THE IMPACT OF PERSONALITY AND ENVIRONMENTAL FACTORS ON ENTREPRENEURIAL INTENTION OF ECONOMICS AND NON-ECONOMICS STUDENTS OF UNIVERSITAS HALUOLEO KENDARI

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ABSTRACT

This study investigates the relationship between personality factors (the need for achievement, locus of control and self-efficacy as well as the environment) and entrepreneurial intention. Through the quantitative research method, we gather data about student perspectives from faculties of economics and non-economics of Haluoleo University representing important determinants of entrepreneurial intention. Results of analysis using multiple regression analysis show that desire for achievement and locus of control has a significant effect on entrepreneurial intention, whereas self-efficacy and environmental carrying capacity was found to have no significant contribution and improvement on the entrepreneurial intention of students of economics and non-economics. Contribution of all observed variables is simultaneously highly significant in enhancing the entrepreneurial intention of students of economics and non-economics of the University of Haluoleo Kendari. Copyright © IJEBF, all rights reserved.

Keywords: Need for Achievement, Locus of control, Self-Efficacy, Environment, Entrepreneurial Intention.

1. Introduction

The values of one’s personality have contributed to an increase in personal and business performance. It has been proven by Wasilezuk (2000) that entrepreneurial competence possessed by the owner or manager affect the growth of the business. Meanwhile, Hakim, A (2011) in a study of small businesses in the Municipality Kendari found that entrepreneurial behavior has a significant influence on the motivation of entrepreneur and business.
performance. In another study, it was found that, *the spirit of entrepreneurship* has contributed to an increase in the ability or competence of entrepreneur and business continuity as well as business performance (Hakim, A (2011).

Someone who has a high entrepreneurial spirit is always motivated to excel. The entrepreneurial spirit is not specifically intended for entrepreneurs, but all individuals including students who want to succeed need a *spirit of entrepreneurship*. To foster the spirit of entrepreneurship of students, entrepreneurial science has begun to be included in the higher education curriculum as one of the subjects that must be completed by the students. The teaching of entrepreneurship science to students is expected to be a trigger growth and development of passion, spirit and entrepreneurial behavior among young people (Kourilsky and Walstad, 1998). The intention of the students towards entrepreneurship is a source for the birth of the future entrepreneurs (Gorman, 1997; Kourilsky and Walstad, 1998). Attitudes, behaviors and knowledge about *entrepreneurship* will form their tendency to open up new businesses in the future (NurulIndarti and RokhimaRostiani, 2008).

To be a successful entrepreneur there are two conditions, namely people should be creative and innovative (Holt, 1992). While Drucker (1985) state to succeed, an entrepreneur must learn to practice systematic innovation. According to Kirton (1989) an individual differs systematically in creative fashion trends, decision making and problem solving. While Kote (1997) suggests the ability of the owner / manager is determined by individual values. Individual values include experience and education which can affect their behavior in evaluating, making decisions and making commitments (Feaher, 1988).

How strong the spirit of a person (student) to build a business is strongly determined by entrepreneurial intention. According to Katz and Gartner (1988) entrepreneurial intentions is the process of finding information that can be used to achieve the goal of establishing a business. Some ones students) who have entrepreneurial intention in starting a business will have the readiness and have better progress in the effort to run than someone without intention of starting a business. Krueger and Carsrud (1993) in his study found that entrepreneurial intention has been proven to be the best predictor for entrepreneurial behavior. Therefore, the entrepreneurial intention can be used as the basis of a reasonable approach to understand anyone who will be entrepreneurial (Choo and Wong, 2006).

This study aimed to determine and analyze the contribution of personality factors: need for achievement, locus of control and self-efficacy and environmental capacity factors, either partially or simultaneously on entrepreneurial intention of economics and non-economics students of Halu oleo University.

