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The Difference of Entrepreneurial Intention among Students Based on Demographic Factors

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ABSTRACT

This study examines differences of entrepreneurial intentions among students based on demographics (gender, educational background and parents' job). Selection of the sample in this study is done by using purposive sampling. The criterion is students who are studying in Yogyakarta. The data are collected by using questionnaires. The respondents are 200 students who are studying in Yogyakarta. The data are analysed by using compare means independent sample t-test and compare means one way anova in SPSS 23 program. The results show that gender determines differences of entrepreneurial intention among students, while the variable of educational background and parents' job do not determine the difference of entrepreneurial intention among students.

Key Words: entrepreneurial intention of students, demographics, gender, educational background, and parents' job.

INTRODUCTION

It is believed that the number of employers affects the prosperity of a country, so some things that support an increasing number of employers are important. Entrepreneurial intention is one of the factors which is believed to encourage the formation of employers. Based on previous researches, entrepreneurial intention of students is closely linked to the possibility of someone to be an entrepreneur [1]. Countries can be prosperous when the number of residents who become entrepreneurs at least 2% of the total population. Therefore, the number of entrepreneurs is important for the prosperity of a country [1]. An entrepreneur is a person who is able to create new jobs in order to employ people. It is claimed that being an entrepreneur is a right choice because it can provide employment and they do not need to depend on others. There is no substitute for the entrepreneur agents. Having entrepreneurs, a country becomes wealthy and powerful. Not having entrepreneurs, a country will be poor and weak [2].

The role of self-employed is significant in a developing country. It can be demonstrated in the history of civilization and human progress, where contributions from self-employed is great for economics development, such as in the western countries and Japan [3].

There are some researchers who have been focusing on entrepreneurial intention. There are many studies which have been conducted to assess the entrepreneurial intention and behavior of students. In their study, the researchers raised the various factors that affect a person's intention to become an entrepreneur. In this study, the researchers focus on entrepreneurial intention which is differentiated by demographic factors.

LITERATURE REVIEW

ENTREPRENEURIAL INTENTION

The word of "entrepreneurship" comes from the French language (*entreprendre*) which means to undertake, to run, to do and to try. The term is first introduced by Richard Cantillon and increasingly popular when used by economist Jean Baptiste Say to describe entrepreneurs who are able to move the resources of the economy from low productivity level to a higher level productivity and produce more [4].

Entrepreneurial intention is a feeling which attracts someone to run business activities independently and to take risks. Some previous studies mentioned that entrepreneurial intention of students is a source for new entrepreneurs in the future. In this study the meaning of entrepreneurial intention is the tendency of a person to become an entrepreneur.

GENDER

Gender is a biological and physiological differences between men and women, with a significant difference in the anatomical differences of the reproductive system of men and women. Gender is a difference between men and women in terms of three aspects: cognitive, conative and affective that can form the hallmark of conduct [5]. Although between male and female entrepreneurs are generally the same but in some cases there are differences in the level of motivation to start a business [6].

EDUCATIONAL BACKGROUND

The educational background of a person, especially related to the field of business, such as business and management or economics is believed to affect the willingness and interest to start new businesses in the future. A study from India proves that the educational background becomes one of the important determinants of entrepreneurial intention and the success of the business carried on [7]. Courage form of entrepreneurship is driven by the educational institution or school, schools are on the subjects of entrepreneurship that is practical and attractive can arouse students' interest in entrepreneurship [6].

PARENTS' JOB

Work background of parents is one of the factors which has a role in entrepreneurial intention of someone. Parents jobs can be farmers, private sector employees, self-employed and civil servants. In this study, the researchers distinguish parents' job between entrepreneurs and non-entrepreneurs. Parents' entrepreneurial background is an important factor in increasing interest in entrepreneurship because the parents are able to provide a managerial system on how entrepreneurs work. Parents who are experienced in entrepreneurship will encourage their children to participate in entrepreneurship or continue the family business [8]

HYPOTHESES

The influence of gender or sex of the intention to be an entrepreneur has been widely studied [9] [10]. Men and women entrepreneurs are generally the same but in some cases there are differences in the level of motivation to start a business [6]. Women tend to be less likely to run new businesses than men [9] Women assume that work is not important, because women are still faced with the demands of traditional thing which is being a wife and a housewife [11]. Similar findings are presented by Kolvereid [10], men tend to have a higher entrepreneurial intentions than women.

H1: There is a difference in the level of entrepreneurial intention between male and female student.

The educational background of a person, especially related to the field of business, such as business and management or economics is believed to affect the willingness and interest to start new businesses in the future. A study from India proves that the educational background becomes one of the important determinants of entrepreneurial intention and the success of the business carried on [7]

H2: There is a difference in the level of entrepreneurial intention among students of economics and non-economics.

