RMSEA scores of 0.620, 1.467, 0.963, 0.980, and 0.047 respectively. These scores are significant with the scores required for obtaining a fitted model.
Continuing the confirmatory factor analysis, the author tested four hypotheses developed by verifying the C.R. values. Table 2 figures a summary of hypothesis testing from the model. The result showed that the attitude and self-efficacy significantly and positively influenced entrepreneurial intention. The Attitude and self-efficacy probability of getting a critical ratio as large as 3.345 and 4.266 (C.R. > 1.9). In other words, the regression weight for attitude and self-efficacy in the prediction of entrepreneurial intention is significantly influenced.

The entrepreneurial education has a positive influence on entrepreneurial intention but not significantly. The C.R. value is 1.529 (< 1.9) with P-value 0.126. The regression weight for entrepreneurial education in the prediction of entrepreneurial intention is not significantly influenced.

The personality traits have a negative influenced and not significantly to entrepreneurial intention. The C.R value (1.476) is less than 1.9 with P-value 0.140. In other words, the regression weight for personality traits in the prediction of entrepreneurial intention is not significantly influenced.

<table>
<thead>
<tr>
<th>goodness fit indices</th>
<th>Cut Off Value</th>
<th>Result</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>P</td>
<td>≥ 0.05</td>
<td>0.620</td>
<td>Fitted</td>
</tr>
<tr>
<td>CMIN/DF</td>
<td>≤ 2.00</td>
<td>1.467</td>
<td>Fitted</td>
</tr>
<tr>
<td>TLI</td>
<td>≥ 0.95</td>
<td>0.963</td>
<td>Fitted</td>
</tr>
<tr>
<td>CFI</td>
<td>≥ 0.95</td>
<td>0.980</td>
<td>Fitted</td>
</tr>
<tr>
<td>RMSEA</td>
<td>≤ 0.08</td>
<td>0.047</td>
<td>Fitted</td>
</tr>
</tbody>
</table>

Fig. 2: The Result of Structural Equation Model
Table 2: Summary of Hypothesis Testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>CR (t-value)</th>
<th>P-value</th>
<th>Hypothesis Result</th>
<th>Standardize Total Effect</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 Personality traits</td>
<td>→ Entrepreneurial Intention</td>
<td>-1.467</td>
<td>0.140</td>
<td>Unaccepted</td>
<td>-0.114</td>
<td>Weak</td>
<td></td>
</tr>
<tr>
<td>H2 Attitude</td>
<td>→ Entrepreneurial Intention</td>
<td>3.345 ***</td>
<td>**</td>
<td>Accepted</td>
<td>0.441 Good</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H3 Entrepreneurial Education</td>
<td>→ Entrepreneurial Intention</td>
<td>1.529</td>
<td>0.126</td>
<td>Unaccepted</td>
<td>0.127 Weak</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H4 Self-efficacy</td>
<td>→ Entrepreneurial Intention</td>
<td>4.266 ***</td>
<td>**</td>
<td>Accepted</td>
<td>0.480 Good</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Conclusion

The study aimed to investigate the impact of personality traits, attitude, entrepreneurial education and self-efficacy on entrepreneurial intention. The study finds that attitude and self-efficacy had a significant impact on entrepreneurial intention. It implies that those students who have high self-efficacy and positive attitudes towards entrepreneurship will increase the willingness of a student to become an entrepreneur in their future. The higher students’ self-efficacy is the stronger students believe in their abilities to do entrepreneurial activities. The results of this study supported the previous researches conducted by Mat, Maat, & Mohd, (2015); Zhao et al, (2005); Susetyo, & Lestari (2015); Akanbi, (2013) who found that the self-efficacy has a significant positive influence to entrepreneurial intention. In addition, the more positive attitude about entrepreneurship of students, the higher students’ intention to be an entrepreneur as goals career. This result is similar to the previous studies (Robledol et al, 2015; Autio et al, 2001).

This study also reveals that the entrepreneurship education affected entrepreneurial intentions positively, but not significantly. It implied that entrepreneurship education provided by the schools had not been effective to improve student intentions. This finding againsts the previous researchers (Harding, 2013; Hussain & Norashidah, 2015; Opuku - Antwi et al, 2015; Susetyo & Lestari, 2014; Purwana et al, 2017). The differences in findings with the previous studies might be occurred due to that the model of learning was more focus on theoretical knowledge. Teachers should utilize student active learning model in delivery the entrepreneurship subject matter. Another finding of the study is a significant impact of personality traits on entrepreneurial intention at there. Moreover, the result is contradicted by the previous studies (Chen, & Sung, 2012; Akanbi, 2013). It implies that students tend to perceive entrepreneurial activities as a negative thing due to job insecurity and income.

The research findings imply the need for schools improving their entrepreneurship-oriented curriculum, providing more training of entrepreneurship skills, improving teachers’ capacity to stimulate the students’ entrepreneurial spirit, and creating an entrepreneurship-oriented environment.

The author recommends for the future studies to investigate other variables that may affect the entrepreneurial intention, such as entrepreneurial orientation, entrepreneurial leadership, and school infrastructures. The future studies might enlarge the samples and various districts in Indonesia. It
would be interesting for the next research to differentiate entrepreneurial motivation between secondary and tertiary students based on gender differences and their parents' background.

References


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