### 2. Theoretical Background

The success of an individual or community in achieving vision and mission of the targeted life determined by the environment is the pattern of all external conditions and influences of life and developing company (Christensen, 1973). Glueck (1980) states, environment including factors outside the company may lead towards the opportunities or threats to the company. Broadly speaking, the environment can be divided into two, namely the external and internal environmental factors. The external environment then can be divided into two, namely the general environment and the industrial environment. General environment are circumstances that are beyond, which includes elements of the wider community that may affect the industry and the companies within it (Fahey and Narayanan, 1986). Pearce and Robinson (1997) state, the macro environment includes a number of considerations which consist of consideration of politics, economy and technological developments. While industrial environment is a group of factors that may include threat of entry of new entrants, suppliers, buyers, substitute products and intensity among competitors that affect a company and their competitive actions and responses. Although the external environmental factors can not be controlled directly by the management, some of the results of the study prove the environmental factors that contribute to the achievement of the performance. Navahandi and Malekzadeh (1997) and Pearce and Robinson (2000) state, the performance of a business is influenced by factors of entrepreneurship, strategy and business environment. Contribution of both external and internal environmental factors of organization has been studied by Makhamreh (2000) who found that, environmental factors, and organizational and managerial leadership influence the performance of the company's success. Similarly, the findings of Herri and Wafa (2003) show the characteristics of entrepreneurship, business strategy, organizational structure and business environment at the same time have an influence on business.
performance. While Baum (2001) proves the business environment has no direct influence on the growth of the business.

The achievement of the expected performance is determined by personality as well as the support of the business environment, and can also be influenced by the attitude and behavior of the entrepreneur in entrepreneurship. Entrepreneurial behavior includes several factors, namely: the desire to entrepreneurship, entrepreneurial environment, demographic, psychological factors and situations. Green (1996) states, psychological characteristics influence the entrepreneurial spirit, while Sengupta and Debnath (1994) state psychological factors and the need for achievement are significant predictors for the success of an entrepreneur. Other researchers have found that the social factors associated with successful entrepreneurs, such as migration, direct supervision, and prior relationship with the business world.

How strong the spirit of a persona's determined by incorporate entrepreneurial intention owned. Katz and Gartner (1988) state, entrepreneurial intention can be defined as the process of finding information that can be used to achieve the goal of establishing a business. Someone who has the entrepreneurial intention in starting a business will have the readiness and better progress in the effort to run than someone without the intention to start a business. Krueger and Carsrud (1993) found that entrepreneurial intention has proven to be the best predictor for entrepreneurial behavior. Therefore, the entrepreneurial intention can be used as the basis of a reasonable approach to understand the ones who will become entrepreneurs (Choo and Wong, 2006).

Previous studies prove there are several factors that can be used as predictors for the entrepreneurial intentions. McClelland (1961); Segupta and Debnath (1994) state personality factors: the need for achievement is a significant predictor of entrepreneurial intentions, as well as self-efficacy (Gilles and Rea, 1999), locus of control (Mazzarol, 1999). According to McClelland (1976), the need for achievement is one of the critical factors that determine a person's level of performance. Someone who has a high need for achievement has a strong desire to succeed. The characteristics of a person who has a high need for achievement, namely: the person who likes to take personal responsibility in making decisions, willing to take risks in accordance with his ability and has always been interested to learn of the decision that has been taken. A person with a high need for achievement are more confident, enjoy and carefully calculate the risks, is actively researching his environment, and is very interested in the measurement of the real things for his actions (McClelland, 1965).

According to Coleman, someone’s success in his life is largely determined by the ability to control himself. One can achieve success was the result of his own work. It means he has a high level of locus of internal control over him; otherwise no one's success in life is not over his ability but because of other sources of external factors. Locus of control is another personality of an individual to indicate a feeling of control. According to Hisrich and Peters (1998), locus of control should be understood as an attribute that indicates a sense of control that a person has done in his life. Green (1996) states, locus of control may explain the degree to which individuals perceive success and failure depends on personal initiative. Levels of internal control have been identified as one of the most dominant on the characteristics of an entrepreneur (Venkanthapathy, 1984).

Any person born in this world has been supplied by the creator with a variety of potentials that can be used as a trigger factor in addressing all the issues of life. But the reality is, not all of one's potential can be used well in his life. One person's potential, namely self-efficacy. Self-efficacy is derived from social learning theory of Bandura (1977) which describes a person's belief in the ability to perform owned task. Ryan (1970) states self-perception plays a role in building desire. Other factors have also contributed to the entrepreneurial intention is environment as expressed by Kristiansen (2001), environmental factors such as social relationships, physical infrastructure, institutional and cultural factors can influence entrepreneurial intention. Based on the description of the theoretical and empirical studies and the supports of the results, we put forward several hypotheses (H) in this study, namely;

H1: The need for achievement has a significant contribution to the entrepreneurial intention of economics and non-economics students.

H2: Locus of control has a significant contribution to the intention of entrepreneurship of economics and non-economics students.

H3: Self-efficacy has a significant contribution to the intention of entrepreneurship of economics and non-economics students.
H4: Readiness to perceive the environment have a significant contribution to the intention of entrepreneurship of economics and non-economics students.
H5: The need for achievement, locus of control, self-efficacy, Readiness to perceive the environment simultaneously have a significant contribution to the intention of entrepreneurship of economics and non-economics students.

