

## **Is the Model Theory of Planned Behavior Relevant to Measure the Intention of Students in Klaten Regency to Start an Initial Business?**

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***Abstract** The research objective is to test the model whether the variables of entrepreneurial competence, subjective norms and self-efficacy have a positive influence on the early pioneering entrepreneurial intentions and behavior of students in the Klaten Regency. Early pioneering businesses is a business in a critical period emerging potency of loss and bankruptcy. The research design was using a quantitative method which explains of dependent variable influenced by three independent variables and one mediating variable. Hypothesis test was formulated on model using 4 hypothesis test. The research population is all private and state university students in the Klaten Regency area who have started their early pioneering business. The sampling technique was carried out 110 respondents by purposive sampling*

*The quantitative test of the model using SEM obtained the results that there is a positive relationship between entrepreneurial competence, self-efficacy and intention to entrepreneurial behavior. Meanwhile, one independent variable subjective norms does not significantly influence. Future research the researcher can expand to the model through moderating variables*

***Keywords:** Theory of Planned Behavior, Intention, behavior, Star-up business*

***Abstrak** : Tujuan riset menguji model apakah peubah kompetensi wirausaha, norma subyektif dan self –efficcacy berpengaruh positif terhadap motivasi dan behavior mahasiswa wirausaha. Desain reiset menggunakan metode kuantitatif yang menguji peubah dependen dipengaruhi 3 peubah bebas serta eubah pemediasi melalui uji multivariat dengan sampel sebanyak 110 responden. Uji model melalui uji SEM menghasilkan simpulan kompetensi wirausaha, efikasi diri dan niatan berwirausaha memengaruhi perilaku. Sedang satu peubah bebas norma subyektif tidak memengaruhi niatan. Wilayah Kabupaten Klaten berada di ranah rural sehingga pengaruh saudara, keluarga masih dominan mendorong mahasiswa menjadi pegawai kantoran daripada berwirausaha. Riset ke depan dapat mengembangkan model dengan menambah peubah pemoderasi*

***Kata Kunci:** Teori Perilaku Terencanai, niatan, perilaku, bisnis tahap awal.*

## INTRODUCTION

In Indonesia many young people they are looking for identity. The phenomenon of young people that looking for identity arises because they don't have access outside the local area where they were raised. They only get information from one-sided social media in their smartphone that is hoax (Juditha, 2018).

These young people do not have the opportunity to meet other people from different groups, ethnicities, religions and beliefs. The entrepreneurial movement can give young people enlightenment of thought. Changes in perspective and enlightenment of thought can be carried out from an early age, adolescence and student period in the form of community economic empowerment, entrepreneurial literacy improvement, tolerance, health advocacy, arts and religion (Nurhafizah, 2018).

Young people who are innovative and active in business activities are needed. They can be a movement to cut the chain of poverty, social problems and income inequality. The virus to produce as many entrepreneurs as possible must be further enhanced. The young entrepreneurs are true collaborator of society to overcome various social problems in Klaten which are currently increasing complex due to the COVID-19 pandemic.

The era of higher education in Klaten, which has national competitiveness today. Universities must make serious improvements to all elements of teaching. In order that teaching held at universities has superior classes by producing entrepreneurial graduates, it is necessary for lecturers to present teaching that is relevant to contemporary situation. The learning carried

out by the lecturer must be in-context not out-context (Rindova et al., 2010).

Theory of Planned behavior is a theory that has robustly tested the entrepreneurial intentions and behavior of students. Several researchers have conducted the research on student entrepreneurial motivation, including (Dwijayanti, 2012) (Andika & Madjid, 2012) and (Islami, 2015). The research findings obtained still provide inconsistent results so that new chances are opened for further research. The operationalization of the Planned Behavior theory on differences in the characteristics of cultures, regions, and educational models gives researchers interest in using the Planned Behavior theory on student respondents as early pioneering entrepreneurs in Klaten Regency.

A new approach to entrepreneurship learning is needed. Becoming a young entrepreneur based on entrepreneurial competence can be used as a form of learning model for entrepreneurial behavior. Based on the introduction as a reference, the problem formulation is taken: "*Are the factors of entrepreneurial competence, subjective norms and self-efficacy able to significantly influence the entrepreneurial motivation and behavior ?*".

Benefits can be obtained from the research activity are through entrepreneurial behavior models this research can give empirical evidence of the importance of the 3 antecedents of entrepreneurial motivation. The methodological aspect, this research can provide a complete model of entrepreneurial behavior and intentions that are influenced by entrepreneurial competence, subjective norms and self-efficacy.

