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Keywords: Eco Entrepreneurial; Intention; Students

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Determinants of Eco Entrepreneurial Intention Among Students: Study In The Entrepreneurial Education Practices

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The purpose of the research is to investigate the factors associated with eco entrepreneurial intention on students. It focuses on the determinants such as educational support, structural support, formal networking, informal networking, green value, prior experience, gender, and role models. The population are taken from students of the faculty of economy at Tarumanagara University which have passed the Basic of Entrepreneurship class. Results show that five factors predict significantly the students' intention. Therefore, understanding their perceptions towards determinants of eco entrepreneurial intention can be an important step in designing effective policy mechanism of sustainable development.

Keywords: eco entrepreneurial, intention, students

1. INTRODUCTION

The current activities of business are predicted to cause a negative effect on the sustainability of the biodiversity. The report from World Resources Institute, the World Bank, and the United Nation, identifies the decline in the global ecosystem¹. Natural resources degradation creates scarcity to fulfill customer's needs. In accordance to the situation, ecopreneurship is a wise choice to develop a business model². Entrepreneurs are challenged to create a breakthrough that is environmentally and socially beneficial for the market³. Consistent to Elkington, entrepreneur integrates the triple bottom line consists of economy, society, and ecology aspects in every business process⁴. These activities serve as the catalysts in capturing opportunities and solving the environmental problems.

Related to entrepreneurial education programs, eco entrepreneurship is supposed to be the target for the students' learning process. The steps of educating consist of building awareness, encouraging start up, increasing entrepreneurial dynamic behavior, and continuing education for entrepreneurs⁵. Students will acquire attitude and self efficacy that induce a desire to be an

ecopreneur. Intention is associated with behavioral study, therefore the theory of planned behavior (TPB) is used to analyze the connection among variables. This theory identifies the dimensions of entrepreneurial intention which consists of attitude towards entrepreneurship, social norm, and behavioral control⁶. Previous research in Indonesia⁷ proved that this theory can explain the student entrepreneurial intention. Other studies also identify the application of the theory in many countries such as in Norway⁸, Finland, Sweden, USA, and UK⁹, France¹⁰, Netherlands¹¹, South Africa¹², Greece¹³ or Malaysia¹⁴.

This study designs the determinants of eco entrepreneurial intentions on undergraduates. It focuses on educational support, structural support, formal networking, informal networking, green value, prior experience, gender, and role model. The purpose of this study is to investigate and empirically examine factors associated with eco entrepreneurial intention among students at an entrepreneur university in Jakarta. The entrepreneurial education practices provide variety of programs to support students skills, including the knowledge of green entrepreneurship. University develops programs, such as entrepreneurship major,

center of entrepreneurial study, and partnership. Based on the practices, the research question is: How strong is the influence of determinants on the students' eco entrepreneurial intention?

2. THEORETICAL FRAMEWORK

The previous researcher describes that ecopreneur, gives contribution to environmental sustainability and eco-friendly ideas¹⁵. Other experts such as^{16,17} explain that ecopreneur is an entrepreneur who found new business based on the principle of sustainability. According to¹⁸ also mentioned that the goal of ecopreneurs is to create the world a better place to live. Referring to¹⁹ said that eco entrepreneurship is the practice of starting new business in response to an identified opportunity to earn a profit and provide minimize a positive or negative environmental externality. Study from emerging countries proved that ecopreneurs consider sustainability of planet, people, and purpose²⁰. Based on the previous studies, green business activities will contribute towards economic and environmental sustainability in the future. Therefore, stakeholders should arrange a program to promote ecopreneurship effectively and continuously to the communities. Associated with intention, referring to²¹ said that intention is a first step in the evolving and a long term process of venture creation. In previous study, it is as a person's commitment to start a new venture²². According to Armitage & Conner as quoted by²³ explained that it is measured by desire, self prediction, and behavior. The studies²⁴ describe intention as the state of mind directing a person's attention and action towards a specific goal. Based on the studies above, eco entrepreneurial intention is a person's desire or willingness to create new venture by using attention, experience, and action to achieve specific goal in order to obtain profit, respect environment, or take care of social culture problems.