3. Concepts of Research Framework

The study results of Sengupta and Debnath (1994) found that psychological factors and the need for achievement are significant predictors for the success of an entrepreneur. Furthermore, the entrepreneurial spirit of a person to form a business is strongly determined by owned entrepreneurial intention. Entrepreneurial intention is the process of finding information that can be used to achieve the formation of a business (Katz and Gartner, 1988). Someone who has the entrepreneurial intention in starting a business will have the readiness and better progress in the effort to run than someone without an intention to start a business (Katz and Gartner, 1988). Thus it can be said that entrepreneurial intentions can be used as the basis of a reasonable approach to understand anyone who would become an entrepreneur (Choo and Wong, 2006).

Results of the previous researches prove personality factors such as need for achievement (McClelland, 1961); Segupta and Debnath, 1994), self-efficacy (Gilles and Rea, 1999), locus of control (Mazzarol, 1999) are significant predictors of entrepreneurial intention. While Kristiansen (2001) states environmental factors such as social relationships, physical infrastructure, and institutionally as well as cultural factors can influence entrepreneurial intention. Building on the description mentioned above, the research is summarized in a model study as follows:

![ConceptModel](image)

Figure 1: ConceptModel of the research

4. Research Methods

The research was conducted at the University of Halu oleo with the object of observation is the economics and non-economics students of regular classes. The study population was all students who have studied the science of entrepreneurship both economics and non-economics students. Since many of economics and non-economics students who have taken the course of entrepreneurship in this study, the samples were determined using a deliberate search for economics and non-economics students who have completed entrepreneurship course as many as 200 students of all economic and non-economic majors. This study used data based on its source. Primary data collected include need for achievement, locus of control and self-efficacy as well as environmental factors including access to
capital, access to information and social networks. While secondary data including the number of economics and non-economics students of regular classes who have studied entrepreneurship. Sources of data used in this study are based on sources including primary and secondary data. All primary data obtained from respondents were obtained directly in the field using a questionnaire. While secondary data sourced from each faculty and economics and non-economics study programs within the existing environment of Halu oleo University.

To obtain the necessary data and information then a closed questionnaire was used as instrument developed previously. To ensure the questionnaire used in this study be justified by scientific method, a testing was conducted using validity and reliability tests of instrument. A guideline used to determine validity is the correlation coefficient of the total score of inter-item indicator (r) > 0.60. While the reliability of the test instrument in this study was to test consistency coefficient of internal reliability. Corombach alpha coefficient values indicated to be good if it has a coefficient of between 0.60 to 1.0. Then checking the validity of the instrument is done with the test of inter correlations and if the probability value r <0.05, then the item concerned as valid, and instrument reliability testing done by looking at Corombach alpha coefficient. If a> 0, then 06 is said to be a reliable research instrument.

To prove the hypothesis, and solve the problems of this study then descriptive and multiple regression analysis is used. Descriptive analysis is the analytical equipment used to describe the qualitative research results related to the characteristics of respondents and the observed research variables and provide analysis of the relationships between concepts as giving meaning to the results of research that has been tested and analyzed. As to see the contribution and strength of the relationship between the study variables, multiple regression analysis was employed.

In the study, there were four groups of variables to be observed. While the status of the study variables can be divided into two, namely: independent variables which consist of personality factors that include territorial integrity unmatched achievement, locus of control and self-efficacy and perceptions of the environment as a contextual element. All of these variables marked as X variable. The independent variables are operationally defined as follows: personality factors, namely the specific values of a person causing something to do business, including the desire for achievement, locus of control and self-efficacy. Desire for achievement, namely the values of personality that directs a person to carry out the task, improve the performance, responsibilities of the job and do a good job. Locus of control, the ability of a person to direct himself to be more diligent and hard working, as well as confidence in his/her ability. Self-efficacy, the values of one's own personality which is primarily concerned with leadership skills and mental maturity to become entrepreneurs. Perception of one's environment is a potential candidate to the environment, especially entrepreneurs in connection with access to venture capital, the availability of information and social net working. While dependent variables consist of entrepreneurial intention, marked as Y variable, is the processes of finding information that can be used by a person to achieve the objectives include the establishment of a business as an entrepreneurial career choice, as well as the company's employees becoming entrepreneurs rather than becoming employees of an organization.