## LITERATURE REVIEW AND HYPOTHESIS FORMULATION

### Theory of Planned Behavior

Intention is the main variable of behavior. The Theory of Planned Behavior explains that intentions are influenced by attitudes, subjective norms and perceived behavior control (Ajzen, 1991).

This theory emphasizes the importance of intention in behaving. The Theory of Planned Behavior (TPB) explores the influence of the intention of the attitude variables, subjective norms and perceived behavior control that surrounds a person.

There are three independent variables that must be considered in the TPB that can influence entrepreneurial behavior intentions, namely attitudes toward behavior, subjective norms and self-control (perceived behavioral control). Attitudes are influenced by individual beliefs about what will happen if they perform the expected behavior (behavioral beliefs) and are derived from evaluation whether the outcomes are related (evaluation of behavioral outcomes).

Subjective norms are the outcome of one's beliefs about what other parties or social groups think about behavior (normative belief), this stage is related to the intention to conform to social norms/motivation to comply. This activity underlies a person to behave in accordance with the norms expected by the surrounding environment and social environment.

Other variables that influence entrepreneurial motivations are self-control

which is influenced by 2 indicators, belief in several indicators that make it easier or more difficult to behave (control belief) and how much power a person has can be perceived power based on indicators that can facilitate behavior. In this research, self-efficacy is part of behavioral control.

### Intention of having a business and behaving

Strong motivation has the meaning of intention. In the early era of the Reasoned Action Theory, (Fishbein & Ajzen, 1975) explained that an individual's intention towards behavior is determined by 2 main variables, namely attitudes and subjective norms. Attitude can be evaluation of a number beliefs in objects over a long period Subjective norm variables explain the extent to which person desires meet the expectations of a number of referents, colleagues who are considered important related to individual behavior.

Intention is a function from attitude variables that will appear in the indicator behavior, or can be understood as the main possible factors that influence individuals to behave. Intention as a mediating variable has a strong influence as a external factor that has a positive impact on individual behavior. The direct influence of intention on behavior is currently still a contradiction in some research findings that can be chances for further research (Wijaya, 2008).

From the description it can be proposed Hypothesis

(H1,2,3,4): *entrepreneurial competence, subjective norms and self-efficacy positively and significantly affect the students' early pioneering entrepreneurial behaviour and intentions.*

The framework of the model examining relationship of 3 independent variables on the intention and the dependent variable of entrepreneurial behavior is described in Figure 1.

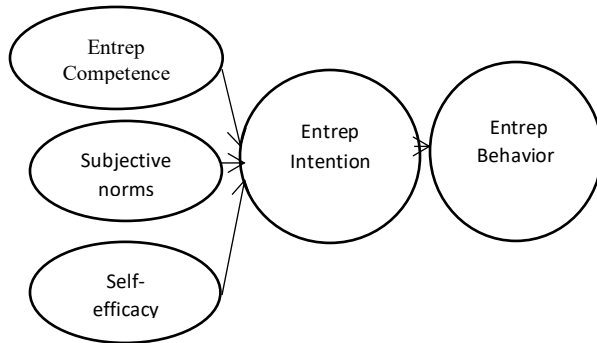


Figure 1 Conceptual framework

## RESEARCH METHODS

The presearch can explain the partial test of the antecedents of entrepreneurial competence, subjective norms and self-efficacy on students' entrepreneurial behavior and intentions.

### Method of collecting data

The research was conducted using primary data, namely data relating to several variables under study. The sampling technique used on by purposive sampling. Data were collected through questionnaires obtained from students as early pioneering entrepreneurs who have sufficient knowledge regarding the relevance of research. Secondary data in the internet, library sources, records, archives and other documents are used to enrich the analysis.

Indicators of independent variables, dependent variables, mediating variables are stated in the instrument items. In this research activity, There are three independent variables, namely

entrepreneurial competence, subjective norms and self-efficacy. The dependent variable is entrepreneurial behavior. One mediating variable used in the model is entrepreneurial intention.

Entrepreneurial behavior includes several attributes, including real activities to start entrepreneurship, entrepreneurial decisions, establishing a start-up business, real capital support, human resources related to business development (Ajzen, 1991).

Entrepreneurial competence includes a high sense of personal responsibility in making entrepreneurial decisions, taking risks through careful calculations, learning success and failure from decisions taken, making the best decisions to establish an early pioneering business (Chrismardani, 2016).

Subjective norms include the role of parents, study partners, colleagues, reference groups, university infrastructure, inspiring lecturer competencies (Fennech & Ivanov, 2019).

Self-efficacy includes the provision of self-ability to be entrepreneurial, self-confidence, mental maturity (Chrismardani, 2016).

