



ENTREPRENEURIAL INTENTION OF MASTER MANAGEMENT STUDENTS IN  
YOGYAKARTA

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*Abstract*

*This paper aims to comprehend the intention of entrepreneurship for university student using Theory of Planned Behaviour (TPB) and examining whether the experience of entrepreneurship could affect the three components of TPB in explaining the intension of entrepreneurship for uniersity students. The data obtained from 150 magister management student in 12 universities of Yogyakarta. Then data analyzed by software IBM SPSS 25. The finding result found that the eagerness in entrepreneurship is not influenced by social factors (subjective norms), but the eagerness based on its confidence and become greater when it is influenced by the entrepreneurship experience. The finding has a clear implication for the educators and policy makers.*

*Key Word: Entrepreneurial Intention, Entrepreneurship Experience, Theory of Planned Behaviour*

## I. INTRODUCTION

Indonesia is one of country having a huge resource and labor, but it still has a lot of classic problems like unemployment that is improving over year. The youth is lack of interest to follow an entrepreneurship and utilize this resource. It is due to the negative view of society towards entrepreneurship. Most of the people view entrepreneurship as a less-prestigious job, unstabilized source of income, etc. This point of view is also adapted by the parents whom they do not want their children to be entrepreneur, but they are more interested if their children work in governement institution. This reason makes the youth less interested in doing



entrepreneurship and prefer to work as civil employee for their future. Therefore, there are a lot of graduated student.

Therefore, entrepreneurship is seen as potential solution for the young people whom they are difficult in looking for a job (Aloulou, 2016). There are a lot of developed country make a research of the positive influence of entrepreneurship as a basic solution to some problems like economic engagement, unemployment increasing, the overrated number of graduated students and the incapability of society or ublic sector to provide the adequate work for the fresh graduate (Karimi et al, 2014).

Growing the entrepreneurship intention to university student and preparing them to be a succed individual in entrepreneurship is an important solution to decrease the number of unemployment. Providing the new business fields can be strived by growing the entrepreneurship culture in society due to this action can make a labour absorbing and reducing the poverty (Tjahjono dan Ardi, 2008). Therefore, the study of entrepreneurship intention is essential. The entrepreneurship experience has been adapted in some business schools. According to Davidson and Hong (2003) that the background of education is a previous experience that can influence the intention of entrepreneurship. A student with a study background of Magister Management (MM) and business knowledge better has more preference in working and entrepreneurship intention.

Considering the positive influence of this entrepreneurship, there are a lot of developed countries have made a research of entrepreneurship as a basic problem solution like the lack of economic improvement, the increasing of unemployment, the , number of college graduates is excessive, and the inability of society and the private sector to provide the adequate employment for newly graduated students (Karimi et al, 2014).

Recently, there are a lot of literatures that has provided an overview of various activities related to entrepreneurial intentions through situational modeling or personal factors whose the study results are less satisfactory, and allegedly the accurate prediction is still low. Some of the reserachers suggest a significant model in ameliorating the comprehension and prediction of entrepreneurship activities and intention of student entrepreneurship in business colleges by using Theory of Planned Behavioral (Krueger et al, 2000; Aloulou, 2006).

Then the researchers add the entrepreneurship experience as a moderation variable. This study will analyze whether the entrepreneurship experience has an influence in strengthen the three components of TPB towards the intention in entrepreneurship. This study is conducted to some magister management students in Yogyakarta with a reason that Yogyakarta is an educational city expected to deliver creative graduated student in entrepreneurship.

## II. LITERATURE REVIEW

### Theory of Planned Behaviour

In an attempt to comprehend the intention of individual, we need to understand those individual's behaviour. One of the theory used is Theory of Reasoned Action (TRA) stated by Fishbein dan Ajzen (1975). This theory is developed more by Ajzen (1985, 1991,1992) and become Theory of Planned Behavior (TPB) referred to predict the individual's behaviour specifically (Ramdhani, 2011).



This theory is one of main factor that determine the individual's intention in deciding a behaviour specifically. The intention is determined by 3 factors : the level where an individual feels good or less good (attitudes), in the study conducted by Ramdhani (2011) mentioned as attitudes. The attitude towards behaviour determined by the belief in a concept of behaviour. The result of expectation or belief by this behaviour can be assumed to determine the attitude and private's behaviour, which is positive or negative towards the related behaviour. Then, the influence of social environment influencing individual to do or not to do a behaviour (subjective norms). Subjective norm is an individual perception towards the expectations of some influenced parties and this perception is subjective so that this dimension called as subjective norms.

