AN EXTENDED MODEL OF ENTREPRENEURIAL INTENTION IN INDONESIA: ROLE OF ENTREPRENEURIAL SELF-IDENTITY AS MODERATOR

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ABSTRACT

This study aims to examine the effect of the variable attitude, subjective norms, and perceived behavioral control on entrepreneurial intention which is moderated by the entrepreneurial self-identity variable. This study has three hypotheses. Data were collected from respondents obtained from online questionnaires distributed to students in Yogyakarta Indonesia. The data were then analyzed using a structural equation modeling technique with the help of SmartPLS 3 software. The results of this study indicate that the variable attitude, subjective norms, and perceived behavioral control have a positive and significant effect on entrepreneurial intention which is moderated by the entrepreneurial self-identity variable. All hypotheses in this study were accepted. Each hypothesis is discussed in detail in this article

Keywords: Attitude, Subjective Norms, Perceived Behavioral Control, Entrepreneurial Intention, Entrepreneurial Self-identity.


**INTRODUCTION**
Entrepreneurs are believed to create jobs and generate economic growth. The entrepreneurial spirit is the most significant economic development in the history of business. New businesses are built by entrepreneurs to keep the market growing and contribute to national production (Doern, Williams, and Vorley, 2019; Galindo-Martín, Castaño-Martínez, and Méndez-Picazo, 2021). These entrepreneurs are becoming increasingly considered economic actors in addition to large, well-established companies, by taking advantage of increasingly open market barriers through the emergence of marketplaces and ease of marketing distribution (Jiménez-Marín, Madroñal, and Galiano-Coronil, 2021). Entrepreneurship is an alternative career choice with a variety of driving motives.

Based on the 2020 Global Entrepreneurship and Development Institute (GEDI) report, the top ranking countries that have a high GEI (Global Entrepreneurship Index) score are in fact dominated by developed countries such as countries in North America and Western Europe (GEDI, 2020). In the Asia Pacific region, Australia is in first place with a global ranking of the sixth position. Indonesia along with Malaysia and Thailand experienced the highest score increase in 2020 when compared to 2019. However, Indonesia's score is still low globally with a GEI score of 26.0 while Malaysia and Thailand have scores of 40.1 and 33.5 respectively. It should be noted that this GEI measures the quality of a country's entrepreneurship and the increase and depth of support for the entrepreneurial ecosystem. Strengthening the entrepreneurial ecosystem can be carried out with public-private partnerships (public-private partnerships), banks, universities, charitable foundations, governments, and aid agencies (GEDI, 2020). Regarding the support of education in Indonesia for entrepreneurship the cultivation of the entrepreneurial spirit from an early age has been carried out since middle school and higher education. However, the GEI score obtained by Indonesia based on the 2020 GEDI ranking raises questions about the success of supporting the entrepreneurial ecosystem in Indonesia, including from educational institutions.

The research model chosen by the researcher to predict the phenomenon of student entrepreneurial interest is the Theory of Planned Behavior (Ajzen, 1991). According to Krueger, Reilly, and Carsrud (2000), starting a new business is a planned behavior and is influenced by interest, so the best prediction is through an interest in behavior, not through attitudes, beliefs, personality, or demographics. TPB, which comes from social psychology, is one of the most frequently cited theories in scientific publications in explaining entrepreneurial interests (Choe, Kim, and Hwang, 2021).

**LITERATURE REVIEW**

**Theory of Planned Behavior**
This TPB is an extension of the Theory of Reasoned Action (TRA) which was previously developed. Similar to TRA, interest is a central factor in TPB in displaying a behavior. The initial TPB model predicts interest and subsequently behavior, through three antecedents: Attitude toward behavior, Subjective Norm, and Perceived Behavioral Control (Ajzen, 1991; Venkatesh, Thong, and Xu, 2012; Sahu, Padhy, and Dhir, 2020). The antecedents of attitudes towards behavior and social norms reflect the desire to display behavior, namely: attitudes towards behavior and social norms. The antecedents of behavioral control impressions reflect the subject's perception that the behavior is easy to control personally and also reflect the impression of appropriateness in displaying the behavior (Krueger, Reilly, & Carsrud, 2000)
In its development, the TPB model was adapted to suit the character of the problem of the object of research, with no exception in researching student and student entrepreneurial interests and behavior. The TPB is a consistently robust and replicable model for predicting behavior and interests, including its success in studies of career-related student behavior (Krueger, Reilly, & Carsrud, 2000). The strong influence of TPB on entrepreneurial behavior occupies its position as a predictive theory that is used as the basis for further research to build the concept of entrepreneurial behavior (Kautonen, Gelderen, and Fink, 2015; Shir, Nikolaev, and Wincent, 2019).

