

Relationship between Entrepreneurial Skills, Entrepreneurial Orientation, and Information Technology to Entrepreneurship Intention: Cases in Indonesia

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ABSTRACT

In Indonesia, a big and fast developing country in South-East Asia, entrepreneurship now have a good momentum to attract many young people to be an entrepreneur after they graduates. Research problem is to test whether self-efficacy, entrepreneurial attitude orientation, and the impact of information technology has a positive and significant effect on the interest of students to become entrepreneurs after they graduate later. With survey research design and multiple regression statistical methods, research result show that self-efficacy doesn't influence entrepreneurship intention, but two others independent variables, i.e. entrepreneurship orientation and information technology, do influence entrepreneurship intention

Keyword: self-efficacy, entrepreneurial orientation, information technology, entrepreneurship intention

INTRODUCTION

Entrepreneurial activity in all countries is seen as a positive activity, in order to creating jobs and reducing unemployment in the longterm; these activities also increase life wuality of society through value addition and organizing resource-productive resources efficiently and effectively. In young generation, emphasizing the importance of a person to start from youth entrepreneurship must be intensified, in line with the complexity and dynamics of the community, as well as macro-economic problems in Indonesia which dwell on two main issues, longterm economic growth and reduction of unemployment. Recent day Indonesia is a high economic growth country, better human resources quality, and more equitable prosperity.

Only about 570 339 people or 0.24% of the total Indonesian population now actively as entrepreneurs; while David McClelland declared to be a prosperous country, a country must have a minimum of two percent of the total population of entrepreneurs. From the data above Indonesia it takes ten times the number of entrepreneurs in Indonesia to attain the minimum percentage of self-employed. Other data also show that intention to become entrepreneurs is also low; College graduates intention to be entrepreneurs after graduates is only 6.4%, while for senior high school that number is only 22.4%.

Some of obstacles of young generation in Indonesia to become entrepreneurs are uncertainty of the law enforcement in Indonesia, uncertainty macroeconomic situation, lack of proper infrastructure especially outside the big cities, the regulations have not been in favor to small industrial sector, the lack of access to credit and capital schemes in favor of the business, and the human resources low quality. Another obstacle that has not been widely studied is self-efficacy's person to become an entrepreneur and a person's attitude and person's orientation to entrepreneurship matters.

On the other hand, massive development of information technology have changes many parts of business environment (Fahimi, 2009; Barzaki et.al., 2014). Many Indonesian people now shifted from agriculture and industry to the information technology field. Agricultural and industrial era has lost its added value and now information technology replaces many productive activities. Business activities are also touched and influenced by the progress of information technology. Communication via social media marketing via electronic and online activites has changed the way people do business. At present business activities, including those that do a lot of entrepreneurs, can not escape the influence of information technology, ranging from business process (supply via internet), transactions via online, communication via facebook or email, and after-sales service can be done through a variety of media social electronic or e-mail (electronic mail). No area of business that is not touched

by information technology applications; young people, including students, have a good chance to use the momentum of development of information technology is currently intend to become an entrepreneur.

RESEARCH PROBLEM

Research problem is to test whether self-efficacy, entrepreneurial attitude orientation, and the impact of information technology has a positive and significant effect on the interest of students to become entrepreneurs after they graduate later.

RESEARCH BENEFIT

With this research want to get what the real factors that affect the interest of students to entrepreneurship, so that the future can be done a number of steps to strengthen these factors in the learning activities of students. Also if any information technology, progress or aplikasinya perceived influence in entrepreneurial activities, the expansion of the use of information technology can be applied in teaching and learning activities.

LITERATURE

Many argue that being an entrepreneur or self-employed is a matter of choice. In practice, the entrepreneur does not have someone who is totally run their own business; Sinha and Srivastava (2013) states that a number of employees who work in an organization indirectly also work with the principles of entrepreneurship, called intrapreneurship. Some others argued that entrepreneurship profession can be taught. Another opinion stated that the factor of the success of an entrepreneur is determined by internal factors and external factors (source: <http://ekonomi.kompasiana.com>, accessed February 2015). Internal factors are factors that exist in a person who encourages a willingness and motivation of achievement; These factors are thought (mind), heart (heart), soul (soul), and behavior (behavior). While external factors is the support of family (family), the community (society), which supports the business environment (environment), and government regulation (government) as capital assistance, technical support, and more.

