



ENTREPRENEURSHIP KNOWLEDGE AND LOCUS OF CONTROL IN INCREASING INTEREST IN ENTREPRENEURSHIP

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Abstract

This study aims to determine the effect of entrepreneurial knowledge and locus of control on student interest in entrepreneurship. The research method used is a quantitative method with data collection using a questionnaire on a sample of 291 students. The data analysis technique used multiple linear regression and multiple correction. To test the hypothesis and the coefficient of determination using the SPSS 26 program. The results showed that the influence of entrepreneurial knowledge had an effect of 23% while the locus of control was 55.5% on student interest in entrepreneurship. The total influence of entrepreneurial knowledge and locus of control on entrepreneurial interest is 78.5%. The results of this study reinforce the importance of the higher education curriculum in paying attention to entrepreneurial knowledge and increasing student locus of control to increase student interest in entrepreneurship

Keywords: entrepreneurial knowledge; locus of control; interest in entrepreneurship; student interest

Article Info

History of Article
Received: 11/01/2023
Revised: 11/02/2023
Published: 22/02/2023

Jurnal Riset Bisnis dan Manajemen
Volume 16, No. 1, February 2023,
Page 59-64
ISSN 2088-5091 (Print)
ISSN 2597-6826 (Online)

INTRODUCTION

Often, unemployment becomes a problem in various countries, including in Indonesia. According to the Central Statistics Agency (BPS), the percentage of the Unemployment Rate (TPT) in Indonesia in February 2021 has increased. The Unemployment Ratio in Indonesia in 2021 has increased quite drastically, which is 26.11% from 2020. In other words, the unemployment population in Indonesia in 2021 will increase by 1.8 million from 2020.

Table 1. Working Age Population and Labor Force February 2021

Employment Status	2020	2021	Changes	
	2020-2021	(millions)	(millions)	(millions)
Working Age Group	202,60	205,36	2,76	0,14
Work Force	140,27	139,22	-1,05	-0,07
Employed	133,29	131,06	-2,23	-0,1
Unemployed	6,93	8,74	1,81	26,11
Non-Working Age	62,37	65,55	0,42	0,64
	%	%	%	
Unemployment Rate	4,94	6,26	1,32	
Employment Rate	67,53	68,08	0,55	

Students—as the nation's next generation—contribute to the unemployment rate in Indonesia, as students often get jobs unrelated to their degree or educational background. In the midst of intense job competition, students as an educated society should be able to become entrepreneurs. But in reality, unemployment at the bachelor level continues to increase every year. In 2021 the increase will reach 174,631 people or equivalent to 21.12% from 2020. This is certainly an economic problem that must be evaluated immediately.

One of the efforts to reduce the educated unemployment rate in Indonesia is to increase new entrepreneurs, especially among millennials. According to the Expert Staff for Information and Communication of the Ministry of Youth and Sports, currently the number of Indonesians who are entrepreneurs is still very small, which is only 3.47 percent. Moreover, students' interest in entrepreneurship is still low, even for students majoring in business and entrepreneurship (Mouselli & Khalifa, 2017). Business education and entrepreneurship have been recognized as contributing to a person's entrepreneurship (Usman & Widyanti, 2020; Sharaf et al., 2018), but research results show that the contribution is relatively small, as business education seems to be still not effective in encouraging Indonesian students to entrepreneurship (Mambu et al., 2019). On the other hand, the number of universities in Indonesia that provide business and entrepreneurship education is very large. Surely, this is an important phenomenon to study the extent to which the effectiveness of business education can encourage students to become entrepreneurs.

(Khabibah et al., 2019) said that one of the factors that influence students' interest in entrepreneurship is knowledge. Knowledge, skills, and expertise gained during college is the basic capital used for entrepreneurship, hence students can put them to use in starting new businesses. On the contrary, based on research conducted by (Prasetio., 2020), (Fajar et al., 2020, Fauzan, 2019, Hutasuhut, 2018), it is concluded that entrepreneurial knowledge has a significant positive effect on interest in entrepreneurship. Entrepreneurial knowledge can shape the mindset, attitudes, and behavior of students to become true entrepreneurs so as to direct them to choose entrepreneurship as a career choice (Asante & Affum-Osei, 2019).

According to (Hutasuhut, 2018), (Asdani & Kusmintarti, 2014) family background is the dominant factor of one's interest in entrepreneurship. Family is an important factor in shaping the behavior of a student in entrepreneurship. Parents's job and family support have significant influence in student's interest in entrepreneurship. The results of research on psychological factors, namely the need for achievement become one of the drivers of someone's entrepreneurship (Kerr et al., 2018). The results show that someone who is an entrepreneur usually has good academic achievements. Other studies say that self-efficacy is an important factor for someone to be successful in entrepreneurship (Hutasuhut, 2018; Kerr et al., 2018; Khabibah et al., 2019). Research on self-efficacy in students is usually associated with the ability to achieve. Another psychological factor is the locus of control which drives a person to become an entrepreneur (Asdani & Kusmintarti, 2014). Locus of control is often a factor considered in entrepreneurship where some researchers view that someone who sees himself as the holder of control over the results tends to survive in difficult situations.