One of the studies on student entrepreneurial interests using TPB analysis shows that TPB can be used to effectively predict student entrepreneurial interests and entrepreneurial attitudes, subjective norms, and impressions of behavioral control are significant factors in explaining the variety of student entrepreneurial interests (Yang, 2013; Otache, Edopkolor, and Okolie, 2021). Other research suggests that the three antecedents in the TPB affect student interest with the attitude variable having the largest dominant influence and subjective norms having the most minor influence (Purusotamma, 2019). Often this TPB model is modified by expanding exogenous variables, such as in Roy et al. (2017) research, resulting in a research model that is more comprehensive and more in line with the context of higher education. The results showed that attitude dominated interest, while subjective norms had a positive but relatively weak influence.

**Intention and Behavior**

Bird states that "intention is an expression of the mind that directs people's attention, experience, and behavior towards a specific object or method of behaving" (Bird, 1992). Intention is assumed to capture the motivational factors that influence a behavior; their indications are about how hard people are willing to try, are about how much they plan to exert on display behavior (Ajzen, 1991). Intention according to Krueger, Reilly, & Carsrud (2000): "a cognitive structure includes goals and plans, although goals typically crystallize in the subject's mind before plans to achieve goals". Here it can be concluded that interest is a motivation embedded in the mind that directs its owner to behave. Interest as a term is distinguished from other similar terms because it has indicators such as how hard the owner of the intention tries and how much he plans to display the behavior. Specifically, Thompson (2009) defines individual entrepreneurial interest as "a person's self-recognized belief that they are interested in preparing a new business venture and consciously planning to carry it out at some point in the future."

In the relationship of interest to behavior, behavior occurs after the interest exists as postulated in the TPB. As a general principle, the greater the interest in engaging in a behavior, the greater the likelihood of the behavior performed (Ajzen, 1991). That is, if the interest is involved in a behavior, it is likely that the performance of that behavior is getting better because the interest motivates the person to plan and actually perform the behavior.

**Entrepreneurial Self-identity**

Identity development is a very complex process of adopting, retaining or disposing of beliefs, values, and goals, during which there is bound to be a period of uncertainty and confusion regarding self-concept (Mmbaga et al., 2020). The process of identity formation occurs when a person observes the behavior of role models according to the culture, context, and level of similarity of characteristics possessed by a person—thus, the importance of role models lies in
the ability of role models to inspire people who have the same characteristics as them (Leitch & Harrison, 2016).

According to Stryker & Burke (2000), the choice of roles is a function of the identity that forms the self-concept, and the identities within the self are organized into a hierarchical structure based on the degree of importance (salience). A person's self-concept lies in the unity or collection of diverse identities so that the self-concept of an entrepreneur also contains other identities, such as siblings, parents, superiors, business partners, and others, which complement his entrepreneurial identity.

Murnieks & Mosakowski (2007) and Conger et al. (2018) says that individuals are motivated to engage in entrepreneurial activities because they find that their entrepreneurial activities are in line with the self-concept that is important to them. A congruent self-concept will generate positive emotions and motivate them to act as entrepreneurs. By focusing on entrepreneurial identity factors, we can gain a better understanding to answer the phenomenon of why entrepreneurs can perform the same activities but do not exhibit the same personality traits. Murnieks & Mosakowski (2007) said that not all individuals who have an entrepreneurial identity will show a passion to carry out that identity. Furthermore, although the entrepreneurial identity is stable and relatively slow to change over time, it can rise or fall based on the prominence of the self-concept. This could explain why some people can be strongly motivated to become entrepreneurs at one point in their life, but not very interested at other times.