Research on the behavior of entrepreneurship be interesting for researchers in various countries in Asia and Europe. Research on entrepreneurial behavior develop from various perspectives: economics, psychology and sociology. Economic perspective view entrepreneurship behavior based on the readiness of entrepreneurship through economic instruments such as economic conditions, capital, government regulation and other economic factors. Entrepreneurial behavior seen from the perspective of sociology explain human relationships, lifestyle and culture of the community and societal norms that shape the behavior of entrepreneurs. Psychological perspective review of entrepreneurship behavior seen from psychological factors such as personal aspects and motives entrepreneurship (Hamilton and Harper, 1994). Various models are derived from the research findings of behavioral self-employment has also grown in recent times. Jain and Ali (2015) suggests the influence of self-efficacy and attitudes to entrepreneurship orientation towards a person's interest to become entrepreneurs.

Variables in Research

Efficacy Variables

In general, self-efficacy is a condition where people believe that a behavior is easy or difficult to do. This includes past experience in addition to the existing obstacles, which is individual consideration. Another opinion stated that self-efficacy is person's belief on his/her ability to complete a job. Or in other words, the condition of one's motivation is more based on what they believe rather than what is objectively true. Such personal perception plays an important role in the development of a person's interest (Indarti, 2008).

Self-efficacy variable is composed of four dimensions, namely the capability of a person to be able to take a business opportunity, being able to see market opportunities, optimize human resources and capital available to grasp. The second dimension is tranquility, which is defined as a person's ability to control his emotions and feelings, which is typically used when facing situations and issues in the business world. The third dimension is the persistence or ability to work under pressure and able to perform the priority scale. Meanwhile, the fourth dimension is to focus on tasks related to the details of the task and the time and schedule to achieve them.

Entrepreneurship Orientation

Entrepreneurship Orientation is defined as an attitude that is associated with the potential for someone to be able entrepreneurship. Covin and Wales (2011) stated that Entrepreneurship Orientation can be approached with formative or reflective measurement; and as a latent construct, they argued that unidimensional versus multidimensional EO measurement models are consistent with fundamentally different conceptualizations of the EO construct. Some fundamental research on the subject, such as in research Wiklund and Shepherd (2005), observed that the variable Entrepreneurship Orientation have three dimensions, namely innovation, proactive, and a tendency to take risks. Innovation is defined as the desire of an entrepreneur to be different from the established business practices and reflect his tendency to support their creativity, discovery and experience to introduce a product, procedure or new business processes. Innovation relates to individuals who have ideas and thoughts, and is ready to develop a new opportunity or a new solution to a business problem.

While variable pro-actively dealing with the search opportunity, perspective to think ahead (forward looking) that produce products or services that are superior to the competitors, and anticipate the behavior and consumer demand in the future with efforts to transform and establish a business environment that exists (Lumpkin and Dess, 2001). Individuals with a proactive capability will not likely be a waste of time to just follow the dynamics of the existing business, but it would be the first offender (first mover) that have products or services that are different from competitors. Variable inclination to take risks defined as the desire and ability to work under circumstances that do not allow predictions do exactly will the results obtained.

