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Determinants Of Entrepreneurial Intention in Student's Universities in West Jakarta

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Abstract: A person's achievements and experience in entrepreneurship can affect their decision to become an entrepreneur. Confidence is required, because every decision in entrepreneurship is accompanied by various risks. An important point in entrepreneurship is creating innovations to open new opportunities that have not existed previously. This study aimed to determine how achievement, confidence, and innovation affect entrepreneurial attitude. This research can enrich the knowledge sources that discuss individual attitudes and intentions toward entrepreneurship in developing countries. This study examined how achievement motivation, self-esteem, locus of control, and innovation influence entrepreneurial intention among university students in West Jakarta, Indonesia. Data were collected using Google Forms questionnaires from 80 university students in West Jakarta. The analysis was conducted using the Smart PLS-SEM. The findings reveal that achievement motivation and innovation have a positive and significant influence on entrepreneurial intention. Self-esteem showed a positive but insignificant influence, while locus of control demonstrated a negative and insignificant influence on entrepreneurial intention. The model explained (R-Square = 0.570 (57%)) 57% of the variance in entrepreneurial intention (R-square = 0.570, 57 %). These findings contribute to the understanding of the factors that shape entrepreneurial intention among university students in developing countries, particularly in the Indonesian context.

Keywords: Entrepreneur intention, self-esteem, locus of control, innovation

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Introduction

Entrepreneurship is one of the factors that can improve the economy and recover and advance society through the creation of new jobs that produce social empowerment and innovation. Higher education graduates are expected to not only focus on finding a job as an employee but also become entrepreneurs by creating more innovative businesses so that they can open jobs and help reduce the unemployment rate in Indonesia ([Wirawati, Kohardinata, & Vidyanata, 2018](#)). One of the efforts that can be made to become an economic and socio-economic actor is entrepreneurship, which gives extraordinary individual distinction with the freedom to pursue interests, goals, dreams, and desires in the creation of new companies ([Fauchart & Gruber, 2011](#)). According to Bahadur Ali Soomro ([Soomro & Shah, 2015](#)), several factors drive entrepreneurship; namely, achievement motivation is a person's ability to want success in general or in a certain discipline ([Chetri, 2014](#)). Achievement has a positive and significant influence on entrepreneurial intention ([Laksmi, 2016; Pritandhari, Stats, & Riani, 2014](#)). Self-esteem is a person's way of thinking, interpreting, and shaping their own understanding of themselves. This includes internal assessments, feelings, and views on their self-worth and capabilities. Self-esteem has a positive and significant influence on entrepreneurial intentions ([Sisilia & Sabiq, 2019](#)). The locus of control is a concept that describes a person's beliefs regarding the extent to which they have control or influence over events and decisions in their lives. This reflects how a person views the extent to which they feel capable of influencing the outcome as well as the extent to which external factors, such as coincidence and destiny, are present in their lives. Locus of control has a positive and significant influence on entrepreneurial intention ([Pritandhari et al., 2014](#)). Based on previous research on factors that determine entrepreneurial intentions, this study was conducted to empirically determine the influence of achievement motivation on students' entrepreneurial intentions, the influence of self-esteem on students' entrepreneurial intentions, the influence of locus of control on students' entrepreneurial intentions, and the influence of innovation on the entrepreneurial intention of students in universities in West Jakarta. The relationship between entrepreneurship education and entrepreneurial intentions has been extensively studied ([Bae, Qian, Miao, & Fiet, 2014](#)), showing that entrepreneurial education, mindset and creativity significantly impact entrepreneurial intention through self-efficacy ([Jiatong et al., 2021](#)).

Literature Review

Bibliography

Achievement motivation is defined as the need to achieve (abbreviated as Ach) ([Soomro & Shah, 2015](#); [Tanjung & Musa, 2021](#)). Individuals are motivated to excel when challenged and are aware that the outcome achieved will reflect their success or failure.