5. Results and Discussion

This study aimed to explore the contribution of personality factors which include the need for achievement, locus of control and self-efficacy on entrepreneurial intention of economics and non-economics students, and to determine the contribution of environmental factors on entrepreneurial intention of economics and non-economics students either partially or simultaneously. The research objectives have been achieved, and the hypotheses stated previously have been proven which is performed through multiple regression analysis. Based on the results of data processing of the observed variables, the result is as follows:

<table>
<thead>
<tr>
<th>Research Variables</th>
<th>Un standardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>E</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>W</td>
<td>Stfd. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>2.299</td>
<td>1.460</td>
<td>1.575</td>
<td>.117</td>
</tr>
<tr>
<td>Personality-1</td>
<td>1.423</td>
<td>.087</td>
<td>.623</td>
<td>16.332</td>
</tr>
</tbody>
</table>
Research results (processed)

a. **Determinant Coefficient (R2).** A value obtained from the analysis of determinant coefficient (R2) is at 0.771. It shows variables of desire for achievement, control and self-efficacy as well as the environment has a strong contribution to the entrepreneurial tendency of economics and non-economics Halu oleo University of Kendari. The value of the contribution of the independent variable to entrepreneurial intention variable is at 77.10%, while the contribution of other factors not examined in this study is 22.90%. F-test result shows a value of 163.737 and a probability value of 0.000 with 5% Alpha. Based on the results of the F-test, it can be said that the contribution of personality variables including the desire for achievement, locus of control, self-efficacy and entrepreneurial intentions towards the environment is so meaningful.

- Regression equation. Regression coefficients for each study variable regression equation can be described as follows: Intention of entrepreneurship = 2,299 + 1,423 Per1 PER2 + 0249 + 0892 + 0052 per3 ling. Constant value of 2.299 and the value of the regression coefficient for the variable of desire to excel is at I.423. This value shows that the relationship between variables of desire to achieve and entrepreneurial intentions is positive. A regression coefficient for locus of control variable is at 0.892. The parameter value shows that the relationship between the locus of control variable and entrepreneurial intention is positive.

- Regression coefficient for the variable of self-efficacy is at-0.249. This value shows that the relationship between the variables of self-efficacy with entrepreneurial intention is at a negative relationship. In this case, if the ability of self-efficacy changes then it would contribute to the decline of entrepreneurial intention.

- Regression coefficient value for the environment variable is equal to 0.052. The parameter value shows that the relationship between environmental variable and entrepreneurial intention is positive. In this case, if the carrying capacity of the environment is more powerful, then it will contribute to improving the entrepreneurial intention of students of economics and non-economics of Haluoleo University of Kendari.

b. **Contribution of Simultaneous Research Variable.** This study aimed to determine the contribution of personality variables including the desire for achievement, locus of control and self-efficacy as well as the environment on entrepreneurial intention of economics and non-economics students, either simultaneously or partially. The result shows the coefficient determinant obtained is 0.771. This means, the contribution of variables desire for achievement, locus of control and self-efficacy was 77.10% and the environment in encouraging entrepreneurial intention of economics and non-economics students to entrepreneurship within the University of Halu oleo, while the remaining 22.90% is a variable that is not observed in the model. F test result finding, F-test value is of 163.737 with a probability level of 0.000. This means that this study shows personality variables formed by the three dimensions of locus of control, desire for achievement and self-efficacy as well as environmental variables, simultaneously, have a positive and significant contribution in improving the entrepreneurial intention of students of economics and non-economics. If the results of this research are connected with the hypothesis that the desire to achieve, self-control, self-efficacy and the environment have a significant contribution to the entrepreneurial intention, it can be said to be proven true. This means that, the high and low levels of entrepreneurial intention of students of economics
and non-economics variables are determined by the desire for achievement, locus of control, self-efficacy as well as the environment. Thus it can be said that, generally observed students have a desire to excel that has been very good to encourage students to pursue success in the entrepreneurial world. In addition, a student who has studied entrepreneurship is apparently has had controllability which is very good for supporting entrepreneurial intention in cultivating the world of entrepreneurship. Although self-efficacy of economics and non-economics students are still not strong enough in building entrepreneurial intention after getting sciences entrepreneurship. While environmental support was also found has a positive contribution to improving the entrepreneurial intention of students of economics faculty and non-economics, but its contribution is not significant. This means the power side of capital, information and social network access is still weak. Therefore, it requires the need for some efforts to improve it, because if the carrying capacity of the environment is weak then it will bring bad impact on business development in the future. This finding proves the hypothesis that personality variables consisting of the desire for achievement, locus of control and self-efficacy and environmental support has contributed very significantly to the entrepreneurial intention of economics and non-economics students. These finding also supports the research that has been done by Indarti, N (2004) and also contributed to the concept Macland theory that the desire to achieve one's own will affect his performance, as well as locus of control and self-efficacy which are also factors forming personality contribute to performance (Danang Sunyoto and Burhanuddin, 2011)

