



# STUDENT INTEREST IN ENTREPRENEURSHIP: THE ROLE OF ENTREPRENEURSHIP EDUCATION AND THE ENVIRONMENT OF FAMILY

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## Abstract

This study aims to determine the effect of entrepreneurship education and the family environment on the interest in entrepreneurship among university students. The research method used is quantitative. The population in this study was students of the University of Bina Bangsa who had taken the entrepreneurship course, and the sampling in this study used probability sampling using the Slovin formula as many as 110 respondents. The results of this study indicate that partially entrepreneurship education does not affect student interest in entrepreneurship. Somewhat the family environment affects students' interest in entrepreneurship.

**Keywords:** Entrepreneurship Education, Family Environment, Entrepreneurial Interest

## INTRODUCTION

The majority of universities in Indonesia have included entrepreneurship courses in the college curriculum as one of the main courses that all students must take. Entrepreneurship education provides a theoretical foundation on entrepreneurship and shapes the attitudes, behavior, and mindset of an entrepreneur (entrepreneur). It is an investment in human capital to prepare students for starting a new business by integrating the experience, skills, and knowledge essential to developing and expanding a business. (Hidayat et al., 2018; Indarti, 2008; Miranda et al., 2017; Patricia & Silangen, 2016) .

The low entrepreneurial spirit in Indonesia can be seen based on the 2016 BPS data with a population of 252 million. The number of non-agricultural entrepreneurs who settled reached 7.8 million people, or 3.1%. As a result, Indonesia's entrepreneurship rate has surpassed 2% of the population, which is considered a minimum requirement for a prosperous society. Moenkopi Puspayoga explained that the entrepreneurial ratio of 3.1% was still meager compared to other countries, such as Malaysia, which reached an entrepreneurial ratio of 5%, China at 10%, Singapore at 7%, Japan at 11%, and the United States has reached 12. %.

Indonesian youth's low interest and motivation for entrepreneurship today have become severe for various parties, including the government, the world of education, the industrial world, and the community. Multiple efforts have been made to foster an entrepreneurial spirit, significantly changing the mindset of the youth who have only been interested in being *job seekers* when they finish school or college (Hidayat et al., 2018). This program is a challenge for schools and universities as graduate-producing institutions. Interest in entrepreneurship will make a person more active in finding and taking advantage of business opportunities by optimizing existing potential. Interest in entrepreneurship is a desire or desire, and interest and willingness of individuals to work hard in fulfilling their life needs without any fear of the risks faced. (Aloulou, 2018; Iakovleva & Kolvereid, 2009; Thu & Hieu, 2017) .

Someone said to have a high interest in entrepreneurship can be seen from various aspects of personality such as character, attitude, and behavior. Many factors encourage people to become entrepreneurs, one of which is knowledge about entrepreneurship. This factor is related to education because there are courses that discuss entrepreneurship at the university level. Entrepreneurship education (Patricia & Silangen, 2016) provides a theoretical foundation on the concept of entrepreneurship, but entrepreneurship education will encourage students to start, recognize and open a business or entrepreneurship. The mindset that was always oriented to being an employee was turned back to finding employees. Thus, entrepreneurship can teach by cultivating entrepreneurial values that will shape the character and behavior for entrepreneurship so that students can work independently in the future.

The next factor that encourages people to become entrepreneurs is the family environment. An entrepreneur does not just happen but is the result of a long process and can be started from childhood. The family environment is the smallest societal unit that plays an essential role in growing entrepreneurial motivation. Judging from the family environment, the formation of character, intelligence, skills, personality, and family ideology is the most dominant first environment. Every parent is a role model for their children. With the guidance and supervision of parents, the psychological elements of children can utilize optimally (Gurău et al., 2012; Rizzo & Columna, 2020; Samah et al., 2018; Tewal, 2017).

These psychological elements are attention, supervision, response, fantasy, memory, thought, intelligence and talent. Lack of encouragement from the family environment for children causes low motivation and growth of young entrepreneurs. Parents nowadays expect their children to work as civil servants (PNS) or office employees. Such work is considered to have little risk compared to being an entrepreneur. Parents want their children to be in a safe zone by getting a fixed salary every month, rather than having to wait for profits that take a long time and not necessarily the expected results.

Graduates from higher education are more prepared to select new employees, both from government agencies and from private companies. Therefore, college students need to be directed and supported to be oriented as job seekers and ready to become job creators or entrepreneurs. (Suseno et al., 2021). Fostering students' entrepreneurial spirit in higher education will be an alternative to reduce the unemployment rate. Students are expected to create jobs or become entrepreneurs after graduating from college by having an entrepreneurial spirit. (Hidayat et al., 2018) .

So, this study will examine the role of entrepreneurship education and the family environment in increasing entrepreneurial interest in students. There have been many previous studies and models that measure students' entrepreneurial intentions, including Adelekan et al., (2018); Ambad & Damit (2016); Gurău et al., (2012); Indarti & Krinstiansen, (2003); Kadir et al., (2012); Liñán et al., (2011); Park, (2017); Patricia & Silangen, (2016); Shih & Huang, (2017); Suharti & Sirine, (2012); Tewal, (2017); and Zovko et al., (2020).

