

Investigating Indonesian Students Entrepreneurial Intention: The Mediating Role of Entrepreneurial Attitude

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Abstract: This paper investigates the maturing predictor of students' entrepreneurial attitudes and intentions among Indonesian university students. The research involves some variables, including subjective norms, entrepreneurship education and entrepreneurial environment as a predictor of attitudes and intentions for entrepreneurship. To understand the relationship between variables, this study incorporates explanatory research using structural equation analysis. The data were gathered undergoing online questionnaires, which were provided in Google form and distributed to participants via WhatsApp. The findings indicate that students' entrepreneurial attitude can be performed by entrepreneurship education, entrepreneurial environment and subjective norms. This finding also points out a significant link between entrepreneurial attitudes and entrepreneurial intentions. Additionally, students' intention for entrepreneurship can be explained by subjective norms and the entrepreneurial environment. However, this finding confirms that entrepreneurship education failed in determining students' intention for entrepreneurship. Lastly, this study also confirms the role of entrepreneurial attitudes in mediating entrepreneurship education, subjective norms and intention for entrepreneurship.

Keywords: Entrepreneurial Attitudes, Entrepreneurial Intention, Entrepreneurship Education, Entrepreneurial Environment, Subjective Norms

INTRODUCTION

Entrepreneurship educators must have social intelligence and sensitivity, which is able to provide economic enlightenment in people's lives. Therefore, educators need to implement the learning process with the aim that students can absorb well the theories of entrepreneurship theory, which in turn leads to an increasing number of entrepreneurs, primarily university graduates. Some active scholars in believing that new business creation is closely linked with intention (Huei et al., 2018; Gieure et al., 2020), while entrepreneurial intention and attitude can be stimulated by entrepreneurship education (Boubker et al., 2021).

A prior study by Hills and Morris (2018) remarked that students who had been involved in entrepreneurial education seems to have a greater intention for business. Similarly, Ferreira et al. (2007); Ligouri and Winkler (2020) noted that education for entrepreneurship can drive student entrepreneurial attitudes and intentions. Entrepreneurship education which is provided with sufficient learning theory can promote in enhancing knowledge management and psychological attributes in entrepreneurship (Saptono et al., 2021). Furthermore, Raposo et al. (2008) found that education was an essential effect on the tendency to start a business among students. In doing so, we argue that entrepreneurship education will have a ramification on both attitudes and intentions for entrepreneurship.

Since the matter of entrepreneurship in supporting national welfare and individual wellbeing, there have been vast studies on this theme. Some scholars have been developed models that can predict entrepreneurial intention, i.e., the Entrepreneurial Event Model (EEM), Entrepreneurial Attitude Orientation Model (EAO), Entrepreneurial Potential Model (TPM), and Theory of Planned Behavior (TPB) (Sharahiley, 2021). Additionally, some entrepreneurial scholars also involved the Theory of Reasoned Action (TRA) to predict the intention for entrepreneurship. Those models and theories are matters of attitude, social involvement, and perceived behavior control.

According to Ajzen (2005), TRA can explain how social circumstances predict individual behavior. In detail, TRA believes that individuals' intention is an obligation of some main dimensions: attitudes, subjective norms, and social norms. Fenech et al. (2019) remarked that subjective norms positively link with entrepreneurial intentions. Indeed, Heuer and Kolvereid (2014) noted that entrepreneurial intention has an acquaintance with entrepreneurship attitudes and subjective norms. However, many dimensions will affect how subjective norms explain individuals' entrepreneurial intentions, and there are no clear findings toward this relationship.

In addition to subjective norms, environmental factors are also often linked dimensions that influence entrepreneurial intentions, cover cultural identification social connections, economic and political matters, physical and institutional infrastructure. Gnyawali and Fogel (1994) stated that the entrepreneurial environment is a whole of socio-cultural and political-economic dimensions that promote individuals' desire and capability to provide activities in entrepreneurship. The entrepreneurial environment can be proxied into some matters: government notions and stages, socioeconomic situations, entrepreneurial and career ability, finance and non-finance engagement.

