THE ANALYSIS OF FACTORS AFFECTING STUDENTS’ INTEREST IN
ENTREPRENEURSHIP IN INDRAMAYU REGION

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ABSTRACT

One of the interesting phenomenas that occur in Indramayu region is the increasing number of self-employed students allegedly influenced by several factors, namely confidence, leadership, the courage to take risks, the support of family and society, and sources of capital funds. The purpose of this study is to analyse both the internal factors, which are confidence, leadership, the courage to take risks; and the external ones, which are the support of family and society and sources of capital funds.

In this study, the object population is the self-employed students in the region of Indramayu. The data gathered was primary acquired through the distribution of the questionnaires with a sample size of 100 respondents. To analyze the variables both partially and simultaneously some tests were conducted, namely the tests of validity, reliability, classical assumptions, t-test and f-test for hypotheses, and coefficient of determination ($R^2$). The analysis technique was the multiple linear regression. The data was then processed using the SPSS 20.0 software.

Based on the research results, it was concluded that the five variables have a significant effect both partially and simultaneously on the students’ interest in entrepreneurship in the region of Indramayu. It was also ascertained that confidence is the most dominant factor influencing the students’ interest in entrepreneurship.

Keywords: confidence, leadership, courage to take risks, support of family and society, sources of capital funds, interest in entrepreneurship

1. INTRODUCTION

The number of self-employed students in Indramayu is increasing due to the fact that they want to earn more income which they can not achieve by working as employees. However, this does not interfere with their study schedule as the students’ primary obligation is to the universities where they study. Indramayu region is also one of the regions with low level of education despite the fact that the standards of working quality keep getting more demanding which could be characterised by the number of unemployed people deciding to become migrant workers. Therefore, entrepreneurship is an alternative to reduce the rate of unemployment and the distribution of migrant workers in the region of Indramayu. There are internal and external factors affecting the interest in entrepreneurship. They are confidence (X1), leadership (X2), the courage to take risks (X3), the support of family and society (X4), and sources of capital funds (X5).

Based on the background of the problem, the formulated purposes of this study are as follows:

1. To acquire knowledge on how confidence - as a partial variable - significantly influences the interest of Indramayu students in entrepreneurship.
2. To acquire knowledge on how leadership - as a partial variable - significantly influences the interest of Indramayu students in entrepreneurship.
3. To acquire knowledge on how the courage to take risks - as a partial variable - significantly influences the interest of Indramayu students in entrepreneurship.
4. To acquire knowledge on how the support of family and society - as a partial variable - significantly influences the interest of Indramayu students in entrepreneurship.
5. To acquire knowledge on how sources of capital funds - as a partial variable - significantly influence the interest of Indramayu students in entrepreneurship.
6. To acquire knowledge on how all the variables above simultaneously influence the interest of Indramayu students in entrepreneurship.
These purposes are further described in Picture 1 (Research Framework), as follows:

**Internal and External Factors**

<table>
<thead>
<tr>
<th>Internal</th>
<th>External</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confidence</td>
<td>Support of family and society</td>
</tr>
<tr>
<td>Leadership</td>
<td>Sources of capital funds</td>
</tr>
<tr>
<td>Courage to take risks</td>
<td></td>
</tr>
</tbody>
</table>

**Interest in entrepreneurship**

H1: As a partial variable, confidence significantly and positively influences interest in entrepreneurship.

H2: As a partial variable, leadership significantly and positively influences interest in entrepreneurship.

H3: As a partial variable, the courage to take risks significantly and positively influences interest in entrepreneurship.

H4: As a partial variable, the support of family and society significantly and positively influences interest in entrepreneurship.

H5: As a partial variable, sources of capital funds significantly and positively influence interest in entrepreneurship.

H6: Simultaneously, all variables significantly and positively influence interest in entrepreneurship.

**2. HYPOTHESES**

The hypotheses proposed as temporary answers to the problems in this study are as follows:

- **H1**: As a partial variable, confidence significantly and positively influences interest in entrepreneurship.
- **H2**: As a partial variable, leadership significantly and positively influences interest in entrepreneurship.
- **H3**: As a partial variable, the courage to take risks significantly and positively influences interest in entrepreneurship.
- **H4**: As a partial variable, the support of family and society significantly and positively influences interest in entrepreneurship.
- **H5**: As a partial variable, sources of capital funds significantly and positively influence interest in entrepreneurship.
- **H6**: Simultaneously, all variables significantly and positively influence interest in entrepreneurship.

**3. RESEARCH METHODOLOGY**

**Research Object**

The research object of this study is the self-employed students in Indramayu region.

**Data Collection Method**

The type of data used was primary data obtained from questionnaires distributed to 100 respondents. Complementary secondary data was obtained from journals, books, and other literatures. The operation of the research variables are further described in Table 1, as follows:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confidence (X1)</td>
<td>An entrepreneur should feel confident that everything he/she does will yield successful</td>
<td>• Trust (firmness)</td>
</tr>
</tbody>
</table>
results despite the many obstacles he/she may face. An entrepreneur should not continuously be haunted by fear of failure so that he/she could stay optimistic to improve.