McClelland ([Khairani, 2014](#)) asserted that the need for achievement is the power in the human mind to perform an activity better, faster, more efficient, and more effectively than the activity carried out previously. Achievement motivation is defined as encouragement possessed by the individual to act and strive to achieve the desired goal. Achievement motivation has a positive and significant influence on entrepreneurial intention ([Pritandhari et al., 2014](#)). Role models play a significant part in shaping students' entrepreneurial intentions ([Soelaiman, Puspitowati, & Selamat, 2022](#)), while multiple factors contribute to the formation of entrepreneurial intentions among students ([Usman & Yennita, 2019](#)). Furthermore, innovation and entrepreneurial orientation are closely linked to successful ventures ([Majdouline, El Baz, & Jebli, 2020](#)).

Self-esteem

Coopersmith in Desmita (2012:165) ([Desmita & Didik, 2012](#)) The feeling of self-esteem refers to the judgments that individuals usually make and maintain about themselves, which express an attitude of agreeing or disagreeing and express the extent to which the individual is convinced that he or she is capable, important, successful and valuable. It can be said that self-esteem is part of an attitude towards a certain object. Self-esteem has a positive and significant influence on students' entrepreneurial intentions ([Sisilia & Sabiq, 2019](#); [Wills-Herrera, 2014](#))

Locus of Control

The locus of control is what a person believes to be the cause of his or her experience and the factors that cause the person to associate his or her success or failure ([Li, Lepp, & Barkley, 2015](#)). In fact, research shows that internal locus of control predicts better health outcomes, job satisfaction, and academic success. By contrast, a person with a strong external locus blames his or her career failures or problems with others and does not take corrective action. Locus of control has a positive and significant influence on entrepreneurial intention ([Pritandhari et al., 2014](#)).

Innovation

(Drucker & Maciariello, 2014) state that innovation has a special function for entrepreneurs: with innovation, entrepreneurs create new productive resources and transform existing resources with increased potential value to generate capital. Nurdin (2016) (Nurdin & Hamzah, 2016) Innovation is something new that is introduced and implemented in the context of new practices and processes, be it in the form of goods or services, or it can also be a new thing that comes from the results and ideas adopted from others. Innovation has a positive and significant influence on entrepreneurial intentions, be it process innovation, product innovation, or market innovation (Drucker & Maciariello, 2014; Issau, Acquah, Gnankob, & Hamidu, 2021).

Entrepreneur Intention

A strong intention to become entrepreneurial arises when the entrepreneur has a positive perception of achievement, confidence, self-control, and innovative thinking. The Research Model is Figure 1:

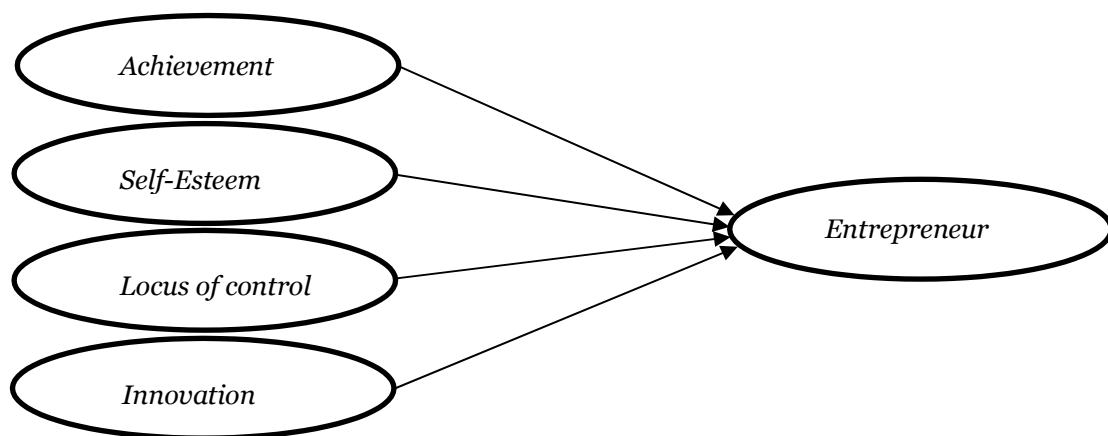


Figure 1 Research Model.

The hypotheses of this study were as follows:

H1: Achievement Motivation positively influences entrepreneurial intention among college students in West Jakarta.

