



IMPACT OF PERCEIVED BEHAVIORAL CONTROL, NEED FOR ACHIEVEMENT AND LOCUS OF CONTROL ON ENTREPRENEURIAL INTENTION

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ABSTRACT

This study aims to explore the effect of Perceived Behavioral Control, Need for Achievement and Locus of Control on Entrepreneurial Intention. Quantitative methods was applied and the data collection done by survey. The population of this study were university students in Aceh and North Sumatera. A total of 114 students were randomly selected and served as the respondents of this study. The technique of determining the sample using non probability sampling. The data analysis in this study used multiple regression. The result showed that the need for achievement had significant effect on entrepreneurial intention, Perceived Behavioral Control had a significant effect on Entrepreneurship Intention but Locus of Control was not had a significant effect on entrepreneurial intention.

Keyword: *student Entrepreneurship, PBC, Need for Achievement, Locus of control*

1.INTRODUCTION

Development of the economic growth of a country needs entrepreneurship to bring changes in the business trends (Abun, Foronda, Agoot, Belandres, & Magallanez, 2018). There are numerous explanations for why people involve in entrepreneurial activities (Klyver, Nielsen, & Evald, 2013) revealing the motives of individuals towards entrepreneurship (Shapiro, 2014). Entrepreneurship intentions are the starting point of the entrepreneurial process. Many scholars have contributed significantly to the literature on entrepreneurial intention using different intensions towards building strong foundations of entrepreneurship. There has been strong evidence of personal traits as factors to predict entrepreneurial intention. Entrepreneurial intention are driving force for successful new opportunities and growth of businesses (Akolgo, Li, Dodor, Udimal, & Adomako, 2018). Several personality behaviors affect significant entrepreneurial intention including the need for achievement. The beginning of entrepreneurial intention remains essential because it is considered a vital factor during the process of generating new ideas of entrepreneurial start-ups and firms (Vodã & Florea, 2019). Consequently, entrepreneurial intention elements devise conventional importance in diverse areas of research and practice (Mitchelmore & Rowley, 2010). The need for achievement was considered the most common effect on entrepreneurial intention because it boosts the entrepreneurs to indulge in business activities efficiently and successfully (Zeffane, 2013). However, the success of the business also takes into account the behavior of self-efficacy to amplify the entrepreneurial intention as a personality trait (Farzana, 2018) as it plays a role in the development of entrepreneurial intention (Pajares, 2002).

An increase in unemployment in Indonesia is one of the implications caused by the economic crisis in the employment sector (Arfyanto et al. 2020). Overcoming the problem of unemployment amid the current wave of Covid-19 is certainly a new challenge for every country, and Indonesia is no exception. In Indonesia, since the Covid-19 case was first confirmed on March 2, 2020, the government has finally decided to implement various social restriction policies as an effort to suppress the spread of the Covid-19 virus. As a result, many companies have experienced a decline due to their inability to maintain their business productivity. So that many workers have

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been affected by reduced working hours and wages, sent home without pay until Termination of Employment (Kurniati, 2020). Based on the open unemployment rate recorded by BPS, it is known that the number of open unemployed in August 2019 was 5.23%, an increase of 1.84% in August 2020 to 7.07%. Based on the records of the Central Statistics Agency the number of the workforce in August 2021 reached 140.15 million people, with a working population of 131.05 million and an unemployed population of 9.10 million people. The number of labor force increased by 1.93 million people compared to August 2020. The increase in the number of labor force every year and the unemployment rate which is still high indicates that the labor force has not been fully absorbed by job opportunities (Disnaker, 2019).

One effective solution to solve unemployment problems is entrepreneurship (Dinar et al. 2020). The entrepreneurs has a very large influence in advancing the economy of a country, considering the role of entrepreneurs has a positive impact on the economy in increasing people's productivity and income. As reported on the Kompas.com news page, creating new jobs as one of the roles of entrepreneurship in the Indonesian economy can reduce unemployment and increase welfare (Rifka, 2022). The Ministry of Industry noted that Indonesia's entrepreneurial ratio in 2021 would only reach 3.55%. This number is still low compared to other Asia countries which has entrepreneurial ratio above 4%, such as Singapore, Malaysia, and Thailand (Yuniar, 2022).