HYPOTHESIS DEVELOPMENT

According to Ajzen, attitude towards behavior shows: "the degree to which a person has a good or bad evaluation or assessment of a behavior" (Ajzen, 1991). "This concept touches on the perception of what the subject finds by displaying the behavior of the desired or undesirable" (Krueger, Reilly, and Carsrud, 2000). In the context of entrepreneurship, attitudes toward self-employment are the difference between the perceived level of personal desire to become self-employed and organizationally employable workers (Souitaris, Zerbinati, & Al-Laham, 2007; Ratten & Jones, 2021). Therefore, a high attitude towards self-employed moderated by self-identity (Obschonka et al., 2015) actually indicates that respondents prefer to be independent workers than organizational workers.

H1: There is a positive and significant relationship between attitudes towards student entrepreneurial intention moderated by entrepreneurial self-identity

According to Ajzen (1991), social norms show the impression of social pressure to display behavior or not to display behaviour. Impressions of social norms are normative belief drives that shape perception of what is important for actors in their lives to display or not display behavior (Krueger, Reilly, and Carsrud, 2000). TPB refers to subjective norms are perceptions or opinions of other individuals who are considered important when someone decides to act. The opinions of these people may change a person's views and motivations coupled with the existence of self-identity (Obschonka et al., 2015; Purusotamma, 2019).

H2: There is a positive and significant relationship between subjective norms and student entrepreneurial interests moderated by entrepreneurial self-identity

Perceived behavioral control indicates that ease or difficulty in performing the behavior and is assumed to reflect past experiences in overcoming obstacles and obstacles (Ajzen, 1991). Perceived behavioral control is perceptions of the level of desirability and level of feasibility that underlie career-related decisions, including in this case entrepreneurial decisions (Krueger,
Perceived behavioral control is the perception of the ease or difficulty in fulfilling behavioral interests to become an entrepreneur (Linan, Rodriguez-Cohard, & Rueda-Cantuche, 2011; Dana et al., 2021). The concept of behavioral control has a similar meaning to other antecedent concepts of interest, such as the perceived self-efficacy of Bandura (1997) and the perceived feasibility of Shapero and Sokol (1982). Bandura (1997) describes perceived self-efficacy as an assessment of one's ability to organize and execute existing types of performance, while performance is defined as "accomplishment". In summary, both can be explained as an assessment of self-capacity in fulfilling the behavioral elements. Previous research has shown self-identity as a moderating variable (Obschonka et al., 2015).

H3: There is a positive and significant relationship between the perceived behavioral control and student entrepreneurial intention moderated by entrepreneurial self-identity.

![Research Framework](image)

**METHODOLOGY**

This study uses the Theory of Planned Behavior (TPB) as a conceptual framework for understanding and explaining the entrepreneurial intention of students in Yogyakarta Indonesia. The three antecedents of TPB, namely: attitude towards behavior, subjective norms, and perceived behavioral control become the independent variable, intention becomes the dependent variable, and self-identity as moderator variable. The data relating to the research objectives are obtained by distributing online questionnaires to students. In this study, researchers used a non-probability sampling approach with purposive sampling technique. Etikan et al. (2016) said purposive sampling is a sampling technique with certain considerations. The scale used in measuring statements from respondents uses a Likert scale with 5 (five) scale ranges, namely from a scale of 1 which indicates "Strongly Disagree" to a scale of 5 indicating "Strongly Agree". The data that has been collected will be analyzed using the Partial Least Square (PLS) model with the SmartPLS 3 application.
RESULTS AND DISCUSSION
Overall, a total of 100 questionnaires were distributed online with the help of an application from Google Form, then the questionnaire link was distributed. As many as 56% of respondents are women, and the remaining 44% of respondents are men. Most are aged 21-24 years as much as 60%, while the rest are respondents with ages between 18-20 years as much as 40%.

Table 1 and Figure 2 show that all research variables which include attitude, subjective norms, perceived behavioral control, entrepreneurial intention, and entrepreneurial self-identity have good construct reliability, as seen from Cronbach’s Alpha standards and composite reliability values of 0.70. In addition, the constructs on all research variables have good convergent validity, as indicated by the standardized loading factor value and the AVE value of 0.50. Hypothesis testing is done by testing the inner model on the revised model. The results of the SmartPLS bootstrapping test from this study for the purpose of testing the hypothesis are presented in Table 2.