This study will expect to contribute to the literature and empirical findings regarding the factors that influence entrepreneurial intentions in tertiary institutions. This paper is intended to fill the gap in the correlation between subjective norms and entrepreneurship education that often show different findings (Fenech et al., 2019; Lorz, 2011; Shah et al., 2020). The study offers an entrepreneurial intention model, which is an extension of previous research models through entrepreneurship education, entrepreneurial environment, subjective norms. The university is expected to utilize the results of this research as a reference model of entrepreneurial intentions and provide input to university leaders to determine the right strategy for developing students' entrepreneurial interests and talents through existing and future entrepreneurship programs.

METHODS

Research Design and Sample

This study incorporates quantitative research with an explanatory design that aims to understand between variables. The research involved five variables, covering: entrepreneurial education, subjective norm, entrepreneurial environment, entrepreneurial attitude, and entrepreneurial intention. We received a total of 210

from 240 questionnaires distributed to the respondents. We identified students as respondents with the criteria of students who enrolled in entrepreneurship class and program or ran the business during the study. The data came from some universities that have entrepreneurship programs in Indonesia. The participants in this research are volunteers, and we keep their anonymity for ethical purposes. The ethical issues are provided by Universitas Negeri Malang.

Instruments, Data Collection and Analysis

The questionnaire to measure the variables in this research was performed on a five-scale of Likert scale. In detail, entrepreneurship education was calculated using Tung et al. (2011) instruments, which consist of know-what, know-why, know-who, and know-how. While the entrepreneurial environment was measured using instruments from Gurbuz and Aykol (2008), covering: financial assistance, the quality of government involvement and stages, entrepreneurial and business talent, and socioeconomic conditions. Additionally, the subjective norm questionnaire variable was adapted from Heuer and Kolvereid (2014), which covers three indicators, namely, close family, friends, and colleagues. Additionally, the entrepreneurship attitude covers some components, including: attitudes toward achievement, attitudes about challenges, and attitudes toward autonomy which were borrowed from Linan and Chen (2009). Indeed, entrepreneurial intentions were enlarged indicators from Linan and Chen (2009), consisting of planning to initiate a business, desire to initiate an entrepreneur, and entrepreneurial career. The questionnaires were performed using Google form and distributed via WhatsApp. Furthermore, the gathered data were estimated undergoing Structural Equation Modeling (SEM) to test the research hypothesis. SEM can analyze the relationship between variables that are more complex than regression analysis and factor analysis.

RESULTS & DISCUSSION

The criteria to reach convergent validity is provided by considering the loading factor which is more significant than 0.60 and the Average Variance Extracted (AVE) is upper than 0.50. As informed in Table 1, the loading factors variables studied range from 0.62 to 0.90, and the AVE ranges between 0.52 and 0.57, indicating to meet the convergent validity. Additionally, the reliability is determined by considering the composite reliability (CR), which needs to be higher than 0.70. The statistical results show that the CR score ranges from 0.71 to 0.80 implication to achieve composite reliability.

Table 1. Validity and Reliability

Variable	Loading Factor ≥ 0.60	Reliability		Decision
		CR ≥ 0.70	AVE ≥ 0.50	
EED		0.80	0.52	Approved
EED1	0.69			Approved
EED2	0.78			Approved
EED3	0.70			Approved
EED4	0.66			Approved

EEV			0.72	0.57	Approved
	EEV3	0.68			Approved
	EEV4	0.90			Approved
SN			0.79	0.56	Approved
	SN1	0.68			Approved
	SN2	0.83			Approved
	SN3	0.73			Approved
ATT			0.73	0.52	Approved
	ATT1	0.64			Approved
	ATT2	0.67			Approved
	ATT3	0.74			Approved
INT			0.71	0.54	Approved
	INT2	0.62			Approved
	INT3	0.81			Approved

Structural equation modeling requires a good model before it can be used for further analysis. The measurement of the model is well-known as the Goodness of fit (see Table 2). From Table 2, it shows that *Goodness of Fit Indices* has a value that fits the model, thus, it can be remarked that the research model adopted is feasible.