## METHOD

This research is an associative research type using a quantitative approach. The research subjects are students of the Faculty of Economics and Business, Bina Bangsa University. Determination of the sample in this study using specific criteria (purposive sampling), namely students who have taken entrepreneurship courses. A total of 110 students have participated in this study. The questionnaire was designed based on some of the literature used in this study. Measurement of variables used in this study was adapted from several previous research measurements that measure Education Entrepreneur, Family Environment, and Entrepreneur Intention. All indicators were developed into question items and measured using a Likert scale of 1 strongly disagree to 5 strongly agree. Before data analysis, a validity test was conducted first, and the aim was to obtain quality data because the data was valid and consistent (Tjahjono, 2015). Analysis of the data used in this study using the Partial Least Square (PLS) approach based on variant-based Structural Equation Modeling (SEM), which can explain the relationship between several variables (including latent variables) and the ability to perform factor analysis, regression analysis, and deep path analysis. once testing (Jogiyanto, 2009) .

## RESULTS AND DISCUSSION

### Evaluation of the Measurement Model (*Outer Model*)

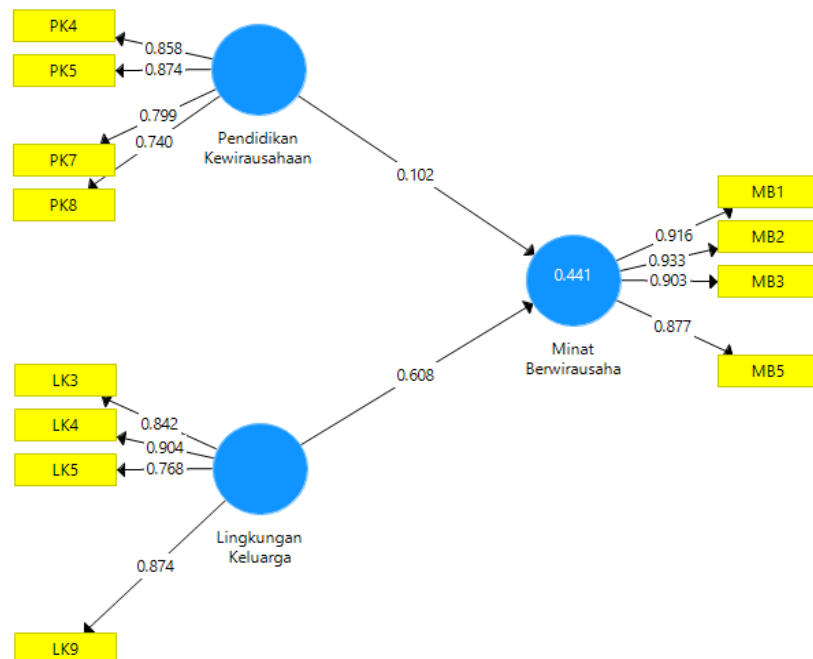
It is an evaluation of the relationship between constructs and indicators. This evaluation goes through two stages, namely the assessment of convergent validity and discriminant validity. Following are the results of the concurrent validity test of the reflective indicators seen through the *loading factor* value of each hand in the table below:

**Table 1 Outer Loading**

Indicator	Family environment	Entrepreneurial Interest	Entrepreneurship Education
LK1	0,625		
LK2	0,622		
LK3	0,824		
LK4	0,885		
LK5	0,762		
LK6	-0,119		
LK7	0,617		
LK8	-0,119		
LK9	0,859		
MB1		0,902	
MB2		0,928	
MB3		0,894	
MB4		-0,540	
MB5		0,884	

<b>PK1</b>			<b>0,490</b>
<b>PK2</b>			<b>0,362</b>
<b>PK3</b>			<b>0,620</b>
<b>PK4</b>			<b>0,815</b>
<b>PK5</b>			<b>0,854</b>
<b>PK6</b>			<b>0,619</b>
<b>PK7</b>			<b>0,758</b>
<b>PK8</b>			<b>0,766</b>
<b>PK9</b>			<b>0,697</b>

Based on table 1, 11 (eleven) indicators produce a *loading factor* below 0.70. The indicator must remove from the measurement model, and then the model is re-estimated. The results of the second estimate have shown a good validity value, as shown in the following figure:



**Figure 1 PLS Algorithm Analysis Second Model**

Checking the value of convergent validity was to look at the internal consistency reliability starting from Cronbach's alpha and composite reliability (CR) as follows:

