

## **Entrepreneurial Intention of Students in Jabodetabek Region**

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### **ABSTRACT**

This study aims to further analyze the influence of Subjective Norm, Perceived Behavioral Control, Self-Efficacy, and Entrepreneurship Education on Entrepreneurial Intention among students majoring in Entrepreneurship in the Greater Jakarta area (Jabodetabek). The research employs a causal or explanatory design, aiming to test hypotheses. A quantitative approach is adopted in this study. The data collected constitute primary data obtained through an online questionnaire. The study utilizes a non-probability sampling technique, specifically purposive sampling, in which the sample is selected based on specific criteria, namely students majoring in Entrepreneurship in Jabodetabek. The total sample size is 167 respondents. The questionnaire responses were measured using a Likert scale. Based on the research findings, it can be concluded that Perceived Behavioral Control, Self-Efficacy, and Entrepreneurship Education have a positive and significant influence on the Entrepreneurial Intention of students majoring in Entrepreneurship in Jabodetabek. However, Subjective Norm does not have an effect on the Entrepreneurial Intention of these students

**Keywords** – Entrepreneurial Intention, Subjective Norm, Perceived Behavioral Control, Self Efficacy, Entrepreneurship Education

### **INTRODUCTION**

The significant contribution of entrepreneurship to economic, social, national, and regional environments has been widely recognized in the literature (Khamimah, 2021). Many countries agree that new businesses serve as a solution to youth unemployment. In Indonesia, the number of entrepreneurs remains relatively low, despite entrepreneurship being regarded as a key pillar in strengthening a nation's economy. According to Kertasasmita (2022), the entrepreneurship rate in Indonesia in 2022 was approximately 3.47% of the total population. This ratio remains considerably low compared to neighboring countries such as Singapore (8.76%), Malaysia (4.74%), and Thailand (4.26%).

Furthermore, many university graduates in Indonesia tend to prefer working as employees in private companies or government institutions rather than pursuing entrepreneurship. Only a small

proportion consider starting their own businesses due to a lack of confidence in their abilities and financial capital (Bappenas, 2023). Meanwhile, the Greater Jakarta area (Jabodetabek) serves as a central hub for the development of new entrepreneurial ventures, given its status as the administrative and economic center of Indonesia. However, in recent years, the unemployment rate in Jabodetabek has shown a persistent increase, with the most significant surge occurring in 2020.

To foster the growth of new entrepreneurs in Jabodetabek, universities play a crucial role, as producing graduates with entrepreneurial expertise can accelerate job creation. However, in reality, the number of university graduates in Jabodetabek who pursue entrepreneurship is among the lowest compared to graduates of other educational levels.

Various internal and external factors can influence an individual's intention to establish a new business. These factors may stem from personal characteristics or external environmental influences, which significantly shape their career paths. Thus, this study aims to analyze the key factors influencing entrepreneurial intention, particularly among university students majoring in Entrepreneurship within the Faculty of Economics. The determining factors examined in this research include subjective norm, perceived behavioral control, self-efficacy, and entrepreneurship education.

## **LITERATURE REVIEW**

From the information provided, it is clear that subjective norm, perceived behavioral control, self-efficacy, and entrepreneur education all play a very important role in the success of an entrepreneurial intention. Below are several key points derived from the information:

1. Subjective Norm
  - Research by (Pratana & Margunani, 2019) indicates that Subjective Norm has a significant and positive influence on Entrepreneurial Intention.
  - Similarly, (Prawira & Hidayah, 2021) revealed that Subjective Norm significantly and positively affects Entrepreneurial Intention. This is because university students generally agree that support from close individuals can further encourage someone to develop Entrepreneurial Intention
2. Perceived Behavioral Control
  - Kurniawan dan Dewi (2021) demonstrated that Perceived Behavioral Control has a positive and significant influence on Entrepreneurial Intention. This is because aspiring female entrepreneurs strongly believe in their ability to run the businesses they intend to establish.
  - Hansfel & Puspitowati (2020) explained that individuals who possess adequate knowledge and sufficient insight relevant to entrepreneurship or starting a new business are more likely to develop Entrepreneurial Intention, motivating them to pursue an entrepreneurial career.
3. Self-Efficacy
  - Prasetyo (2018) concluded that Self-Efficacy has a positive and significant influence on Entrepreneurial Intention.
  - Satrianny & Thamrin (2022) revealed that strong confidence and self-belief in one's ability to engage in entrepreneurship significantly impact and strengthen Entrepreneurial Intention.
4. Entrepreneur Education

Lelliezza et al. (2019) conducted a study in Malang, East Java, which demonstrated that Entrepreneurship Education has a positive and significant influence on Entrepreneurial Intention.

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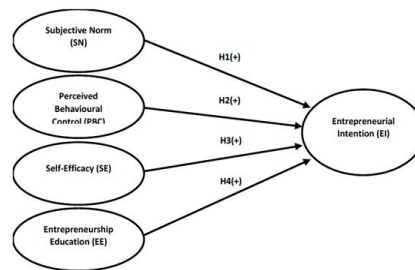
Adequate entrepreneurship education helps shape and refine students' mindsets, attitudes, and decision-making processes, encouraging them to choose entrepreneurship as a career path.