Entrepreneurial intention includes choosing the option of self-employment instead of working with others, having a strong intention to choose a career as an young business, having a plan to start a business (Ramayah & Harun, 2005).

### Data collection technique

In an effort to obtain information about the behavior of students in early pioneering entrepreneurship, the researchers distributed questionnaires to respondents, a

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number of students at three private universities in Klaten Regency.

Literature research activities were carried out to obtain supporting data in order to enrich the quality of research outputs.

### Sampling Method

The survey method was used as the main tool in research activities. The population is the entire individual in an object to be studied. In this study, all students at three private universities in Klaten Regency who already have early pioneering businesses, have a strong intention to continue entrepreneurship. The sample is the subject used as the object of research. The sample in this research was taken as many as 110 students. The sampling technique was carried out by purposive sampling. Respondents who were accessed in the research are students individual groups, with the consideration that they have a good knowledge of measuring self-intentions and the attributes of independent and dependent variables.

### Data analysis

In the research, analysis was carried out in the quantitative data descriptions, quantitative regression tests with several modifications. The improvement of the question attribute for the object was carried out at the time of pre-research according to the purpose of the model (Ferdinand, 2000). Test software used AMOS 23 programming.

## RESULTS AND DISCUSSION

### Characteristics of Respondents

The characteristics of the respondents were carried out to feel the primary data in the study.

### Respondent's age

The distribution of respondents based on age is described in table 1.

**Table 1. Respondent Age Distribution**

Age	Frequency	Percentage
18 to 23	22	20 %
24 to 27	88	80 %
Total	110	100%

Sources: primary data processed, 2022

Research findings from primary data obtain age categories of respondents aged 24 to 27 years (80%) and 18 to 23 years (20%). From this data, it can be concluded that the majority of students who start entrepreneurship are individuals of mature age, they have undergone half the study period until the end of the study period.

### Respondent's fields of business

Respondents based on business fields is described in table 2.

**Table 2. Distribution of Business Fields**

Business Fields	Frequency	Percentage
Trading	6	5 %
Food/culinary	44	40 %
Agribusiness	11	10 %
Services	44	40 %
Small Industry	5	5 %
Total	110	100%

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The findings of the research on the business sectors occupied by the respondents are the majority of culinary/food and service businesses (40%) followed by agribusiness (10%), trade (5%) and small industry (5%). This is relevant to the respondent's domicile in Klaten Regency where the micro, agribusiness and service sectors dominate the regional economy. Culinary and service businesses are in accordance with the dynamics of the young age of students who are pursuing early start-up businesses in the contemporary culinary field and information technology expertise services.

### Research Instrument Test

#### Validity Test

Validity test was conducted from the reliability of the questionnaire in measuring what it was supposed to measure. The measurement of validity test shows the amount of variance of the indicators extracted by latent construct variables. The acceptable extract variance value is 0.50. The complete validity test results are presented in table 3.

**Table 3.** Validity Test

Variable	Variance Extract
Entrepreneurial Competence	0,57
Subjective norms	0,56
Self-efficacy	0,59
Entrepreneurial Intention	0,58
Entrepreneurial Behavior	0,55

Sources: primary data processed, 2022

The results validity test in this research describe that the variance extract values for all research variables have met the required criteria. It is concluded that the amount of variance of the indicators extracted by the

latent variable/construct can be measure what should be measured.

#### Reliability Test

Reliability test serves to test how far the measue indicators is reliable or trustworthy. This test was carried out to show the extent to which the measuring indicators can provide consistent results if repeated measurements are made on different objects. This research, the reliability used the reliability construct values. The minimum reliability values of the acceptable indicator is 0.70.

Complete reliability results are presented in table 4

**Table 4.** Reliability Test

Variable	Reliability
Entrepreneurial Competence	0,94
Subjective norms	0,87
Self-efficacy	0,90
Entrepreneurial Intention	0,86
Entrepreneurial Behavior	0,88

The reliability test results show the reliability construct value for each latent variable is above 0.7. These results can be concluded that the measuring instrument for each latent variable can be trusted.

#### Data Analysis

The reliability test of the SEM model is described in table 5.

**Table 5.** Full Model Feasibility Test Results

GFI	Cutt of Value	Result	Evaluation
Chi Square, little<3	85.058	369.97	Good
Probability	> 0.05	0.088	Good
RMSEA	< 0.08	0.025	Good
GFI	> 0.90	0.922	Good
AGFI	> 0.90	1.088	Good

CMIN/DF	< 2.00	0.965	Good
TLI	> 0.95	0.988	Good
CFI	> 0.95	0.995	Good

Sources: primary data processed, 2022

Based on the reliability test of the causal relationship model of the independent variables of entrepreneurial competence, subjective norms and self-efficacy on behavior mediated by entrepreneurial intentions, it can be concluded that the model fits the existing data, as can be seen from the significance level of the chi-square value.

