ANTECEDENTS OF SECONDARY STUDENTS' ENTREPRENEURIAL MOTIVATION

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ABSTRACT

Entrepreneurship plays a major role in developing the economy, especially in reducing unemployment and poverty. Understanding the factors that can impact entrepreneurial motivation is a primary and critical step in predicting and developing entrepreneurial activities. Due to economic development, entrepreneurial motivation is very important for the low and middle-income countries including Indonesia. The objective of this study is to investigate the impact of social norms, the locus of control and entrepreneurship education on students' entrepreneurial motivation. This survey involved 210 participants from the number of secondary schools in Jakarta, Indonesia. Data were analysed using Structural Equation Modelling. This research found that social norms had a positive and significant impact on secondary students' entrepreneurial motivation. Meanwhile, the locus of control and entrepreneurship education had not an effect on entrepreneurial motivation. Recommendations for further studies were discussed.

Keywords: Social Norms, Locus of Control, Entrepreneurship Education, Entrepreneurial Motivation, Structural Equation Modelling.

INTRODUCTION

The common problems facing the low and middle-income countries are the high rate of unemployment and poverty. In these countries, the high population growth rate drives the availability of jobs decrease. Unemployment triggers poverty rate. Governments in the developing countries believe entrepreneurship is a solution to overcome unemployment and poverty. The governments then impose their education policy to equip students with entrepreneurship education. Entrepreneurship courses are taught to students with the aim of providing the skills and knowledge to start a business. Thus, students are expected to choose entrepreneur as their career choice in the future.

Based on the Global Entrepreneurship Monitor (2016), the ranking position of Indonesian entrepreneurial intention was 25th (23.2%) of total 65 Asian and Oceania countries. The number of entrepreneurial intention describes the percentage of population aged 18-64 years who are interested to open a business within the next 3 years. This organisation also reported that the public perception of entrepreneurship as a good career choice was ranked 20th (69%) of the 65 Asian & Oceania countries surveyed.

Entrepreneurial intention drives one's action to create a venture. Entrepreneurial activity is largely determined by the individual's intention (Krueger, Reilly & Carsrud, 2000). People will not become entrepreneurs suddenly without any particular trigger. Various studies had been

conducted to determine what factors affected entrepreneurial intention, especially in developing countries such as Indonesia, Nigeria, Pakistan, Ethiopia and other countries. Based on previous studies, the author identified eight factors determined entrepreneurial intention. These factors were locus of control (Alemu & Ashagre, 2016; Musdalifah, 2015; Uddin & Bose, 2012; Veysi et al., 2015), entrepreneurship education (Hussain, 2015; Otuya, Kibas, Gichira & Martin, 2013; Uddin & Bose, 2012), attitude toward entrepreneurship (Hussain, 2015; Yaghmaei & Ghasemi, 2015), social norms (Khalili, Zali & Kaboli, 2015; Shiri, Mohammadi & Hosseini, 2012; Weerakoon & Gunatissa, 2014), need for achievement (Uddin & Bose, 2012), social capital and innovation (Veysi et al., 2015) and motivation (Farouk, Ikram & Sami, 2014; Purwana, Suhud & Arafat, 2015).

This study aims to measure the impact of social norm, locus of control, entrepreneurship education on secondary students' entrepreneurial motivation. This empirical study is expected to fruitful and enrich the repertoire of researches in the field of entrepreneurship.

LITERATURE REVIEW

According to Shiri et al. (2012), entrepreneurial motivation indicates individual's aims and tendencies for the establishment of a business. Entrepreneurial motivation has been gleaned by prior researchers with different approaches, for example, push-pull motivation (Neneh, 2014; Ranmuthumalie, 2010), employed and self-employed (Berthold & Neumann, 2008; Beynon, Jones, Packham & Pickernell, 2014), achievement motivation (Seemaprakalpa & Arora, 2016; Ullah, 2011), general-task-specific motivation (Shane, Locke & Collins, 2003) and extrinsic–intrinsic motivation (Şeşen & Pruett, 2014; Vardhan & Biju, 2012; Worch, 2007).

The social norms depend on the perception of normative beliefs of important people, such as family, friends and significant others, valued by the motivation of person (Khalili et al., 2015). Social norms have been empirically researched in the entrepreneurship literature. Some of the researchers in social differences in entrepreneurship (McGrath & MacMillan, 1992) showed that entrepreneurs with different countries are more similar than those non-entrepreneurs from the same country. Linan, Rodríguez-Cohard & Rueda-Cantuche (2005) in their study also found the effect of social norms on entrepreneurial motivation.

The concept of locus of control refers to a generalized belief that a person can or cannot control his/her own destiny (Barani et al., 2010). Yan (2010) summarized the previous studies conducted by Venkatapathy (1984) and Shapero (1975) with a conclusion that locus of control had been of great interest in entrepreneurship research and internality has long been identified as one of the most dominant entrepreneurial characteristics. Kusmintarti, Thoyib, Ashar & Maskie (2014) also found that locus of control had a positive effect on entrepreneurial motivation.

