

THE EFFECT OF ATTITUDE ON ENTREPRENEURIAL INTENTION AMONG STUDENTS IN SOUTH TANGERANG

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ABSTRACT

This research was conducted to empirically test the effect of need for achievement, need for autonomy, creativity, and risk taking on entrepreneurial intentions among students in South Tangerang. Respondents in the study amounted to 233 people who were students from three universities in Southern Tangerang. This study uses a non-probability sampling technique with purposive sampling in obtaining primary data to be processed using Smart Partial Least Square (SmartPLS) software. This study discovered that the need for achievement and creativity have a positive and significant effect on entrepreneurial intentions, while the need for autonomy and risk taking have a positive but not significant effect on entrepreneurial intentions.

Keywords: *Need for Achievement, Need for Autonomy, Creativity, Risk Taking, Entrepreneurial Intention*

1. INTRODUCTION

Background

Individuals who are involved in various entrepreneurial activities by starting a business are known as entrepreneurs [1]. Entrepreneurs are defined as individuals who take risks and start new [1]. The form of entrepreneurial activity is important to inculcate especially in students because in Indonesia, only 21 percent of the population are entrepreneurs of any sector, is ranked 94th out of 137 countries [2] and according to the IDN Research Institute (2019) millennials who have the intention towards entrepreneurship in Indonesia is only 69.1 percent [2]

In a study conducted by Karabulut [3] it was found that there is a relationship between entrepreneurial attitudes and entrepreneurial intentions, where the attitudes that affect entrepreneurial intentions according to [3] consist of need for achievement, need for autonomy, creative tendency, calculated risk taking, and drive & determination. The design of a program and activity to boost entrepreneurial attitudes, especially for students is necessary to promote high entrepreneurial intentions in the future [3]. The Minister of Youth and Sports of the Republic of Indonesia, [4] stated that the Ministry of Youth and Sports has compiled 5 priority programs for 2020-2024, one of which is empowering youth to be creative, innovative, independent, and competitive as well as fostering an entrepreneurial spirit [4]. The Minister of Cooperatives and SMEs,[5] confirmed it by revealing that the government is preparing a Presidential Regulation on entrepreneurship with the aim of producing more entrepreneurs in Indonesia (cnnindonesia.com). The Minister of Trade, [6] said that the younger generation must have motivation in developing entrepreneurship in developed countries because the ratio of entrepreneurs in developed countries reached 14 percent of the total working age population in 2018 while Indonesia the number is merely 3.1 percent [6] Entrepreneurial intentions need to be continuously developed in order to produce entrepreneurs who can create more jobs. The purpose of the study is to empirically examine

the effect of need for achievement, need for autonomy, creativity, and risk taking on entrepreneurial intentions among students in South Tangerang. Furthermore, the purpose of this study was to empirically examine the effect of need for achievement, need for autonomy, creativity, and risk taking on entrepreneurial intentions among students at three universities in South Tangerang. The contribution of this research can provide input for university managers in encouraging students to increase their entrepreneurial intentions by paying attention to several factors that influence entrepreneurial intentions to be included in the learning process about entrepreneurship. Furthermore, entrepreneurial intentions are getting higher so that it encourages students to be able to open new businesses so that they can help reduce economic problems by contributing to economic growth., especially in South Tangerang.

2. CONCEPTUAL DEFINITION OF VARIABLES

Need for Achievement

Need for achievement is the tendency to achieve something quickly and successfully [7]. Need for achievement is an individual's behavioral tendency that facilitates the progress of certain activities which leads to continuous efforts to be better than others and even his own past performance [8]

Need for Autonomy

Need for autonomy according to [9] is an inherent desire in individuals to feel the will and experience a sense of choice and psychological freedom when carrying out an activity. This can mean that the need for autonomy is the tendency to be independent from others and have the freedom to act.

Creativity

[4] Creativity is shown as a form of tendency to generate useful ideas, alternatives and possibilities for solving problems, communicating, and taking advantage of opportunities. Meanwhile, [10] explains that creativity is an ability that a person has to produce new things such as ideas or inventions or products from knowledge, information and experience.

Risk Taking

Risk Taking according to [7] is the tendency to try something with unclear expectations or the possibility of failure, while risk taking according to [11] is to reflect acceptance of uncertainty when one places a commitment of resources for an unknown outcome.

The Relationship between Need for Achievement and Entrepreneurial Intention

[12] shows the high need for achievement illustrates the high level of entrepreneurial intention and in the study, it is also said that if characteristics such as the need for achievement are managed properly, it can create greater entrepreneurial intentions. [4] found that the attitude of need for achievement was correlated and showed the strongest positive effect with entrepreneurial intentions.