H2: Self-esteem positively influences entrepreneurial intention among university students in West Jakarta.

H3: Locus of Control positively influences entrepreneurial intention among university students in West Jakarta.

H4: Innovation positively affects entrepreneurial intention among university students in West Jakarta.

Research Method

A purposive sampling technique was used in this study. It was conducted by 80 students across West Jakarta. The data used in this study were distributed using a scale used to toe the response within alternative answers value 5i for the response Strongly Agreed (SA), value 4i for the response Agree (A), value 3i for the response I Neutral (N), I, value 2i for the response I Dis Agree (DS), and value response Very Disagree I (VDS). The Likert scale is used because The Likert scale is used to measure the respondents' responses to statements related to certain stimulation objects, using SEM with a smart partial least square version 3.00 program. I

Result and Discussion

This research questionnaire was administered to university students in West Jakarta. The respondents who gave assessments from the questionnaire were mostly female. Most patients were between 19 and 21 years of age.

In this study, PLS analysis was used. The stages in the PLS analysis include the outer model testing stage, goodness of fit model testing stage, and inner model testing stage.

Based on the results of the above analysis, the AVE value of each variable in the table is above 0.5, so it can be concluded that the above variable has met the convergent validity analysis which can be measured by the AVE value. From the results of the loading factor test, each indicator met the validity criteria because it had a value greater than 0.7 (> 0.7) so the indicator of the above variable met the convergence validity requirements measured from the value of the loading factor of each indicator.

Results of cross-loading analysis

The validity of the discrimination is seen in the Heteroit-Monotrait ratio (HTMT) approach. A good HTMT value is 0.85 (Henseler et al., 2015), the threshold value is still acceptable if it is less than 0.90 (< 0.90), and if the HTMT exceeds 0.90, then the HTMT indicates a lack of validity of discrimination. The results of the discrimination validity analysis in the table show that the magnitude of the heteroit-monotrait ratio value in each variable indicator has a value less than 0.90 (< 0.90) so all indicators of each variable can be accepted.

Composite Reliability Testing

The results of the reliability analysis show that the magnitude of Cronbach's Alpha and Composite Reliability values in each variable indicator has a value greater than 0.60 (> 0.60) so all indicators of each variable have met the requirements and are declared reliable.

Table 1. Cronbach's Alpha and Composite Reliability Results.

	Cronbach's Alpha	Composite Reliability
Achievement Motivation	0,918	0,936
Entrepreneur Intention	0,909	0,930
Innovation	0,950	0,957
Locus of Control	0,929	0,946
Self-esteem	0,912	0,930

1) Goodness of fit Model Testing

Results of the Coefficient of Determination Value

The R-Square value (R^2) is used to determine the determination coefficient and measure the degree of variation from the independent variable to the dependent variable. The R-Square value has 3 criteria, namely as follows: a value of 0.75 – 1 indicates (the influence is strong), a value of 0.5 – 0.74 indicates (moderate/moderate influence), then a value of 0.25 – 0.49 indicates (weak influence).

Table 2 Determination Coefficient Test Results.

	R-Square
MB	0,570

Based on the table above, the results of the determination coefficient test show an R-square value of 0.570. This value shows that 57.0% of the entrepreneurial intention variables can be explained by achievement motivation, self-esteem, locus of control, and innovation. The remaining 43.0% can be explained by other variables that were not used in this study. It can be concluded that the R-square value obtained is 0.570, which has a strong influence because it is above 0.5.

Results of Predictive Relevance Value (Q^2)

Predictive relevance (Q^2) is used to measure how well the value of the research model produced by the model is on the construct and also the estimation of its parameters; in other words, the value generated by predictive relevance (Q^2) is used to measure the predictive ability of the model generated in the study. The reference for this value is a value of $Q^2 > 0$, which indicates that the model used in the study has predictive relevance, and a value of $Q^2 \leq 0$ indicates that the model used in the study lacks predictive relevance.

