

THE EFFECTS OF ENTREPRENEURIAL ROLE MODEL, ENTREPRENEURIAL EDUCATION, AND INDIVIDUAL ENTREPRENEURIAL ORIENTATION DIMENSIONS ON ENTREPRENEURIAL INTENTION AMONG THE STUDENTS OF A FACULTY OF ECONOMICS AND BUSINESS IN JAKARTA

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ABSTRACT

The purpose of this study is to examine whether the entrepreneurial role model, entrepreneurial education, and individual entrepreneurial orientation dimensions affect entrepreneurial intentions among the students of a Faculty of Economics and Business, in Jakarta. The sample was selected using non-probability sampling with a total of 144 respondents. Data was measured using Likert scale and a Structural Equation Model (SEM). Data analysis technique was assisted by SmartPLS software version 3.0. The results show that all variables, which are entrepreneurial role model, entrepreneurial education, and individual entrepreneurial orientation dimensions have positive effects on entrepreneurial intention among the students of a Faculty of Economics and Business in Jakarta.

Keywords: *Entrepreneurial Role Model, Entrepreneurial Education, Individual Entrepreneurial Orientation, Entrepreneurial Intention*

1. INTRODUCTION

Since the outbreak of the COVID-19 pandemic at the end of 2019, the world has been faced with population health issues that have resulted in global social and economic problems that have created unprecedented uncertainty in all fields [1]. Due to the large number of countries that impose travel restrictions and controls, there are numerous cancellations and business closures, reducing people's incomes as a result of the closure of several supporting sectors, such as retail and transportation [2]. The unemployment rate has also increased as a result of the global COVID-19 pandemic, which has resulted in economic growth but also in a decline in people's welfare [3].

Job competition has also intensified following the ratification of the ASEAN Economic Community (AEC) cooperation principle on December 31, 2015, which promotes a free trade zone by facilitating the entry and stay of foreign workers in Indonesia [4]. With the issue of job competition, it is hoped that students will develop an entrepreneurial spirit and create jobs [5]. Entrepreneurship is a feasible option for stimulating economic growth in the industrialized world's uncertain future [6].

The presence of a role model is one of the factors that contribute to the development of entrepreneurial intentions (as a career choice) in the younger generation, because someone tends to view the success and professional abilities of role models as a motivating factor for paving a better path [7].

Individual entrepreneurial orientation becomes essential for entrepreneurs in managing strategies and decision-making in order to capitalize on emerging opportunities [8]. A business with a strong entrepreneurial orientation may exhibit a proclivity to be innovative, proactive, and willing to take risks in addition to relying on past strategies, whereas conservative businesses prefer to avoid risk, lack innovation, and act reactively [9]. Thus, a study was conducted to ascertain the effect of entrepreneurial role models, entrepreneurial education, and the dimensions of individual entrepreneurial orientation on the entrepreneurial intentions among the students of a Faculty of Economics and Business in Jakarta.

2. LITERATURE REVIEW

Entrepreneurial Intention

According to [10], entrepreneurial intention is an impulse that originates in a person's personality and is used to develop self-potential through entrepreneurship. This entrepreneurship can be used to meet needs, be independent, and take risks. Entrepreneurial intentions play a role in behavior formation, encouraging new idea generation, and guiding the growth stage implementation process [11]. Thus, entrepreneurial intention is a state of mind that directs one's attention, experience, and actions toward specific entrepreneurial behavior objectives.

Entrepreneurial Role Models

A role model is one or more individuals who serve as guidelines and references for behavior, inspiring and influencing one's decision-making [12]. Role models serve as reinforcement for an individual's entrepreneurial intentions when it comes to increasing entrepreneurial activity [13].

Entrepreneurial Education

According to [14] Cheung et al, entrepreneurial education helps instil an entrepreneurial spirit and foster the development of entrepreneurial skills and other entrepreneurship-related abilities. Entrepreneurial education's purpose is to foster students' innovative spirit, to educate them about the role of entrepreneurship in market dynamics, and to equip them with the knowledge necessary to anticipate and resolve business problems and risks [15].