Leadership (X2)
A successful entrepreneur is a leader successful in leading his/her employees. A leader is successful when he/she believes in continuous growth, improved efficiency and continuous success of his/her business.

The courage to take risks (X3)
Entrepreneurs are people who prefer the more challenging decisions in achieving success. Therefore, an entrepreneur should be able to assess if a risk is too high or too low. The courage to take on possible risks should be based on delicate and realistic calculations.

The support of family and society (X4)
The support of family is the first beneficial atmosphere that could foster the mental of an entrepreneur. The support of family and society could have great impacts on a person’s interest in entrepreneurship.

Sources of capital funds (X5)
Defining capital funds as the amount of money to be invested in a business, both investment and operational funds could be acquired from a variety of existing funding sources, namely personal funds or loans. Personal funds come from business owners, while loans come from external parties.

Interest in entrepreneurship (Y)
The interest in entrepreneurship could be seen from the willingness to work hard and diligently, to take on a variety of relevant risks, to try new ways and live modestly, and to learn from previous experiences in the objective of achieving business growth.

**4. DATA ANALYSIS**

The data analysis method of this research was quantitative and expressed in numbers and calculations using statistical methods assisted by SPSS. To determine the effect of independent variables on the dependent variable, multiple analysis was used. In the multiple linear regression, the first step taken was to test the questionnaires using the validity and reliability tests. The next step was performing the normality, multicollinearity, heteroscedasticity, and autocorrelation tests.

After performing the regression assumption test, the model provision test -- which is also known as the significance test -- was performed. This was measurable through the statistic-F value (Anova), the coefficient of determination (R2), and the statistic t-test.

**5. RESULTS AND DISCUSSION**
Based on the regression model used, there were six hypotheses tested. Calculation results are shown in Table 2, as follows:

Table 2. Summary of Test Results

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Statistic</th>
<th>Explanation</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: As a partial variable, confidence significantly and positively influences interest in entrepreneurship.</td>
<td>T test: count &gt; t table 4.618 &gt; 1.986</td>
<td>Significant 0.00 &gt; 0.05 (Accepted)</td>
<td>High confidence greatly affects the interest of students in entrepreneurship.</td>
</tr>
<tr>
<td>H2: As a partial variable, leadership significantly and positively influences interest in entrepreneurship.</td>
<td>T test: count &gt; t table 2.723 &gt; 1.986</td>
<td>Significant 0.008 &gt; 0.05 (Accepted)</td>
<td>High sense of leadership greatly affects the interest of students in entrepreneurship.</td>
</tr>
<tr>
<td>H3: As a partial variable, the courage to take risks significantly and positively influences interest in entrepreneurship.</td>
<td>T test: count &gt; t table 2.879 &gt; 1.986</td>
<td>Significant 0.002 &gt; 0.05 (Accepted)</td>
<td>Courage to take risks greatly affects the interest of students in entrepreneurship.</td>
</tr>
<tr>
<td>H4: As a partial variable, the support of family and society significantly and positively influences interest in entrepreneurship.</td>
<td>T test: count &gt; t table 3.271 &gt; 1.986</td>
<td>Significant 0.001 &gt; 0.05 (Accepted)</td>
<td>The support of family and society greatly affects the interest of students in entrepreneurship.</td>
</tr>
<tr>
<td>H5: As a partial variable, sources of capital funds significantly and positively influence interest in entrepreneurship.</td>
<td>T test: count &gt; t table 4.108 &gt; 1.986</td>
<td>Significant 0.000 &gt; 0.05 (Accepted)</td>
<td>Sufficient capital funds greatly affects the interest of students in entrepreneurship.</td>
</tr>
<tr>
<td>H6: Simultaneously, all variables significantly and positively influence interest in entrepreneurship.</td>
<td>F test: count &gt; F table 15.672 &gt; 2.47</td>
<td>Significant 0.000 &gt; 0.05 (Accepted)</td>
<td>The interest in entrepreneurship of students in Indramayu region is influenced by all internal and external factors discussed in this research.</td>
</tr>
</tbody>
</table>

6. CLOSING

**Conclusion**

Based on the analysis and discussion, it can be concluded that every independent variable in this research, which are confidence, leadership, the courage to take risks, the support of family and society, and sources of capital funds significantly influences the interest in entrepreneurship of students in Indramayu region, both partially and simultaneously.

**Advice**

In future researches, it is expected to consider more factors by including additional independent variables, such as creativity and future orientation, in order to obtain better results.

**Implications**

1. Students should be confident to be able to run their businesses well.
2. Students should have a high sense leadership as it is one of the most supporting traits in becoming a successful entrepreneur.
3. Students should learn to weigh and take on risks and not be afraid of failures in the process of achieving success.
4. The support of family and society is considered essential as it will allow students’ confidence in business to grow.
5. Capital funds is one of the factors supporting entrepreneurship. Having sufficient capital funds will be beneficial for the students’ businesses.
6. It is expected that students are trained and given guidance in fostering their confidence and leadership qualities, taking risks, approaching their families and society, as well as obtaining and using capital funds strategically.

7. REFERENCES