#### 4. Hypothesis testing

Hypothesis testin this research was conducted based on the value of the Critical Ratio with causality relationship. This research hypothesis test is presented in full in table 6.

**Table 6.** Hypothesis Testing

Influence	Std.Est	Est	SE	CR	P
EC → EI	0.571	0.882	0.208	4.27	0.00
SN → EI	0.324	0.388	0.129	2.55	0.82
SE → EI	0.188	0.246	0.114	2.07	0.03
EI → EB	0.350	.0225	0.950	2.35	0.02

Sources: primary data processed, 2022

#### Hypothesis Testing 1

The parameter estimation for testing the effect of entrepreneurial competence on entrepreneurial intentions shows a CR value of 4.27 with a probability of 0.00. Because the probability value is <0.05, this can be concluded that entrepreneurial competence has a positive effect on entrepreneurial intentions.

#### Hypothesis Testing 2

The parameter estimation for the test of the influence of subjective norms on entrepreneurial motivation data a CR value of 2.55 with a probability of 0.82. Because the probability value is > 0.05, it can be concluded that subjective norms have no effect on entrepreneurial intentions.

#### Hypothesis Testing 3

The parameter estimation for the test of the effect of self-efficacy on entrepreneurial intention shows a CR value of 2.07 with a probability of 0.03. The probability value is < 0.05, it can be concluded that self-efficacy has a positive effect on entrepreneurial intention.

#### Hypothesis Testing 4

The parameter estimation the test of the effect of intention on entrepreneurial behavior shows a CR value of 2.35 with a probability of 0.02. Because the probability value is <0.05, it can be concluded that entrepreneurial intention has a positive effect on entrepreneurial behavior.

#### Discussions

The results of the research which prove that two independent variables influence entrepreneurial intentions and one independent variable in the form of subjective norms does not affect intentions, which is different from the research findings of (Dwijayanti, 2012) and (Andika & Madjid, 2012) but are in line with (Islami, 2015) findings. This finding can explain that students who are early pioneers in Klaten Regency have an independent attitude that does not depend on the opinions of the surrounding community so that they do not make subjective norms an

important element in deciding to start an early start-up business.

The characteristics of the population of Klaten Regency are still dominant, with people working as farmers and having an agrarian culture. People who have an agrarian culture generally still have a feudal nature. Parents still think that the profession of choice for their child in the future is as a civil servant or office employee. The civil service profession is seen as a profession that can provide a sense of security in the future. It is in contrast to the profession as an entrepreneur, which is full of challenges and uncertainty. This condition can cause subjective norms to play a less role in influencing the students' entrepreneurial intentions of early pioneering business actors. (Noviani, 2007) research proved that for the ethnic Indian community in Semarang, the profession as a civil servant is self-actualization and the embodiment of a sense of security at work.

The early pioneering business is a high-risk business and has a great chance of going bankrupt (valley of death). (Ghosh, 2012) researched that out of 100 early pioneering businesses at Silicon Valey in the US, only 10 early pioneering businesses developed suceessfully and the remaining 90 failed. The magnitude of the opportunity to become bankrupt can discourage young entrepreneurs from doing business. Training, mentoring and continuous learning are needed regarding entrepreneurial competencies and self-efficacy (efficacy) to make early pioneering entrepreneurs a future dream business for students and college graduates.

## CONCLUSION

Based on the results and discussion this research, it is concluded that entrepreneurial competence, self-efficacy have a positive effect on entrepreneurial intentions. One subjective norm independent variable does not significantly influence entrepreneurial intention. The intention variable has a positive impact on the entrepreneurial behavior of students' early pioneering businesses in Klaten. Pioneering businesses are dominated by the majority of culinary and service businesses.

For higher education institutions in Klaten Regency, they should provide more Entrepreneurship course materials that have an attraction for students. This course must be adjusted through the latest learning models so that the entrepreneurial profession can increasingly become an attraction for alumni.

Currently, universities are starting to emerge with a modern entrepreneurial learning model culture such as Prasetiya Mulya University, Binus, Telkom University Bandung and others. These universities are able to compete with large state universities and become a public attraction as evidenced by the increasing interest in new student admissions. For the millennial generation, being a university graduate who focuses on making graduates as superior entrepreneurs is currently the main choice. Nowadays, they feel that becoming graduates of young entrepreneurs in the future in the era of technological modernization with all its disruptions is a dream of the future and becomes trendy.



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