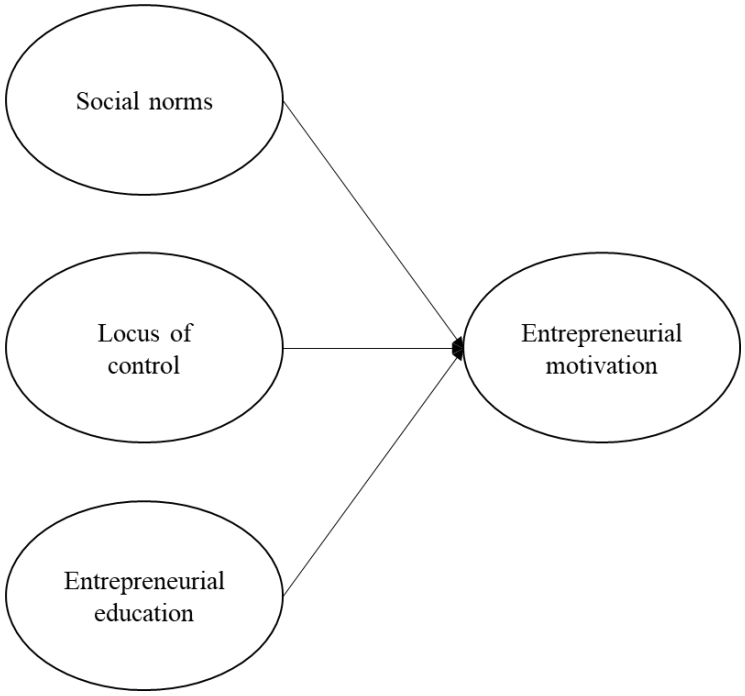
The general education (and experience) of an entrepreneur can provide knowledge, skills and problem-solving abilities that are transferable to many different situations. Hisrich, Peters & Shepherd (2010) mentioned that education is important in the upbringing of the entrepreneur. Indeed, it has been shown by the previous researchers (Van der Sluis, Van Praag & Vijverberg, 2008) that the effect of education as measured in years of schooling on entrepreneur performance was positive (Bilić, Prka & Vidović, 2011).

The authors posit the following hypotheses and develop the research model (Figure 1);

H1: There is a significant effect of social norms on entrepreneurial motivation.

H2: There is a significant effect of locus of control on entrepreneurial motivation.

H3: There is a significant effect of education on entrepreneurial motivation.



Source: Own Elaboration

FIGURE 1
THE THEORETICAL FRAMEWORK

METHODS

This research used survey method. Data were collected using questionnaire. The questionnaire used a 6-point Likert's scale consisting of 1 for strongly disagree to 6 for strongly agree. Although scholars (Jacoby & Matell, 1971; Johns, 2010; Tsang, 2012) suggested an odd point for Likert's scale, however in this study, the authors chose a six-point. According to Bertram (2007, p. 1), "a 4-point (or other even-numbered) scale is used to produce an impassive (forced choice) measure where no indifferent option is available". The instrument was distributed during the class sessions with consent and cooperation of teachers. Up to 210 secondary students (83 males and 127 females) involved.

The research instruments consisted of a number of indicators adapted from previous studies in entrepreneurship. Forty indicators were adapted from Purwana, Suhud & Arafat (2015) to measure entrepreneurial motivation. The authors used eight indicators from Khalili et al. (2015) to measure the variable of social norms. The locus of control was measured by four indicators adapted from Alemu & Ashagre (2016) and Musdalifah (2015). The entrepreneurship education was measured by adapting indicators from Denanyoh, Adjei and Nyemekye (2015) and two indicators from Opoku-Antwi, Amofah, Nyamaah-Koffuor & Yakubu (2012).

Data were analysed in two stages. The first phase used exploratory factor analysis (EFA). The EFA aims to determine which dimensions and indicators can be used to measure the variables, followed by reliability test for each dimension or variable. According to Hair Jr., Black, Babin, Anderson & Tatham (2006), a factor or variable is reliable if it has a Cronbach's alpha score of 0.7 or more. The second phase of analysis was confirmatory factor analyses (CFA). In order to get a fit model, the authors determine four criteria; probability (>0.05),

CMIN/ DF (≤ 0.2), CFI (≤ 1) and RMSEA (≤ 0.05). The path is significant if it has a C.R. value or t-value of 1.98 or more (Holmes-Smith, 2010).

RESULTS AND DISCUSSION

Exploratory Factor Analysis

EFA of entrepreneurial motivation resulted in seven dimensions with Cronbach's alpha score respectively; family (α=0.826), religious (α=0.941), nationalism (α=0.683), independent (α=0.809), public service (α=0.774), creative (α=0.438) and safety (α=0.710). EFA of social norms resulted in Cronbach's alpha score 0.496 (career choice) and 0.420 (respect). Meanwhile, Cronbach's alpha score for the locus of control is 0.613 and entrepreneurship education is 0.857 (Table 1).

