# THE EFFECT OF ENTREPRENEURSHIP KNOWLEDGE ON SELF EFFICACY AND ITS IMPACT ON STUDENTS 'INTERESTS

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ABSTRACT: The purpose of this study is to determine the effect of Entrepreneurship Knowledge on Self Efficacy and its impact on entrepreneurial interest in students. This research uses descriptive and associative methods conducted on 68 respondents who are students of the, University of Garut. Data processing techniques used by researchers are validity, reliability, and data analysis methods using path analysis. The tool used is SPSS Software 20.0. The results of this study are entrepreneurial knowledge can affect self efficacy and have an impact on the emergence of entrepreneurial interest in students.

Keywords: Entrepreneurship Knowledge, Self Efficacy, Entrepreneurial Interest

ABSTRAK: Tujuan dari penelitian ini adalah untuk mengetahui pengaruh dari Pengetahuan Kewirausahaan terhadap Self Efficacy serta dampaknya terhadap Minat berwirausaha pada mahasiswa. Penelitian ini menggunakan metode deskriptif dan asosiatif yang dilakukan pada 68 orang responden yang merupakan mahasiswa program studi manajemen fakultas ekonomi Universitas Garut. Teknis pengolahan data yang digunakan peneliti yaitu uji validitas, uji reliabilitas, dan metode analisis data menggunakan analisis jalur (path analysis). Alat yang digunakan adalah Software SPSS 20.0.Hasil penelitian ini adalah pengetahuan kewirausahaan dapat mempengaruhi self efficacy serta memiliki dampak terhadap munculnya minat berwirausaha pada mahasiswa.

Kata Kunci : Pengetahuan Kewirausahaan, Self Efficacy, Minat berwirausaha

## I. INTRODUCTION

Various global challenges force the mindset to change from the mindset of 'workers' to the mindset of 'creating work', this is triggered by the high competition of every workforce of young people, especially scholars in looking for work [1], [2]. This condition is inversely proportional to the availability of fewer jobs and the level of wages considered low for workers with bachelor's degrees. This condition clearly triggered the imbalance in the number of labor force printed with the percentage of employment absorption in companies and agencies [3]. The open unemployment rate based on the level of high school education in the last 3 years has increased. This condition makes entrepreneurship an opportunity that can be used as an alternative choice for students as a place for channeling skills and knowledge [4]. The younger generation, especially students in Garut Regency, has a huge opportunity to develop entrepreneurship. But unfortunately, the knowledge of students, especially the management study program at the Faculty of Economics at the University of Garut, seems to be lacking in utilizing entrepreneurship courses held by the university as a momentum to start entrepreneurship. This is illustrated through the results of a preliminary survey of researchers of 15 students related to how much their knowledge about entrepreneurship:

Researchers get information that Uniga management study program students who sit in semester 8 currently indicate lack of self efficacy stability, this is evident from their interest in entrepreneurship is very small and tends to choose to be in the comfort zone to find work.

## II. LITERATURE REVIEW

Entrepreneurial knowledge is all information or various symptoms encountered and known by humans through the five senses and their reasoning about an effort to build a value with ability, courage, determination and creativity, and dare to take risks for opportunities towards success to open a business in various opportunities by knowing what are the factors that become the base of success towards success [5], [6]. The dimensions of entrepreneurial knowledge according to [7]are:

- a. Knowledge in actualizing business attitudes and behavior
- b. Knowledge in applying leadership
- c. Knowledge in planning a business

In order to apply the knowledge acquired, of course, a prospective entrepreneur needs to have a character that is strong enough and willing to face risks and make major strategic decisions to be able to run a business that is full of risk and uncertainty. This is called Self Efficacy [8].

Self Efficacy is a person's assessment of himself or the level of confidence about how much his ability in carrying out a particular task to achieve certain results [9], [10]

a. Magnitude (difficulty of the task)

- b. Genarality (Area of Behavior)
- c. Strength (The degree of belief or hope)

With the strengthening of knowledge by character ready to face risks and courage, the entrepreneurial interest will naturally emerge.

According to [11] Interest in entrepreneurship is one's attraction to carry out independent business activities with the courage to take risks. The dimensions of entrepreneurial interest according to [11]:

- a. Personal interest (individual deposition) is a preference for certain topics.
- b. Attraction (context aspect) is a psychological condition that involves being attracted to a task or entrepreneurial activity.