Based on research conducted by Fauzan (2019) and Asante & Affum-Osei (2019), concluded that the internal locus of control had a significant positive effect on entrepreneurial interest. Similarly, the results of research conducted by Blegur & Handoyo (2020), (Aulia & Evanita, 2020), and (Khabibah et al., 2019) show that locus of control has a significant effect on student entrepreneurship interest. It can be interpreted that the level of locus of control determines the level of interest in entrepreneurship, where locus of control is something that makes someone dare to act with the consequences that will result from these actions and decisions.

Entrepreneurial knowledge and locus of control have an effect on interest in entrepreneurship, this is evidenced by research conducted by Wiguna (2021), (Blegur & Handoyo, 2020), and (Asdani & Kusmintarti, 2014). Locus of control has a significant positive effect on student entrepreneurship interest.

Based on the description above, a research framework can be made as shown below:

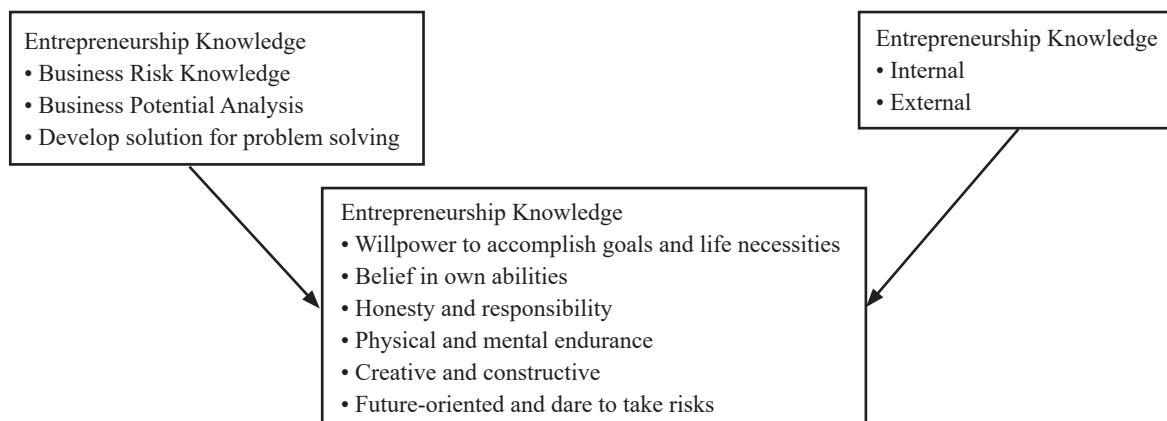


Figure 1. Research Framework

METHOD

This study uses quantitative methods. The population in this study were all active students of the 2017 and 2018 admission batches at the Faculty of Economics and Business (FEB) Pasundan University, which included Management, Accounting, and Economics study programs. Students in those batches are selected as they have taken entrepreneurship course subjects. Calculation of the sample in this study uses the table of Krejcie and Morgan. Based on the population of this study, namely all active students in the Faculty of Economics and Business (FEB) of Pasundan University class of 2017 and 2018, which amounted to 1,147 students, the number of samples in this study was 291 students.

The questionnaire consists of 26 questions with 6 questions about entrepreneurial knowledge, 11 questions about locus of control, and 9 questions about entrepreneurship interest. Data analysis was carried out using multiple linear regression analysis tools and multiple correlations, while hypothesis testing was carried out using the t test and F test (Basuki, 2014, Nazaruddin & Fatmaningrum, 2021).

RESULTS

The validity test result shows that all questions in the questionnaire have a score of more than 0.3 so they can be declared valid. The results of the reliability test on all variables show a score above 0.7 so that all research variables can be declared reliable.

Based on the results of distributing the questionnaires, it can be seen that the sex of the respondents was mostly women/college students, namely as much as 64%, with residences in Bandung as much as 49%. Respondents who have attended lectures for 3 years are 62%. 85% of students who are not self-employed. 15% of students who are self-employed with 55% business duration are only one year old. Based on the responses to questions about entrepreneurial knowledge, it is shown that respondents had sufficient entrepreneurial knowledge although their interest in entrepreneurship is not high. However, students have locus of control conditions that are not high or not good enough. The following are the results of the regression analysis of the collected respondent data.