The other thing relate to employment is the number of university graduates who are underemployed is greater than the number of open unemployed. College graduates will choose to be underemployed rather than not working at all so that the number will continue to grow. One of the solutions offered by the government to reduce unemployment is to create labor-intensive jobs. However, educated people tend to avoid this choice of work because their preference for office work is higher. A higher preference is based on calculating the costs they have incurred while studying and expecting a comparable rate of return. The choice of the main employment status of college graduates is as an employee in an agency or company by receiving a wage or salary. The results of Sakernas in the first semester of 2007 showed that three out of four university graduates chose this status. Only a few have an entrepreneurial spirit. The existence of university alumni who experience many difficulties in entering the world of work market, can be seen from the data on the average waiting time for graduates to get a job, the lack of ability of prospective workers, the lack of enthusiasm and entrepreneurial skills of graduates. For this reason, it is deemed necessary for students to be provided with entrepreneurial knowledge and skills so that they have experience in entrepreneurship and increase their strong competitiveness in the world of work.

2.LITERATURE REVIEW

Ajzen (1991) established that Theory of Planned Behavior (TPB) is the most frequently used model in analyzing entrepreneurial intention. TPB is also the model that was used in the study. While the model can be used to determine the development of intention to execute a wide range of behavior, Krueger *et al.* (2000) first used TPB to measure entrepreneurial intention. At its very core, the model argues that an individual's behavior results from its intention.

2.1.Perceived Behavioral Control On Entrepreneurial Intention

Three main factors determine intention according to the TPB Model: perceived behavioral control (PBC), personal attitude (PA) and subjective norm (SN). PBC is connected to participants' confidence that they are capable of executing the behavior being studied (Ajzen, 1991). It is the degree of preparedness, knowledge in business and skills in running the firm.



Respondents' perceptions may vary from the strength of their knowledge to the totality of the business's entire process. There may be a lower mean in PBC, but it does not affect the idea of a moderate level perception. Any degree of entrepreneurial intent ought to be in like manner procession and strong given the intrinsically procession and conceivably solid nature of entrepreneurship (Valliere, 2015).

On the other hand, Yurtkoru *et al.* (2014) conducted a study that likewise used TPB. This study concentrated on the relevant support aspects which the researchers expected affected entrepreneurial intention through PBC and PA. The researchers found that PBC and PA mediate the association between relevant support aspects and entrepreneurial intention. Meanwhile, in terms of support aspects, the researchers concluded that relational support was important in amplifying both PBC and PA. Koe *et al.* (2012) also used the TPB by Ajzen to investigate millennial's entrepreneurial intention. The researchers used ties, experience and knowledge as independent variables in their study while mediating variables used were assertiveness, societal standard, PBC and character qualities. Using the TPB model, the researchers found that PBC had an effect on entrepreneurial intention. Hereafter, the study hypothesizes the following:

H1. There is a significant relationship between Perceived Behavioral Control and entrepreneurial intention.

2.2. Need For Achievement On Entrepreneurial Intention

The need for achievement refers to one's responsibility for involvement in activities to achieve one's desired outcome. Need for achievement is associated with a positive mood, task interest, and organizational spontaneity (Eisenberger, Jones, Stinglhamber, Shanock, & Randall, 2005). Studies indicated a dynamic substantial connection/correlation amongst the need for achievement and the intention that are required to boost the business activities in entrepreneurial business setups (Langowitz & Minniti, 2007). A previous study described that learners/students need for achievement is one of the motivators when they contemplate their career. The free enterprise studies recommend that management scholars scoring extraordinary on the need for their probability of hunting entrepreneurial profession and business increase. Need for achievement correlating with entrepreneurial intention impact the short, medium, and long-term professional ambitions (Swain & Olsen, 2011). Small enterprise owners are observed possessing a higher need for achievement in entrepreneurial studies (Lam, Azriel, & Swanger, 2017) impacts entrepreneurs towards the way of entrepreneurial intention (Indarti & Kristiansen, 2003).

H2: The need for achievement has a positive and significant impact on entrepreneurial intention

2.3. Locus Of Control On Entrepreneurship Intention

According to Rotter, J. B. (1966). The definition of locus of control according to is: "where some individuals have a firm belief in controlling their destiny temporarily others believe in the power of luck in influencing life events they". The results of Arkorful, H., & Hilton, S. K. (2022) study reveal that there is a positive relationship between locus of control (both internal and external) and entrepreneurial intention. However, it is found that external locus of control has more influence on entrepreneurial intention compared to internal locus of control. In addition, gender has no controlling effect on the relationship between locus of control and entrepreneurial intention.

H3: Locus of Control has a positive and significant impact on entrepreneurial intention

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3.METHOD

In this study, the data used is primary data. Usman & Marsofiyati (2019) state that primary data is a collection of data directly obtained by researchers from the field. In this study, it consists of three variables, namely the independent variable; Need for achievement, Perceived behavioral control and Locus of control, and the dependent variable is entrepreneurial intention. The population used in this study were the university student in Aceh and North Sumatera, totally 114 student were take a part of this research. Data collection technique in the form of a questionnaire instrument was measured using a Likert scale which provides five alternative answers. The number of questionnaires item of need for achievement variable consists of 5 statement items, perceived behavioral control contains 5 statement items, and Locus of control also consists of 5 items, while the entrepreneurship intention variable contains 6 statement items.