Table 3 Results of Predictive Relevance Analysis (Q^2)

Variable	Q^2
Entrepreneur Intention	0.373

Based on the table above, the results of the predictive relevance test showed a Q-square value of 0.373. This value shows that there is a relationship between the variables studied because the Q² value obtained is greater than 0.

Effect Size Test Results

Table 4 Predictive Relevance Test Results.

	Entrepreneur Intention
Achievement Motivation	0,405
Innovation	0,115
Locus of Control	0,003
Self-esteem	0,042

Based on the table above, the results of the effect size test showed that the variables of achievement motivation, self-esteem, locus of control, and innovation had a small effect on the entrepreneur intention variable.

Inner Model Testing

Path coefficients were tested to determine whether there was an influence between variables in this study. The following are the test results of the path coefficients seen in Figure 4.1 which shows the results of bootstrapping.

Table 5 Path coefficient test results.

	Original Sample (O)
Achievement Motivation -> Entrepreneur Intention	0,499
Innovation -> Entrepreneur Intention	0,266
Locus of Control -> Entrepreneur Intention	-0,037
Self-Esteem -> Entrepreneur Intention	0,175

Based on the table above, the results of the path coefficients test show that achievement motivation has a positive effect on entrepreneurial intention with a value of 0.499. Innovation had a positive effect on entrepreneurial intention, with a value of 0.266, and locus of control had a negative effect on entrepreneurial intention (-0.037). Self-esteem had a positive effect on entrepreneur, with a value of 0.175.

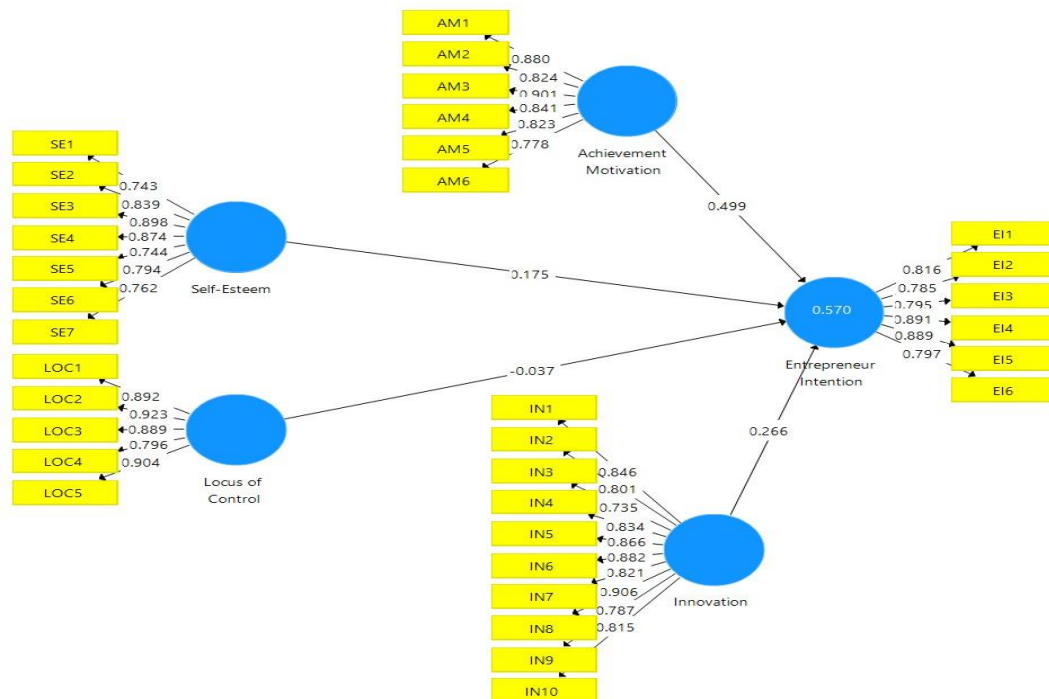


Figure 2 Loading factors.

Based on the results of the PLS model estimation using the bootstrapping technique above, the t-value of the entire path exceeded 1.96. The full significance test results are presented in the following table:

Table 6 Hypothesis Test Results.