The sense of easy or difficult in conducting a behaviour (perceived behavioral control). The perception of behavioural controlling in Fishbein and Ajzen (2010) stated that by behaviour controlling which is an individual perception in realizing specific behaviour easily or difficult. If this belief related to the specific achievement, it can be called as behaviour control.

### **Entrepreneurship Experiences**

Entrepreneurship experiences is a form of complicity in establishing a business. The positive experience is to identify the more entrepreneurship opportunity (Gruber et al, 2008; Toft-Kehler et al,2014). By previous relevant business experience, it tends to consider more the needs resource (Hellmann and Puri, 2002; Kotha dan George, 2012).

### **The Intention of Entrepreneurship**

The sensed eagerness is defined as somebody's attraction to create a new business, while its sensed expediency is showing that the perception of its capacity to be an entrepreneur (Shapero and Sokol, 1982; Alfonso dan Cuevas, 2012). An individual who has an eagerness to release a new business filed is combined by some tendencies to act upon the opportunity and then triggered by a mobility(Alfonso dan Cuevas, 2012). The satisfied perception about cognitive variable tends to improve the intention to start (Krueger et al,2000; Yukongdi and Lopa, 2017) and mentioned as a booster motivation (Ajzen, 1991; Yukongdi and Lopa, 2017). Therefore, the intention of entrepreneurship reflect the individual effort and preparation to adapt the entrepreneurship behaviour (Linan and Rodriguez, 2015; Yukongdi and Lopa, 2017).

### **Hypotheses Development**

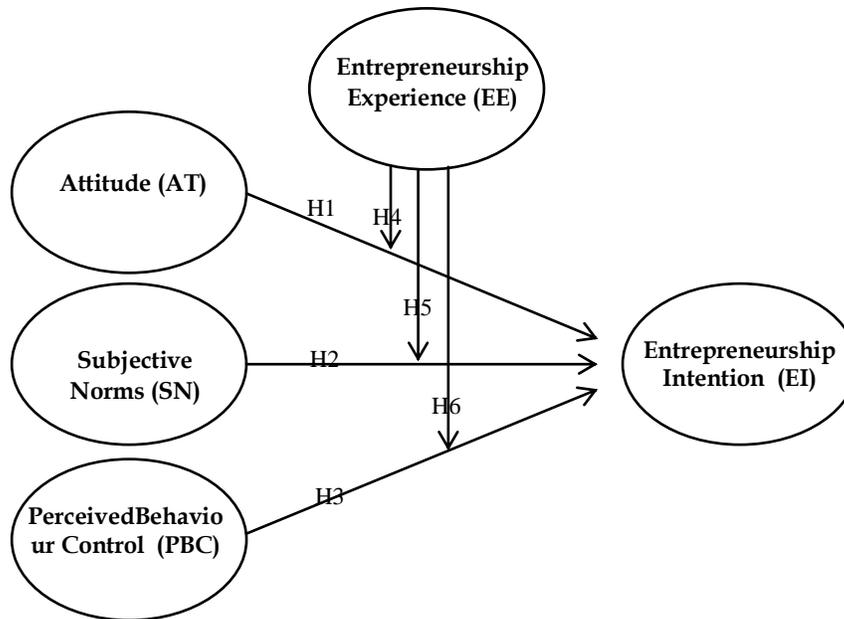
According to the observation towards the reputed journals, this theory has obtained the powerful empirical support in explaining the career choice of student entrepreneurship. Most of the conducted study found that the component of TPB contribute significantly in explaining the intention of entrepreneurship (Aloulou, 2016; Henley et al, 2017; Politis et al, 2016; Solesvik et al, 2014; Sun, et al 2017; Tjahjono et al., 2013; Tjahjono & Palupi, 2014). As for the prediction power of the three components of TPB is variated of one study to another study. There is SN influence that is unclear in some studies (for example : Karimi et al, 2014; Tjahjono and Ardi, 2008; Farani et al, 2017).

From the model the picture 1. obtained some hypotheses :

H1 The influenced attitude towards the intention of entrepreneurship



- H2 Subjective norms have a positive influence towards the intention of entrepreneurship
- H3 The perception of the behaviour has a positive influence towards the intention of entrepreneurship



Picture 1 The Study Model of Entrepreneurship in TPB

The previous experience that is relevant to entrepreneurship showed the positive relation in the new business field (Shane, 2000). Overcoming several unique challenges in business field make them obligate to have an adequate experience as a needed perspectives in making more accurated generalisation and adapting in their new business field successfully (Levit and March, 1988; Kim et al,2009; Esley dan Roberts, 2013; Toft-Kehler et al,2014).