Entrepreneurship Intention

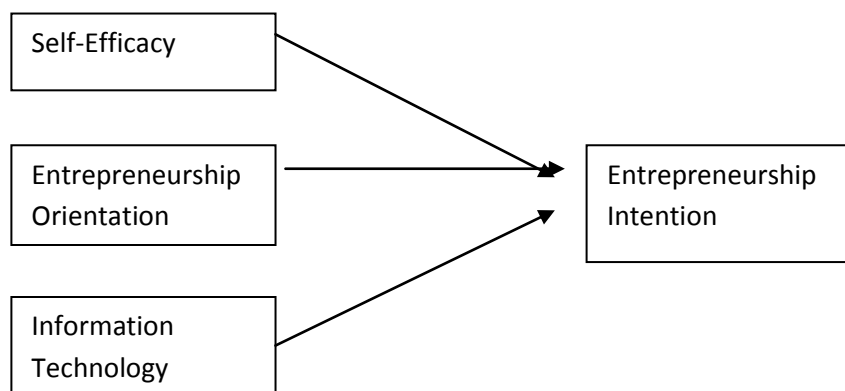
Entrepreneurship intention is the desire, interest, and willingness to bekeja hard or willed to make one's way or trying to meet their needs without being afraid to risk it, and want to learn from failure. In general, 'intention' can be defined as the tendency of a relatively settled on someone to get interested in a particular field and were delighted involved in various activities related to the field; therefore individuals interested in becoming entrepreneurs in general tend to feel interested and pleased with the entrepreneurial profession. Because conscious individuals to be interested in something, then interest itself was built by three basic things: think and understand the thing (cognitive), feeling happy (affective) and the desire to act (conative); individuals interested in becoming entrepreneurs cognitively has a sufficient understanding of the benefits, challenges, and risks to be faced, was happy with his choice, and will act as believed. Linan *et al.* (2013) and Linan and Santos (2007) stated that environment and personality can affected intentions directly or indirectly, including catch, stimulated, motivated, and converted someone to do an action.

Variable Impact of Information Technology

Information technology rapid development led to the business processes that previously held traditionally been changed both in the media, communications, and the scale of existing businesses. In general, the impact of information technology will allow entrepreneurs to connect with their customers, either via the Internet (blogs, web sites) and specifically via social media (facebook, twitter, and others). From the aspect of cost and efficiency, communication technologies enabling decrease business transaction costs and saving encounter time with customers. Internally, information technology products such as teleconferences and email will allow

meetings done practically and quickly with large numbers of participants, so that the decision-making process can be done quickly and cost can be saved significantly. In business, young generations use information technology application help them to develop their business activities, such as find new markets, offering new product, find new vendor, or build customer relationship overseas. The result of Karimi's research (Karimi, 2005) shows that information technologies influence entrepreneurial orientation, also entrepreneurial orientation and information technology variables have meaningful effects on organizational performance. Also the results indicate that information technologies consider as moderating variable that increase effect of entrepreneurial orientation on organizational performance.

From the above discussion, the model can be expressed as follows:



Hypothesis:

H1: Self-Efficacy influence Entrepreneurship Intention

H2: Entrepreneurship Orientation influence Entrepreneurship Intention

H1: Information Technology influence Entrepreneurship Intention

RESEARCH METHODS

Design research is a survey design with questionnaire; with sampling technique is purposive sampling, number of samples from student in Yogyakarta are one hundred students. Students (respondents) will be given a questionnaire, which consists of two parts; the first part is about their profile information, such as gender, age, pengeluaran per month, place of residence, the desire to become entrepreneurs in the future, as well as the fields they enjoy if it will become entrepreneurs. While the second part is a questionnaire that includes questions to determine respondents' self-efficacy, the orientation of the student entrepreneurship attitude, understanding of the impact of information technology, as well as interest in entrepreneurship in the future.

Data analysis is multiple linear regression analysis, with the formula:

$$Y = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$$

Where :

Y = dependent variable (Interests of Entrepreneurship)

Independent Variables

X1 = Self-Efficacy

X2 = Entrepreneurship Orientation

X3 = Impact of Information Technology

β 1, 2, 3 = Regression coefficients

RESULTS

The following are three tables about students' perceptions to be an entrepreneur and type of business they want to conduct after they graduates from university:

Table 1. Opinion to Run Own Business

Opinion to Run Own Business	Percentages (%)
Run a business directly after graduation	10
Be an employee, then run a business in the future	78
Be an employee, but not sure to run a business in the future	8
Don't know between be an employee or be an entrepreneur	3
Others	1
TOTAL	100

Table 2. Type of Business They Plan in the Future if be an Entrepreneur

Type of Business	Percentages (%)
Food and culinary	35
Convenience Store	36
Online Business	11
Services (software house, workshop etc.)	12
Others	6
TOTAL	100

From Table 1 most students (78%) want to be an Employee, and then after several times they consider to become an Entrepreneur. In Table 2 if they run their own business, food and consumer goods (sell in convenience stores) are the most type of business they will choose. This result is typical Indonesian business fields, where many Indonesian want to open a quick-return business like food-culinary and convenience store where sell every-day people's needs.