Individual Entrepreneurial Orientation

Individual entrepreneurial orientation, according to Covin and Wales, [16] is an orientation toward entrepreneurial characteristics expressed through decision-making approaches, techniques, and practices that enable businesses to leverage entrepreneurial skills and abilities to capitalize on opportunities. Entrepreneurial orientation is the process of developing a strategy in entrepreneurship, defining the company's objectives and guiding decision-making in order to achieve a competitive advantage [17].

The Relationship between Entrepreneurial Role Model, Individual Entrepreneurial Orientation, and Entrepreneurial Intention

Self-perception, events, business ideas, and role models at work all play a significant role in shaping one's thinking and ultimately determining whether or not to pursue entrepreneurship.

Being exposed to role models is sufficient to develop the desire and self-efficacy to pursue entrepreneurship [18]. However, the entrepreneurial role model that promotes individual entrepreneurial orientation has received little attention, and thus this study aims to close the research gap in this field in terms of innovation, proactiveness, and risk taking [19].

Entrepreneurial role models give examples of innovative solutions that can help individuals develop a greater sense of self-efficacy. Additionally, entrepreneurial role models contribute to the development of an innovative spirit in individuals [20].

H1: A role model who is an entrepreneur has a positive effect on innovativeness.

Entrepreneurial role models foster initiative and serve as role models [19].

H2: Entrepreneurial Role Model has a positive effect on proactiveness.

A positive entrepreneurial role model provides an overview of risk management strategies and solutions in a business [21].

H3: Entrepreneurial Role Model has a positive effect on risk-taking.

Role models influence entrepreneurial intentions positively, as role models who share an individual's personality and way of thinking can increase an individual's desire to build a business similar to his role model [22].

H4: Entrepreneurial Role Model has a positive effect on entrepreneurial intentions.

The Relationship between Entrepreneurial Education, Individual Entrepreneurial Orientation, and Entrepreneurial Intention

When entrepreneurial education and entrepreneurial intentions are combined, they can foster an entrepreneurial attitude, as entrepreneurial education is the foundation for developing the necessary skills, knowledge, and character for the development of creativity [23]. Apart from focusing on skills and knowledge, entrepreneurial education can also foster an awareness and desire to start a new business or pursue an independent career.

Guidance and education about innovation can instil a desire to innovate when conducting entrepreneurial activities [21].

H5: Entrepreneurial education has a positive effect on innovativeness.

Entrepreneurial education provides guidelines for solving entrepreneurial problems quickly and accurately. In addition, individuals can be more anticipatory to potential problems that arise [24].

H6: Entrepreneurial education has a positive effect on proactiveness.

Entrepreneurial education teaches that creating something new in entrepreneurship requires a process, time and effort, taking calculated risks, and putting personal interests aside [25].

H7: Entrepreneurial education has a positive effect on risk-taking.

Entrepreneurial education enables encourage entrepreneurial intentions by instilling a positive attitude toward entrepreneurship and cultivating a desire to pursue an entrepreneurial career [26].

H8: Entrepreneurial education has a positive effect on entrepreneurial intentions.

The Relationship between Individual Entrepreneurial Orientation and Entrepreneurial Intention

Individual entrepreneurial orientation is a decision made by individuals to prioritize an innovative, proactive attitude and a willingness to take calculated risks while building a business [27]. Someone with an entrepreneurial mindset is more willing to take risks and is more likely to invest time and resources into the business in order to effect change [28].

An innovative individual has a greater chance of identifying exploitable opportunities, and thus the entrepreneur's career opens up opportunities to innovate optimally [29].

H9: Innovativeness has a positive effect on entrepreneurial intentions.

Proactive personalities tend to take the initiative to alleviate situational pressures, identify profit opportunities, make proactive moves, and effect change when entrepreneurial intentions are present [30].