Then, the next hypotheses are :

- H4 The factors of entrepreneurship experiences moderate the attitudes towards the intention of entrepreneurship
- H5 The factors of entrepreneurship experiences moderate the subjective norms towards the intention of entrepreneurship
- H6 The factors of entrepreneurship experiences moderate the perception control towards the intention of entrepreneurship

### III. RESEARCH METHOD

The object of this study is 12 universities in Special Region of Yogyakarta has a postgraduate program in magister management and its subject is the university student (1<sup>st</sup> – 4<sup>th</sup> semester) that is studying in magister management in those 12 universities. This study is using convenience sampling, as one sample collecting method that is usually used in the study of the



entrepreneurship (Krueger et al,2000; Linan et al, 2011; de Jorge et al, 2012; Karimi et al, 2014). The good sample size in this study is more than 30 and less than 500 or 5 until 10 times of the number of the used indicator variable (Sekaran and Bougie, 2013). Thus, we collect 150 samples. 56% has an adequate experience in entrepreneurship and 44% has no experience in entrepreneurship. Then it is analyzed by IBM SPSS 25 software program.

In descriptive analysis, there is an estimation contained in the average index form that has been modified by Simamora (2002). The assesment with a scale distance in each indicators can be indicated as good if it is in the scale of 3.40 – 4.29. In the table I. it can be viewed that the average value of each variable is in a good situation, it means that the response of the respondent is also good in each variable.

Table I. Analysis of Descriptive, Reliable, and Normality

Variable	Mean	SD	Reliable	Normality
			$\alpha = >0.70$	$S - 0 : \sqrt{6/N}$
Attitude	4.08	0.678	0.773	0.60
Subjective Norms	4.11	0.691	0.711	1.42
Behaviour Control Perception	3.61	0.873	0.908	1.87
Entrepreneurship Experience	4.19	0.681	0.801	

In a questioner, it can be said reliable if somebody's response towards the consistent or labile question time by time (Ghozali, 2011). The reliability testing can be conducted by statistic testing Cronbach alpha ( $\alpha$ ).if alpha coefficient value  $> 0.70$  then it is concluded that the instrument of this study is reliable. According to this intrsruction, it can be seen in table 1. in all of the reliable. Normality can be conducted to know whether in regression testing between independent and dependent variable have a normal distribution. It can be viewed by the simialirity result that count the skewness value by comparing the critical value for alpha 0.05; the critical value  $\pm 1.96$ ; then it can be concluded in Table 1. that the three components of TPB distributed normally.

#### IV RESULT

##### Regression Analysis

Regression analysis is conducted to measure the power between three variable components of Theory Planned of Behavior (TPB) towards the entrepreneurship intention of magister management student. In this case, the attitude variable, subjective norms and bahviour control perception are independent variables, while the entrepreneurship variable is dependent variable.

From the summary of the table II. the coefficient determination ( $R^2$ ) is 0.450. It means that 45.0% of magister management student entrepreneurship that can be explained by the variatoon of the three TPB variables (independent) attitude, subjective norm and behaviour control perception,



while 55.0% explained by the other causes model of probability value  $F= 0.00$  that is smaller than ( $p<0.05$ ), then the TPB regression model can be utilised to predict the entrepreneurship intention.

Table II. Regression Analysis

Predictor	B	R <sup>2</sup>	F	t	Sig.
Attitude	0.233	0.450	0.000	4.304	0.000
Subjective Norms	-0.075			-1.590	0.114
Perceived Behaviour Control	0.324			6.004	0.000

The signification value (t) is 0,00 for attitude variable which is suitable with the certainty of this value is smaller than 0.050( $p<0.050$ ). It means that there is a positive relation between the attitude and entrepreneurship intention. In the other side, the significant value is 0.114. For the testing of subjective norms variable towards the entrepreneurship intention is 0.114 ( $p>0.050$ ) so that (H2) is rejected and can be stated that there is no direct influence between subjective norms with entrepreneurship intention. The third testing is obtained by the significant value of 0.000( $p<0.050$ ). It means that the third components of TPB is behaviour control perception has a positive influence in explaining the entrepreneurship intention.

### Anaylisis Sub-Group

Anaylisis of sub-group is used to identify whether there is a moderator or not (Ghozali, 2018). This analysis is conducted by dividing sample as two sub-groups by comparing the R<sup>2</sup> value of the Table III and obtained by the experienced value for 0.222, then it can be concluded that the variable of entrepreneurship experiences is a moderator variable influencing the TPB components in controlling the entrepreneurship intention of magister management students.