Table 2. Goodness of Fit (GoF)

No	GoF	Coefficient	Cut-off Value	Decision
1	Chi Square (X^2)	72.58	small	fit
2	Significance Probability (p)	0.32946	≥ 0.05	fit
3	RMSEA	0.018	≤ 0.08	fit
4	GFI	0.95	≥ 0.90	fit
5	AGFI	0.93	≥ 0.90	fit
6	CMIN/DF	1.07	≤ 2.00	fit
7	TLI	0.95	≥ 0.90	fit
8	CFI	1	≥ 0.90	fit

The next step is hypothesis testing which is provided by comparing the t-value with a significance level of 0.05. The outcome of hypothesis testing in this study can be presented in Table 3. From this table, it can be known that this study confirms the seven hypotheses provided and shows that entrepreneurial attitude can play a mediating role.

Table 3. Hypothesis Testing

No	Hypothesis			Coefficient			T-Value	Significant
				Direct	indirect	Total		
1	EED	→	ATT	0.28		0.28	2.97	Yes
2	EED	→	INT	0.13		0.13	1.43	No
3	EED	ATT	INT	0.13	0.14	0.27	2.83	Yes
4	EEV	→	INT	0.19		0.19	2.11	Yes
5	SN	→	ATT	0.35		0.35	3.62	Yes
6	SN	→	INT	0.27		0.27	2.53	Yes
7	SN	ATT	INT	0.27	0.18	0.45	4.03	Yes
8	ATT	→	INT	0.52		0.52	4.32	Yes

Note(s): ATT: ent. attitude; EED: ent. education; INT: ent. intention; EEV: ent. environment; SV: subjective norms