Table 3. Reason if They don't want to be an Entrepreneur

Reason	Percentages (%)
Lack of Capital	30
Risk Averter	9
Have no Business Experience	40
Prohibited by Parents	3
Prefer to be An Employee	9
Others	6
Don't Know	3
TOTAL	100

In Table 3, the most reason if they don't want to be an Entrepreneurs is their lack of business experiences and lack of capital to start a new business.

From these three tables above, Indonesian students are risk averter typical; they want to run achieve something safely and smoothly, and avoid a high risk work environment. They see entrepreneurship is a medium to high risk job, so they prefer to find a secure job in big and famous companies; if they run a business, they prefer to run a high return on investment or fast payback period business fields, like food or culinary. But if they don't have enough capital, or they think business competition is high and risky, they prefer to avoid it.

Multiple Regression Results

To test hypothesis we use multiple regression method, with entrepreneurship intention as a dependent variable, and self-efficacy, entrepreneurship orientation, and information technology as three independent variables.

Following are three main regression results:

Table 4. Coefficient of Determination Results:

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.604	.365	.345	3.168

Adjusted R-Square (0,345) shows that 34,5% variation in entrepreneurship intention is depend on variations in self-efficacy, entrepreneurship orientation, and information technology; and rest (100%-34,5%=65,5%) depend on other factors, such as motivation, culture, parents, or subjective norms.

Table 5. ANOVA Results:

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	548.768	3	182.923	18.230	.000 ^b
	Residual	953.252	95	10.034		
	Total	1502.020	98			

Table 5 above show that all of three independent variables (self-efficacy, entrepreneurship orientation, and information technology) influence dependent variable (entrepreneurship intention) simultaneously. After that, we will test influence each of independent variable, which result as follows:

Table 6. Coefficient Regression t test results:

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	10.694	3.301		.002
	Self-efficacy	.117	.093	.131	.212
	Ent. Orientation	.628	.190	.355	.001
	Information tech	.501	.145	.297	.001

From the last column (significant statistical level) we can conclude that self-efficacy doesn't influence entrepreneurship intention (significant level is 0,212 or above 0,05), but two others independent variables, i.e. entrepreneurship orientation and information technology, do influence entrepreneurship intention. These results similar with several researchs before; in their research, Ibrahim and Mas'ud (2016) found that entrepreneurial skill, environmental factors and entrepreneurial orientation have a positive influence on entrepreneurial intention; beside this, research results from Kollmann et. al. (2007) Langkamp Bolton & Lane, 2012 have also found a significant relationship between individual entrepreneurial orientation and entrepreneurial intention as well as business performance.

These results also show that in Indonesia, self-efficacy is not a important trigger for young to be an entrepreneur. Many young entrepreneurs run their own business don't depend on their managerial skills or their competencies on business; they are motivated by their encouragement to take a business risk, their innovativeness to explore business environments, their pro-active attitude to face competitiveness business activities in rapid changing economic environment like in Indonesia today. In other side, young generation is an internet and 'Y' generation, who born and grow in rapid and decisive information technology development which nowadays shaped business activities. In this globalized economy, information technology has formed supply chain activities, marketing activities, financial and investment decision, international business activities, and many others important business model activities. Young generation be influenced very much with information technology power and believe that business will be efficient and effective with application of information technology.

CONCLUSIONS

1. From student profile, most students (78%) want to be an Employee, and then after several times they consider to become an Entrepreneur; beside this, food and consumer goods (sell in convenience stores) are the most type of business they will choose. And the most reason if they don't want to be an Entrepreneurs is their lack of business experiences and lack of capital to start a new business.
2. From multiple regression analysis, results show that self-efficacy doesn't influence entrepreneurship intention, but two others independent variables, i.e. entrepreneurship orientation and information technology, do influence entrepreneurship intention.

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