H10: Proactiveness has a positive effect on entrepreneurial intention.

Risk-taking can determine an entrepreneur's viability; with the courage to take risks, an individual can determine whether to pursue entrepreneurship or continue working in non-entrepreneurial jobs [31].

H11: Risk-taking has a positive effect on entrepreneurial intention.

Based on the description of the relationship between the variables above, the research model used in this study is as follow:

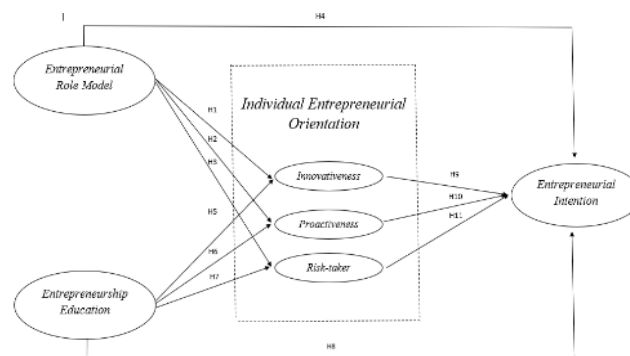


Figure 1 Research Model

3. METHODOLOGY

This study employs a quantitative descriptive research design to describe the situation under investigation using evidence from previous research, thereby substantiating the research hypothesis and drawing conclusions [31]. This study employs a cross-sectional design, which entails collecting data from a specific sample only once, over a period of years, months, weeks, or specific days, in order to address the research problem formulation [32]. The population of this study consisted of students from a Faculty of Economics and Business in Jakarta. Non-probability sampling is used in this study because it is a sampling technique in which the population does not have the same chance of being selected as a subject or sample [33]. The questionnaires were distributed online using Google Form. A total of 144 samples were used in this study. The data were analyzed using the structural equation model (SEM) technique the Likert scale, aided by the SmartPLS version 3.0 software.

4. DATA ANALYSIS RESULTS

Validity Test (Outer-Loading)

According to Henseler et al., indicators may be removed from the research model if the outer loading indicator value is less than 0.4, and the indicator is said to be good if the outer loading indicator value is greater than 0.7. According to Table 1, all outer loading values are greater than 0.4, and all indicators are greater than 0.7.

Table 1 Outer-Loading Value Results

Variable	ERM	EE	INNO	EI	PRO	RISK
EE1		0.893				
EE2		0.873				
EE3		0.874				
EE4		0.855				
EI1				0.898		
EI2				0.843		
EI3				0.863		
EI4				0.880		
EI5				0.855		
EI6				0.876		
INNO1			0.896			
INNO2			0.795			
INNO3			0.892			
INNO4			0.893			
PRO5					0.807	
PRO6					0.883	
PRO7					0.866	
RISK10						0.819
RISK8						0.836
RISK9						0.834
RM1	0.899					
RM2	0.813					
RM3	0.876					
RM4	0.874					

Source: SmartPLS Data Processing

Reliability Test

The Composite Reliability (CR) and Cronbach's Alpha values were used to determine the reliability test. Each question or statement has a composite reliability value greater than 0.60, indicating that it is acceptable to use it to measure the variable.

Table 2 Reliability Analysis Results

Variable	Cronbach's Alpha	Composite Reliability
Entrepreneurial Role Model	0.889	0.923
Entrepreneurial Education	0.897	0.928
Innovativeness	0.892	0.926
Entrepreneurial Intention	0.935	0.949
Proactiveness	0.812	0.889
Risk-Taking	0.774	0.869

Source: SmartPLS Data Processing

Path Coefficients

Each variable is acceptable, as each has a p-value less than 0.05. If the p-value is less than the specified alpha value of 0.05, the hypothesis test criteria are acceptable [35].