#### III. METHOD

To describe the knowledge of entrepreneurship, Self Efficacy and Entrepreneurial Interest in the 8th semester students of the management study program at the Faculty of Economics, University of Garut, the author uses descriptive and verification methods. In the preparation of this study, researchers conducted primary and secondary data collection. To obtain primary data, researchers used field research by conducting interviews and distributing research questionnaires. As for obtaining secondary data, researchers examined company documents such as the number of employees, the organizational structure of the company, data taken from literature studies, lectures about HR, reading documents, journals related to research variables. Researchers used the Slovin formula in determining the number of samples in the Garut University management study program semester semester 8, so that a total sample of 68 respondents was obtained.

Furthermore respondents were given a series of questions or statements submitted in the form of questionnaires as a source of research data, while the calculation of the weight of the questionnaire value using a Likert scale

# IV. RESULT AND DISCUSSION

<b>Table 1:</b> Test the Validity of Entrepreneurial
Knowledge Variables

Item-Total Statistics			
	Corrected Item-Total Correlation	r tabel	keputusan
Item_1	.721	.239	valid
Item_2	.502	.239	valid
Item_3	.677	.239	valid
Item_4	.357	.239	valid
Item_5	.272	.239	valid
Item_6	.492	.239	valid
Item_7	.752	.239	valid
Item_8	.367	.239	valid
Item_9	.622	.239	valid
Item_10	.606	.239	valid
Item_11	.671	.239	valid
Item_12	.363	.239	valid
Item_13	.259	.239	valid
Item_14	.285	.239	valid

In table 1 it is known that there are 14 statement items for the entrepreneurial knowledge variable which are overall valid. Then the reliability test is performed with the following results:

**Table 2**: Reliability Tests for EntrepreneurshipKnowledge Variables

<b>Reliability Statistics</b>			
Cronbach's Alpha	N of Items		
.853	14		

Based on Table 2, it is known that the variable studied has a Cronbach Alpha value of 0.853 more than the Alpha value ( $\alpha$ ) of 0.05, so the measuring instrument used for the entrepreneurial knowledge variable is declared reliable. Then the validity test for the Self Efficacy variable is performed, as follows:

**Table 3:** Test the Validity of the Self Efficacy

 Variable



Item-Total Statistics			
	Corrected Item-Total Correlation	r tabel	Keputusan
Item_1	.625	.239	Valid
Item_2	.528	.239	Valid
Item_3	.474	.239	Valid
Item_4	.461	.239	Valid
Item_5	.375	.239	Valid
Item_6	.571	.239	Valid
Item_7	.443	.239	Valid
Item_8	.326	.239	Valid
Item_9	.462	.239	Valid
Item_10	.467	.239	Valid
Item_11	.315	.239	Valid
Item_12	.444	.239	Valid
Item_13	.263	.239	Valid
Item_14	.400	.239	Valid
Item_15	.286	.239	Valid

In table 3 note that there are 15 statement items for the whole Self Efficacy variable declared valid. Then the reliability test is performed with the following results:

Table 4: Reliability Test Variable self efficacy

<b>Reliability Statistics</b>			
Cronbach's Alpha	N of Items		
.814	15		

Based on Table 4, it is known that the variable studied has a Cronbach Alpha value of 0.814 more than the Alpha value ( $\alpha$ ) of 0.05, so the measuring instrument used in the form of a questionnaire is declared reliable. Then the validity test for the Entrepreneurial Interest variable is conducted, with the following results:

**Table 5:** Test the Validity of Entrepreneurial InterestVariables

Item-Total Statistics			
	Corrected Item-Total Correlation	r tabel	Keputusan
Item_1	.611	.239	Valid
Item_2	.400	.239	Valid
Item_3	.485	.239	Valid
Item_4	.393	.239	Valid
Item_5	.541	.239	Valid
Item_6	.349	.239	Valid

In table 5 it is known that there are 6 statement items for the Entrepreneurial Interest variable which are declared valid overall. Then the reliability test is performed with the following results: **Table 6**: Reliability Tests for Entrepreneurial Interest

 Variables

<b>Reliability</b> Statistics			
Cronbach's Alpha	N of Items		
.728	6		

Based on Table 6 it is known that the variable studied has a Cronbach Alpha value of 0.728 more than the Alpha value ( $\alpha$ ) of 0.05, then the measuring instrument used in the form of a questionnaire is declared reliable.

