

## The Relationship Between Entrepreneurial Motivation And Entrepreneurial Intensity On Psychology Students

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### **ABSTRACT**

The purpose of this study is to investigate the relationship between entrepreneurial motivation and the entrepreneurial intention of psychology students. The research subjects were 30 psychology students at Ahmad Dahlan University, in the seventh semester, and have taken entrepreneurial psychology courses. The research subjects were chosen without doing non-randomization (non-randomized) with purposive sampling technique. The data was collected using entrepreneurial motivation and entrepreneurial intention scale. The product moment analysis developed by Pearson was employed. The result of the research shows that the correlation coefficient between entrepreneurial motivation and entrepreneurial intention was = 0,378 with significance level of 0,018 ( $p < 0,05$ ), so it can be concluded that there was a significant positive correlation between entrepreneurial motivation and entrepreneurial intention on students. The higher the entrepreneurial motivation was, the higher the students' entrepreneurial intention.

**Keywords:** entrepreneurial motivation; entrepreneurial intention; psychology student.

### **INTRODUCTION**

Based on the data published by the Minister of Home Affairs Indonesia, Tjahjo Kumolo, the total number of the population in Indonesian on 30 June 2016 was 257.912.349. This number is expected to continuously increase through the year. Along with that increase, the decline number of available job vacancies causing the growth of unemployment rate is one big problem that is potential to be faced by this nation. This number is predicted to continuously increase if there is no new job immediately available.

According to data from the Central Bureau of Statistics (BPS), the unemployment

rate in February 2015 was 5.81 (Badan Pusat Statistik, 2015). As per data taken from 2016, Suryamin said that the Open Unemployment Rate (TPT) in February 2016 was recorded at 5.50 percent. If it is compared with the data taken from a year before, February 2015, this number experienced a decline. The unemployed labor forces have different educational backgrounds. Interestingly, the unemployment from vocational graduates and college graduates groups indeed experienced an increase by 0.79 percent and 0.88 percent respectively (Suryamin, 2016). The data taken from the field shows a tendency to create or form the college graduates to be job seekers instead of to be job

creators. This condition is potentially caused by the learning system applied in many universities in Indonesia which now more focuses on preparing students to graduate quickly and get a job, not to create jobs (Siswoyo, 2009).

One solution to reduce the number of unemployed is to create new jobs. Nowadays, opening employment vacancies can be a solution in tackling the high number of unemployment. Those jobs are believed potential to create more new entrepreneurs who can create more work vacancies to absorb labor. Zimmerer (2002) stated that one important factor driving the growth of entrepreneurship in a country lies on the role of universities to implement the entrepreneurship education. Each university should start preparing its graduates to be ready to start entrepreneurship that can open a number of new job opportunities. Actually universities have started to enter entrepreneurship courses and real work college (KKN) as one of the compulsory courses that must be taken by students as an effort to instill the entrepreneurship intention in the students.

Therefore, to start a business, an individual must have a strong desire / willingness called intention. The intention according to Sujanto, Lubis and Hadi (2004) means one's hopes, desires, ambitions, goals, and plans. Intention can be interpreted as the willingness to behave (Azwar, 1998). Intention is the sincerity of one's intention to perform the deed or bring out a certain behavior (Wijaya, 2007). Intentions are related to indications of how difficult someone tries to understand, and how big the effort a person gives in planning something and in running certain business (Hisrich, Peters & Shepherd, 2010).

According to Krueger & Casrud (Kautonen & Luoto, 2008), the intention can be a predictor for one's entrepreneurial behavior. Thus the intention can serve as basic approach to understand someone who will become an entrepreneur (Choo & Wong, 2006). The entrepreneurial intention is individuals' desire to engage in entrepreneurial action by creating new products for business and having the willingness for risk taking (Ramayah & Aaron, 2005). Entrepreneurial activities are largely determined by their intentions (Ramayah & Aaron, 2005). Entrepreneurial intention is represented by four factors, which are: desires, preferences, plans and behavior expectancies. Desires are the person's willingness to start a business.