Table 3 The Results of *Path Coefficient Tests*

Variable	Path Coefficients	t-Statistics	p-Values
ERM -> INNO	0.347	3.547	0.000
ERM -> EI	0.227	2.557	0.011
ERM -> PRO	0.298	3.223	0.001
ERM -> RISK	0.247	2.358	0.019
EE -> INNO	0.356	3.183	0.002
EE -> EI	0.200	2.115	0.035
EE -> PRO	0.245	2.324	0.020
EE -> RISK	0.310	2.831	0.005
INNO -> EI	0.237	2.627	0.009
PRO -> EI	0.195	3.001	0.003
RISK -> EI	0.199	2.477	0.014

5. DISCUSSIONS

Entrepreneurial role models have a positive and statistically significant effect on inventiveness. Because entrepreneurship is intrinsically linked to innovation, role models help entrepreneurs build entrepreneurial networks in order to acquire and share ideas that will

help them develop their entrepreneurial activities further. According to Simon et al, the entrepreneurial role model exemplifies self-confidence through innovative solutions.

Proactiveness is positively and significantly affected by the entrepreneurial role model variable. According to Fellnhofer & Mueller, individuals can view the role model experience positively and be proactive in thinking more before acting in order to avoid repeating similar errors. Entrepreneurial role models have a positive and statistically significant effect on risk-taking. According to previous research by Cho & Lee, support for the entrepreneurial role model can alter an individual's perspective on risk taking by positively providing an overview of risk measures and solutions for potential problems. According to Edward & Utama, This is consistent with the research of Brunel et al., who found that entrepreneurial role models have a positive effect on entrepreneurial intentions.

According to Bosma et al., the more education or entrepreneurial knowledge one has, the more perspectives one can see on a problem, allowing for the expression of creative ideas in new works. According to Liu et al., entrepreneurial education teaches a person how to conduct a thorough analysis of a situation and then how to choose the most suitable and appropriate business alternative.

Entrepreneurial education, according to Wei et al., instils a positive attitude toward risk taking in entrepreneurship. According to Longva et al., entrepreneurial education can foster entrepreneurial intentions by developing a favorable individual attitude toward entrepreneurship and by instilling a desire to pursue an entrepreneurial career. These statements have been demonstrated that the variable innovativeness has a positive and significant effect on entrepreneurial intentions.

According to Krueger et al., risk-taking abilities are necessary for aspiring entrepreneurs and entrepreneurs to deal with insecurity as decision makers. This is consistent with previous research by Gull et al., who assert that risk-taking can determine an entrepreneur's viability, as the courage to take risks determines a person's life path toward entrepreneurship or toward continuing to work in non-entrepreneurial jobs.

6. CONCLUSION

The results of this research analysis, which included 144 respondents from a Faculty of Economics and Business in Jakarta, include entrepreneurial role model variables, entrepreneurial education, and individual entrepreneurial orientation dimensions, such as innovativeness, proactiveness, and risk-taking, all of which influence entrepreneurial intentions.

Each type of research has a number of advantages and disadvantages. This research is far from perfect and has limitations. The following limitations are mentioned in this study:

1. The dependent variable in this study is entrepreneurial intention, while the independent variables are entrepreneurial role model, entrepreneurial education, and individual entrepreneurial orientation.
2. Due to the study's large population and brief duration, the researchers limited their research subjects to the students in a Faculty of Economics and Business in Jakarta. Only 144 respondents are available for data collection in this study.

Therefore, this study cannot be generalized. Thus, suggestions that can be submitted based on the analysis that has been carried out are as follows:

1. To foster entrepreneurial intentions, students can be exposed to one or more entrepreneurs as role models.
2. Entrepreneurial education assists students in developing entrepreneurial intentions.
3. Students must develop an entrepreneurial orientation as part of their intention to become entrepreneurs.
4. For future research, it is recommended that the number of samples collected be increased and the scope of the study be expanded to include Jabodetabek area, in order to obtain more accurate data for future research. Additionally, it is recommended that additional variables be included, such as self-efficacy, entrepreneurial motivation, business capital, and environment.

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