Development Hypothesis

Entrepreneurship education provides the opportunity for students to gain the knowledge and skills for business. To introduce the green business, Cortese (2003) states that entrepreneurial education is responsible to increase awareness, knowledge, skill, and value of students towards sustainability¹. Studies prove that educational support is able to foster the students intention to start up. This result is proven in Turkey²⁵, South Tehran²⁶, Malaysia²⁷, and Ghana²⁸. Entrepreneurial education programs are not only encouraging start-up, but also directing entrepreneur activities to achieve environmental solution¹. Institution prepares information for making everything green. Based on the studies, **H1**: Education supports affect the eco entrepreneurial intention.

The previous research²⁶ stated that business always relates to external factors such as socio culture, economy, politics, and technology. They continually deal with government regulations, competitors, NGOs or private

sectors. These structures can serve both as opportunities and threats for ecopreneurs. Some studies^{25,27,28} identify the significant effect of structural support. In ecopreneur intention study²⁹ the significant effect of perceived support towards eco entrepreneurial intention in Nigerian students was found. Inspired by those result, this study examines the influence of structural support towards intention. Based on the studies, **H2**: Structural supports affect the eco entrepreneurial intention.

Ecopreneurs should be able to arrange formal networking, such as financial institution, investor, supplier, customer, distributor or consultant. According to¹⁶, the transformation of traditional business model to a green business needs support from formal networking. The perceived formal networking fosters the propensity for running eco-friendly business. The study²⁶ identifies the significant effect of formal networking on the entrepreneurial intention. In Indonesian students³⁰, the significant effect of relation support on the eco entrepreneurial intention was found. Based on the studies, **H3**: Formal networking affects the eco entrepreneurial intention.

Besides the formal networking, ecopreneurs need informal networking to run the green business. They are related to supports from family, friends, parents which are also referred as social norms in TPB or social valuation²³. Other findings, like³¹ identifies a significant effect in Malaysia. Based on the studies, **H4**: Informal networking affects the eco entrepreneurial intention.

According to behavioral experts³² value relates to attitude, motivation, perception, and behavior. Therefore, it is able to predict the intention. Referring to³³ stated that one of the motivation factors of ecopreneurs is green value. Using the value, ecopreneurs find a better way to do a sustainability-oriented business and able to share the value with the communities. According to proposition, **H5**: Green values affect eco entrepreneurial intention.

The model considers other determinants consist of prior experience, gender, and role model, which are as triggering events for entrepreneur behavior²³. Related to²⁹ found the prior experience influences eco entrepreneurial intention. Associated with gender³⁴ the difference was identified in the business motivation related with gender. In women study²⁰ it was found that women have higher motivation and success rate to run the eco-friendly business. Associated with social learning theory by Bandura³⁵ it was explained that role models consist of three functions such as to provide learning, to provide motivation and inspiration, and to help individuals define their self-concepts. Finally, according to entrepreneurial expert³⁶ remark that role model inspires entrepreneurs. Therefore, success stories of ecopreneurs are admired by students to start up eco-friendly business.

3. METHODOLOGY

The population are the students of the faculty of economy at Tarumanagara University which have passed

the Basic of Entrepreneurship class. The random sampling method is used to select 400 respondents which were requested to assess each scale item, if 1 is strongly disagree and 4 is strongly agree. The data was collected from October to November 2015. The instruments of eco entrepreneurial intention are developed from²³. Structural support is taken from²⁵. Education supports, formal, and informal networking are adopted from²⁶. Green value is inspired by³³. Gender is measured by identifying 1 for male and 0 for female.