**Table 2 AVE values, Composite Reliability and Cronbach's Alpha**

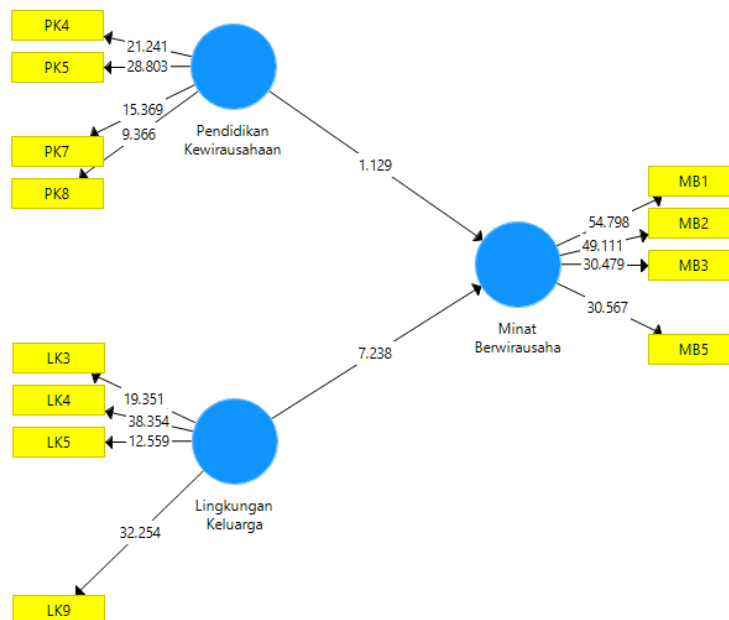
Variable	AVE	Cronbach's Alpha	Composite Reliability	
Family environment	0,720	0,870	0,911	
Entrepreneurial Interest	0,823	0,929	0,949	
Entrepreneurship Education	0,672	0,838	0,891	

Source: Primary data processed, 2021

From table 1, the Cronbach's alpha value of each construct is above 0.7 (CA>0.7). It shows that the reliability of the measuring instrument is high, and each construct has a strong relationship.

### Evaluation of the Structural Model (*Inner Model*)

Evaluation of the Structural Model in PLS is evaluated through a *bootstrapping* procedure. From the results of the analysis of the *bootstrapping* strategy, it produces *R-squares* values for each endogenous latent variable as the predictive power of the structural model and *Path Coefficient* to see the results of the significance of the influence of the variables in this study. Changes in the value of *R-squares* can use to explain whether the latent/independent variable has a substantive effect on the endogenous/bound latent variable, whereas the *T-statistical* value on the *Path Coefficient* is used to determine the results of research on the hypothesis proposed in this study. The following are the results of *the second model of bootstrapping* testing using the image display below:



**Figure 2 Bootstrapping Model**

*The path* coefficient value is significant in hypothesis testing with a T-Statistic above 1.96 for the hypothesis at 5% *alpha*. The following is the coefficient value of the second measurement model:

**Table 3 Coefficient Value (Original Sample), Standard Error and T-Statistic**

	<b>Original Sample (O)</b>	<b>Sample Average (M)</b>	<b>Standard Deviation (STDEV)</b>	<b>T-Statistic (O)/ (STDEV)</b>	<b>P Values</b>	<b>Information</b>
Family Environment - > Interest in Entrepreneurship	0,608	0,614	0,084	7,238	0,000	Significant
Entrepreneurship Education -> Interest in Entrepreneurship	0,102	0,100	0,091	1,129	0,260	Not significant

Source: SEM-PLS processing data

The coefficient of the influence of the family environment on the interest in entrepreneurship is 0.608, indicating that knowledge has a positive effect, while the T statistic is 7.238, which is greater than T table 1.96.

It indicates that the hypothesis is accepted, indicating that the family environment significantly influences interest in entrepreneurship. Family environment has been proven to affect good in entrepreneurship significantly. Students will get motivation from the family environment to have an entrepreneurial spirit that makes students enter the business world. With the development of knowledge about entrepreneurship, it will arouse the enthusiasm of the Indonesian people, especially the younger generation of students, to participate in creating job opportunities through entrepreneurship, not just being job seekers. The family environment is one of the determining factors for students' interest to become entrepreneurs.

The coefficient value of the influence of Entrepreneurship Education on Entrepreneurial Interest is 0.102, which means that Entrepreneurship Education has no positive effect.

While the T statistic value is 1.129, which is smaller than T table 1.96, the **hypothesis is rejected**, which means Entrepreneurship Education has no Significant Effect on Interest in Entrepreneurship. In this study, Entrepreneurship Education was proven not to affect interest in entrepreneurship. Factors in students who do not have a strong desire to know about entrepreneurship, causing a lack of knowledge and ability in the field of entrepreneurship. Students feel worried when starting a business.

## CONCLUSION

Based on the research and discussion in the previous chapter, it can conclude that the family environment variable has a significant effect on students' entrepreneurial interest, but not on Entrepreneurship Education. This influence has a positive direction, meaning that if the family environment is improved, the interest in entrepreneurship will increase, and vice versa. Theoretically, the family environment dramatically affects students' interest in becoming entrepreneurs. Even though student learning activities are on campus, especially entrepreneurship courses, it turns out that entrepreneurship education affects student interest in becoming entrepreneurs. This research is still

limited because the respondents are from one university, so that further analysis can reach a broader range of student respondents.

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