Considering all the factors examined in previous studies, this research aims to measure the level of Entrepreneurial Intention among students in the Jabodetabek region and assess the extent to which these factors influence the enhancement of their Entrepreneurial Intention.

## METHODOLOGY

The research methodology employed in this study is a causal method with a quantitative approach. The data analysis technique used is Structural Equation Modeling with Partial Least Squares (SEM-PLS). This analysis helps determine whether the proposed model—a series of causal relationships between latent variables and the relationships between latent variables and their indicators—can be accepted or rejected (Ghazali, 2014).

Furthermore, the population of this study consists of students majoring in Entrepreneurship in the Jabodetabek region. The sampling technique follows the purposive sampling method, where the sample selection is based on specific criteria, namely students from the Faculty of Economics and Business majoring in Entrepreneurship in Jabodetabek. This study conducts an actual test using the reference from Kock & Hadaya (2018) by applying the inverse square root method, resulting in a minimum required sample size of 160 respondents. However, the study ultimately collected data from 167 respondents.



**Figure 1. Research Model**

The hypotheses of this study are as follows:

**H1:** Subjective Norm has a positive influence on the Entrepreneurial Intention of students majoring in Entrepreneurship in Jabodetabek.

**H2:** Perceived Behavioral Control has a positive influence on the Entrepreneurial Intention of students majoring in Entrepreneurship in Jabodetabek.

**H3:** Self-Efficacy has a positive influence on the Entrepreneurial Intention of students majoring in Entrepreneurship in Jabodetabek.

**H4:** Entrepreneurship Education has a positive influence on the Entrepreneurial Intention of students majoring in Entrepreneurship in Jabodetabek.

## RESULTS AND DISCUSSION

The results of the analysis in this research include both outer model and inner model analyses. In the outer model analysis, the components analyzed are outer loading, composite reliability, and Average

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Variance Extracted (AVE). Meanwhile, in the inner model analysis, the analysis includes Variance Inflation Factor (VIF),  $R^2$ ,  $f^2$ , and path coefficients.

## Outer Loading

Tabel 1 Outer Loading

| Variabel                          | Indikator | Loading Factor<br>(>0,7) |
|-----------------------------------|-----------|--------------------------|
| <i>Entrepreneurial Intention</i>  | EI1       | 0.8757                   |
|                                   | EI2       | 0.8947                   |
|                                   | EI3       | 0.9530                   |
|                                   | EI4       | 0.9338                   |
|                                   | EI5       | 0.9701                   |
|                                   | EI6       | 0.9573                   |
|                                   | EI7       | 0.9770                   |
| Subjective Norm                   | SN1       | 0.9286                   |
|                                   | SN2       | 0.9379                   |
|                                   | SN3       | 0.9510                   |
|                                   | SN4       | 0.9002                   |
|                                   | SN5       | 0.8219                   |
| Perceived Behavioral Control      | PBC1      | 0.9438                   |
|                                   | PBC2      | 0.9162                   |
|                                   | PBC3      | 0.9504                   |
|                                   | PBC4      | 0.9602                   |
|                                   | PBC5      | 0.9217                   |
| Self Efficacy                     | SE1       | 0.9413                   |
|                                   | SE2       | 0.9128                   |
|                                   | SE3       | 0.9282                   |
|                                   | SE4       | 0.9384                   |
|                                   | SE5       | 0.9265                   |
| <i>Entrepreneurship Education</i> | EE1       | 0.9526                   |
|                                   | EE2       | 0.9186                   |
|                                   | EE3       | 0.8857                   |
|                                   | EE4       | 0.9416                   |
|                                   | EE5       | 0.9192                   |
|                                   | EE6       | 0.9475                   |
|                                   | EE7       | 0.9413                   |

From the table above, it can be observed that the factor loading values for each indicator exceed 0.7. These results indicate that all indicators of the variables used are valid and suitable for further research.

## Composite Reliability and AVE

Table 2. Construct Validity and Reliability

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| Variabel                     | Composite Reliability | AVE    |
|------------------------------|-----------------------|--------|
| Entrepreneurial Intention    | 0.9809                | 0.8799 |
| Entrepreneurship Education   | 0.9781                | 0.9781 |
| Perceived Behavioral Control | 0.9737                | 0.9737 |
| Self Efficacy                | 0.9695                | 0.9695 |
| Subjective Norm              | 0.9596                | 0.9596 |

From the table above, it can be seen that all the variables used in the research are acceptable and valid, as the AVE (Average Variance Extracted) values are above 0.5 and the composite reliability (RHO\_C) values are above 0.7.