c. Partial contribution of the study variables. Based on the results of multiple regression analysis, personality variable that consists of the desire to excel, locus of control, partially, has a significant contribution in promoting entrepreneurial intention of economics and non-economics students. Although the dimension of self-efficacy does not have a significant contribution in shaping entrepreneurial intention, but in general it can be said that the personality factors of students who have already studied entrepreneurship is said to be good, because it has the ability to control the performance and locus of control which is very significant in boosting the level of entrepreneurial intention. Based on the result of the analysis, the desire for achievement of economics and non-economics students has significantly contributed to an increase in entrepreneurial intention. This means that if the desire to excel has increased, then it will affect the increase in entrepreneurial intention of economics and non-economics students who have attended entrepreneurship course. Therefore, the hypothesis mentions that the need for achievement has a significant contribution to entrepreneurial intention of economics and non economics students have been proven. A result, this study supports the theory McClellan and is part of the results of the study that has been done by Indarti, N (2004) who found that the desire to excel has an influence on the formation of entrepreneurial intention of students.

It was found that locus control of economics and non-economics students have a positive and significant contribution to the entrepreneurial intention. This means that locus of control of economics and non-economics students who have studied the science of entrepreneurship, was quite positive in encouraging entrepreneurial intention. These findings provide support to the research that has been done by Indarti, N (2004) that the locus of control has a significant effect on the increase of entrepreneurial intention. This means that, students of the faculties of economics and non-economics have been studying the science of entrepreneurship has shown a good level of locus of control and that is good enough to lead them to become successful entrepreneurs.

Personality variable formed by the dimension of self-efficacy does not have a positive contribution in promoting entrepreneurial intention of economics and non-economics students. These results indicate self efficacy of economics and non economics students, after studying entrepreneurship, does not have a significant contribution to improving their entrepreneurial intention. Thus, students' self-efficacy has not been well established, probably due to the course material that is less touch universal values of student personality. This finding seems inconsistent with the result of study that has been done by Indarti, N (2004), because the contribution of self-efficacy of economics and non economics students to the entrepreneurial intention in this study was found to be significant in the sense that is not strong enough to encourage the entrepreneurial ability of students to plunge as entrepreneurs. Result of this study rejects the hypothesis that self-efficacy has a significant contribution to the entrepreneurial intention of students of economics and non-economics.

The results showed that the environmental carrying capacity, especially the students' ability to access capital, access to information and social networks have contributed in a positive way but insignificant in improving the entrepreneurial intention of students. Result of this study found that the contribution factor for the environmental carrying capacity of economics and non-economics students who have studied the science of entrepreneurship turns
the contribution into insignificant. This means the economics and non-economics students who have studied science of entrepreneurship do not have the environmental sensitivity especially with regard to access to capital, access to information and social networks that are environmental factors that need to be considered and managed when someone wants to become a successful entrepreneur. These findings reject the hypothesis that, readiness to perceive the environment has a significant contribution to the intention of entrepreneurship of economics and non-economics students.

6. Conclusion and Suggestion

Based on the result of observation and data analysis, several findings obtained in this study related to the contribution of personality factors and environmental support the entrepreneurial intention of economics and non-economics students at the University Haluoleo as follows:

- Personality factors include the desire to excel; locus of control has a positive and significant contribution to the entrepreneurial intention of students of economics and non-economics of Halu oleo University, while the student self-efficacy was found to not having a significant contribution in promoting entrepreneurship of the students' intention to establish entrepreneurs.

- Environmental support factors have a positive contribution to the entrepreneurial intention of economics and non-economics students, but its contribution is not significant in encouraging student entrepreneurial intention.

- Personality factors including the desire to excel, locus of control and self-efficacy as well as environmental support at the same time have a positive and significant contribution to the entrepreneurial intention of economics and non-economics students who have attended the science of entrepreneurship courses at the University Haluoleo.

In order to maintain and further enhance the students to pursue a profession as an entrepreneur, it is suggested that they build and strengthen the capacity of the environment in order to have stronger entrepreneurial intention to provide support in building and developing businesses that will be built. Meanwhile, to improve student self-efficacy, it is suggested that the institution needs to improve the curriculum of entrepreneurship course in order to put more contents charged with entrepreneurship spirit of universal values or personality.

References