Wang and Wong in Mahesa [5] mention that there is a positive influence of parents' job in entrepreneurial intention. Entrepreneurs who succeed are those who were raised by parents who are also entrepreneurs, they have many extensive experiences in the business world [5].

H3: There is a difference in the level of entrepreneurial intention among students whose parents are entrepreneurs and non-entrepreneurs.

RESEARCH METHODS

THE SOURCE OF DATA AND SAMPLE SELECTION

The data used in this study are primary data. The sampling method is done by using purposive sampling method. This method of selecting samples requires specific criteria. The criteria of respondents used in this study are male and female students studying in Yogyakarta.

ANALYSIS METHODS

The first data analysis in this research is descriptive statistical analysis. The second one is an analysis hypothesis test. Statistical tools used to test the hypothesis in this study are compare means independent sample t-test and compare means one-way ANOVA.

RESULTS

Hypotheses test 1, 2, and 3 is to test whether there is a difference in the level of entrepreneurial intention among students based on demographic factors. The statistical tool used to test hypotheses 1 and 2 is the compare means independent sample t-test. While the statistical tool to test hypothesis 3 is compare means one way ANOVA. The results of hypotheses test are in this table:

Hypotheses Testing Results

Hypotheses	Probability	Conclusion
H1: There is a difference in the level of entrepreneurial intention between female and male students.	0,036	hypothesis is supported
H2: There is a difference in the level of entrepreneurial intention between students of economics and non-economics.	0,357	hypothesis is not supported
H3: There is a difference in the level of entrepreneurial intention between students whose parents are entrepreneurs and non-entrepreneurs	0,112	hypothesis is not supported

DISCUSSION

THE INFLUENCE OF GENDER ON ENTREPRENEURIAL INTENTION

There is a difference in entrepreneurial intention of male and female students. This hypothesis is proven in studies showing differences in entrepreneurial intention of male and female students ($p < 5\%$). This is in line with research [11] which revealed that women tend to be casual in choosing a job than men, women assume that work is not important, because women are still faced by the demands of traditional thing which is being a wife. Similar finding is presented by Kolvereid [10], men are shown to have higher entrepreneurial intention than women.

THE INFLUENCE OF EDUCATIONAL BACKGROUND ON ENTREPRENEURIAL INTENTION

This hypothesis is not proven in this study. The result of data analysis showed that there is no difference in entrepreneurial intention of economic and non-economic students ($p > 5\%$). This finding contrasts with previous research Sinha [7] which states that the intention of being an entrepreneur is influenced by educational background. However, this finding is in line with [12] which showed that there was no difference of entrepreneurial intention between the students of economics and non-economics faculty. Entrepreneurship subjects are already common in the department of non-economic, even the entrepreneur competition arena has also been widely followed by students majoring in non-economic, so in line with the findings of this research that students of economic and non-economic has the same level of entrepreneurial intention which is high [12].

THE INFLUENCE OF PARENTS' JOB ON ENTREPRENEURIAL INTENTION

This hypothesis is not proven in this study. The results show that there is no difference in entrepreneurial intention of students whose parents are entrepreneurs and non-entrepreneurs ($p > 5\%$). This finding contrasts with the findings of Morello [13] which states that students whose parents are entrepreneurs have higher entrepreneurial intention. This may be related to information access that is now very open and most of the information is likely to encourage someone to be an entrepreneur [2]. A person does not just listen to the advice of his parents only in terms of choosing a career, but he gets the information from a variety of sources which are very accessible. Students can easily access various information media which present the advantage of being an entrepreneur.

CONCLUSION

This study contributes to the literature on the difference of entrepreneurial intention based on demographics. Based on the results of data processing and discussion, these are conclusions of this study:

1. The result of the first analysis analyzed by compare means independent sample t-test shows that the hypothesis 1 is supported. Gender variable proves decisive difference in the level of entrepreneurial intention of students; men have higher entrepreneurial intention than women.
2. Based on the analysis of compare means independent sample t-test, hypothesis 2 is not supported. The finding indicates that there is no difference between the level of entrepreneurial intention of economics and non-economics students.
3. The result of the analysis of the compare means one-way anova shows that hypothesis 3 is not supported. The finding indicates that there is no difference between the level of entrepreneurial intentions of students whose parents are entrepreneurs and non-entrepreneurs.

LIMITATIONS AND SUGGESTIONS

This study has some limitations that may affect the results of the overall study. These are the limitations:

1. This study specifically examines university students, so that the results of this study cannot be generalized to other levels of education such as high school, vocational school, and others.
2. This study has only 3 variables of demographics. In the future studies, it should be added by some variables of demographic aspects such as age and environment.

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