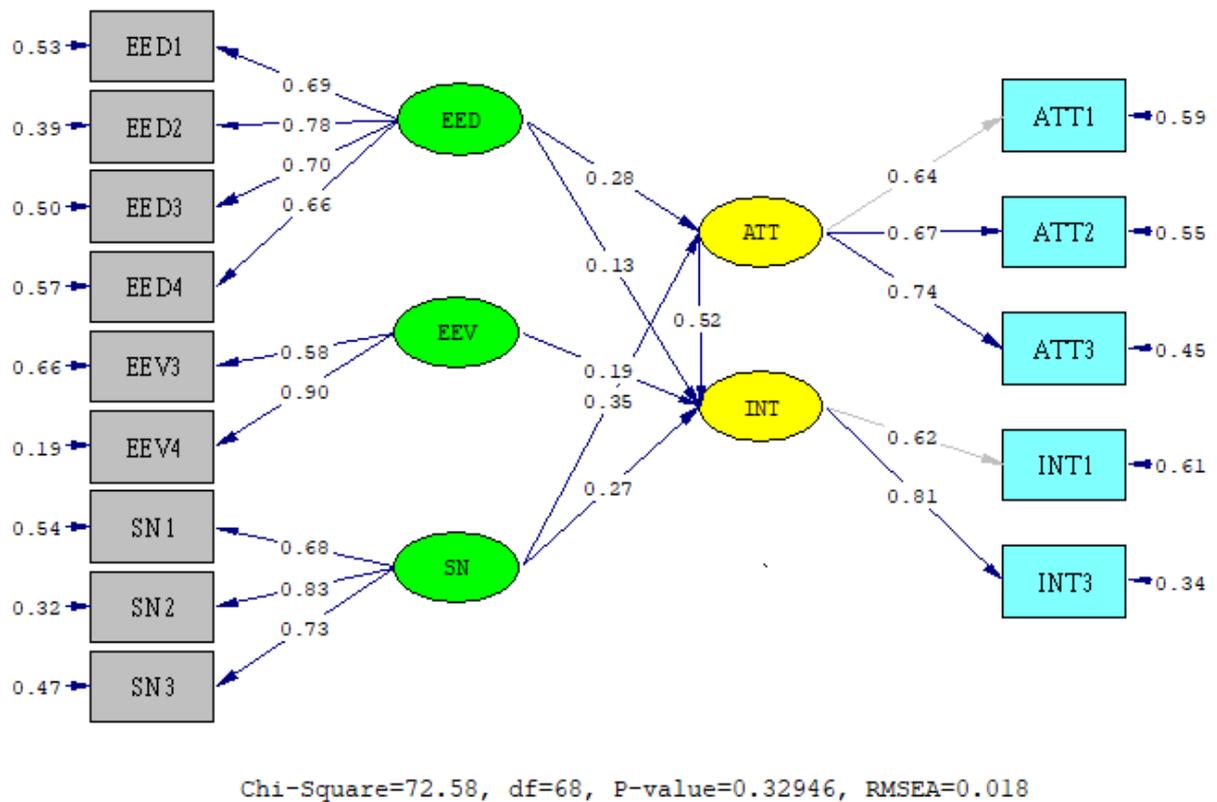


Figure 1. Structural Equation Modeling

Entrepreneurship Education, Entrepreneurial Attitudes and Entrepreneurial Intention

The first hypothesis is sought to explore the connectivity between education and attitudes toward entrepreneurship. This results confirms some preliminary studies by Tung (2011); Gerba (2012); Wardana et al. (2020) that shows this relationship. The explanation behind this outcome is that entrepreneurship education is provided to enhance some components: values and motives, social interaction, skills and capabilities. The link of entrepreneurship education on entrepreneurial attitude is 0.28. Entrepreneurship education enhances student skills in developing business plans, handling entrepreneurship projects, allocating resources, and ability to identify business opportunities. Thus, it can be remarked that entrepreneurship education is a predictor of student entrepreneurship attitudes.

Additionally, this work also is sought to test the connectivity between education and students' intention for entrepreneurship. The finding shows that entrepreneurship failed in driving students' intention for business. The basic explanation for these findings is that the entrepreneurship model that has been provided in Indonesia seems to focus on the theoretical instead of involving the practice. This study supports a preliminary study by Karimi et al. (2012), which documented that entrepreneurship education did not significantly affect entrepreneurial intentions. However, this finding is contrary to some studies, for example, Gerba (2012); Jena (2020), which revealed that students who enrolled and have experience in entrepreneurship education reach a greater desire and intention instead of who did not follow entrepreneurship class.

Entrepreneurial Environment, Entrepreneurial Attitude and Entrepreneurial Intention

The following aim of this work is to investigate the link within entrepreneurial environment and entrepreneurial attitudes. This finding affirms some preliminary studies which show that the environment plays a significant role in determining students' attitudes (Wach & Bilan, 2021; Jena, 2020). The entrepreneurial environment can be formed in terms of financial assistance, the quality of government involvement and stages, entrepreneurial and business engagement, and socioeconomic circumstances. This indicates that student entrepreneurial attitude increases because students feel the environment for entrepreneurship as support. Thus it can be concluded that the entrepreneurship environment is a predictor of student entrepreneurial attitudes.

Furthermore, this study also confirms the nexus between the entrepreneurial environment and Indonesian university intention for business. The findings of this study support an earlier study by Lee (2010); Anjum et al. (2018), who examined the relationship between the five environmental conditions for entrepreneurship and entrepreneurial intentions. Indeed, Gurbuz and Aykol (2008), in their research, revealed that the environment for entrepreneurship has the highest and most positive contribution to entrepreneurship opportunities. There is a robust connection within entrepreneurial environmental variables with motivational to initiate a business and provides a higher evaluation of the importance of the entrepreneurial environment in Taormina and Lao (2007), as well as Kristiansen and Indarti (2004) research, which in their study of environmental variables entrepreneurship is a combination of approach to capital, information and social engagement as a measure of instrumental inclination that has a robust effect on student entrepreneurial intentions.

Subjective Norms, Entrepreneurial Attitudes and Entrepreneurial Intention

The subjective norms are predicted to have a relationship with the attitude of entrepreneurship. The statistical calculation indicates that there is a strong link within subjective norms and entrepreneurial attitude of 0.35 with a t-value of 3.62. This indicates that a greater of subjective norms that students believe will lead to higher entrepreneurship attitudes of students. The results confirm an empirical study by Liñán (2004), who remarks that there is a link between subjective norms and entrepreneurial attitudes. Similarly, more recent study by Tsai et al. (2016), which remarked that subjective norms has a positive and significant influence on entrepreneurial attitudes, as well as the results of research from Pejic Bach et al. (2020), which state that subjective norms positively drive individuals' entrepreneurial attitudes.