To find out the indirect effect of entrepreneurship knowledge on Entrepreneurial Interest is determined from the sum of indirect effects through the Intervening Self Efficacy variable. The indirect effect is calculated by the sum of the direct effects of entrepreneurial knowledge on Entrepreneurial Interest with the results of the multiplication coefficient of entrepreneurial knowledge on Self Efficacy, with the coefficient of Self Efficacy on Entrepreneurial Interest. Following are the results of calculations in the previous discussion which are the answers to all the formulations of the problem in the study, then it can be illustrated in the picture below:



Figure 2: The Influence of Entrepreneurship Knowledge Towards Self Efficacy and Its Impact on Entrepreneurial Interest

1. Structural Equations  $Y = \rho_{yx} X + \rho_y \varepsilon_1$   $= 0,149 X + 0,367 \varepsilon_1$ 

- $Z = \rho_{zx}X + \rho_{zy}Y + \rho_{z}\varepsilon_{2}$ = 0,121 X + 0,167Y + 0,459  $\varepsilon_{2}$
- 2. Indirect influence

= Pyx x Pzx x Pzy = 0,149 x 0,121 x 0,167 = 0,003

3.Total influence = Direct Effect + Indirect Effect



Based on these results indicate that the entrepreneurship knowledge variable on Self Efficacy is 0.149 (in percentage of 14.90%), while Self Efficacy on Entrepreneurial Interest is 0.167 (in percentage of 16.70%). Entrepreneurial knowledge directly towards Entrepreneurial Interest has an effect of 0.121 (in a percentage of 12.1%) and indirectly entrepreneurial knowledge has an effect on Entrepreneurial Interest of 0.109 or 10.9%. So the total effect of entrepreneurial knowledge on Self Efficay and at the same time have an impact on Entrepreneurial Interest by 0.440 or 44%. This means that the allegations of researchers about the influence of entrepreneurship knowledge on Self Efficacy and the impact on Entrepreneurial Interest in 8th semester students of the Faculty of Economics management study program at the University of Garut is proven.

From these results, the results of direct influence, indirect influence, and total influence of entrepreneurship knowledge, Self Efficacy, and Entrepreneurial Interest can be clarified in the following table:

#### Table 6 Recapitulation of Path Analysis Test Results

Pengaruh Antar	Pengaruh		Total
Variabel	Direct	Indirect	Influence
Knowledge of			
entrepreneurship	0,149		
towards Self Efficacy			
Entrepreneurial		0,003	0.440
Knowledge of	0,121	0,005	0,440
Entrepreneurial Interest			
Self Efficacy towards	0.167		
Entrepreneurial Interest	0,167		

Based on the results of research that has been done, it can be seen that entrepreneurial knowledge can affect self efficacy and have an impact on the emergence of entrepreneurial interest in management students of the 8th semester of the Faculty of Economics at Garut University. This is in accordance with the results of interviews conducted by researchers with respondents that they have a desire for entrepreneurship, but so far they have not been prepared with risks and guarantees for uncertainty which is always a sure thing when they do entrepreneurship. In addition, there is a lack of information on how to start entrepreneurship, amidst increasingly intense business competition and tighter business innovation [12] and [13]. Instead they feel that the knowledge about entrepreneurship obtained at the university is still felt to be lacking, so that even though there are entrepreneurship courses but that is not enough to bring up their courage in trying entrepreneurship.

### V. CONCLUSIONS

Entrepreneurship knowledge gained by students in the 8th semester of Management Study Program at the Faculty of Economics, University of Garut has been assessed as good, in this variable the statement item with the smallest score is "I know what products are currently preferred by the community".Self Efficacy which is owned by the 8th semester students of the Management study program at the Faculty of Economics, University of Garut is good. While the statement item "I believe that being a more prospective entrepreneur" becomes the statement item with the smallest cumulative score for the Self Efficacy variable.

Entrepreneurial interest owned by the 8th semester students of the Faculty of Economics, University of Garut is good. "I am interested in doing business based on doing business to guarantee the future," is the statement item that has the smallest cumulative score for this variable.

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