H1: Need for Achievement has a positive and significant effect of on Entrepreneurial Intention.

The Relationship between Need for Autonomy and Entrepreneurial Intention

The need for autonomy according to [4] is a basic motivation for entrepreneurs in doing business because when employed by other people, one cannot develop their talents. With entrepreneurship autonomy can be obtained. High entrepreneurial intention is caused by the high need for autonomy.

H2: Need for Autonomy has a positive and significant effect of on Entrepreneurial Intention.

The Relationship between Creativity and Entrepreneurial Intention

[13] in their research results show that practicing creativity can increase students' entrepreneurial intentions. [13] Studying the relationship between youth creativity in entrepreneurial intentions, a survey was conducted of 180 undergraduate business school students, the results obtained were the more creative in thinking, the higher the entrepreneurial intention.

H3: Creativity has a positive and significant effect of on Entrepreneurial Intention.

The Relationship between Risk Taking and Entrepreneurial Intention

Risk Taking in the research of [8] is said to have attracted the interest of researchers from all over the world and has been considered as an important antecedent of entrepreneurial intentions. [11] states that several attitudes can form entrepreneurial intention, one of the attitudes that can form entrepreneurial intentions is risk taking. Risk taking in the research of [8] is said to have attracted the interest of researchers from all over the world and has been considered as an important antecedent of entrepreneurial intentions. [11] states that several attitudes can form entrepreneurial intention, one of which is risk taking.

H4: Risk taking has a positive and significant effect of on Entrepreneurial Intention.

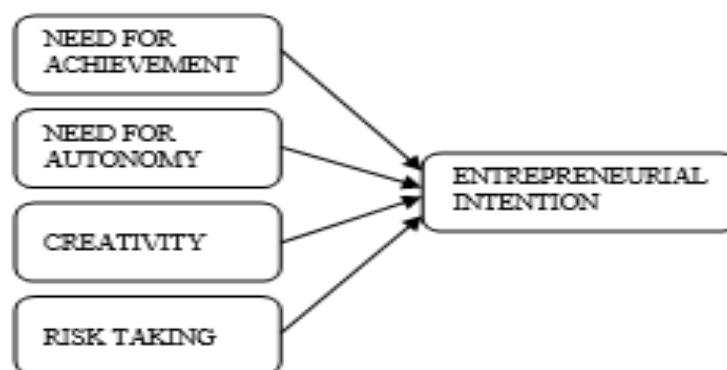


Figure 1 Research Model

3. RESEARCH METHODS

This study uses quantitative descriptive methods and instruments in the form of a questionnaire with a five-point Likert Scale for weight determination. The Likert scale is a scale that can be used to measure attitudes, opinions, and perceptions about certain

phenomenon [14] Students from three universities in South Tangerang who have studied or are studying entrepreneurship are the subjects of this research. The objects in this study are the need for achievement, need for autonomy, creativity, and risk taking as independent variables and entrepreneurial intentions as the dependent variable.

[15] argues that sampling can be defined as the selection of several parts of the whole, but some of these parts produce conclusions that apply as a whole. The sample selection was carried out using a non-probability sampling technique. The purposive sampling method is used in this study, where [16] explains that purposive sampling is the determination of the sample with certain considerations. This method was chosen because the researcher required several criteria for the respondents, such as being students from 3 (three) universities in South Tangerang, being in the economics or business faculties and students who are currently or have studied courses on entrepreneurship or similar. The total respondents who participated and were according to the research criteria were 233 people with the majority aged 21-22 years and as many as 142 respondents were seventh semester students and dominated by female respondents.

4. RESULT AND DISCUSSION

The validity test is carried out with two tests, namely convergent validity and discriminant validity. Convergent validity was analyzed through Outer Loadings and Average Variance Extracted (AVE). Discriminant validity is analyzed through Cross Loading, it is stated that the indicators on the assigned construct must obtain a higher value than all other constructs to state that the data is valid. This study obtained the Outer Loadings value > 0.6 and AVE > 0.5 for the convergent validity test and the discriminant validity test with Cross Loading showing that the assigned construct has a higher value than other constructs. These results prove that the data in this study are valid.