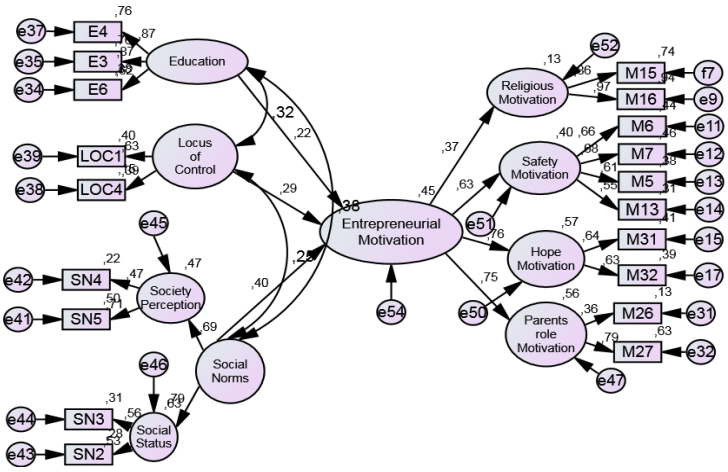
Table 1
SUMMARY OF CRONBACH'S ALPHA SCORE

Variables	Dimension	Score (α)
Entrepreneurial Motivation	Family	0.826
	Religious	0.941
	Nationalism	0.683
	Independent	0.809
	Public service	0.774
	Creative	0.438
	Safety	0.710
Social Norms	Social Status	0.496
	Respect	0.420
Locus of Control		0.613
Entrepreneurship Education		0.857

Source: The Authors' Computation.

Hypotheses Testing

Figure 2 demonstrates a fitted model of the theoretical framework produced by confirmatory factor analysis (structural equation modelling). This model has probability, CMIN/DF, RMSEA, TLI and CFI scores of 0.183, 1.107, 0.023, 0.980 and 0.984 respectively. These scores are significant with the scores required for obtaining a fitted model.



Source: The Authors' Computation

FIGURE 2
THE RESULT OF STRUCTURAL EQUATION MODEL

Continuing the confirmatory factor analysis, the authors tested three hypotheses developed by verifying the C.R. values. Table 2 figures a summary of hypothesis testing from the model. The result showed that social norms significantly and positively influenced entrepreneurial motivation (C.R.=2.046). Meanwhile, the locus of control and entrepreneurship education had an insignificant impact on entrepreneurial motivation. C.R. value of locus of control and entrepreneurship education are 1.836 and 1.798 respectively. These C.R values are less than 1.980. It means that the regression weight for the locus of control and entrepreneurial education in the prediction of entrepreneurial motivation is insignificantly influenced.

Table 2
RESULTS OF THE HYPOTHESES TESTING

	Independent Variable		Dependent Variable	CR (t-value)	P-value	Result	Standardized Total Effect
H_1	Social Norms	→	Entrepreneurial Motivation	2.046	0.041	Accepted	0.396
H_2	Locus of Control	→	Entrepreneurial Motivation	1.836	0.072	Unaccepted	0.285
H_3	Education	→	Entrepreneurial Motivation	1.798	0.066	Unaccepted	0.222

Source: The Authors' Computation.

Table 2 also indicated that H1 was accepted with P-value of 0.041<0.05. Meanwhile, H2 and H3 was unaccepted with P-value of 0.07>0.05 and 0.06>0.05. The hypothesis decisions supported McGrath and MacMillan (1992)'s study and proved that social norms had positively and significantly impact on the entrepreneurial motivation. The standardized total effect showed that the social norms have strong effect on entrepreneurial motivation (0.396). Meanwhile, the finding of study related to locus of control was against the previous studies (Kusmintarti et al., 2014; Shapero, 1975; Venkatapathy, 1984). Similarly, in terms of entrepreneurship education,

the result of study contradicted with the previous studies (Bilić et al., 2011; Van der Sluis et al., 2008).

CONCLUSION

The results of this study showed that social norms have a significant and positive impact on the entrepreneurial motivation. Meanwhile, locus of control and education did not affect to the entrepreneurial motivation of secondary students in Jakarta, Indonesia.

The research findings implied the need for policymakers to create the entrepreneurship-oriented curriculum that would increase students' motivation to start a business. It was also suggested that the entrepreneurship teachers should be more innovative in using the learning method and be a role model in entrepreneurial activity.

The authors recommend further studies to examine determinants of entrepreneurial motivation by including other variables such as self-efficacy, subjective norms, environmental supports and school entrepreneurial leadership. A comparative study should also be considered for the next research to differentiate entrepreneurial motivation between secondary and tertiary students based on gender differences and their parent's background.

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