Preferences lead a person to perceive the entrepreneurship as something that is needed to be achieved. Plans are someone's hope to start a business in the future. While behavior expectancies are the possibility for doing entrepreneurship which is realized by setting a particular target to start a business (Van Gelderen, Brand, Van Praag, Bodewes, Poutsma, & Van Gils, 2006). Students can rise an awareness to do entrepreneurship because of the intention they have, thus the entrepreneurial intention is very important to be introduced in students early so that they can have the desire to start a business, perceive the entrepreneurship as the need that is important to be realized, are able to see and take advantage of existing opportunities, and start to do the entrepreneurship. Creating new business opportunities or jobs will reduce the current high unemployment rate and will even open up opportunities for others who are currently seeking job. Therefore, an understanding of a person's intentions on entrepreneurship can reflect people's tendency to establish a business in real terms (Jenkins & Johnson, 1997).

Because the impact of the entrepreneurial intention on the students is important, it is necessary to examine the factors that affect it. One of the factors influencing the entrepreneurial intention is motivation (Farouk & Ikram, 2014). Motivation becomes the main contributing factor for entrepreneurship. The existence of entrepreneurial motivation will drive individual to create a business opportunity. Louart explains the motivation as the link between activation of internal energy and the one that is channeled to the creation of a business (Estay, Durrieu & Akhter, 2013). Riyanti (2003) suggests entrepreneurial motivation as the very strong technical impulse in individual to prepare themselves for work and to have awareness that entrepreneur is related to herself, so that she / he will give more attention, feel pleasure, be independent, be self-reliant, strong, and have skills to do entrepreneurship activity which is supported by a good planning. The higher the entrepreneurial motivation individuals have, the higher the entrepreneurial intention will be (Ramayah & Aaron, 2005). The purpose of this study is to determine the relationship between the entrepreneurial motivation and the entrepreneurial intention of Psychology students at University X in Yogyakarta.

## METHOD

Subjects of this study were psychology students at the University of X in Yogyakarta, who were on the seventh semester, and had taken entrepreneurial psychology courses. The number of research subjects used in the study was 30 students. Selection of research subjects conducted without doing non-randomized (non-randomized) with purposive sampling technique (the subjects were selected based on certain characteristics that had been determined previously).

The instrument of data collection in this research was the measurement scale of entrepreneurial motivation and entrepreneurial intention. The items in the entrepreneurial intention scale used to measure the entrepreneurial intentions were developed from the aspects of the entrepreneurial intentions developed by researchers which are: preferring business rather than than working on others, choosing a career as an entrepreneur, and planning to start a business (Ramayah and Aaronm 2005). The scaling model used to develop the job satisfaction scale is Likert scale.

The scale used to measure the entrepreneurial motivation refers to the characteristics of individuals who have the entrepreneurial motivation and ability according to Meredith (1996) which are: have a confidence, have leadership skill, have the initiative to innovate and to be creative, task-oriented and result-oriented, have a broad-view toward their vision and mission, and dare to take

risks. This entrepreneurial motivation scale used the Likert scale model.

Based on test result of measuring instrument, the reliability of entrepreneurship intention scale is 0,861 with range of corrected item-total correlation moving from 0,311 to 0,657. The valid and reliable items that were be used in this research were 18.

While after given a test, the reliability coefficient of the entrepreneurial motivation scale was ( $\alpha$ ) 0.917 with a corrected item-total correlation ranging from 0.305 to 0.630. The valid and reliable items that were be used in this research were 24.

The data obtained in this study was analysed using SPSS for Windows Release 17.0. the data was analysed by employing the product moment correlation technique from Pearson to identify the relationship between entrepreneurial motivation and entrepreneurial intention. There should be an assumption test to the prerequisite test which includes normality and linearity test.

## RESULT AND DISCUSSION

### Results

A variable can be regarded to be in the normal condition if  $p > 0,05$ . Based on the data, the entrepreneurial intension scale is  $p = 0.383$  ( $p > 0.05$ ) and the  $p$  value for the entrepreneurial motivation scale is 0.146 ( $p > 0.05$ ). Therefore it can be concluded that the distribution of research data was normal.