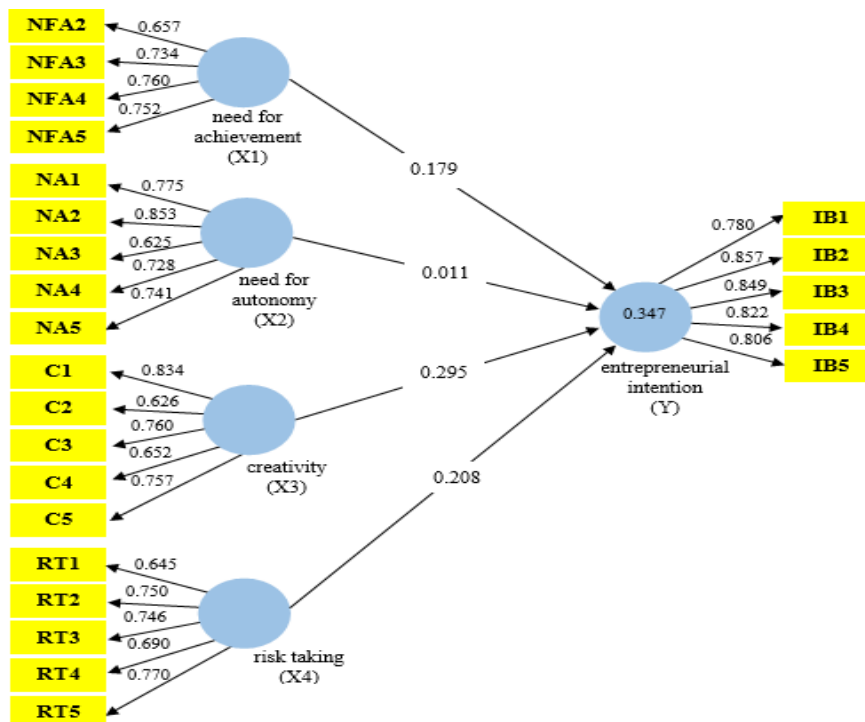


Figure 2 Outer Loadings
 Source: Data Processed using *SmartPLS*

Table 1 AVE Test Result

Variable	AVE	Critical Value	Valid/Invalid
Need for Achievement (X1)	0.528	> 0.5	Valid
Need for Autonomy (X2)	0.560		
Creativity (X3)	0.532		
Risk Taking (X4)	0.520		
Entrepreneurial Intention (Y)	0.678		

Source: Data Processed using *SmartPLS*

Reliability testing uses Cronbach's alpha and composite reliability. [17] stated that the instrument is reliable if Cronbach's alpha value is > 0.7 and according to [18] composite reliability is acceptable if it is ≥ 0.7 while the value ≥ 0.8 is said to be satisfactory.

The results of Cronbach's alpha and composite reliability presented in Table 1.3 show > 0.7 and it can be concluded that the research data is reliable.

Table 2 Reliability Test Results

Construct	Cronbach's Alpha	Composite Reability	Critical Value	Reliable/Unreliable
Need for Achievement (X1)	0.703	0.817	> 0.6	Reliable
Need for Autonomy (X2)	0.804	0.863		
Creativity (X3)	0.777	0.849		
Risk Taking (X4)	0.772	0.844		
Entrepreneurial Intention (Y)	0.881	0.913		

Source: Data Processed using *SmartPLS*

Table 3 R² Result

Variable	R-Square (Adjusted R ²)
Entrepreneurial Intention	0.347

Table 4 Q² Result

Variable	Q-Square (Q ²)
Entrepreneurial Intention	0.218

This study obtained an R² value of 0.347. This value also states that R² has a moderate effect. The R² value of 0.347 explains that 34.7% of the entrepreneurial intention variables are influenced by the need for achievement, the need for autonomy, creativity, and risk taking.

In the Q^2 test the results obtained are 0.218, which means the data has succeeded in obtaining a value > 0 and the Q^2 test results state that the variables in the study have good predictive relevance.

Table 5 Hypotheses Testing Table

Relationships	Path Coefficient	t-Statistics	p-Value	Result
Need for Achievement → Entrepreneurial Intention	0.179	2.208	0.028	Significant
Need for Autonomy → Entrepreneurial Intention	0.011	0.158	0.874	Not Significant
Creativity → Entrepreneurial Intention	0.295	3.017	0.003	Significant
Risk Taking → Entrepreneurial Intention	0.208	1.951	0.052	Not Significant

Source: Data processing using *SmartPLS 3.0*

Based on the data obtained, it is known that the majority of respondents in the study were students aged 21-22 years and dominantly women. A total of 61% of respondents are 7th semester students and as many as 59% of respondents have entrepreneur parents. The objects in this study are the need for achievement, the need for autonomy, creativity, and risk taking as independent variables and entrepreneurial intentions as the dependent variable.