Quantitative approach was applied in this study. This method changes non numeric into numeric data therefore allows the researcher to analyze the data through statistical instrument by using SPSS software and the data was analyze used Multiple Linear Regression.. A total of 114 respondents were used for the analysis, in the first part, the multiple-choice questionnaires were designed to collect the demographic information of the respondents. The second part of the questions is the viewpoint of the respondents on entrepreneurship intention and it's affecting factors. "All measures were collected based on a five point Likert scale" in which "1" represents "strongly disagree" and "5" is "strongly agree" Chen (2009).

4.RESULTS AND DISCUSSION

4.1.Demographic Profile of Respondents

Table 1. Respondent's Profile

No	Respondent Profile	Freq uency	Perc entage
1.	Sex		
	Male	30	26.3
2.	Female	84	73.7
	Department		
	Economics	45	39.5
	Engineering	59	51.8
	MIPA	4	3.5
	Agriculture	1	0.9
3.	Others	5	4.4
	University		
	Malikussaleh	74	64.9
	Syah Kuala	5	4.4
	IAIN Lhokseumawe	1	0.9
	Politeknik Lhokseumawe	4	3.5
	Other govern Univ in Aceh	17	14.9
4.	Other govern in Medan	13	11.4
	Subject of Entrepreneurship		



5.	Yes	Parents' entrepreneur	79	69.3
	No		35	30.7
	Yes		47	41.2
	No		67	58.8

Based on result it can be explained that the majority of respondents in this study were women with the percentage being 73.7%, and men amounting to 26.3%. The data shows that the majority of respondents are from the engineering faculty (51.8%), followed by students from the Economics faculty (39.5%), while the rest are from other faculties. Furthermore, it can also be explained that 64.9% of respondents came from Universitas of Malikussaleh, Aceh, followed by other universities from Aceh Province (14.9%), Universities in North Sumatra Province (11.4%), and the rest came from several state universities located in Aceh Province. The majority of the respondents who took part in this study had not taken Entrepreneurship Courses (69.3%), and only 30.7% had taken Entrepreneurship Courses. The majority of one/both of the respondents' parents did not own a business (58.8%), and 41.2% were students where one/both of their parents were entrepreneurs.

4.2.Hypothesis Testing

Table 2. Multiple Regression

Variable	Standardized coefficients	t	Sig
Constant		1.250	0.214
Need for Achievement	0.228	2.607	0.010
Locus of Control	0.183	1.872	0.064
Perceived Behavioral Control	0.404	4.330	0.000
$R = 0,708$ $R^2 = 0,502$ $Adjusted (R^2) = 0,488$ $Sig F = 0.000$			

A person's lack of ability is caused by limited access to available information about entrepreneurship; thus, facilities are required to support one's achievement and encourage him to develop business ideas through seminars, training, or entrepreneurship courses (Indarti & Rostiani, 2008). On the other hand, the lack of motivation is caused by the mindset of Indonesian people that prefer to be employees because it provides a sense of security (Riyanti, 2010). Previous studies found several factors inhibiting internal locus of control in achieving one's goals, including no access to capital, which is one of the essential things that support a person to become an entrepreneur (Shapero, 1982). The results of this study also in line to the research of Indarti & Kristiansen (2003), which found that locus of control does not significantly influence entrepreneurial intentions. According to Kristiansen & Indarti (2004), social and cultural norms greatly influence entrepreneurial intentions in collectivist Indonesian society. Other factors include cultural characteristics, social relations, economic and political conditions, infrastructure, and institutions (Indarti & Rostiani, 2008).

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5.CONCLUSION

To conclude, the influence of Need for Achievement and Perceived Behavioral Control has positive relationship to Entrepreneurship Intention. But, internal locus of control on entrepreneurship intention is not significant. The results of the study can benefit government and universities. The new ventures can implement several strategies according to the results which explain that the need for achievement and Perceived Behavioral Control increases the intentions of student for establishing novel ideas. The study reveals that having a high level of need for achieving the goals and Perceived Behavioral Control boost entrepreneurial intentions. This belief will trigger an intention to behave in entrepreneurship intention. This research needs advanced developed by involving other variables that influence entrepreneurship intention, such as social and economic aspect. Therefore, it is suggested that future researchers add more variables to find more aspect that affect entrepreneurship intention.



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