**Table 1** Normality Distribution Test

No	Variable	Score KS-Z	Sig. (p)	Criteria	Condition
1	Entrepreneurial Intention	0,908	0,383	$p > 0,05$	Normal
2	Entrepreneurial Motivation	1,143	0,146	$p > 0,05$	Normal

### Linearity Test

To test the linearity of the relationship between job satisfaction and work motivation, the result of  $F = 4,867$  with sigifikansi 0,037 ( $p < 0,05$ ) hence the relation between two variables is linear.

**Table 2.** Linearity Test

Variable	F	Sig. (p)	Criteria	Condition
Entrepreneurial Intention and Entrepreneurial Motivation	4,867	0,037	$P < 0,05$	Linier

The correlation coefficient between work motivation and job satisfaction is  $r_{xy} = 0,378$  with level of significance 0,018 ( $p < 0,05$ ) hence, in this case, it can be proved empirically that there is a positive correlation between the entrepreneurial motivation and entrepreneurial

intention in psychology student at University X. The higher the entrepreneurial motivation a student has, the higher the entrepreneurial intention he / she has. In contrary, the lower the entrepreneurial motivation a student has, the lower the entrepreneurial intention he / she has.

**Table 3.** Hypothesis testing

Variable	Person-Correlation	Sig. (p)	Criteria	Level
Entrepreneurial motivation → entrepreneurial intention	0,378	0,018	$P < 0,05$	Significant

The entrepreneurial motivation effectively contributes 14,3% and the rest of 85,7% is influenced by other factors which were not examined in this research.

### Discussion

Results showed that there was a significant positive relationship between entrepreneurial motivation and entrepreneurial intention on psychology student of University X in Yogyakarta. In planned behavior theory, Fishbein and Ajzen suggest that some factors such as subjective attitudes and norms will shape the intention of the individual and then directly affect behavior (Tjahjono & Ardi, 2008). Thus the entrepreneurial intention is very important because it will stimulate the occurrence of the entrepreneurial behavior. Therefore, people's understanding on the entrepreneurial intention can reflect their tendency to establish business in real life (Jenkins & Johnson, 1997). The importance of this entrepreneurial intention is influenced by the entrepreneurial motivation. This is in accordance with the previous research conducted by Farouk and Ikram (2014) that there is a relationship between the entrepreneurial motivation variables and the entrepreneurial intention.

If the student has a strong impulse to prepare himself / herself for entrepreneurship by applying they got from the lecture, feel confident that the student is also able to start the business and have a future orientation by looking at the facts in the current work force, the student will have a strong desire to choose business rather than to work on others, choose a career to be an entrepreneur, and even has

already had the business plan. The entrepreneurial motivation is a condition that encourages, mobilizes and directs the individual's desire to engage in entrepreneurial activities independently and confidently, future-oriented, risk-taking, creative and high-appealing to innovation (Ratnawati & Kuswardani 2010). It shows that the higher the motivation of individuals in entrepreneurship, the higher the intention to entrepreneurship (Ramayah & Harun, 2005; Shook & Britanu, 2008).

The effective contribution of entrepreneurship motivation to the intention of entrepreneurship was 14,3% while 85,7% was influenced by other factors which are not examined in this research. These factors include socio-demography, in this case, their parents' job as entrepreneurs. Furthermore, student's entrepreneurship experience was proved to have a significant effect on student entrepreneurial intentions. Some factors related to attitudes such as autonomy / authority, economic challenge, self-realization, security & workload, also have a significant and positive effect on student entrepreneurial intentions. In addition, contextual factors, namely, academic support and social support, were proved to have a significant and positive impact on student entrepreneurial intentions (Suharti & Sirine, 2011)

### CONCLUSIONS AND SUGGESTIONS

Based on the result of data analysis, it can be concluded that there is a very significant positive relationship between entrepreneurial

motivation with the intention of entrepreneurship in psychology students who have received entrepreneurship psychology courses. The higher the entrepreneurial motivation the students have, the higher the entrepreneurial intention they have. In contrast, the lower the entrepreneurial motivation the students have, the lower the entrepreneurial intention they have. The rate of the effective contribution from the entrepreneurship motivation to entrepreneurship intention is 14,3%, while another 85,7% is influenced by other factors. Suggestions from this study may be a reference to other studies. Students other than psychology students have the motivation to always entrepreneurship.

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