Table III anaylisis sub-group

Step	Predictor	B	R <sup>2</sup>	F	t	Sig.
1	Attitude	0.144	0.619	0.000	2.310	0.023
	Subjective Norms	-0.020			-0.392	0.696
	Perceived Behaviour Control	0.412			7.922	0.000
2	Attitude	0.272	0.222	0.000	2.822	0.006
	Subjective Norms	-0.113			-1.403	0.166
	Perceived Behaviour Control	0.215			2.016	0.048



#### IV. DISCUSSION

The aim of this study is to use TPB to control the behaviour related to the entrepreneurship intention for magister management (MM) student and to investigate whether the entrepreneurship experience influence the individual in taking a decision as a future entrepreneur. The finding/result of this study is showing how big the effect of the varied independent variable. This finding is in line with the statement of Fishbein and Ajzen (2010) that concluded that antecedent of the behaviour can be varied and sometimes is not significant, depending on the situational and contextual factors.

In the previous study, it can be mentioned that TPB is usually explaining 30-45% influence the intention (Linan and Chen, 2009; Aloulou, 2016). In this study the TPB coefficient value is obtained for 45,0 % and explaining the entrepreneurship intention.

According to the result of statistic calculation, it is known that H1 is accepted, it can be seen from the testing result and obtained that the attitude has an influence towards the entrepreneurship intention. This is supported by the previous study (Karimi, et al, 2014; Cheng and Chu, 2014) stated that there is a significant relation between the attitude and entrepreneurship intention, where the positive individual attitudes determines the intention to do an entrepreneurship.

According to this study, it can be found that the factor of subjective norms is not essential (unsignificant) to predict the entrepreneurship intention. It is proving that the entrepreneurship intention of MM student in Yogyakarta is more depending to the individual consideration than the social factors around the individual. It is consistent with the previous result by measuring the student entrepreneurship intention in Yogyakarta (Tjahjono and Ardi, 2008). It is also in line with the statement of Karimi, et al, (2014) and Farani, et al, (2017), they show that subjective norm is the weakest predictor even insignificant. It is possible because a career decision is private decision and essential thing that is very important so that is reluctant to be influenced by the people's opinion around individual.

Beside that, the positive finding can be obtained by the testing of behaviour control perception. According to the statistic calculation, it can be known that H3 can be received, it can be viewed from the testing result that the behaviour control perception is a determining factor that is influenced towards the entrepreneurship intention is supported by some findings (Karimi, et al, 2014; Cheng dan Chu, 2014; Aloulou 2016; Farani, et al, 2017). It is showing that the individual belief factors in their positive ability and significantly influencing entrepreneurship intention.

In this study, to obtain the result that is showing the entrepreneurship experiences influence TPB in explaining the entrepreneurship intention for MM students. According to the finding conducted by analysing sample into two sub-group as a step to know the high or low the entrepreneurship intention is. This method is conducted by Wu and Wu (2008) that is also using TPB in measuring the student entrepreneurship intention. From the testing result, it can be known that the students who have adequate entrepreneurship experience is having more eagerness to run an entrepreneurship.

Related to the result finding in model, behaviour control perception is the strongest predictor that has a big difference in determining the entrepreneurship intention. It is in line with the previous study (Chen and Chu, 2014; Aloulou, 2016; Farani, et al, 2017). All of them said that



the behaviour control perception is having a close. Behaviour control is a condition whose an individual believes that an action is easy or difficult included in the previous experiences. The knowledge about the entrepreneurship is giving help to improve the confidence and able to mixed up with the entrepreneurship behaviour and understanding the ability the behaviour control perception (Linan, et al, 2013; Farani, et al, 2017). Finally, in this study, we find that the entrepreneurship experiences contribute bigger than the business creation. It is a big finding and can be said that the behaviour control perception is a predictor that is most significant from entrepreneurship intention.

## **V. CONCLUSION**

In this study, TPB is used to examine the magister management student intention in entrepreneurship. The testing result is showing that there is a predictor of TPB that is not influencing the entrepreneurship of the students. It shows that the career decision is more determined by the individual's confidence. It is clearly more explaining by the second testing when there is entrepreneurship experience inside.

## **Limits of Research**

This study is still having limitations. Those limitation is a form and guideline for the next researcher to have better quality. The limitation is the way of questioner distribution in this study is by using google form. The second limitation is possibly by uncontrolled questioner fulfilment, although we have tried to maximize the lackness possibility by giving some screening questions and described the criteria of the respondent candidates that is permitted to fill the research questioner.

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