This study also shows that subjective norms can drive students' intention of entrepreneurship. This results in agreement with an empirical research by Garcia et al. (2018), which pointed out that that subjective norms directly promotes entrepreneurial intention. Similarly, Fenech et al. (2019) who mentioned that subjective norms were noted to be positively linked with intentions for entrepreneurship. Heuer and Kolvereid (2014), in their research, showed that entrepreneurial intentions were significantly and positively correlated with entrepreneurship attitudes, subjective norms, and perceived behavioral control.

The findings remark that perceptions of family members and peers in accepting or decision to become entrepreneurs have been well believed. This means that subjective norms that are well believed have encouraged student entrepreneurship intentions.

The Mediating Role of Entrepreneurial Attitudes

This research also investigates the role of entrepreneurial attitude in mediating the nexus between entrepreneurial education and intentions. The direct influence of education on intentions for entrepreneurship is 0.13 (t-value = 1.02) and is insignificant. The indirect influence of entrepreneurship education towards entrepreneurship intentions through entrepreneurship attitudes is 0.14 (t-value = 2.56) and significant. This shows that the higher the entrepreneurship education that is involved by students, their entrepreneurship attitude will enhance and, in turn, leads to their intention for entrepreneurship. This finding confirms a study by Kusumojanto (2017), which revealed that entrepreneurial attitudes mediate the nexus of entrepreneurship education on student entrepreneurship intentions. Furthermore, Florin et al. (2007); Alharbi et al. (2018) prove that education and course for entrepreneurship drive attitudes for the students. Involvement in entrepreneurship education positively promotes students' attitudes for entrepreneurship due to it has enlarged students with ability, skills and information in the real situation, which in turn affect to their intentions.

In addition, this study also remarks that entrepreneurial attitude can mediate the nexus within subjective norms and entrepreneurial intention of students. The sign of the indirect influence of subjective norms toward entrepreneurial intentions through entrepreneurship attitudes is 0.18 (t-value = 3.04) and significant, but the value of the direct influence for this link is higher than (0.27) its indirect impact it can also be concluded that subjective norms also directly influence entrepreneurial intentions. This indicates that the more significant the subjective norms that are perceived by students will promote to a better attitude toward entrepreneurship, which in turn increases student entrepreneurial intentions. This finding supports Tsai et al. (2016) study, which remarked that subjective norms have an influence but are not directly leading on entrepreneurial intentions instead of mediated by entrepreneurial attitudes first. Finally, this work shows also a robust link between entrepreneurial attitudes and intention for entrepreneurship. The outcomes of this work are in agreement with Ajzen (2005), which noted that entrepreneurial attitude is one of the dimensions shaping an individual's intentions and finally will influence behavior; thus, understanding an individual's intentions for entrepreneurship can show the tendencies to establishing a business in real work.

CONCLUSIONS

This study investigates the driving factors of entrepreneurial attitudes and intentions among Indonesian university students. The findings conclude that entrepreneurship education can stimulate students' entrepreneurial attitude, but it fails in determining intention. Additionally, the entrepreneurial environment takes a significant role in promoting both attitudes and intentions for entrepreneurship.

Indeed, subjective norms can be a predictor of attitudes and intentions for entrepreneurship. Lastly, this study also confirms the mediating role of entrepreneurial attitudes. The implication of this work is that impulse of individuals to become a businessman is proxied by the enhancement of entrepreneurial attitudes according to the perception that careers as entrepreneurs are attracted to them. Additionally, the intent to be entrepreneurs has stimulated individuals to initiate in shaping and forming a business. Thus, the attitude toward entrepreneurship has pushed the intention of university student entrepreneurship to provide attention in initiating and working with their business. Further research is recommended to include other variables such as demographic factors, technological progress factors, and variables that do not directly affect students intention in this work, for example, the need for achievement, locus of control, and risk-taking involvement specifically elaborated on entrepreneurial intentions and examine their direct and indirect effects on entrepreneurial intentions through mediating entrepreneurial attitudes.

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