	T Statistics (O/STDEV)	P Values
Achievement Motivation -> Entrepreneur Intention	5,101	0,000
Innovation -> Entrepreneur Intention	3,048	0,002
Locus of Control -> Entrepreneur Intention	0,529	0,597
Self-Esteem -> Entrepreneur Intention	1,515	0,131

Based on the results of the hypothesis test, it can be understood that the achievement motivation variable has a positive and significant influence on entrepreneurial intention with a statistical t-value of 5.101 which is greater than 1.96, and a p-value of 0.000 which is less than the limit of 0.05. Therefore, it can be concluded that this hypothesis is accepted. Based on the results of the hypothesis test, it can be understood that the innovation variable has a positive and significant influence on entrepreneurial intention with a t-statistic value of 3.048 which is greater than 1.96, and a p-value of 0.002 which is smaller than the limit of 0.05. Therefore, it can be concluded that this hypothesis is accepted.

Based on the results of the hypothesis test, it can be understood that the locus of the control variable has a negative and insignificant influence on entrepreneurial intention, with a statistical t-value of 0.529 which is less than 1.96, and a p-value of 0.597 which is greater than the limit of 0.05; therefore, it can be concluded that the hypothesis is rejected. Based on the results of the hypothesis test, it can be understood that the self-esteem variable has a positive and insignificant influence on entrepreneurial intention, with a statistical t-value of 1.515 which is less than 1.96, and a p-value of 0.131 which is greater than the limit of 0.05; therefore, it can be concluded that the hypothesis is rejected.

Discussion

The results of this research show that achievement motivation has a positive and significant influence on entrepreneurial intention, which is in line with previous research which explains that achievement motivation is defined as a drive possessed by the individual to take action and try to achieve the desired goal. Achievement motivation has a positive and significant influence on entrepreneurial intention ([Pritandhari et al., 2014](#)). While the results of this study on self-esteem did not have a significant positive influence on entrepreneurial intention, this condition was not in line with previous findings. "Self Esteem" or self-esteem is something more fundamental than things related to changing situations. For people with good self-esteem, the ups and downs of their feelings towards themselves can cause temporary fluctuations, but only to a certain extent. Self-esteem has a positive and significant influence on students' entrepreneurial intentions ([Sisilia & Sabiq, 2019](#)).

Previous research on locus of control had a positive and significant influence on entrepreneurial intention ([Pritandhari et al., 2014](#)), and in this study, locus of control had a negative and insignificant influence on entrepreneurial intention, which is not in line with previous research. The locus of control is a concept that describes a person's beliefs regarding the extent to which they have control or influence over events and decisions in their lives. It reflects how a person views the extent to which they feel capable of influencing the outcomes they experience as well as the extent to which external factors such as coincidence or destiny in their life are in place. The results of the research on the influence of innovation on entrepreneurial intention show that the results of innovation have a positive and significant influence on entrepreneurial intention, which is in line with the previous research by ([Nuridin & Hamzah, 2016](#)). Innovation, such as process innovation, product innovation, and market innovation, has a positive and significant influence on entrepreneurial intentions ([Issau et al., 2021](#)).

Conclusions

Based on the research results, achievement motivation and innovation demonstrated positive and significant influences on entrepreneurial intention among university students in West Jakarta. This indicates that students with higher achievement motivation and innovative mindsets are more likely to develop entrepreneurial intention. However, self-esteem has a positive but insignificant influence on entrepreneurial intention, while locus of control exhibits a negative and insignificant influence, which differs from previous research findings. The study's model explains ($R\text{-Square} = 0.570$ (57%)) 57% of the variance in entrepreneurial intentions ($R^2 = 0.570$; 57 %), suggesting that these factors play a substantial role in shaping students' entrepreneurial aspirations, although other unmeasured variables also contribute to these intentions. These findings contribute to the understanding of entrepreneurial intention determinants among Indonesian university students, particularly in West Jakarta. The results highlight the importance of fostering achievement motivation and innovation capabilities in educational settings to promote entrepreneurial intention among students. However, unexpected findings regarding self-esteem and locus of control suggest that the relationship between psychological factors and entrepreneurial intentions may be more complex than previously thought in this specific context.

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