Table 2. Multiple Linear Regression Analysis Result

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	4.287	.823		5.204	.000			
	X ₁	.370	.064	.280	5.428	.000	.819	.305	.148
	X ₂	.498	.040	.636	12.348	.000	.873	.588	.338

a. Dependent Variable: Entrepreneurial Interest

Based on Table 2, the correlation results can be made into the regression equation as follows:

$$Y = 4,287 + 0,370 X_1 + 0,498 X_2 \dots\dots\dots(1)$$

Tabel 3. Multiple Correlation Analysis Result

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.886 ^a	.785	.783	2.09037

a. Predictors: (Constant), Locus of control, Entrepreneurial Knowledge

Table 3 shows the magnitude of the multiple correlation analysis results(r) between entrepreneurial knowledge and locus of control together on entrepreneurial interest, which is equal to 0.886. It also shows that the value of r2 is equal to 0.785. This means that the joint effect of entrepreneurial knowledge and locus of control on entrepreneurial interest is 78.5%.

Tabel 4. Simultaneous Hypothesis Test Results

Model		Sum of Squares	df	Mean square	F	Sig.
1	Regression	4582.858	2	2291.429	524.395	.000 ^b
	Residual	1258.462	228	4.370		
	Total	5841.320	290			

a. Dependent Variable: Entrepreneurial Interest

b. Predictors: (Constant), Locus of control, Entrepreneurial Knowledge

Based on the calculation results in Table 4, the F count is 524.395. The rejection criteria is rejecting H_0 if $F_{count} > F_{table}$, with degrees of freedom $(n-k-1) = (291-2-1)=288$, and $\alpha = 5\%$, with a value of $F_{table} = 3.03$. The F_{count} value is greater than the F table or the sig. value is below 0.05, so H_0 is rejected. These results indicate that entrepreneurial knowledge and locus of control together have a significant influence on entrepreneurial interest.

The Tcount value for the variable X1 is 5.428. The value of Tcount is greater than $T_{table} = 1.968$, or the sig. value is below 5%, (Table 5), then H_0 is rejected. So it can be concluded that there is a significant influence of Entrepreneurship Knowledge on Entrepreneurial Interest in Students of the Faculty of Economics and Business (FEB) Pasundan University.

Table 3 indicates that the Tcount for variable X2 is 12.348. This shows that the Tcount value is greater than the T_{table} value, which means H_0 is rejected. Therefore it can be said that there is a significant influence of Locus of control on Interest in Entrepreneurship in Students of the Faculty of Economics and Business (FEB) Pasundan University. To determine the partial influence of entrepreneurial knowledge and locus of control on entrepreneurial interest, it can be seen in the Table 6.

Tabel 6. Magnitude of Partial Influence

Variable	Standardized Coefficients		Coefficientr
	Beta	Zero-order	
X ₁	.280	.819	.230
X ₂	.636	.873	.555

Regarding to Table 6, it is apparent that locus of control has greater influence on interest in entrepreneurship, which is equal to 55.5%. This shows that students' interest in entrepreneurship is determined more by locus of control personalities, compared to their knowledge of entrepreneurship (23%).

DISCUSSION

The results of the study show that personality, especially locus of control, is the dominant factor in predicting student interest in entrepreneurship. The importance of locus of control personality has been recognized, not only in encouraging student interest in entrepreneurship, but furthermore as a predictor of student success in entrepreneurship (Asante & Affum-Osei, 2019; Vamvaka et al., 2020). When students get entrepreneurship courses, students usually think about entrepreneurship (Hermawan et al., 2016). However, students' experience of the difficulties in entrepreneurship has encouraged students who have an externally inclined locus of control to choose a career as an employee, in comparison to the advantages in their entrepreneurship experience. This is especially true in students who come from families whose backgrounds are not as entrepreneurs. Internal locus of control is an important personality possessed by entrepreneurs in facing the business challenges they face (Wiguna, 2021; Aulia & Evanita, 2020; Agustina et al., 2020; Din et al., 2019). Students will be faced with business competition and lack of resources therefore if the locus of control is internal, students see it as a challenge. This perception is very important in such a way that entrepreneurs try hard to solve the problems they face (Su et al., 2021) it is a separate part (not united with the results part).

CONCLUSION

The results of this study strengthen personality theory, especially locus of control as an important factor for the success of an entrepreneur. FEB Unpas students are educated people who are expected to become change agents for economic problems in society with their knowledge of economics and business. This study also indicates that locus of control has a large influence on students' interest in entrepreneurship. The results of this study were obtained from students who had taken entrepreneurship courses so that it was hoped that the results of this research is valuable for evaluating entrepreneurship learning materials, methods and the importance of encouraging students to become entrepreneurs. The results of this study are expected to become recommendations for tertiary institutions in making policies that encourage students' interest in entrepreneurship. Several policies can be considered to increase locus of control, including increasing the role of coaching and counseling, as well as increasing the role of cooperation in learning outside the classroom. The scope of this research is still very small hence further research can be carried out on a wider scope both in the context of students and students.

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