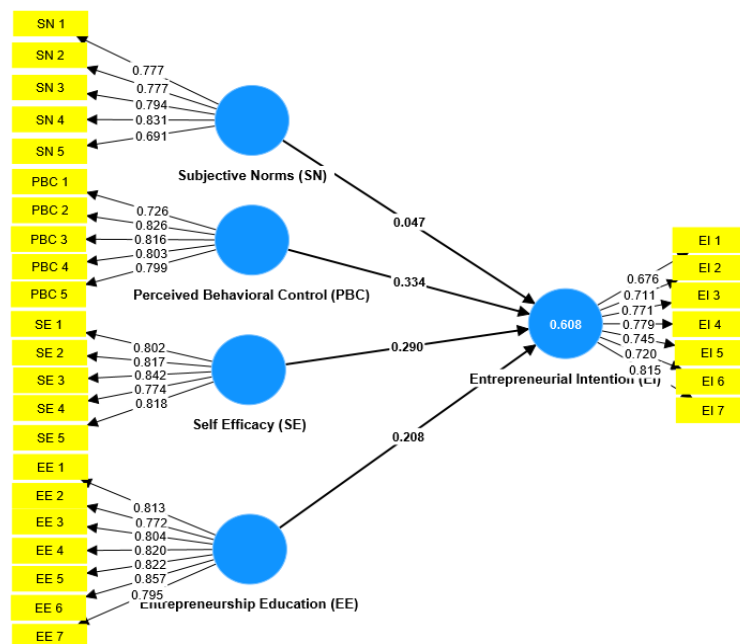
## Coefficient Determinant (R2)

**Table 3. Analysis Coefficient Determination (R2)**

| Variabel                       | Q <sup>2</sup> |
|--------------------------------|----------------|
| Entrepreneurial Intention (EI) | 0,320          |

Based on Table 3, it is evident that the Entrepreneurial Intention variable is influenced by the Subjective Norm, Perceived Behavioral Control, Self-Efficacy, and Entrepreneurship Education variables by 60.8%, while the remaining percentage is affected by other variables not examined in this study.

## Test Hypothesis



**Figure 2. Screen Shot of SmartPLS Path Coefficient**

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**Table 4. Paths Coefficient**

| H              | Hubungan variabel   | Path Coefficient | t- Statistics | P-Value |
|----------------|---|------------------|---------------|---------|
| H <sub>1</sub> | Subjective Norm >>Entrepreneurial Intention               | 0,047            | 0,397         | 0,346   |
| H <sub>2</sub> | Perceived Behavioral Control >> Entrepreneurial Intention | 0,334            | 3,898         | 0,000   |
| H <sub>3</sub> | Self Efficacy >> Entrepreneurial Intention                | 0,290            | 2,620         | 0,004   |
| H <sub>4</sub> | Entrepreneurship Education >> Entrepreneurial Intention   | 0,208            | 2,154         | 0,016   |

## **First Test Hypothesis**

H1 : Subjective Norm has a positive influence on the Entrepreneurial Intention of entrepreneurship students in the Greater Jakarta area (Jabodetabek).

Based on the results in Table 4 above, it can be seen that the subjective norm has a t-statistic value of 0.397, which is smaller than 1.64, and a p-value of 0.346, which is greater than 0.05. Therefore, it can be concluded that the first hypothesis is not supported. This means that the subjective norm does not have a significant influence on entrepreneurial intention.

H2 : Perceived Behavioral Control positif terhadap Entrepreneurial Intention mahasiswa jurusan Entrepreneur di Jabodetabek.

Based on the results in Table 4 above, it can be seen that the perceived behavioral control has a t-statistic value of 3,897, which is higher than 1.64, and a p-value of 0.000, which is smaller than 0.05. Therefore, it can be concluded that the second hypothesis is supported. This means that perceived behavioral control has a significant influence on entrepreneurial intention.

H3 : Self-Efficacy has a positive effect on the Entrepreneurial Intention of entrepreneurship students in the Greater Jakarta area (Jabodetabek).

Based on the results in Table 4 above, it can be seen that the self-efficacy has a t-statistic value of 2,154, which is higher than 1.64, and a p-value of 0.004, which is smaller than 0.05. Therefore, it can be concluded that the third hypothesis is supported. This means that self-efficacy has a significant influence on entrepreneurial intention.

H4 : Entrepreneurship Education has a positive effect on the Entrepreneurial Intention of entrepreneurship students in the Greater Jakarta area (Jabodetabek).

Based on the results in Table 4 above, it can be seen that the self-efficacy has a t-statistic value of 2,620, which is higher than 1.64, and a p-value of 0.016, which is smaller than 0.05. Therefore, it can be concluded that the fourth hypothesis is supported. This means that entrepreneurship education has a significant influence on entrepreneurial intention.

## **CONCLUSION**

- a. Subjective Norm does not have a positive effect on the Entrepreneurial Intention of entrepreneurship students in the Greater Jakarta area (Jabodetabek).

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- b. Perceived Behavioral Control has a positive effect on the Entrepreneurial Intention of entrepreneurship students in the Greater Jakarta area (Jabodetabek).
- c. Self-Efficacy has a positive effect on the Entrepreneurial Intention of entrepreneurship students in the Greater Jakarta area (Jabodetabek).
- d. Entrepreneurship Education has a positive effect on the Entrepreneurial Intention of entrepreneurship students in the Greater Jakarta area (Jabodetabek).

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