Table 1
Results of Validity & Reliability Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Construct Validity</th>
<th>Convergent Validity</th>
<th>Discriminant Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Standardized Loading Factor ≥ 0.50</td>
<td>AVE ≥ 0.50</td>
<td>Standardized Cronbach’s Alpha ≥ 0.7</td>
</tr>
<tr>
<td>Attitude</td>
<td>≥ 0.50</td>
<td>0.74</td>
<td>0.86</td>
</tr>
<tr>
<td>Subjective Norms</td>
<td>≥ 0.50</td>
<td>0.65</td>
<td>0.87</td>
</tr>
<tr>
<td>Perceived Behavioral Control</td>
<td>≥ 0.50</td>
<td>0.58</td>
<td>0.86</td>
</tr>
<tr>
<td>Entrepreneurial Intention</td>
<td>≥ 0.50</td>
<td>0.47</td>
<td>0.86</td>
</tr>
<tr>
<td>Entrepreneurial Self-identity</td>
<td>≥ 0.50</td>
<td>0.76</td>
<td>0.85</td>
</tr>
<tr>
<td>Conclusion</td>
<td>GOOD</td>
<td>GOOD</td>
<td>GOOD</td>
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</tbody>
</table>

The results of the path coefficients in Table 2 show that attitude, subjective norms, and perceived behavioural control has a positive and significant effect on entrepreneurial intention. Based on these results, it can be concluded that the better the attitude, subjective norms, and perceived behavioural control, the higher the entrepreneurial intention. Entrepreneurial self-identity as a moderating variable is proven to be significant in influencing the relationship between attitude, subjective norms, and perceived behavioral control on entrepreneurial intention. Entrepreneurial self-identity is also proven to be able to moderate attitudes, subjective norms, and perceived behavioral control towards entrepreneurial intention. Entrepreneurial self-identity has also been shown to have a significant effect on entrepreneurial intention. Thus, the entrepreneurial self-identity variable can be classified as quasi-moderator.
### Table 2

**Path Coefficient**

<table>
<thead>
<tr>
<th>Path</th>
<th>Original (O)</th>
<th>Sample (M)</th>
<th>Mean</th>
<th>Standard (STDEV)</th>
<th>Deviation</th>
<th>T-Statistic</th>
<th>P-Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATT → EI</td>
<td>0.204</td>
<td>0.180</td>
<td>0.183</td>
<td>1.116</td>
<td>0.018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PBC → EI</td>
<td>0.312</td>
<td>0.316</td>
<td>0.132</td>
<td>2.365</td>
<td>0.008</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SN → EI</td>
<td>0.167</td>
<td>0.167</td>
<td>0.163</td>
<td>1.023</td>
<td>0.012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ESI → EI</td>
<td>0.251</td>
<td>0.262</td>
<td>0.094</td>
<td>2.666</td>
<td>0.046</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mod. Effect 1 → EI</td>
<td>0.390</td>
<td>0.377</td>
<td>0.155</td>
<td>2.513</td>
<td>0.048</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mod. Effect 2 → EI</td>
<td>-0.342</td>
<td>-0.361</td>
<td>0.178</td>
<td>1.992</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mod. Effect 3 → EI</td>
<td>0.025</td>
<td>0.013</td>
<td>0.103</td>
<td>0.240</td>
<td>0.019</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### CONCLUSION

The results of this research above are supported by previous research (Roy et al., 2017) which states that the basic factors of TPB have a positive and significant influence on entrepreneurial interest. In contrast to the results of the research above, Purusotamma (2019) stated in his research that statistically, the subjective norms do not have a significant influence on student entrepreneurial interest, in contrast to the attitude factor towards behavior and the impression of behavioral control which has a significant influence. Likewise, research from Al-Jubar (2019) and Arkorful et al. (2021) states the same thing. So from here, it can be said that the factors in this TPB have different influences on student entrepreneurial interests. This is understandable because of the complexity of the entrepreneurial ecosystem problem that supports the growth and development of entrepreneurial interests and competencies. There are other factors that can be identified that can mediate the high or low student entrepreneurship interest. Even three factors The basis of TPB is influenced by other antecedent factors. One of them is the influence of study experiences on college campuses which provide strengthens students' entrepreneurial insights.

Several further studies on entrepreneurial interest have integrated TPB with other contextual factors as a form of improvement from the shortcomings of this TPB analysis. In the context of...
higher education responsibilities, research by Rengiah & Sentosa (2014) attempts to link TPB analysis with university support and entrepreneurship education programs.

References