4. RESULTS AND DISCUSSION

The constructs have the Cronbach’s Alpha values are higher than 0.60, including eco entrepreneurial intention with 0.751. Therefore, the data are considered reliable. The results of Kaiser-Meyer-Olkin’test (KMO) find that the smallest of KMO 0.66, therefore are considered as sufficient. The significance of the Bartlett’s test is identified to be smaller than 0.05, therefore the analysis factors are considered relevant³⁷. In Table 1 shows that 5 items have the value of corrected item-total correlation are above 0.20 and same results also are found on 23 items about determinants of eco entrepreneurship intention, therefore the data are considered valid.

Table 1. Eco Entrepreneurial Intention

VALIDITY INSTRUMENTS	
I’m ready to do anything to be an eco entrepreneur	0.531
My professional goal is to be an eco entrepreneur	0.443
I will make every effort to start and run my eco-friendly firm	0.472
I’m determined to create an eco-friendly firm in the future	0.592
I’ve got a firm intention to start an eco-friendly firm some days	0.552

Table 2. Regression Results

VARIABLES	COEFICIENTS	T VALUE	SIG.
Constant	8.247	10.045	.000
Education Support	.057	.847	.398
Structural Support	.181	2.838	.005
Formal Networking	.171	3.143	.002
Informal Networking	-.191	-2.657	.008
Green value	.274	4.599	.000
Prior Experience	.272	3.357	.001
Gender	-.060	-.346	.730
Role Model	.009	.166	.868
R: 53.60% R ² : 26.70% Adj. R ² : 27.20% f value: 19.661 Sig.000			

The regression results show that structural support, formal networking, informal networking, and green value as the determinants of eco entrepreneurial intention. It proves that H2, H3, H4, H5 are significant in 1% level. The education support does not predict to the green business intention. The institution presents the entrepreneur week with partners, such as Smesco, Marketing Magazine, Ciputra Mall and Alam Sutera Mall. For the green behavior, university promotes this issue into the projects, but the implementation is still partial. Most students perceived that entrepreneurial education has not been sufficient to improve skill, information, and learning method to be an ecopreneur. Students were not capable to design green business. However, using prior experience, they are ready to run family business.

Generally, students understand opportunities and benefits of the green business. They can easily utilize the e-commerce or operate online business to market products effectively. They perceived that government regulation commits to preserve the environment safety such as the regulation of using plastic for retail since February 2016. Students are expected to arrange green networking to supplier, distributor, consultant or investor, as consistent to Entrepreneurial Support Models²⁶.

Informal networking has a significant negative effect on the intention, because students are fostered to manage the family business. They are not prepared to run green business. It indicates the family members’ less respect for the sustainability issue. Green value encourages students to be eco entrepreneurs, therefore it is corresponding to³³. Gender has a negative effect whether female students are more interested in green business than male. It differs with²⁴ but it agrees with²⁰. Majority of respondents are not inspired by any role models to create green business.

In average, the students are aware of the green business opportunities which are related to³⁸. To improve their capabilities, they need to be supported with better IT system, knowledge, skill, and information, such as green marketing, green financing, green producing or green supply chain. The next projects should promote the green innovation to capture the green market potential and to empower local genius to inspire students in making green product or service.

By using the psychological approach, students must be directed to commit towards environment & profit. In the long run, by synergizing green innovation and green commitment, they will be more responsive to capture the green opportunities from green market. It is related to Kainrath’s statement³⁹. Generally, the obstacles of young ecopreneurs are associated with market creation, financial barrier, and ethical problem. It is difficult to find investors or supply-chain partnerships who purely commit to environmental solution. The young entrepreneurs are confused whether to be sustainability or economic oriented. The mechanism of TPB is as follows: by using the independent variables will shape an attitude, social pressures, and perceived behavior control towards the intention. Therefore, students will behave to dedicate the green business, and contribute to green job and green wealth creation in the future.

5. CONCLUSION

The research finds the significant determinant of student eco entrepreneurial intention. Entrepreneurs are challenged to save the environment quality. The determinants should be given sufficient attention in order to promote the ecopreneurs among students. Inspired by Schumpeter⁴⁰ that describes the innovation process of entrepreneur alike to the process of creative destruction. We suggest to run programs to challenge students to make the prototypes, such as green business incubators or

green business plans.

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