Need for achievement is an individual's attitude in achieving the desire to achieve success. Need for autonomy, namely the tendency to be independent from others and have the freedom to act. Creativity is a person's ability to think, get results or be able to develop ideas, discover new things, or other works.

Risk taking is a person's tendency to try an activity and accept uncertainty in obtaining results. Entrepreneurial intention is a state of mind that directs individuals to create a new business concept and a career in entrepreneurship.

This study tests four hypotheses, and the results are as follows:

H1: Need for Achievement has a positive and significant effect of on Entrepreneurial Intention.

The results of hypothesis testing with a path coefficient of 0.179 and a t-statistic value of 2.208 and a p-value of 0.028 prove that the need for achievement has a positive and significant effect. The results of the hypothesis test show that H1 is not rejected. These results are in accordance with the research of [4] which states that there is a correlation between the need for achievement as a part of entrepreneurial attitude and entrepreneurial intentions. These results also support [4] the results show that the need for achievement has a positive and significant effect on entrepreneurial intentions. These results support the research of [19] which found that the need for achievement is a significant element of entrepreneurial intentions. Based on the results of previous studies and the results obtained by researchers, it is known that the intention of human entrepreneurship is influenced by the need for achievement or individual attitudes in achieving the desire to obtain success, which in this case the success in question is entrepreneurship success. So people with this attitude will have more potential to carry out entrepreneurial activities.

H2: Need for Autonomy has a positive and significant effect of on Entrepreneurial Intention.

The results of hypothesis testing with a path coefficient of 0.011, a t-statistic value of 0.158 and a p-value of 0.874 indicate that the need for autonomy has no positive and insignificant effect. The results of the hypothesis test show that H2 is rejected. These results contradict the research of [4] which states that there is a correlation between the need for autonomy and entrepreneurial intentions. However, the results of this study support [11] which states that the need for autonomy does not contribute to entrepreneurial intentions. The results of the research found by [11] also found that the need for autonomy was not significant to entrepreneurial intentions. This also shows that freedom is not something that strongly supports or encourages people to become entrepreneurs and sometimes we need other people to do so. The results which show that H2 is rejected indicate that further research is necessary.

H3: Creativity has a positive and significant effect of on Entrepreneurial Intention.

The results of the hypothesis test with a path coefficient of 0.295 in H3, the t-statistic value of 3.017 and p-value of 0.003 proves that creativity has a positive effect. The results of the hypothesis test show that H3 is not rejected. These results are in accordance with the research of [4] which says that entrepreneurial intention is correlated with creativity. These results also support the research of [20], whereas the results show that there is a relationship between entrepreneurial intentions and creativity. The research of [21] found similar results, where entrepreneurial intentions are positively and significantly influenced. The results of this study indicate that people who are creative and have ideas or wishful thinking will succeed in producing something that attracts the attention of many people and in this case is in conducting entrepreneurial activities. The results of this study are said to be because someone with the ability to think, produce or develop something new can present a business idea.

H4: Risk taking has a positive and significant effect of on Entrepreneurial Intention.

The results of the hypothesis test with a path coefficient of 0.208 on H4, the t statistic value of 1.951 and the p-value of 0.052 indicate that risk taking has a positive, but not significant, effect. The results of the hypothesis test show that H4 is rejected. The results of this study are different from [22] where entrepreneurial intentions are positively and significantly influenced by risk taking. Another study that is not in accordance with these results is the research by [23] the results obtained where entrepreneurial intentions are positively and significantly influenced by risk taking. However, the results of this study are in line with [24] where entrepreneurial intentions are not significantly affected by risk taking. According to [24] women have a lower preference when compared to men and this can be one of the factors causing H4 to be rejected in the study, because as many as 61% of respondents in the study were women. Women tend not to want to try an activity that includes uncertainty in obtaining results.

5. CONCLUSION AND SUGGESTION

Based on research that has been conducted with a total of 233 respondents from 3 (three) Universities in South Tangerang, it can be concluded that the need for achievement and creativity had a positive and significant effect on the entrepreneurial intention of students at 3 (three) universities in South Tangerang, while the need for autonomy and risk taking had a

positive but not significant effect on the entrepreneurial intention of students at 3 (three) universities in South Tangerang. It is recommended for universities to consider adding several activities or learning that further hone students' creativity while further encouraging students to be able to set achievement targets in order to obtain success. One suggestion for future researchers is to add variables or look for other variables that also affect entrepreneurial intentions, especially for students.

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